As filed with the Securities and Exchange Commission on July 5, 2024

Registration No. 333-268469

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 10
TO

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 , 2024

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 have applied 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 45 of this prospectus.

	Price to Public	Underwriting Discounts and Commissions(1)	Proceeds to BKV Corporation
Per Share	$	$	$
Total	$	$	$

(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 , 2024.

Joint Book-Running Managers

Citigroup **Barclays**

Evercore ISI **Jefferies** **Wells Fargo Securities**

Co-Managers

TPH&Co. **Susquehanna Financial Group, LLLP** **Capital One Securities**

The date of this prospectus is , 2024.

BKV®

Straight.
Forward.
Energy.

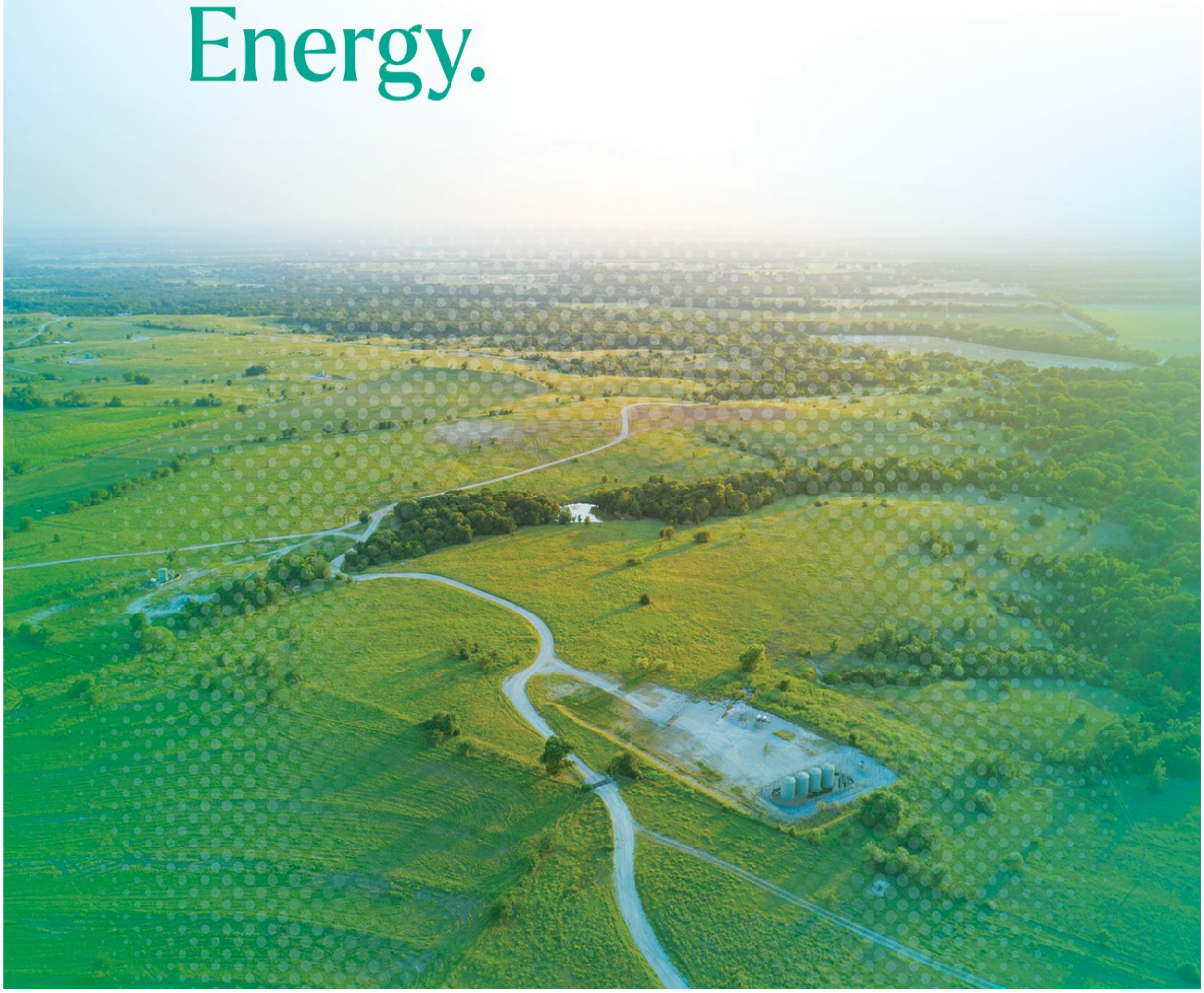


TABLE OF CONTENTS

Dealer Prospectus Delivery Obligation

Through and including , 2024 (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*."

Reverse Stock Split

On October 30, 2023, we completed a one-for-two reverse stock split. As a result of the reverse stock split, every two shares of our outstanding common stock were combined into and now represent one share of common stock, and fractional shares were paid out in cash. All shares of common stock issuable upon exercise of equity awards, as well as the applicable exercisable prices and weighted average fair value of the equity awards, and per share amounts contained throughout this prospectus have been retroactively adjusted.

Presentation of Financial, Reserves 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, 2023 or March 31, 2024, as applicable. The historical natural gas, NGL and oil reserves data presented in this prospectus as of December 31, 2023, 2022 and 2021 are based on the reserves 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 reserves 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.

"***developed 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 or (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.

"***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***," "***gross acreage***" or "***gross wells***" refers to the total acres, acreage 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 capital expenditures accrued for the development of natural gas properties (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.

"***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***" refers to those additional reserves that are less certain to be recovered than probable reserves. 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. 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. 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. 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. 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. 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.

"***probable reserves***" refers to 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. 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. 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. 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. Where direct observation has defined an 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.

"***proved developed non-producing reserves***" refers to proved developed reserves expected to be recovered from (i) completion intervals that are open at the time of the estimate but which have not yet started producing, (ii) wells which were shut-in for market conditions or pipeline connections, (iii) wells not capable of production for mechanical reasons or (iv) 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 each case, which production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well. While not a requirement for disclosure under SEC regulations, proved developed non-producing reserves have been sub-classified and calculated by Ryder Scott in accordance with the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers.

"***proved developed producing reserves***" or "***PDP reserves***" refers to quantities of proved developed reserves expected 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. While not a requirement for disclosure under SEC regulations, PDP reserves have been sub-classified and calculated by Ryder Scott in accordance with the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers.

"***proved reserves***" refers to 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. The area of the reservoir considered as proved includes: (i) the area identified by drilling and limited by fluid contacts, if any, and (ii) 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. 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. Where direct observation from well penetrations has defined an 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. 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. 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.

"***PUD reserves***" refers to proved undeveloped reserves.

"***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 estimated per Category 11 (Use of Sold Product), 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.

"***undeveloped 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. 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. 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. 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 or by other evidence using reliable technology establishing reasonable certainty.

"***Upstream Reinvestment Rate***" for any period refers to our total capital expenditures accrued for the development of natural gas properties (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, BNAC, 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 March 31, 2024.

"***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 Corporation.

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

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

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

"***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, which was dissolved on September 19, 2022, on which date all ownership interests in subsidiaries of BKV O&G were assigned to BKV Corporation.

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

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

"***BKV-BPP Cotton Cove***" or "***BKV-BPP Cotton Cove Joint Venture***" refers to BKV-BPP Cotton Cove, LLC, a Delaware limited liability company and the joint venture between BKV dCarbon Ventures and BPPUS, in which we own an indirect 51% interest.

"***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.

"***BKV-BPP Retail***" refers to BKV-BPP Retail, LLC, a Delaware limited liability company and wholly owned subsidiary of the BKV-BPP Power Joint Venture.

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

"***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 and a 49% interest in the BKV-BPP Cotton Cove Joint Venture.

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

"***Carbon Sequestered Gas***" refers to a Scope 1, 2 and 3 carbon neutral natural gas product.

"***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.

"***Devon Barnett Acquisition***" refers to our acquisition of more than 289,000 net acres, 3,850 producing operated wells and related upstream assets in the Barnett from Devon Energy Corporation, which closed in October 2020.

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

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

"***Exxon Barnett Acquisition***" refers to our acquisition of approximately 165,000 net acres, 2,100 operated wells and related natural gas upstream, midstream and other assets in the Barnett from XTO Energy, Inc. and Barnett Gathering LLC, subsidiaries of Exxon Mobil Corporation, which closed on June 30, 2022.

"***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.

"***High West***" refers to High West Sequestration, LLC, a Louisiana limited liability company and wholly owned subsidiary of BKV dCarbon Ventures.

"***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, Scope 2 and/or Scope 3 emissions, as applicable, from our owned and operated upstream businesses.

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

"***RBL Borrower***" refers to BKV Upstream Midstream, LLC, a wholly owned subsidiary of BKV Corporation.

"***RBL Credit Agreement***" refers to that certain reserve-based lending agreement dated as of June 11, 2024, among BKV Corporation, the RBL Borrower, Citibank, N.A., as administrative agent, and the financial institutions party thereto.

"***Responsibly Sourced Gas***" or "***RSG***" refers to natural gas produced from a well which has gone through Project Canary's TrustWell environmental assessment and verification process and has a current TrustWell rating.

"***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 owner's Scope 2 emissions. For every 1,000 kilowatt-hours of electricity produced by an eligible solar facility, one renewable energy credit and one compliance premium is awarded. The combination of a renewable energy credit and a compliance premium is known as an SREC. 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.

"***Temple II***" refers to a second combined gas turbine and steam turbine power plant located in Temple, Texas, which power plant sits on the same site as Temple I and is owned by the BKV-BPP Power Joint Venture.

"***Temple Plants***" refers to Temple I and Temple II, collectively.

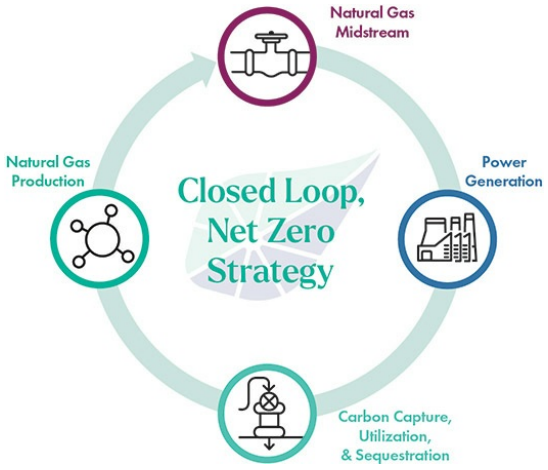
PROSPECTUS SUMMARY

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.

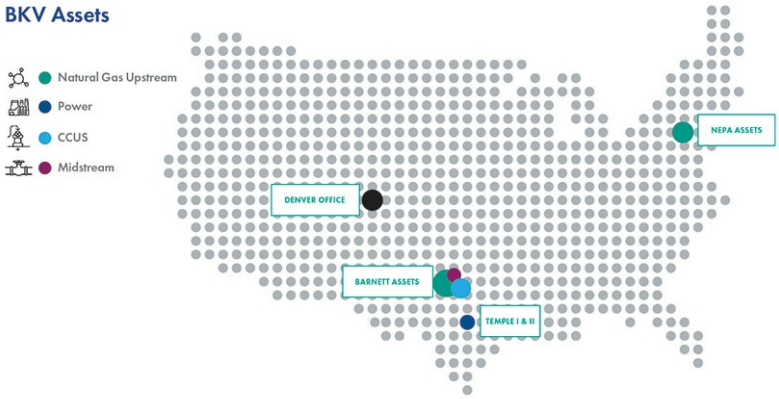
Our Company

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 are supported by 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 expect our owned and operated upstream and natural gas midstream businesses to achieve net zero Scope 1 and Scope 2 emissions by the early 2030s, and net zero Scope 1, 2 and 3 emissions by the late 2030s. We maintain a "closed-loop" approach to our net zero emissions goal through the operation of our four business lines. We are committed to vertically integrating portions of our business to reduce costs and improve overall commercial optimization of the full value chain. For instance, in the Barnett, our natural gas production is gathered and transported in part through our midstream systems and we commenced sequestration operations at our first CCUS project in November 2023. We expect our second CCUS project to commence sequestration activities by the end of 2025 and are evaluating a robust backlog of actionable CCUS opportunities. 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 emission reduction and energy impact goals.



Overview of BKV Assets

Natural Gas

	Net Production (MMcfe/d)	SEC 1P Reserves (Tcfe)	Producing Wells[1]	Net Acres
	Year Ended December 2023	As of December 2023	As of December 2023	As of December 2023
Barnett	718	3.7	6,614	460,000
NEPA	142	0.4	414	37,000
Total	860	4.1	7,028	497,000

Operated Midstream

	As of December 2023 Throughput (MMcf/d)	Pipeline Miles	Midstream Compressors
Barnett	233	778	65

Power

	Location	Heat Rate Btu/kWh	Capacity MW+
Temple I	Bell County, TX	6,904	752
Temple II	Bell County, TX	6,905	747

CCUS

Projects in Operation	Status	Initiation of Sequestration Operations	Forecasted Annual Sequestration Volumes (Mtpy CO_2e)[4]
Barnett Zero	Operating	November 2023	0.18
Potential Projects	**Status[2]**	**Forecasted Initiation of Sequestration Operations[3]**	**Forecasted Annual Sequestration Volumes (Mtpy CO_2e)[4]**
Cotton Cove	FID	Q1 2026	0.04
8 NGP Projects	Pre-FID	2025-2029	2.68
3 Industrial Projects	Pre-FID	2026-2027	11.15
4 Ethanol Projects	Pre-FID	2027-2029	2.56

(1) Includes producing wells in which BKV has an ORRI or Non-Operated Interest.
(2) We have not secured external financing, reached FID or entered into the definitive agreements necessary to execute any of the pre-FID projects identified above.
(3) Our projected timeline for commencement of sequestration operations at the Cotton Cove Project and all of the pre-FID projects identified above depends in part on our ability to fund the capital requirements for these potential projects through external funding and revenues from our upstream business, as well as a regulatory environment that is favorable to our projects and their development. See *Risk Factors—Risks Related to our CCUS Business.*
(4) We may not receive 100% of the environmental attributes associated with CCUS projects funded in whole or in part by third parties, and, in such cases, we expect to have the right to purchase such environmental attributes BKV would not otherwise receive. Ultimately, we will be able to apply only such portion of the sequestered emissions to offset our own GHG emissions that corresponds to the percentage of environmental attributes BKV receives or purchases.

Our Operations

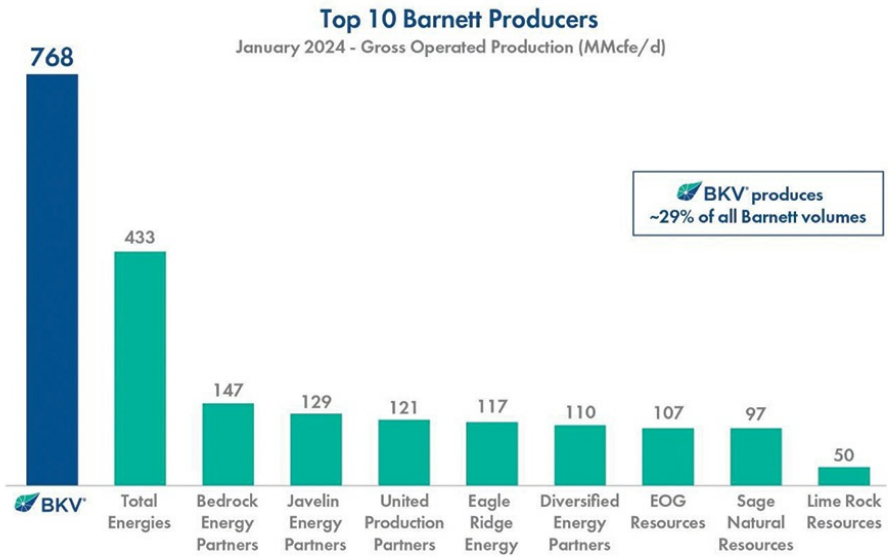
Natural Gas Production

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 upstream, midstream and power capital expenditure program 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 March 31, 2024, our total acreage position was approximately 496,000 net acres, 99% of which was held by production. For the three months ended March 31, 2024, our net daily production averaged 821.1 MMcfe/d, consisting of approximately 80% natural gas and approximately 20% NGLs. As of December 31, 2023, our total proved reserves of 4,094 Bcfe had an estimated 8.1% year-over-year average base decline rate over the next 10 years. We have more than 15 years of core inventory remaining, with attractive returns, based on a 1 to 1.5 rigs per year pace, including 99 proved undeveloped, 154 probable and 269 possible horizontal locations, and 501 proved developed non-producing, 618 probable and 334 possible refracture ("refrac") candidates. Based on current commodity prices, the capital investment required to hold production flat year-over-year is equal to less than approximately 68% of our Adjusted EBITDAX for the 2023 fiscal year. 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 165,000 net acres, 2,100 operated wells and related upstream, midstream and other assets in the Exxon Barnett Acquisition. As of March 31, 2024, our Barnett acreage position was approximately 460,000 net acres, which is approximately 99% held by production. Our average daily Barnett production of approximately 688.3 MMcfe/d for the three months ended March 31, 2024 consisted of 76% natural gas and 24% NGLs. We had an average working interest in our operated wells in the Barnett of approximately 96.9% as of December 31, 2023 and an Effective NRI in the Barnett of approximately 80.2%.

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 as of January 2024, which represent approximately 29% of the total Barnett production, and nearly double than that of the next largest producer in the Barnett for the month of January 2024.



We entered NEPA in 2016 and have subsequently scaled our position through 12 acquisitions. As of March 31, 2024, our acreage position was approximately 36,000 net acres, which is approximately 98.6% held by production. Our average net daily production of 132.8 MMcfe/d for the three months ended March 31, 2024 consisted entirely of natural gas. We had an average working interest in our operated wells in NEPA of 89.4%, as of December 31, 2023.

On June 14, 2024, we sold our wholly owned subsidiary, BKV Chaffee, which owned a non-operated interest in approximately 9,800 net acres and 116 gross (24.2 net) wells and 122 Bcfe of proved reserves in NEPA, as well as our interest in the Repsol Oil & Gas operated midstream system, for a purchase price of $106.7 million, subject to adjustment. On June 28, 2024, our wholly owned subsidiary, BKV Chelsea, sold certain of its non-operated upstream assets, including its interest in approximately 6,800 net acres and 214 gross (15.4 net) wells and 35 Bcfe of proved reserves in NEPA for a purchase price of $25.0 million, subject to adjustment. Following the consummation of such sales, we hold approximately 19,400 net acres in NEPA, approximately 98% of which is held by production.

In February 2023, we re-certified most of our production under the TrustWell environmental assessment program of Project Canary, an environmental certification and ESG data company. We achieved a Gold rating from Project Canary, the second highest rating a company can receive for its production, qualifying the certified portion of our natural gas production as Responsibly Sourced Gas ("RSG"). As part of its environmental assessment, Project Canary analyzes and certifies our production on a well by well basis. As of March 31, 2024, our entire NEPA production and approximately 45% of our Barnett production was re-certified. We intend to continue an environmental assessment of substantially all of our existing production. In addition, we intend to advance the market for our produced gas beyond RSG and its current certification towards "Carbon Sequestered Gas", a Scope 1, 2 and 3 carbon neutral natural gas product. We expect that production of Carbon Sequestered Gas will be achieved by bundling RSG with carbon credits sufficient to offset the estimated emissions associated with the production, gathering and boosting of such RSG, as well as the estimated emissions from its transmission, distribution (if applicable) and ultimate combustion, with the quantified emissions and the requisite volume of CCUS offsets being third-party certified. We have an agreement with a third party to establish the blockchain ledger and tokens; however, this process is dependent upon the development of the necessary technology by such third party. In addition, we expect to utilize the blockchain ledger and tokens with the American Carbon Registry, once that registry has been established. The carbon credits included in our Carbon Sequestered Gas will be generated by our CCUS projects, as

described below in "— *Path to Net Zero Emissions*" and retired against our Scope 1 and/or Scope 3 emissions. We believe Carbon Sequestered Gas could potentially provide a decarbonized, certified and qualified fuel and retired credits bundle that is a differentiated and premium product.

In August 2023, BKV entered into a contract with ENGIE Energy Marketing NA, Inc, a subsidiary of global energy utility ENGIE S.A. ("ENGIE"), for the sale and purchase of up to 10,000 MMBtu/day of our Carbon Sequestered Gas. The carbon credits included in our Carbon Sequestered Gas will be generated by our CCUS projects and will be third-party verified. Subject to completion of our certification process with the American Carbon Registry (see "— *Carbon Capture, Utilization and Sequestration*" below), we expect to begin delivery of Carbon Sequestered Gas by the end of 2024.

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, during the three months ended March 31, 2024, approximately 199 MMcf/d of our gross production (approximately 26% 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. We own and operate approximately 16 miles of natural gas gathering pipelines, 14 miles of freshwater distribution pipelines and six gas compression units in NEPA. As part of our sale of BKV Chaffee, we sold our minority non-operated ownership interest in a Repsol Oil & Gas operated midstream system in NEPA on June 14, 2024.

Power Generation

We have a 50% ownership interest in the BKV-BPP Power Joint Venture, which owns the Temple Plants, modern combined cycle gas and steam turbine power plants 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 and Temple II have annual average power generation capacities of 752 MW and 747 MW, respectively, and each power plant delivers power to customers on the ERCOT power network in Texas. Temple I and Temple II have baseload design heat rates of approximately 6,904 Btu/kWh and 6,950 Btu/kWh, respectively, which are below the ERCOT Combined Cycle Gas Turbines ("CCGT") average. The modern technology utilized at the Temple Plants enables them to respond to rapidly changing market signals in real time, ensuring the highest operational readiness during the time when electricity consumption peaks (in winter and summer), making the power plants 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 and 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, after receiving the necessary approvals from the Public Utility Commission of Texas (the "PUCT") and ERCOT, the BKV-BPP Power Joint Venture recently launched 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 ("BKV-BPP Retail"), under the brand name BKV Energy. Since its official launch in February 2023, BKV Energy has built a portfolio of over 58,000 customers and is licensed to serve throughout the deregulated portions of Texas.

Carbon Capture, Utilization and Sequestration

Through our CCUS business, we aim to reduce man-made GHG emissions to the atmosphere 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 for secure geologic sequestration. Additionally, we have engaged Project Canary to analyze and report the CO_2e injection volumes and environmental attributes of our sequestration projects, and we are working with the American Carbon Registry to certify and register the environmental attributes associated with our CCUS projects as tradeable carbon credits.

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 since early 2021. The development of our CCUS business has progressed rapidly, supported by internal geology, engineering, operations, business development, land, regulatory and other professionals, along with academics and CCUS-focused partnerships. We believe that with a continued and timely execution of our business plans, the Barnett Zero Project could begin generating positive net income via tax credits in 2024. We expect to fund up to 50% of our CCUS business from a variety of external sources, which may include joint ventures, project-based equity partnerships and federal grants, with the remaining capital needs being funded with cash flows from operations. The projected timeline for commercial operations and the generation of positive CCUS business revenue and positive earnings depends, in part, on our ability to fund the anticipated capital requirements for the potential projects that we have identified and described below through external funding and revenues from our upstream business, as well as on our ability to receive our portion of the anticipated Section 45Q tax credits associated with these projects. We may not receive 100% of the Section 45Q tax credits associated with projects funded by third parties and, in such cases, will receive only a corresponding percentage of the anticipated Section 45Q tax credits associated with such projects.

We seek to execute CCUS projects with attractive standalone economics and the ability to sequester emissions from both our own operations and from third-party operations. For example, we plan to target CCUS projects with high concentration CO_2 streams where revenue, taking into account tax incentives, less cash operating expense would generally be expected to be between $40 and $70 per metric ton of sequestered CO_2e for the first six years of commercial operations for projects owned by BKV. We may also provide development and support services for third-party owned CCUS projects on a fee-for-service model, although such projects will not be included in our path to net zero.

As part of our "closed-loop" approach to our net zero emissions goal, we expect to apply a portion of the CO_2 emissions that are sequestered through our CCUS business to offset GHG emissions from our owned and operated upstream and natural gas midstream businesses. We may not receive 100% of the environmental attributes associated with CCUS projects funded in whole or in part by third parties, and, in such cases, we expect to have the right to purchase such environmental attributes BKV would not otherwise receive. Ultimately, we will be able to apply only such portion of the sequestered emissions to offset our own GHG emissions that corresponds to the percentage of environmental attributes BKV receives or purchases. We expect our CCUS business to contribute in significant part to our goals to fully offset our Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses by the early 2030s, and our Scope 1, 2 and 3 emissions from our owned and operated upstream and natural gas midstream businesses by the late 2030s. See "*— Path to Net Zero Emissions*" below for a description of how we estimate our Scope 1, 2 and 3 annual emissions and how we expect our CCUS business to contribute to the offset of those emissions.

CCUS Projects

Currently, we have one operational CCUS project and are pursuing sixteen additional potential CCUS projects that we believe are commercially viable based on economics supported by enhanced Section 45Q tax credits and that we believe can be completed by the late 2030s. We have entered into various letters of intent and definitive contracts that we expect to grant us carbon storage and sequestration rights on over 44,000 acres of leased pore space across seven distinct projects located in three states, with total reservoir storage capacity of over 1 billion metric tons of CO_2e. We have filed applications to seek Class VI permits for two of these pore space locations, one of which is in the State of Louisiana. The EPA recognized our permit applications as being administratively complete in January 2024 and February 2024, respectively, and then transferred our permit application applicable to the Louisiana pore space location to the State of Louisiana, which assumed primacy for Class VI well permitting. The EPA expects to complete its technical

review of our other permit application by September 2025. Our projected timeline for commercial operations of these sixteen projects depends in part on our ability to fund the capital requirements for these potential projects through external funding and revenues from our upstream business. Our timeline also depends on a regulatory environment that is favorable to our projects and their development. Our potential projects can be placed into six categories: (i) operational projects, (ii) projects that have reached FID, but are not yet operational, (iii) identified NGP projects under evaluation, (iv) identified industrial projects under evaluation, (v) identified ethanol projects under evaluation, and (vi) other potential projects that have been identified but not yet sufficiently evaluated. We have achieved notable milestones with respect to several of the seventeen projects within the first five categories, as more fully described below.

Project	Status[1]	Actual or Forecasted Initiation of Sequestration Operations[2]	Forecasted Annual Sequestration Volumes (Mtpy CO_2e)[3]
Barnett Zero	Operating	November 2023	0.18
Cotton Cove	FID	Q1 2026	0.04
8 NGP Projects	Pre-FID	2025 – 2029	2.68
3 Industrial Projects	Pre-FID	2026 – 2027	11.15
4 Ethanol Projects	Pre-FID	2027 – 2029	2.56

(1) We have not secured external financing, reached FID or entered into the definitive agreements necessary to execute any of the pre-FID projects identified above.

(2) Our projected timeline for commencement of sequestration operations at the Cotton Cove Project and all of the pre-FID projects identified above depends in part on our ability to fund the capital requirements for these potential projects through external funding and revenues from our upstream business, as well as a regulatory environment that is favorable to our projects and their development. See "*Risk Factors — Risks Related to Our CCUS Business.*"

(3) We may not receive 100% of the environmental attributes associated with CCUS projects funded in whole or in part by third parties, and, in such cases, we expect to have the right to purchase such environmental attributes BKV would not otherwise receive. Ultimately, we will be able to apply only such portion of the sequestered emissions to offset our own GHG emissions that corresponds to the percentage of environmental attributes BKV receives or purchases.

Operational Projects

Barnett Zero Project. In November 2023, our first CCUS project, which we refer to as the Barnett Zero Project, commenced commercial sequestration of CO_2 waste generated by EnLink's Bridgeport natural gas processing plant and neighboring operations. In the Barnett Zero Project, EnLink transports our natural gas produced in the Barnett to its natural gas processing plant in Bridgeport, Texas, where the CO_2 waste stream is captured, compressed and then disposed of and sequestered via our nearby injection well. The Barnett Zero Project is an NGP project that separates CO_2 from substantially all of our EnLink-gathered natural gas production. We initially reached FID and entered into a definitive agreement with EnLink for the Barnett Zero Project in June 2022, subsequently drilled a Class II well that complies with standards applicable to Class VI wells, obtained EPA-approval of our Monitoring, Reporting and Verification Plan, as required by the Greenhouse Gas Reporting Program, and commenced operations with first injection in November 2023. We expect the Barnett Zero Project to achieve an average sequestration rate of approximately 185,000 metric tons of CO_2e per year and to require a total investment by us of approximately $36.0 million, of which $34.0 million has been invested as of December 31, 2023.

We intend to use the Barnett Zero Project as a prototype for modular NGP projects that can be repeated and quickly scaled. We are currently progressing eight NGP projects based on this model and anticipate that these projects will reach FID at various points in 2025 through 2029.

FID Projects

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 midstream assets to do so. We have multiple pore space opportunities for CO_2 injection, and we estimate the Cotton Cove Project will geologically sequester up to approximately 40,000 metric tons of CO_2 per year. The Cotton Cove Project is held through BKV-BPP Cotton Cove LLC ("BKV-BPP Cotton Cove" or the "BKV-BPP Cotton Cove Joint Venture"), a joint venture owned 51% by BKV dCarbon Ventures and 49% by BPPUS. We currently estimate the total investment required for the Cotton Cove Project to be approximately $17.6 million, of which we will be required to contribute approximately $9.0 million and under the terms of an agreement with BPPUS, we expect to be entitled to use 100% of the environmental attributes associated with such volumes towards our net zero goals. We are targeting commencement of CO_2 sequestration activities by the end of 2025, 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, in addition to the Barnett Zero Project. Additionally, BKV dCarbon Ventures will manage the BKV-BPP Cotton Cove Joint Venture and leverage our existing organization to provide marketing, engineering, finance, operations, project management, accounting and other administrative services to the BKV-BPP Cotton Cove Joint Venture, in each case for an annual fee plus expenses. For additional information about the BKV-BPP Cotton Cove Joint Venture, see "*Certain Relationships and Related Party Transactions — BKV-BPP Cotton Cove Joint Venture — BKV-BPP Cotton Cove Limited Liability Company Agreement.*"

We are also evaluating expansion of the Barnett Zero and Cotton Cove Projects 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 natural gas midstream and/or other nearby processing operations. As part of this process, we intend to capture CO_2e from sources such as compressor exhaust flues and utilize compressor waste heat to reduce energy requirements and cost.

NGP Projects

We have identified eight potential NGP projects that we anticipate will achieve FID and commence initial sequestration operations at various points in 2025 through 2029. If approved and implemented, we anticipate that these eight projects would sequester third-party emissions, require a total capital investment by us of approximately $440.0 million by December 31, 2029 and thereafter provide a combined forecasted annual sequestration volume of approximately 2.68 million metric tons per year of captured CO_2e.

A significant portion of the carbon capture infrastructure necessary to execute these eight potential NGP projects already exists. For example, we entered into definitive agreements for pore space leasehold that would provide approximately 45 million metric tons of CO_2e sequestration capacity for one project, and, in connection with our development of another project, entered into a definitive agreement with a local emitter for the transfer and purchase of the CO2 waste stream from its natural gas processing plant. Therefore, if approved at FID, and assuming we are able to execute definitive agreements on the terms and timeline we believe are obtainable and secure sufficient external funding, we expect these projects to start sequestration operations before December 31, 2029.

Industrial Projects

We are currently evaluating three potential medium to higher concentration industrial projects to sequester third-party emissions, which we anticipate will reach FID in 2025 and 2026. If approved and implemented, these three projects would provide a combined forecasted annual sequestration volume of approximately 11.15 million metric tons per year of captured CO_2e.

Pore space leaseholds have been secured for all three of these projects, including one covering approximately 21,000 acres of state-owned land in Louisiana, which project we refer to as the High West Project.

In August 2023, High West Sequestration, LLC ("High West"), a wholly owned subsidiary of BKV dCarbon Ventures, entered into a carbon sequestration agreement with the State of Louisiana to develop facilities and permanently sequester CO_2 from local third-party emissions sources. The State of Louisiana granted High West the carbon storage and sequestration rights on approximately 21,000 acres of land in St.

Charles and Jefferson Parishes. The acreage is in an ideal location for targeted carbon capture and sequestration efforts, with an estimated 22 Mtpy CO_2e of potential capture and sequestration located within a 20 mile radius from various emissions points. In addition, the storage site has a large CO_2 storage potential, estimated to be between 140 to 1,000 Mtpy CO_2, subject to further evaluation, planning and development design decisions. Under the agreement, High West will dispose of CO_2e waste from local third-party emissions sources through permanent sequestration via injection wells on the designated acreage. This project, which we refer to as the High West Project, is expected to reach FID by the end of 2024. BKV dCarbon Ventures engaged NuQuest Energy, LLC to provide CCUS marketing and development services for the High West Project.

We have filed applications to seek Class VI permits for two of these industrial projects, one of which is in the State of Louisiana. The EPA recognized our permit applications as being administratively complete in January 2024 and February 2024, respectively, and then transferred our permit application applicable to the Louisiana pore space location to the State of Louisiana, which assumed primacy for Class VI well permitting. The EPA expects to complete its technical review of our other permit application by September 2025. We also anticipate that a Class VI permit application for the third project will be submitted by August 2024. If each of these projects is approved at FID, and we are able to secure sufficient external financing and assuming definitive agreements are timely executed containing terms we believe are obtainable, we expect to initiate sequestration operations between 2026 and 2027. Verde CO_2 has the option to purchase up to a 5% minority economic interest in two of these potential industrial projects and, to the extent it exercises such option, would be entitled to a pro rata share of the Section 45Q tax credits associated with the CCUS projects in which it invests.

Ethanol Projects

We have identified four potential ethanol projects that we anticipate will achieve FID and commence initial sequestration operations at various points during 2027 through 2029. If approved and implemented, we anticipate that these four projects would sequester third-party emissions, require a total capital investment by us of approximately $680 million by December 31, 2029, and thereafter provide a combined forecasted annual sequestration volume of approximately 2.56 million metric tons per year of captured CO_2e.

If each of these projects is approved at FID and assuming we are able to execute definitive agreements on the terms and timeline we believe are obtainable and secure sufficient external funding, we expect to begin sequestration operations between 2027 and 2029.

In addition to these sixteen identified potential projects, we are currently evaluating more than ten early-stage project opportunities that are aligned with our high concentration strategy but are not yet sufficiently evaluated to determine potential sequestration volumes, geologic feasibility or timeline of completion. In the event a potential project listed above is not progressed for any reason, including failure to FID, or additional funding provides for greater capacity to complete projects, we may further evaluate and develop one or more of these early-stage project opportunities.

Our CCUS business of capturing and sequestering emissions from our operations and from operations of third parties is a critical component of our "closed-loop" approach to achieving our goal of net zero Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses by the early 2030s and Scope 1, 2 and 3 emissions from our owned and operated upstream and natural gas midstream businesses by the late 2030s. We expect to continue to identify and evaluate additional CCUS projects and we believe that we will be able to complete a sufficient number of the above-described or other CCUS projects in order to meet our Scope 1, 2 and 3 emissions goals. See "— *Path to Net Zero Emissions*" for a more detailed description of how we anticipate reaching our Scope 1, 2 and 3 emissions goals.

However, we have not secured external financing, reached FID or entered into the definitive agreements necessary to execute any of the pre-FID projects identified above, and there can be no guarantee that we will be able to execute and operate any of the sixteen identified potential 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. There can be no assurance that any of the sixteen identified CCUS projects discussed above, the Barnett Zero Project or any other CCUS project will achieve the forecasted sequestration volumes, and we may not commence sequestration operations for any of the projects identified

above by the anticipated timeframe, or at all. Furthermore, we may not receive 100% of the environmental attributes associated with CCUS projects funded in whole or in part by third parties, and, in such cases, we expect to have the right to purchase such environmental attributes BKV would not otherwise receive. Ultimately, we will be able to apply only such portion of the sequestered emissions to offset our own GHG emissions that corresponds to the percentage of environmental attributes BKV receives or purchases. While we may consider alternatives to offset our owned and operated upstream and natural gas midstream emissions (including the purchase of verified offset credits) in order to meet our Scope 1, 2 and 3 emissions goals, ultimately, we may not be able to achieve our goals of net zero Scope 1 and 2 emissions from our owned and operated upstream businesses and natural gas midstream by the early 2030s or net zero Scope 1, 2 and 3 emissions from our owned and operated upstream businesses and midstream businesses by the late 2030s.

We estimate the aggregate investment required to develop the seventeen identified actual and potential CCUS projects to be between approximately $1.3 – 1.8 billion between now and the end of 2030. We anticipate that some of these project costs will be borne by third-party investors in these projects, including owners of sources of CO_2e, landowners and other stakeholders. In order to achieve the projected timeline for commercial operations of such projects, we expect to fund the anticipated cost of these CCUS projects with a combination of up to 50% from third party sources, which may include joint ventures, project-based equity partnerships and federal grants, with the remaining capital needs being funded with cash flows from operations. 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. Therefore, if sufficient external funding is not available, then we would expect to continue to develop our CCUS business from cash flows from operations on a less accelerated timeline, which may result in an inability to achieve our Scope 1, 2 and 3 emissions goals on the timeline we anticipate.

Our CCUS business and all of our CCUS projects are in the early stages of development. Although we commenced commercial operations with the initial injection of CO_2 waste at the Barnett Zero Project on November 13, 2023, and have reached FID and entered into definitive agreements with respect to the Cotton Cove Project, we have not reached FID with respect to or entered into the definitive agreements necessary to execute any of the other fifteen potential projects identified above. We may not be able to reach agreements on terms acceptable to us or achieve our projected timeline for commercial operations for these projects. In addition, the development of our CCUS business is expected to require material capital investments, and the projected timeline for commercial operations depends on our ability to fund the anticipated capital requirements for the potential projects that we have identified through external funding and revenues from our upstream business. Furthermore, the commercial viability of our CCUS projects depends, in part, on obtaining necessary permits and other regulatory approvals and on our ability to receive our portion of the anticipated Section 45Q tax credits associated with these projects. In particular, we must meet certain wage and apprenticeship requirements in order to qualify for enhanced Section 45Q tax credits. For more information about the risks involved in our CCUS business, see "*Risk Factors — Risks Related to Our CCUS Business.*"

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.

Path to Net Zero Emissions

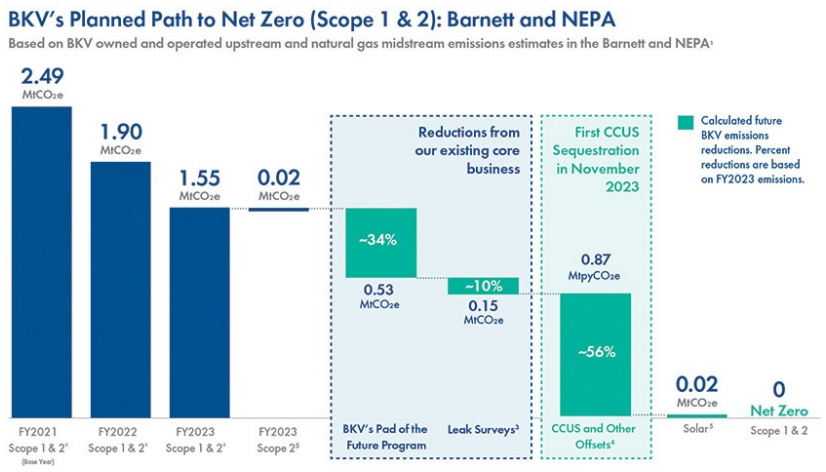
We conducted an initial assessment of our annual Scope 1 and 2 emissions from our owned and upstream businesses as of December 31, 2021, and subsequently updated that assessment for the upstream and natural gas midstream businesses acquired through the Exxon Barnett Acquisition in 2022 to establish an emissions baseline of 2.49 Mtpy CO_2e annual Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses as of December 31, 2021. Our assessments did not address our GHG emissions from our other business operations.

We have made progress in the reduction of our annual Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses since December 31, 2021. We estimate that our Scope 1 and 2 annual emissions from our owned and operated upstream and natural gas midstream businesses were approximately 1.9 Mtpy CO_2e as of December 31, 2022 and 1.55 Mtpy CO_2e as of December 31, 2023, reflecting a reduction of approximately 0.9 Mtpy CO_2e from our baseline emissions assessment established as of December 31, 2021. This reduction is due primarily to the implementation of our "Pad of the Future" and leak detection and repair programs, which began in the fourth quarter of 2021 and occurred throughout 2022 and 2023. During this time frame, our "Pad of the Future" program has eliminated 0.52 Mtpy CO_2e, or 21%, of our annual Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses, and improvements in our emission quantification methods and the implementation of site-level leak detection and repair programs have resulted in the elimination of an additional 0.42 Mtpy CO_2e, or 17%, of our annual Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses. In total, this represents a 0.94 Mtpy CO_2e or 38% reduction of our annual GHG emissions from our baseline emissions assessment established as of December 31, 2021.

Our emissions estimates presented in this prospectus are based on information with respect to our owned and operated upstream and natural gas midstream businesses in the Barnett and NEPA through fiscal year 2023 and reported by BKV pursuant to the Subpart C and Subpart W, as applicable, requirements of the federal Clean Air Act GHG reporting program regulations of the EPA. These estimates will be updated annually to reflect any changes in activity, inventory, production throughput and emissions reduction retrofits or equipment modifications.

We estimate that our annual Scope 3 emissions from our owned and operated upstream and natural gas midstream businesses were approximately 18.7 Mtpy CO_2e as of December 31, 2023. These Scope 3 emissions are currently estimated in accordance with IPIECA's "Sustainability reporting guidance for oil and gas industry," dated March 2020. Specifically, Scope 3 emissions are estimated per the Greenhouse Gas Protocol's "Corporate Value Chain (Scope 3) Accounting and Reporting Standard," released in 2011, under Category 11 (Use of Sold Product). Scope 3 emissions estimated using source Category 11 represent the majority of Scope 3 emissions from our owned and operated upstream and natural gas midstream 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 uses 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 annual Scope 3 CO_2e emissions are estimated at an approximated year-end net production volume of 942 MMcfe/d of natural gas (approximately 85% methane, 5% ethane and 10% other) and approximately 139.4 MBbls of NGLs (or approximately 2 MMcfe/d), as reported to the EPA for Subpart W. Our NGL constituents are estimated based on average constituent NGL barrel. Allocating the entire 944 MMcfe/d towards combustion as the end use, applying suitable combustion emission factors from the EPA, and using AR4 GWPs, Scope 3 annual emissions from our owned and operated upstream operations are estimated to be approximately 18.7 Mtpy CO_2e. We currently engage third party consultants to develop and review our Scope 3 emissions estimates.

The charts below reflect (i) our estimated annual Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses as of December 31, 2023, and (ii) our estimated annual Scope 3 emissions from our owned and operated upstream and natural gas midstream businesses as of December 31, 2023. These two charts also reflect our intended path to net zero Scope 1 and 2 emissions by the early 2030s and net zero Scope 1, 2 and 3 emissions by the late 2030s, in each case, for our owned and operated upstream and natural gas midstream businesses. These charts do not address our GHG emissions from our other business operations. As part of our "closed-loop" approach to our emissions goals, we intend to achieve these goals through our "Pad of the Future" emissions reductions, reductions attributable to emissions monitoring and leak surveys, emissions offsets from the retirement of SRECs generated by the BKV-BPP Power Joint Venture's planned solar facility and executing CCUS projects to sequester our and third-party emissions.



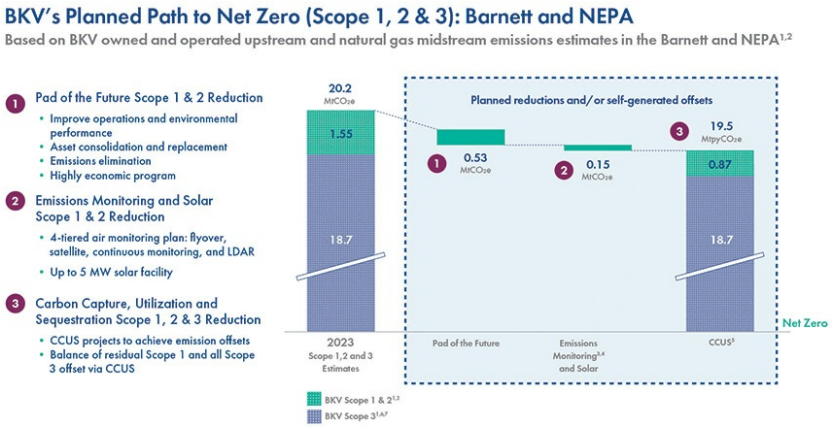
(1) These emissions estimates are based solely on our owned and operated upstream and natural gas midstream businesses. These emissions estimates do not reflect our GHG emissions from our other business operations, namely our CCUS operations and our power generation business through the BKV-BPP Power Joint Venture.

(2) Scope 1 calculated emissions are based on those reported to US EPA per Subpart W.

(3) Emissions surveys accomplished per US EPA Subpart W to reduce emissions.

(4) We achieved first injection of CO_2 waste at the Barnett Zero Project in November 2023.

(5) Retirement of the SRECs generated by the BKV-BPP Power Joint Venture's planned 2.5 MW to 5 MW solar facility is expected to offset up to 32% of current scope 2 emissions. The BKV-BPP Power Joint Venture has constructed a 2.5 MW solar facility, which will soon be operational and is in the process of obtaining permits for the remaining 2.5 MW. BKV expects to purchase the SRECs generated by the solar facility or will purchase off of the market to offset Scope 2 emissions.



(1) These emissions estimates are based solely on our owned and operated upstream and natural gas midstream businesses. These emissions estimates do not reflect our GHG emissions from our other business operations, namely our CCUS operations and our power generation business through the BKV-BPP Power Joint Venture.

(2) Scope 1 and 2 calculated emissions are based on 791 MMscf/d production volume for 2023 Subpart W in the Barnett and 151 MMscf/d production volume for 2023 Subpart W in NEPA.

(3) Emissions surveys accomplished per US EPA Subpart W to reduce emissions.

(4) We achieved first injection of CO_2 waste at the Barnett Zero Project in November 2023.

(5) Retirement of the SRECs generated by the BKV-BPP Power Joint Venture's planned 2.5 MW to 5 MW solar facility is expected to offset up to 32% of current scope 2 emissions. The BKV-BPP Power Joint Venture has constructed a 2.5 MW solar facility, which will soon be operational and is in the process of obtaining permits for the remaining 2.5 MW. BKV expects to purchase the SRECs generated by the solar facility or will purchase off of the market to offset Scope 2 emissions.

(6) Scope 3 calculated emissions are based on an estimated net production rate of approximately 944 MMcfe/d (approximately 944 MMscf/d of natural gas and 2 MMscfe/day of NGLs) as reported to US EPA for CY 2023 Subpart W.

(7) Scope 3 calculated emissions are estimated assuming combustion-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 sold 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)

Pad of the Future. 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 December 31, 2023, we had implemented elements of our "Pad of the Future" program on approximately 3,200 of our existing wells and we have successfully completed the implementation of the "Pad of the Future" program for our upstream owned and operated assets in NEPA. As a result, as compared to our 2021 baseline assessment, we have achieved a reduction in our estimated annual GHG emissions of approximately 0.52 Mtpy CO_2e per year. 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 plan to implement elements of our "Pad of the Future" program on more than 6,000 of our existing wells (more than 16,500 pneumatic devices and 3,000 pneumatic pumps) by the end of 2027 for an aggregate estimated cost of approximately $35 to $40 million. Once this expansion is completed, we expect to eliminate approximately 1.0 Mtpy CO_2e of the currently estimated Scope 1 annual emissions from our owned and operated upstream and natural gas midstream businesses.

Emissions Monitoring and Solar. 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 purchase the SRECs generated by the BKV-BPP Power Joint Venture's planned 2.5 MW to 5 MW solar facility, which is scheduled to begin construction and generating power in 2024. The BKV-BPP Power Joint Venture has obtained permits for and is constructing 2.5 MW and is in the process of obtaining permits for the remaining 2.5 MW. Solar facilities may be subject to increasingly arduous regulatory requirements, including additional permitting requirements. 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 BKV-BPP Power Joint Venture's planned solar facility is expected to generate SRECs to offset up to 32% of current GHG emissions. The SRECs BKV expects to purchase and retire are reflected in the charts above as neutralizing a portion of our annual Scope 2 emissions from purchased energy for our owned and operated upstream and natural gas midstream business.

CCUS. Further, as discussed under "— *Carbon Capture, Utilization and Sequestration*" above, we believe that the Barnett Zero Project, together with the Cotton Cove Project and the eight NGP projects, three industrial projects and four ethanol projects for the capture and sequestration of third-party emissions that we have identified, have a combined annual forecasted sequestration volume of approximately 16.61 Mtpy CO_2e by the end of 2029, which is greater than the approximately 0.87 Mtpy CO_2e annual Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses that we currently estimate will remain after taking into account the expected emissions reductions and offsets from our

"Pad of the Future" program, emissions monitoring and leak surveys and the retirement of SRECs generated by the BKV-BPP Power Joint Venture's planned solar facility that we expect to purchase. Although we have not secured external financing, reached FID or entered into the definitive agreements necessary to execute any of the eight NGP projects, three industrial projects or four ethanol projects we have identified, we expect these projects to reach FID and commence sequestration operations by the end of 2029. A significant portion of the carbon capture infrastructure necessary to execute the NGP projects already exists and, as discussed above, we continue to accomplish important milestones consistent with our projected timeline. If approved at FID, and assuming we are able to execute definitive agreements on the terms and timeline we believe are obtainable and secure sufficient external funding, we expect these projects to start sequestration operations before December 31, 2029.

If we are unable to complete these fifteen projects and the Cotton Cove Project before December 31, 2029, or enter into commercial agreements in connection with these projects that result in BKV receiving less than 100% of the associated emissions offsets, carbon credits or other environmental attributes, we may still reach our Scope 1 and 2 emissions goals with less than all of these projects completed, as the annual forecasted sequestration volume of (i) the Barnett Zero Project is 185,000 metric tons of captured CO_2e per year, (ii) the Cotton Cove Project is 40,000 metric tons of captured CO_2e per year, (iii) the eight potential NGP projects is an aggregate 2.86 million metric tons of captured CO_2e per year, (iv) the three potential industrial projects is an aggregate 11.15 million metric tons of captured CO_2e per year and (v) the four potential ethanol projects is an aggregate 2.56 million metric tons of captured CO_2e per year.

However, we have not secured external financing, reached FID or entered into the definitive agreements necessary to execute any of the pre-FID projects identified above, and there can be no guarantee that we will be able to execute and operate any of the sixteen identified potential 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. There can be no assurance that any of the potential projects we have identified or the Barnett Zero Project will achieve forecasted sequestration volumes, and we may not commence sequestration operations for any of the potential projects identified above by the anticipated timeframe, or at all. Furthermore, we may not receive 100% of the environmental attributes associated with CCUS projects funded in whole or in part by third parties, and, in such cases, we expect to have the right to purchase such environmental attributes BKV would not otherwise receive. Ultimately, we will be able to apply only such portion of the sequestered emissions to offset our own GHG emissions that corresponds to the percentage of environmental attributes BKV receives or purchases. While we may consider alternatives to offset our owned and operated upstream and natural gas midstream emissions (including the purchase of verified offset credits) in order to meet our Scope 1 and 2 emissions goals, ultimately, we may not be able to achieve our goals of net zero Scope 1 and 2 emissions from our owned and operated upstream businesses and natural gas midstream by the early 2030s.

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

We also aspire to offset the annual Scope 3 emissions impact of our owned and operated upstream and natural gas midstream businesses by the late 2030s, which we estimate to be approximately 18.7 Mtpy CO_2e annually as of December 31, 2023. Our CCUS business of capturing and sequestering our and third-party emissions is a critical component to achieving this net zero goal. This aspiration to offset the Scope 3 emissions of our owned and operated upstream and natural gas midstream businesses by the late 2030s is limited to our Category 11 (Use of Sold Product) emissions, which we believe represents a significant portion of the overall Scope 3 emissions from our owned and operated upstream and natural gas midstream businesses. However, our Scope 3 emissions estimate does not include our GHG emissions from our other business operations, namely our CCUS and power generation businesses.

As discussed in "— *Carbon Capture, Utilization and Sequestration*," above, we are currently operating the Barnett Zero Project and have identified sixteen potential CCUS projects that we believe are commercially viable and estimate would have a combined forecasted annual volume of carbon capture and sequestration of approximately 16 Mtpy CO_2e, which represents approximately 79% of our current Scope 1, 2 and 3 annual emissions from our owned and operated upstream and natural gas midstream businesses, and represents approximately 82% of our current Scope 1, 2 and 3 annual emissions from our owned and operated upstream and natural gas midstream businesses after taking into account the expected emissions reductions and

offsets from our "Pad of the Future" program, emissions monitoring and leak surveys and the retirement of SRECs generated by the BKV-BPP Power Joint Venture's planned solar facility that we expect to purchase. In addition, we have identified and are currently evaluating more than ten early-stage project opportunities that are aligned with our high concentration strategy, but are not yet sufficiently evaluated to determine potential sequestration volumes, geologic feasibility or timeline of completion. In the event a potential project is not progressed for any reason, including failure to FID, or additional funding provides for greater capacity to complete projects, we may further evaluate and develop one or more of these early-stage project opportunities. We will continue to evaluate and identify potential CCUS project opportunities consistent with our goal of offsetting our annual Scope 1, 2 and 3 emissions from our owned and operated upstream and natural gas midstream businesses by the late 2030s. However, we may not receive 100% of the environmental attributes associated with CCUS projects funded in whole or in part by third parties, and, in such cases, we expect to have the right to purchase such environmental attributes BKV would not otherwise receive. Ultimately, we will be able to apply only such portion of the sequestered emissions to offset our own GHG emissions that corresponds to the percentage of environmental attributes BKV receives or purchases.

Large scale CCUS projects are subject to numerous risks and uncertainties, including securing third-party financing, 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, including the projects for which we have reached FID, on the timeline we anticipate, on terms acceptable to us or at all. There can be no guarantee that we will be able to execute and complete any of these identified CCUS projects and there can be no guarantee that we will be able to achieve our net zero Scope 1, 2 and 3 emissions goals. The projected timeline for commercial operations of our CCUS projects depends in part on our ability to fund the anticipated capital requirements for the potential projects that we have identified through up to 50% third party equity or debt funding together with revenues from our upstream business. If sufficient external funding is not available, then we would expect to continue to develop our CCUS business from cash flows from operations on a less accelerated timeline. If we are not able to complete CCUS projects having a sufficient forecasted volume of carbon capture to offset our Scope 1, 2 and 3 annual 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 and natural gas midstream businesses by the late 2030s.

In addition, our path to net zero solely addresses GHG emissions relating to our owned and operated upstream and natural gas midstream businesses and does not address GHG emissions from our other business operations, namely our CCUS and power generation businesses. Our power generation business is operated through the BKV-BPP Power Joint Venture, which owns the Temple Plants. Although we believe our current path to net zero will be sufficient to reduce emissions related to our existing owned and operated upstream and natural gas midstream businesses, the future growth or expansion of such businesses will result in additional GHG emissions. We believe our approach to reducing the emissions from our owned and operated upstream and natural gas midstream operations is repeatable and scalable. Through continued investment and expansion of our "Pad of the Future" program and our emissions and leak surveys, as well as additional CCUS and solar projects, we believe we will be able to offset any such additional emissions from our owned and operated upstream and natural gas midstream businesses 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:

- **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 or electric power instruments on existing pads, combined with emission and leak surveys, is expected to eliminate or reduce approximately 1.05 Mtpy CO_2e of our annual GHG emissions by the end of 2027. Our "Pad of the Future" application also improves pad efficiencies and operating revenue. We have also improved pad efficiencies and reduced lease operating costs

through improvements including leveraging of data analytics to coordinate the workforce, prioritize high-value activity, and assess individual well profitability; automating critical plunger set points; in-sourcing key services such as slick-line, value re-builds, compression overhaul, and location repair and maintenance; as well as entering water share arrangements to reduce disposal and trucking cost. Through these process improvements, we reduced our operating costs for our operated NEPA assets by 30.9% for the trailing twelve months ended March 31, 2024, as compared to the trailing twelve months ended March 31, 2019, which period was represented the first year of our operatorship of the NEPA assets. Similarly, we reduced our operating costs for our Barnett assets by 11.6% for the trailing twelve months ended March 31, 2024, as compared to the trailing twelve months ended June 30, 2023, which period was represented the first year of our operatorship of the Barnett assets acquired from the Exxon Barnett Acquisition and the Devon Barnett Acquisition combined. Additionally, our refrac and long lateral drill programs have allowed us to organically grow our reserves base. As of December 31, 2023, our Barnett refrac program has added 317 Bcfe of proved reserves since its inception in early 2021, as well as an estimated 116 Bcfe of probable reserves and 77 Bcfe of possible reserves. As of December 31, 2023, our Barnett refrac program has an average of $0.57/Mcfe in finding and development costs with respect to proved reserves. 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 reserves recovery and economics from legacy Barnett wells. Our Barnett new well drilling program has added 645 Bcfe of proved reserves since our entry into the Barnett, with a total estimate of approximately 355 Bcfe of probable 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" emissions reduction strategy that reduces Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream 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 Reserves 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 resulting in a greater than 75% compound annual growth rate of Adjusted EBITDAX as of March 31, 2024. 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 40% and an Upstream Reinvestment Rate of less than 50%. We are focused on our goal of maintaining a conservative financial profile, with a long-term Total Net Leverage Ratio target of 1.0x to 1.5x. 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 between 1.0x and 1.5x 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 emissions from our owned and

operated upstream and natural gas midstream businesses by the early 2030s. We believe we can achieve this through reductions in and offsets to our owned and operated upstream and natural gas midstream emissions from our "Pad of the Future" emissions reductions program and emissions monitoring and leak surveys, the retirement of SRECs generated by the BKV-BPP Power Joint Venture's planned solar facility 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 owned and operated upstream and natural gas midstream businesses, CCUS for third parties has become a 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 offsetting Scope 3 emissions from our owned and operated upstream and natural gas midstream 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.
- **Deliver robust returns to stockholders.** We intend to prioritize delivering strong returns to our stockholders through our focus on creating stockholder value. 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. See "*Risk Factors — Risks Related to the Offering and Our Common Stock*."

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 460,000 net acres, with an approximately 80.2% Effective NRI, and are located in close proximity to key Gulf Coast industrial and LNG demand centers. Our NEPA assets consist of approximately 19,400 net acres (after giving effect to the sales of BKV Chaffee and certain assets held by BKV Chelsea) 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 8.1% year-over-year average base decline rate over the next 10 years as of December 31, 2023. Additionally, we have an inventory of over 15 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 emissions from our owned and operated upstream and natural gas midstream businesses by the early 2030s. We believe we have a comprehensive ESG program, which is overseen and directed by an executive ESG steering committee. In February 2023, we re-certified most of our production under the TrustWell environmental assessment program of Project Canary, an environmental certification and ESG data company. We achieved a Gold rating from Project Canary, the second highest rating a company can receive for its production, qualifying the certified portion of our natural gas production as Responsibly Sourced Gas ("RSG"). As part of its environmental assessment, Project Canary analyzes and certifies our production on a well by well basis. As of March 31, 2024, our entire NEPA production and approximately 45% of our Barnett production was re-certified. We intend to continue an environmental assessment of substantially all of our existing production. In addition, we intend to advance the market for our produced gas beyond RSG and its current certification towards Carbon Sequestered Gas, a Scope 1, 2 and 3 carbon neutral natural gas product. We expect that production of Carbon Sequestered Gas will be achieved by bundling RSG with carbon credits sufficient to offset the estimated emissions associated with the production, gathering and boosting of such RSG, as well as the estimated emissions from its transmission, distribution (if applicable) and ultimate combustion, with the quantified emissions and the requisite volume of CCUS offsets being third-party certified. We have an agreement with a third party to establish the blockchain ledger and tokens; however, this process is dependent upon the development of the necessary technology by such third party. In addition, we expect to utilize the blockchain ledger and tokens with the American Carbon Registry, once that registry has been established. The carbon credits included in our Carbon Sequestered Gas will be generated by our CCUS projects, as described in "*— Overview — Our Operations — Path to Net Zero Emissions,*" and retired against our Scope 1 and/or Scope 3 emissions. We believe Carbon Sequestered Gas could potentially provide a decarbonized, certified and qualified fuel and retired credits bundle that is a differentiated and premium product. Additionally, we have a plan to achieve net zero Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses by the early 2030s based on our "Pad of the Future" program, emissions monitoring and leak surveys and the retirement of SRECs generated by the BKV-BPP Power Joint Venture's planned solar facility and executing CCUS projects. However, if we are not able to complete CCUS projects having sufficient sequestration volumes of CO_2 on this timeline, we may consider alternatives to offset the Scope 1 and Scope 2 emissions from our owned and operated upstream and natural gas midstream businesses (including the purchase of verified offset credits from the BKV-BPP Power Joint Venture or third parties). Ultimately, we may not be able to achieve this goal, produce Carbon Sequestered Gas or obtain a premium on such gas (particularly to the extent there are any concerns regarding the type, ownership or quality of offsets or other environmental attributes used for our characterization of Carbon Sequestered Gas).
- **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.** Following the completion of this offering, we intend to continue to maintain a strong balance sheet and fund our upstream, midstream and power 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

Dispositions

- **Sales of BKV Chaffee and BKV Chelsea Assets**. On June 14, 2024, we sold our wholly owned subsidiary, BKV Chaffee, which owned a non-operated interest in approximately 9,800 net acres and 116 gross (24.2 net) wells and 122 Bcfe of proved reserves in NEPA, as well as our interest in the Repsol Oil & Gas operated midstream system, for a purchase price of $106.7 million, subject to adjustment. On June 28, 2024, our wholly owned subsidiary, BKV Chelsea, sold certain of its non-operated upstream assets, including its interest in approximately 6,800 net acres and 214 gross (15.4 net) wells and 35 Bcfe of proved reserves in NEPA for a purchase price of $25.0 million, subject to adjustment.

Credit Facilities

- **Refinancing.** On June 11, 2024, the amounts outstanding under the Term Loan Credit Agreement, the Revolving Credit Agreement and the SCB Credit Facility (each as defined herein) were paid off with proceeds from the loans under the RBL Credit Agreement and cash on hand. The Term Loan Credit Agreement, the Revolving Credit Agreement and the SCB Credit Facility were terminated concurrently with the repayment of the remaining amounts owed thereunder. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Loan Agreements and Credit Facilities*" for additional information regarding our loan agreements and credit facilities.
- **RBL Credit Agreement**. On June 11, 2024, BKV Corporation, as guarantor, and the RBL Borrower, as borrower, entered into the RBL Credit Agreement, a reserve-based credit agreement with Citibank, N.A., as administrative agent, and the financial institutions party thereto. The RBL Credit Agreement has a maximum credit commitment of $1.5 billion. As of June 11, 2024, the RBL Credit Agreement has a borrowing base of $800.0 million and an elected commitment of $600.0 million. The RBL Credit Agreement includes a $50.0 million sublimit for the issuance of letters of credit. As of July 5, 2024, $360.0 million of revolving borrowings and $9.0 million of letters of credit were outstanding under the RBL Credit Agreement, leaving $231.0 million of available capacity thereunder for future borrowings and letters of credit. The borrowing base is subject to semi-annual redeterminations based upon the value of our oil and gas properties as determined in a reserve report. The reserve report will be dated as of January and July of each year with the January reserve report prepared by a third-party engineer and the July report prepared by our internal engineers. The borrowing base is also subject to reduction in connection with certain dispositions of assets. The RBL Credit Agreement requires that the RBL Borrower and its restricted subsidiaries provide a first-priority security interest in their oil and gas properties (such that those properties subject to the security interest represent at least 90% of PV-9 (as defined in the RBL Credit Agreement) of their borrowing base properties) and substantially all of the personal property assets, subject to customary exceptions, of BKV Corporation, the RBL Borrower, and its restricted subsidiaries that are guarantors thereunder. The RBL Credit Agreement is scheduled to mature on June 12, 2028. The RBL Credit Agreement includes usual and customary covenants for facilities of its type and size. The covenants cover matters such as mandatory reserve reports, the responsible operation and maintenance of properties, certifications of compliance and required disclosures to the lenders. It also places limitations on the incurrence by the RBL Borrower and its restricted subsidiaries of additional indebtedness and liens, declaring or making restricted payments (including dividends and distributions), making investments, designating unrestricted subsidiaries, operating outside the United States, entering into mergers, sales of assets outside the ordinary course of business, transactions with affiliates and limitations on the amount of commodity and interest rate hedges that can be put in place. Such limitations do not apply to BKV Corporation or, unless and until such time such entities become restricted subsidiaries pursuant to the RBL Credit Agreement, BKV dCarbon Ventures, LLC and BKV-BPP Power LLC. The RBL Credit Agreement also contains financial maintenance covenants requiring the RBL Borrower to maintain a net leverage ratio of no greater than 3.25 to 1.00 and a current ratio of at least 1.00 to 1.00. Amounts outstanding under the RBL Credit Agreement bear interest based upon SOFR or ABR (each as defined in the RBL

Credit Agreement), as applicable, plus an additional margin which is based on the percentage of the borrowing base being utilized, ranging from 2.75% to 3.75% for SOFR loans and 1.75% to 2.75% for ABR loans. There is also a commitment fee of 0.50% on the undrawn commitments. Obligations under the RBL Credit Agreement may be prepaid without premium or penalty, other than customary breakage costs. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Loan Agreements and Credit Facilities*" for additional information regarding the RBL Credit Agreement and the covenants contained therein.

Corporate Values, Management Team and Sponsor

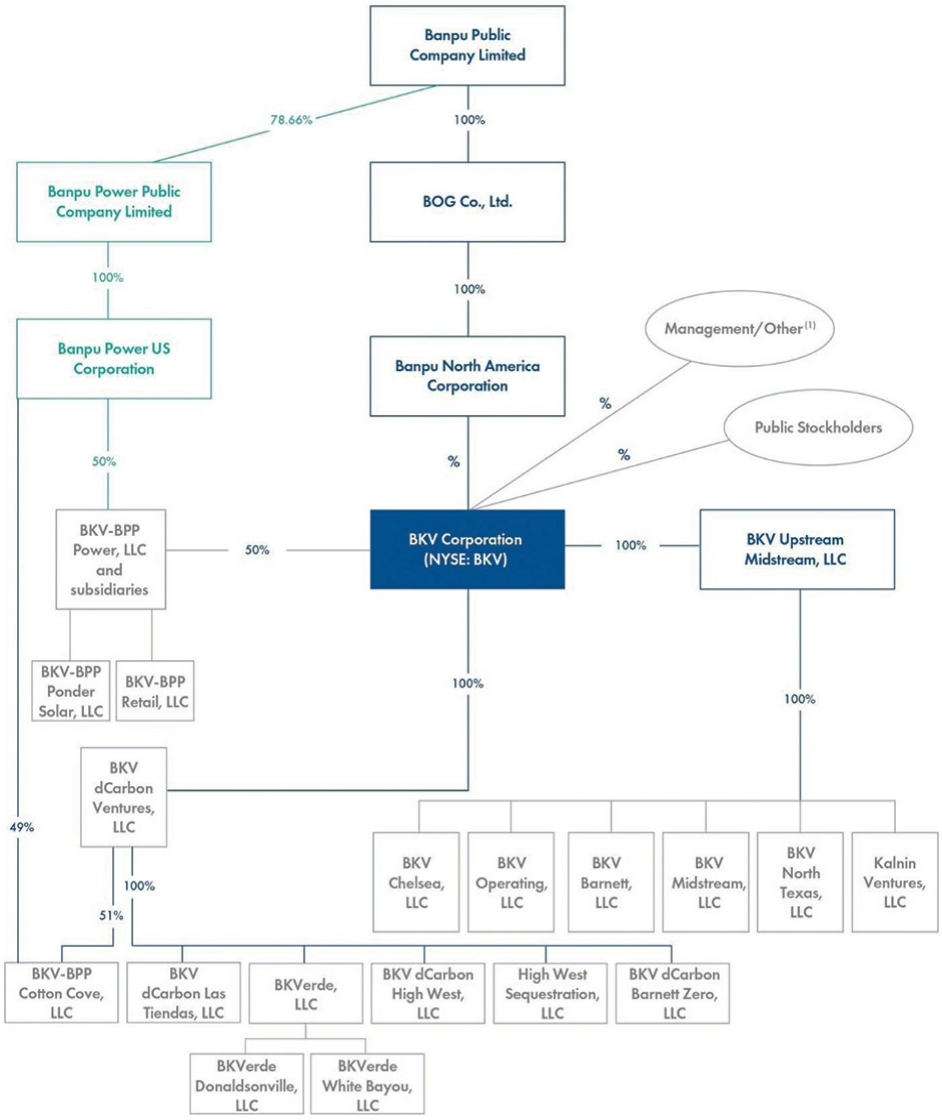
The following corporate values underpin our corporate culture and decision-making: Deliver on Promises, Have Grit, Embrace Change, Show Courage, Solve Problems, Do Good and Be One BKV.

Our management team is led by our Chief Executive Officer and founder, Christopher P. Kalnin, who has approximately 23 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 29 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 31 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 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, any person or group (other than Banpu and its controlled affiliates, excluding portfolio companies and operating companies) acquires 35% or more of our equity interests, or if any person or group acquires a greater percentage of our equity interests than are then held by Banpu and its controlled affiliates (excluding portfolio companies and operating companies of Banpu), such event will be an event of default under the RBL 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 5,000,000 additional shares of our common stock reserved for 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, or 500,000 shares of our common stock available for purchase by employees pursuant to 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 2029. 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.

Controlled Company

We have applied 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 four 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). We intend to use the net proceeds we receive from the sale of our common stock in this offering for the repayment of certain indebtedness, which may include some or all of the $50.0 million in aggregate principal amount outstanding under the BNAC A&R Loan Agreement and the outstanding revolving borrowings under the RBL Credit Agreement, for growth capital expenditures and for other general corporate purposes, which may include the expansion of our CCUS business. See "*Use of Proceeds.*"
Dividend policy	We currently do not pay a fixed cash dividend to holders of our common stock, and certain of our debt agreements place certain restrictions on our ability to pay cash dividends to holders of our common stock. Our dividend policy is under consideration by our board of directors. Any future determination related to our dividend policy will be made at the sole discretion of our board of directors. 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 have applied to list our common stock on the NYSE under the symbol "BKV."
Reserved Share Program	At our request, an affiliate of Citigroup Global Markets Inc., a participating underwriter, has reserved for sale, at the initial public offering price, up to 5% of the shares of common stock being offered by this prospectus for sale to some of our directors, executive officers, employees, business associates and related persons at the public offering price. If these persons purchase reserved shares, it will reduce the number of shares of common stock available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus. These persons must commit to purchase no later than the close of business on the day following the date of this prospectus. Any participants purchasing such reserved common stock will be prohibited from selling such stock for a period of 180 days after the date of this prospectus. See "*Principal Stockholders*" for more information.

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 5,000,000 additional shares of our common stock reserved for 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 500,000 shares of our common stock available for purchase by employees pursuant to the ESPP, which will become effective upon the completion of this offering.

Unless otherwise indicated, the information in this prospectus:

- assumes the execution of our Stockholders' Agreement, as further described under "*Certain Relationships and Related Party Transactions*";
- reflects the October 2023 one-for-two reverse stock split;
- 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);
- assumes that the underwriters do not exercise their option to purchase additional shares of common stock; and
- excludes shares of common stock that directors and executive officers may purchase through the reserved share program.

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 reserves 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

- extreme weather, transmission congestion and changes to the regulatory environment;
- 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, including disruption of the fuel supplies necessary to generate power at the Temple Plants;
- the lack of long-term power sales agreements for the Temple Plants;

Risks Related to Our Retail Power Business

- the operation of our retail power business through a joint venture which we do not control;

- our ability to attract and retain customers in the competitive retail power marketplace;
- market price risk and changes in law, regulation or market structure resulting in unanticipated costs;
- our ability to maintain our retail electric provider certification;

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;

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;
- 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;
- events of default if we are unable to comply with restrictions in our debt agreements (including if after this offering, any person or group (other than Banpu and its controlled affiliates, excluding portfolio companies and operating companies) acquires 35% or more of our equity interests, or if any person or group acquires a greater percentage of our equity interests than are then held by Banpu and its controlled affiliates (excluding portfolio companies and operating companies of Banpu);
- 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;
- the effect of increased attention to ESG matters and environmental conservation measures;
- reductions in demand for natural gas, NGL and oil;
- risks related to climate change, including transitional, legal, political, financial and physical risks;
- significant costs and liabilities related to 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;
- conflicts of interest between Banpu and us or our other stockholders or conflicts of interest of our officers and/or 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;
- the impact of our lack of dividend payments on the market price of our common stock;
- 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 Financial Information

The following table shows our summary historical consolidated financial information for the periods and as of the dates indicated. The summary historical consolidated financial information as of and for the three months ended March 31, 2024 and 2023 was derived from our unaudited historical condensed consolidated financial statements, included elsewhere in this prospectus. The summary historical consolidated financial information as of and for the years ended December 31, 2023, 2022 and 2021 was derived from our audited historical consolidated financial statements, included elsewhere in this prospectus.

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*" included elsewhere in this prospectus, as well as our historical consolidated financial statements and related notes, and other financial information included in this prospectus. Historical results are not necessarily indicative of results that may be expected for any future period.

	Three Months Ended March 31,		Year Ended December 31,		
	2024	2023	2023	2022	2021
	(in thousands, except per share amounts)				
Revenues and other operating income					
Natural gas revenues	$ 96,336	$ 157,768	$ 509,846	$ 1,310,339	$ 597,050
NGL revenues	43,417	50,040	187,860	311,542	225,135
Oil revenues	1,934	2,597	8,445	11,866	7,560
Natural gas, NGL, and oil revenues	141,687	210,405	706,151	1,633,747	829,745
Midstream revenues	4,128	3,922	16,168	12,676	6,917
Derivative gains (losses), net	(3,679)	97,368	238,743	(629,701)	(383,847)
Marketing revenues	4,921	2,635	8,710	11,001	52,616
Related party and other	4,157	1,774	8,251	2,799	251
Total revenues and other operating income	151,214	316,104	978,023	1,030,522	505,682
Operating expenses					
Lease operating and workover	34,468	43,166	150,647	131,497	86,831
Taxes other than income	11,365	24,169	72,290	114,668	45,650
Gathering and transportation	59,391	58,284	248,990	208,758	173,587
Depreciation, depletion, amortization, and accretion[1]	52,166	36,747	223,370	118,909	92,277
General and administrative	20,645	26,286	114,688	148,559	85,740
Other	8,242	2,500	12,625	3,567	1,274
Total operating expenses	186,277	191,152	822,610	725,958	485,359
Income (loss) from operations	(35,063)	124,952	155,413	304,564	20,323
Other income (expense)					
Bargain purchase gain	—	—	—	170,853	—
Gain on settlement of litigation	—	—	—	16,866	—
Gains (losses) on contingent consideration[2]	6,594	22,894	38,375	6,632	(194,968)
Earnings (losses) from equity affiliate	(7,707)	(5,399)	16,865	8,493	910
Interest income	1,633	648	3,138	1,143	8
Interest expense	(16,083)	(17,770)	(69,942)	(26,322)	—
Interest expense, related party	(1,973)	(1,492)	(7,078)	(10,846)	(2,134)
Other income	1,035	1,636	8,372	1,411	872
Income (loss) before income taxes	(51,564)	125,469	145,143	472,794	(174,989)
Income tax benefit (expense)	12,979	(29,307)	(28,225)	(62,652)	40,526
Net income (loss) attributable to BKV Corporation	(38,585)	96,162	116,918	410,142	(134,463)
Less accretion of preferred stock to redemption value	—	—	—	—	(3,745)
Less preferred stock dividends	—	—	—	—	(9,900)

	Three Months Ended March 31,		Year Ended December 31,		
	2024	2023	2023	2022	2021
	(in thousands, except per share amounts)				
Less deemed dividend on redemption of preferred stock	—	—	—	—	(22,606)
Net income (loss) attributable to common stockholders	(38,585)	96,162	116,918	410,142	(170,714)
Net income (loss) per common share[3]					
Basic	$ (0.58)	$ 1.64	$ 1.93	$ 6.99	$ (2.92)
Diluted	$ (0.58)	$ 1.53	$ 1.82	$ 6.62	$ (2.92)
Weighted average number of common shares outstanding[3]					
Basic	66,287	58,783	60,730	58,659	58,496
Diluted	66,287	62,735	64,380	61,990	58,496
Balance sheet information (at period end):					
Cash and cash equivalents	$ 21,891	$ 40,647	$ 25,407	$ 153,128	$ 134,667
Restricted cash[4]	$ 140,955	$ —	$ 139,662	$ —	$ —
Total natural gas properties, net	$2,091,381	$2,249,290	$2,125,442	$2,209,518	$1,176,117
Total assets	$2,612,473	$2,581,563	$2,683,146	$2,702,573	$1,620,828
Total liabilities	$1,164,818	$1,288,810	$1,197,979	$1,506,649	$ 865,889
Total mezzanine equity	$ 190,070	$ 135,200	$ 186,954	$ 151,883	$ 83,847
Total stockholders' equity	$1,257,585	$1,157,553	$1,298,213	$1,044,041	$ 671,092
Statement of cash flows information					
Net cash provided by operating activities	$ 19,251	$ 13,468	$ 123,076	$ 349,194	$ 358,133
Net cash used in investing activities	$ (19,884)	$ (81,485)	$ (177,848)	$ (865,566)	$ (161,858)
Net cash provided by (used in) financing activities	$ (1,590)	$ (44,464)	$ 66,713	$ 534,833	$ (79,053)
Other financial data (unaudited)[5]					
Adjusted EBITDAX	$ 47,132	$ 73,970	$ 251,158	$ 575,504	$ 281,024
Upstream capital expenditures (accrued)[6]	$ 12,306	$ 65,975	$ 107,544	$ 253,179	$ 77,634
Upstream Reinvestment Rate[6]	26%	89%	43%	44%	28%
Adjusted Free Cash Flow	$ 47,587	$ (14,545)	$ 19,132	$ 169,213	$ 165,090
Adjusted Free Cash Flow Margin	31%	(7)%	3%	10%	19%
Total Net Leverage Ratio	2.60x	2.19x	1.95x	1.00x	0.11x

(1) Includes accretion of lease liabilities related to office space 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 agreements with Devon Energy and ExxonMobil Corporation for the purchase of our 2020 Barnett Assets and 2022 Barnett Assets, respectively. Contingent consideration is stated at fair value on our condensed consolidated balance sheets, with changes in fair value recorded in the condensed consolidated statements of operations.

(3) Per share data gives effect to the October 2023 one-for-two reverse stock split.

(4) As of March 31, 2024 and December 31, 2023, the restricted cash balance represents cash to fund our debt service reserve in accordance with the Term Loan Credit Agreement.

(5) 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 capital expenditures accrued for the development of natural gas properties during the period (excluding leasehold costs and acquisitions) as a percentage of Adjusted EBITDAX for the same period, 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.

(6) Upstream capital expenditures (accrued) for the three months ended March 31, 2024 does not include $2.0 million of net cash paid in 2024 for capital expenditures incurred and accrued during the year ended December 31, 2023. Upstream capital expenditures (accrued) for the three months ended March 31, 2023 and for the year ended December 31, 2023 does not include $13.3 million and $26.9 million, respectively, of net cash paid in 2023 for capital expenditures incurred and accrued during the year ended December 31, 2022. Upstream capital expenditures (accrued) for the years ended December 31, 2022 and 2021 includes $17.8 million and $13.7 million, respectively, of net cash paid in subsequent periods for capital expenditures incurred and accrued during the respective period presented. For a reconciliation of upstream capital expenditures (accrued) to cash flows used in development of natural gas properties in the condensed consolidated statements of cash flows, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Capital Resources — Cash flows used in investing activities.*"

Non-GAAP Financial Measures

Adjusted EBITDAX

We define Adjusted EBITDAX as net income (loss) attributable to BKV Corporation before (i) non-cash derivative gains (losses), (ii) depreciation, depletion, amortization and accretion, (iii) exploration and impairment expense, (iv) gains (losses) on contingent consideration liabilities, (v) interest expense, (vi) interest expense, related party, (vii) income tax benefit (expense), (viii) equity-based compensation expense, (ix) bargain purchase gains, (x) earnings or losses from equity affiliate, (xi) the portion of settlements paid (received) for early-terminated derivative contracts that relate to future periods and (xii) 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 operations 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 operations 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.

	Three Months Ended March 31,		Year Ended December 31,		
	2024	2023	2023	2022	2021
			(in thousands)		
Net income (loss) attributable to BKV Corporation	$(38,585)	$ 96,162	$ 116,918	$ 410,142	$(134,463)
Unrealized derivative (gains) losses	40,143	(79,347)	(148,564)	(58,815)	115,161
Forward month gas derivative settlement[1]	(9,048)	(14,862)	(9,807)	(8,826)	15,406
Depreciation, depletion, amortization and accretion	52,259	37,146	224,427	130,038	98,833
Exploration and impairment expense	—	—	—	—	34
Change in contingent consideration liabilities	(6,594)	(22,894)	(38,375)	(6,632)	194,968
Interest expense	16,083	17,770	69,942	26,322	—
Interest expense, related party	1,973	1,492	7,078	10,846	2,134
Income tax expense (benefit)	(12,979)	29,307	28,225	62,652	(40,526)
Equity-based compensation expense	1,073	3,797	25,756	31,947	30,387
Bargain purchase gain	—	—	—	(170,853)	—
(Earnings) losses from equity affiliate	7,707	5,399	(16,865)	(8,493)	(910)
Total settlements paid (received) for early-terminated derivative contracts during the period[2]	(13,250)	—	(46,701)	158,448	—
Settlements (paid) received for early-terminated derivative contracts related to the period presented[3]	8,350	—	39,124	(1,272)	—
Adjusted EBITDAX	$ 47,132	$ 73,970	$ 251,158	$ 575,504	$ 281,024

(1) 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.

(2) Reflects total cash settlements paid (received) during the period upon termination of certain natural gas commodity derivative swap and collar contracts prior to their contractual settlement dates.

(3) When calculating Adjusted EBITDAX for purposes of evaluating our operating performance and results of operations, cash settlements (paid) received for early-terminated derivative contracts are “related to” the period that includes the underlying production month that was hedged. This adjustment removes the timing difference between the early termination date and the underlying production month that is hedged. The table below shows the portion of total cash settlements (paid) received for early-terminated derivative contracts related to the respective periods presented.

	Three Months Ended March 31,		Year Ended December 31,		
	2024	2023	2023	2022	2021
Total cash settlements paid (received) for early-terminated derivative contracts during the period	$ (13,250)	$ —	$(46,701)	$158,448	$ —
Cash settlements (paid) received for early-terminated derivative contracts related to the period presented	8,350	—	39,124	(1,272)	—
Cash settlements paid (received) for early-terminated derivative contracts related to future periods	$ (4,900)	$ —	$ (7,577)	$157,176	$ —

Adjusted Free Cash Flow

We define Adjusted Free Cash Flow as net cash provided by (used in) operating activities, excluding cash paid for contingent consideration and changes in operating assets and liabilities, less total cash paid for capital expenditures (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 operating activities, our most directly comparable GAAP financial measure for the periods indicated.

	Three Months Ended March 31,		Year Ended December 31,		
	2024	2023	2023	2022	2021
			(in thousands)		
Net cash provided by operating activities	$ 19,251	$ 13,468	$ 123,076	$ 349,194	$ 358,133
Cash paid for contingent consideration[1]	20,000	65,000	65,000	45,300	—
Changes in operating assets and liabilities	27,875	(8,332)	18,437	22,816	(126,862)
Cash paid for capital expenditures	(19,539)	(84,681)	(187,381)	(248,097)	(66,181)
Adjusted Free Cash Flow[2]	$ 47,587	$(14,545)	$ 19,132	$ 169,213	$ 165,090

(1) Cash paid for contingent consideration is included as a deduction to arrive at net cash provided by (used in) operating activities and therefore, is added back for the purpose of computing Adjusted Free Cash Flow.

(2) The early termination of derivative contracts increased Adjusted Free Cash Flow by $13.3 million and $46.7 million during the three months ended March 31, 2024 and for the year ended December 31, 2023, respectively, and decreased Adjusted Free Cash Flow by $158.4 million during the year ended December 31, 2022. In addition, Adjusted Free Cash Flow increased by $23.5 million for the three months ended March 31, 2024 due to the net premium received of $23.5 million from the sale of a call option.

Summary Reserves, Production and Operating Data

Ryder Scott, our independent petroleum engineers, prepared estimates of our natural gas, NGL and oil reserves as of December 31, 2023, 2022 and 2021. These reserves estimates were prepared in accordance with the rules and regulations of the SEC regarding oil and natural gas reserves 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 December 31, 2023 at "NYMEX strip pricing" using pricing based on NYMEX future prices as of market close on December 31, 2023). For more information about our reserves volumes and values, see "*Business — Preparation of Reserves Estimates and Internal Controls*" and Ryder Scott's summary reserves reports, which are filed as exhibits to the registration statement of which this prospectus forms a part.

The following table provides our estimated proved reserves, probable reserves and possible reserves information prepared by Ryder Scott as of December 31, 2023, 2022 and 2021 and PV-10 Value and the standardized measure of discounted future net cash flows (the "Standardized Measure") for each period. The decrease in our proved reserves and the PV-10 Value of those reserves as of December 31, 2023, as compared to December 31, 2022, is primarily due to lower commodity pricing. The increase in our proved reserves and the PV-10 Value of those reserves as of December 31, 2022, as compared to December 31, 2021, was primarily due to the Exxon Barnett Acquisition that we consummated on June 30, 2022. 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 reserves quantities and future production rates are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in the reserves estimates or the underlying assumptions will materially affect the quantities and present value of our reserves*."

Estimated Reserves at SEC Pricing[(1)]

	December 31,		
	2023	**2022**	**2021**
Estimated proved developed reserves:			
Natural gas (MMcf)	2,443,072	3,798,019	2,494,925
Producing	2,290,025	3,468,896	2,346,712
Non-producing	153,047	329,123	148,213
Natural gas liquids (MBbls)	156,399	170,840	151,433
Producing	129,260	157,585	142,961
Non-producing	27,139	13,255	8,472
Oil (MBbls)	992	1,111	867
Producing	802	1,111	867
Non-producing	190	—	—
Total estimated proved developed reserves (MMcfe)	3,387,418	4,829,725	3,408,725
Producing	3,070,397	4,421,072	3,209,680
Non-producing	317,021	408,653	199,045
Standardized Measure (millions)	$ 986	$ 5,809	$ 2,119
PV-10 (millions)[(2)(3)]	$ 1,151	$ 7,389	$ 2,672

	December 31,		
	2023	2022	2021
Estimated proved undeveloped reserves:			
Natural gas (MMcf)	539,423	1,057,657	950,358
Natural gas liquids (MBbls)	27,766	40,660	13,722
Oil (MBbls)	59	758	58
Total estimated proved undeveloped reserves (MMcfe)[4][5]	706,373	1,306,165	1,033,038
Standardized Measure (millions)	$ 48	$ 1,185	$ 295
PV-10 (millions)[2][6]	$ 81	$ 1,566	$ 403
Estimated total proved reserves:			
Natural gas (MMcf)	2,982,495	4,855,676	3,445,283
Natural gas liquids (MBbls)	184,165	211,500	165,155
Oil (MBbls)	1,051	1,869	925
Total estimated proved reserves (MMcfe)	4,093,791	6,135,890	4,441,763
Standardized Measure (millions)	$ 1,034	$ 6,994	$ 2,414
PV-10 (millions)[2][7]	$ 1,232	$ 8,955	$ 3,075
Estimated probable developed reserves:			
Natural gas (MMcf)	68,385	367,081	—
Natural gas liquids (MBbls)	7,871	25,558	—
Oil (MBbls)	6	—	—
Total estimated probable developed reserves (MMcfe)[5][8]	115,647	520,429	—
Standardized Measure (millions)	$ 13	$ 281	—
PV-10 (millions)[2][9]	$ 18	$ 372	—
Estimated probable undeveloped reserves:			
Natural gas (MMcf)	237,236	572,425	522,442
Natural gas liquids (MBbls)	19,114	39,319	31,227
Oil (MBbls)	548	1,556	486
Total estimated probable undeveloped reserves (MMcfe)[5][8]	355,208	817,675	712,720
Standardized Measure (millions)	$ 5	$ 420	$ 146
PV-10 (millions)[2][10]	$ 17	$ 563	$ 202
Estimated total probable reserves:			
Natural gas (MMcf)	305,621	939,506	522,442
Natural gas liquids (MBbls)	26,985	64,877	31,227
Oil (MBbls)	554	1,556	486
Total estimated probable reserves (MMcfe)[5][8]	470,855	1,338,104	712,720
Standardized Measure (millions)	$ 18	$ 701	$ 146
PV-10 (millions)[2][11]	$ 35	$ 935	$ 202
Estimated possible developed reserves:			
Natural gas (MMcf)	57,114	84,124	—
Natural gas liquids (MBbls)	3,257	8,146	—
Oil (MBbls)	2	—	—
Total estimated possible developed reserves (MMcfe)[5][8]	76,668	133,000	—
Standardized Measure (millions)	$ 2	$ 53	$ —
PV-10 (millions)[2][12]	$ 4	$ 70	$ —

	December 31,		
	2023	2022	2021
Estimated possible undeveloped reserves:			
Natural gas (MMcf)	12,742	540,878	381,941
Natural gas liquids (MBbls)	—	16,876	32,047
Oil (MBbls)	—	789	1,841
Total estimated possible undeveloped reserves (MMcfe)[5][8]	12,742	646,868	585,269
Standardized Measure (millions)	$ —	$ 247	$ 51
PV-10 (millions)[2][13]	$ —	$ 330	$ 75
Estimated total possible reserves:			
Natural gas (MMcf)	69,856	625,002	381,941
Natural gas liquids (MBbls)	3,257	25,022	32,047
Oil (MBbls)	2	789	1,841
Total estimated possible reserves (MMcfe)[5][8]	89,410	779,868	585,269
Standardized Measure (millions)	$ 2	$ 300	$ 51
PV-10 (millions)[2][14]	$ 4	$ 400	$ 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 December 31, 2023 were $2.637 per MMBtu (Henry Hub), $78.22 per Bbl (WTI Cushing) and NGL pricing equal to 29.5% of WTI Cushing, (ii) at December 31, 2022 were $6.358 per MMBtu (Henry Hub), $93.67 per Bbl (WTI Cushing) and NGL pricing equal to 36.7% of WTI Cushing and (iii) at December 31, 2021 were $3.598 per MMBtu (Henry Hub), $66.56 per Bbl (WTI Cushing) and NGL pricing equal to 39.5% 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 December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$1,151	$ 7,389	$2,672
Present value of future income taxes discounted at 10%	(165)	(1,580)	(553)
Standardized Measure	$ 986	$ 5,809	$2,119

(4) Proved undeveloped reserves as of December 31, 2023 are part of a development plan that has been adopted by management indicating that such locations are scheduled to be drilled within five years. Based off of lower commodity pricing and capital spend, a portion of the proved undeveloped reserves as of December 31, 2022 and 2021 will not be drilled within five years from initial disclosure.

(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 reserves category.

(6) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated proved undeveloped reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$ 81	$1,566	$ 403
Present value of future income taxes discounted at 10%	(33)	(381)	(108)
Standardized Measure	$ 48	$1,185	$ 295

(7) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated proved reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$1,232	$ 8,955	$3,074
Present value of future income taxes discounted at 10%	(198)	(1,961)	(661)
Standardized Measure	$1,034	$ 6,994	$2,413

(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 Reserves Estimates and Internal Controls.*"

(9) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated probable developed reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$18	$372	$ —
Present value of future income taxes discounted at 10%	(5)	(91)	—
Standardized Measure	$13	$281	$ —

(10) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated probable undeveloped reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$ 17	$ 563	$202
Present value of future income taxes discounted at 10%	(12)	(143)	(56)
Standardized Measure	$ 5	$ 420	$146

(11) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated probable reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$ 35	$ 935	$202
Present value of future income taxes discounted at 10%	(17)	(234)	(56)
Standardized Measure	$ 18	$ 701	$146

(12) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated possible developed reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$ 4	$ 70	$ —
Present value of future income taxes discounted at 10%	(2)	(17)	—
Standardized Measure	$ 2	$ 53	$ —

(13) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated possible undeveloped reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$ —	$330	$ 75
Present value of future income taxes discounted at 10%	—	(83)	(24)
Standardized Measure	$ —	$247	$ 51

(14) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated possible reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$ 4	$ 400	$ 75
Present value of future income taxes discounted at 10%	(2)	(100)	(24)
Standardized Measure	$ 2	$ 300	$ 51

During the years ended December 31, 2023, 2022 and 2021, we incurred costs of approximately $37.7 million, $54.0 million and $7.2 million, respectively, to convert 31.9 Bcfe, 74.0 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 December 31, 2023, 2022 and 2021 are approximately $356.2 million, $1,089.6 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 year ended December 31, 2023 focused on refracturing under-stimulated wells and designing and drilling new wells in both our Barnett and NEPA assets. Our PUD reserves, as of December 31, 2023, are scheduled to be developed within five years of their initial disclosure. Due to lower commodity pricing and capital spend, a portion of the 2021 and 2022 PUD reserves will not be drilled within five years from initial disclosure. 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.*"

Natural gas prices decreased significantly during 2023 and are projected to remain lower than the near-record high prices experienced in 2022. Due to our desire to be a prudent operator and exercise capital discipline in this pricing environment, subsequent to finalizing our reserve reports as of December 31, 2023, we decreased our capital expenditures budget for development of natural gas properties for 2024 to approximately $13.0 million from our original budget of approximately $73.0 million, which was the

amount applied in connection with the preparation of the estimates of our reserves as of December 31, 2023. We estimate that this reduction in our 2024 capital expenditures would result in a decrease in our proved reserves, standardized measure value of proved reserves, and the PV-10 value of proved reserves as of December 31, 2023 by approximately 3.3%, 1.6%, and 2.0%, respectively. If the current lower natural gas commodity pricing environment extends beyond 2024, we will continue to maintain capital discipline and reflect corresponding capital expenditure changes in our estimated reserves. These changes would mainly impact proved undeveloped reserves and proved developed non-producing reserves, which collectively represent approximately 25% of our total estimated proved reserves as of December 31, 2023.

2023 Activity

During the year ended December 31, 2023, the Company's proved reserves decreased by 2,042.1 Bcfe. The decrease in proved reserves was primarily attributable to decreased commodity pricing and changes to the Company's drilling schedule, which resulted in total downward revisions of 1,986.3 Bcfe. As discussed below, these decreases were partially offset by extensions and discoveries and improved recoveries experienced by the Company in 2023, which resulted in net increases to proved reserves of 227.8 Bcfe and 30.2 Bcfe, respectively. The Company produced 313.8 Bcfe during the year ended December 31, 2023.

Revisions of previous estimates primarily consisted of downward revisions to proved developed reserves and proved undeveloped reserves of 1,160.0 Bcfe and 305.1 Bcfe, respectively, as a result of lower average pricing during 2023 for natural gas, NGLs, and oil. Additional downward revisions were made to proved undeveloped reserves of 521.2 Bcfe due to changes to the Company's drilling schedule during 2023 that moved the development of 112.0 gross (104.6 net) locations in NEPA and the Barnett from the Company's next five-year development plan in the SEC reserves report. These locations are now part of the Company's probable and possible development plan. The drilling schedule changes reflect the Company's ongoing commitment to optimize the long-term plan to best develop its assets, maximize cash flow, and produce overall economic returns.

Extensions and discoveries primarily consisted of 226.5 Bcfe of proved undeveloped reserves, of which 197.8 Bcfe was attributable to 22.0 gross (21.2 net) locations recognized as a result of the Company's optimized drilling program, which reduced costs and extended lateral lengths. In addition, 28.7 Bcfe was attributable to extensions related to 3.0 gross (1.1 net) locations in NEPA. Our unitization and combination of acreage with Repsol resulted in the three additional locations.

Improved recoveries consisted of 30.2 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, 2023.

Conversions of proved undeveloped reserves to proved developed reserves consisted of 31.9 Bcfe related to the completion of 22.0 gross (8.1 net) wells on proved undeveloped locations during the year ended December 31, 2023.

2022 Activity

During the year ended December 31, 2022, the Company's proved reserves increased by 1,694.1 Bcfe. The increase in proved reserves was primarily due to the acquisition of the 2022 Barnett Assets. Other factors that contributed to the increase in proved reserves during 2022 included increasing commodity pricing, which improved economics, improved recoveries due to the application of restimulation technology to producing wells and the addition of NGL rich locations to the drilling schedule. The Company produced 279.5 Bcfe during the year ended December 31, 2022.

Revisions of previous estimates consisted of upward revisions to proved developed reserves of 182.9 Bcfe as a result of higher average pricing during 2022 for natural gas, NGLs and oil. An additional upward revision of 52.0 Bcfe was made to proved developed reserves for performance adjustments. Upward revisions were offset by downward revisions to proved undeveloped reserves of 246.0 Bcfe relating to 76.0 gross (53.1 net) locations in NEPA and the Barnett that were removed from the drilling schedule in exchange for locations with more favorable economics, as discussed in the following explanation of extensions and discoveries in 2022. Additional downward revisions of 67.3 Bcfe and 42.9 Bcfe were made to proved undeveloped reserves related to performance and increased development costs, respectively.

Extensions and discoveries primarily consisted of the addition of 389.5 Bcfe from 71.0 gross (66.4 net) locations recognized as a result of our revised evaluation of properties acquired through our Devon Barnett Acquisition. The added locations are more rich in NGLs than the previously recognized locations that were removed from the 2021 drilling schedule, as discussed in the preceding explanation of revisions of previous estimates in 2022. Additional extensions consisted of proved undeveloped reserves of 85.8 Bcfe related to 27.0 gross (12.8 net) locations in NEPA and the Barnett that were recognized from acreage acquired in 2021 and as a result of the revised 2022 drilling plan. Extensions related to proved developed reserves of 74.1 Bcfe consisted of 23.0 gross (13.0 net) newly drilled wells on locations previously classified as unproved.

Purchases of minerals in place consisted of 1,237.1 Bcfe and 227.9 Bcfe of proved developed and proved undeveloped reserves, respectively, from the Exxon Barnett Acquisition. The acquired reserves consisted of operated working interests in 2,289.0 gross (1,696.4 net) wells and 53.0 gross (48.7 net) undeveloped locations.

Improved recoveries consisted of 80.5 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, 2022.

Conversions of proved undeveloped reserves to proved developed reserves consisted of 73.9 Bcfe related to the completion of 19.0 gross (5.5 net) wells on proved undeveloped locations during the year ended December 31, 2022.

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 evaluation of properties acquired through our Devon Barnett Acquisition, 550.1 Bcfe of proved undeveloped reserves was recognized for 123.0 gross (94.8 net) locations added to the Company's revised drilling schedule during 2021. Additional extensions consisted of proved undeveloped reserves of 162.5 Bcfe related to 13.0 gross (9.6 net) locations in NEPA recognized from acquired acreage and the revised 2021 drilling plan. Extensions related to proved developed reserves of 15.4 Bcfe consisted of 10.0 gross (3.0 net) newly drilled wells.

Purchases of minerals in place consisted of 17.7 Bcfe of proved developed reserves from the acquisition of additional working interests in 601.0 gross (14.6 net) wells and 1.8 Bcfe of proved undeveloped reserves from the acquisition of additional working interests in 18.0 gross (1.0 net) locations, each of which were in addition to the Company's previously held working interests in wells or working interests in locations in the Barnett.

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.

Conversions of proved undeveloped reserves to proved developed reserves consisted of 19.4 Bcfe related to the completion of 4.0 gross (3.9 net) wells on proved undeveloped locations during the year ended December 31, 2021.

Estimated Reserves at NYMEX Strip Pricing

The following table provides our total estimated proved reserves, probable reserves and possible reserves information prepared by Ryder Scott as of December 31, 2023, using NYMEX strip prices as of market close on December 31, 2023 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 December 31, 2023. The historical 12-month pricing average in our December 31, 2023 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 December 31, 2023. 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 reserves quantities and future production rates are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in the reserves estimates or the underlying assumptions will materially affect the quantities and present value of our reserves*."

	December 31, 2023
Estimated proved developed reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	2,984,949
Producing	2,791,791
Non-producing	193,158
Natural gas liquids (MBbls)	164,204
Producing	134,689
Non-producing	29,515
Oil (MBbls)	1,046
Producing	808
Non-producing	238
Total estimated proved developed reserves (MMcfe)	3,976,436
Producing	3,604,773
Non-producing	371,663
Standardized Measure (millions)	$ 1,651
PV-10 (millions)[1]	$ 2,015
Estimated proved undeveloped reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	790,838
Natural gas liquids (MBbls)	30,500
Oil (MBbls)	59
Total estimated proved undeveloped reserves (MMcfe)[2][3]	974,192
Standardized Measure (millions)	$ 244
PV-10 (millions)[4]	$ 335
Estimated total proved reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	3,775,787
Natural gas liquids (MBbls)	194,704
Oil (MBbls)	1,105
Total estimated proved reserves (MMcfe)	4,950,628
Standardized Measure (millions)	$ 1,895
PV-10 (millions)[5]	$ 2,350

	December 31, 2023
Estimated probable developed reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	179,158
Natural gas liquids (MBbls)	10,403
Oil (MBbls)	44
Total estimated probable developed reserves (MMcfe)[3][6]	241,840
Standardized Measure (millions)	$ 25
PV-10 (millions)[7]	$ 36
Estimated probable undeveloped reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	609,077
Natural gas liquids (MBbls)	24,020
Oil (MBbls)	518
Total estimated probable undeveloped reserves (MMcfe)[3][6]	756,305
Standardized Measure (millions)	$ 88
PV-10 (millions)[8]	$ 130
Estimated total probable reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	788,235
Natural gas liquids (MBbls)	34,423
Oil (MBbls)	562
Total estimated probable reserves (MMcfe)[3][6]	998,145
Standardized Measure (millions)	$ 113
PV-10 (millions)[9]	$ 166
Estimated possible developed reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	103,647
Natural gas liquids (MBbls)	3,823
Oil (MBbls)	8
Total estimated possible developed reserves (MMcfe)[3][6]	126,633
Standardized Measure (millions)	$ 10
PV-10 (millions)[10]	$ 14
Estimated possible undeveloped reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	113,477
Natural gas liquids (MBbls)	1,021
Oil (MBbls)	—
Total estimated possible undeveloped reserves (MMcfe)[3][6]	119,603
Standardized Measure (millions)	$ 12
PV-10 (millions)[11]	$ 17
Estimated total possible reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	217,124
Natural gas liquids (MBbls)	4,844
Oil (MBbls)	8
Total estimated possible reserves (MMcfe)[3][6]	246,236
Standardized Measure (millions)	$ 22
PV-10 (millions)[12]	$ 31

(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 December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 2,015
Present value of future income taxes discounted at 10%	(364)
Standardized Measure	$ 1,651

(2) Proved undeveloped reserves as of December 31, 2023 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 reserves 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 December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 335
Present value of future income taxes discounted at 10%	(91)
Standardized Measure	$ 244

(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 December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 2,350
Present value of future income taxes discounted at 10%	(455)
Standardized Measure	$ 1,895

(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 Reserves 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 developed reserves as of December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 36
Present value of future income taxes discounted at 10%	(11)
Standardized Measure	$ 25

(8) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated probable undeveloped reserves as of December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 130
Present value of future income taxes discounted at 10%	(42)
Standardized Measure	$ 88

(9) 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 December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 166
Present value of future income taxes discounted at 10%	(53)
Standardized Measure	$ 113

(10) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated possible developed reserves as of December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 14
Present value of future income taxes discounted at 10%	(4)
Standardized Measure	$ 10

(11) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated possible undeveloped reserves as of December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 17
Present value of future income taxes discounted at 10%	(5)
Standardized Measure	$ 12

(12) 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 December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 31
Present value of future income taxes discounted at 10%	(9)
Standardized Measure	$ 22

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 or prospects. 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 capital expenditures and meet our debt service obligations.

Our revenues, operating results, available cash and the carrying value of our natural gas properties, as well as our ability to make capital expenditures (including the $36.0 million estimated total project cost of the Barnett Zero Project, the $9.0 million we expect to contribute to BKV-BPP Cotton Cove to fund our portion of the estimated total cost of the Cotton Cove Project and the $57.0 million (inclusive of funding to date of $26.0 million) we expect to invest in BKVerde before the end of 2025 in connection with our efforts to develop potential CCUS projects) and meet our debt service obligations and other financial commitments, depend significantly upon the prevailing market prices for natural gas and NGLs. According to the U.S. Energy Information Administration (the "EIA"), the historical high and low Henry Hub natural gas spot prices per MMBtu for the following periods were as follows: in 2021, high of $23.86 and low of $2.43; in 2022, high of $9.85 and low of $3.46; in 2023, high of $3.78 and low of $1.74; and for the three months ended March 31, 2024, high of $13.20 and low of $1.25.

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 conflicts between Russia and Ukraine and Israel and Hamas, 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 (including any variants thereof, "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 period from January 1, 2021 through March 31, 2024, the Henry Hub natural gas spot price reached a high of $23.86 per MMBtu on February 17, 2021 and a low of $1.25 per MMBtu on March 13, 2024. Henry Hub natural gas spot prices trended higher after the Russia-Ukraine conflict first commenced, 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; however, such prices subsequently dropped to $3.52 per MMBtu on December 31, 2022, as a result of a warmer-than-normal winter, and then to a recent low of $1.25 per MMBtu on March 13, 2024 due to a combination of higher production and higher storage inventories given a mild winter. Prices continued to hover on average between $1.50 to $2.00 in the first quarter of 2024 with overall lower natural gas consumption and higher storage inventory levels during the 2023-2024 winter.

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 61% for the three months ended March 31, 2024 and for the year ended December 31, 2023, and 69% and 77%, for the years ended December 31, 2022 and 2021, respectively, of our total natural gas and NGL production 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.

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 and results of operations 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 reserves quantities and future production rates are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in the reserves 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 reserves 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 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. 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 December 31, 2023, approximately 706.4 Bcfe, or 17.3%, of our total estimated proved reserves were undeveloped or behind pipe. The reserves data included in our reserves 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 may require us to revise 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 reserves estimates, which could have a material adverse effect on our financial condition, future cash flows and results of operations.

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 and results of operations.

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 March 31, 2024, we carried unproved natural gas, NGL and oil property costs of $16.2 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 reserves 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 and cash flows.

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 March 31, 2024, provided us with a network of approximately 1,018,000 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 March 31, 2024, provided BKV-BPP Power with a combined 200,000 MMBtu/d of firm transportation with Atmos and Energy Transfer 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. As of March 31, 2024, our minimum aggregate required payments per year under firm gathering and transportation agreements are approximately $37.9 million for 2024, $33.4 million for 2025, $31.4 million for 2026, $23.5 million for 2027, $17.7 million for 2028 and $49.6 for 2029 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 acreage 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 and cash flows.

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 March 31, 2024, we operated approximately 94% of our net (72% of our gross) acreage. With respect to our natural gas midstream business, we do not operate the NEPA midstream entities, and in the Barnett, during the three months ended March 31, 2024, approximately 26% 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 three months ended March 31, 2024 and 2023, there were total losses in the BKV-BPP Power Joint Venture of $7.7 million and $5.4 million, respectively. For the years ended December 31, 2023, 2022 and 2021, our interest in the earnings on the BKV-BPP Power Joint Venture represented approximately 1.7%, 0.8% and 0.2% of our revenues, which includes derivative gains (losses), net, 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 managers (the "Power JV Board") 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 Joint Venture — 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, we may be required to make additional capital contributions to fund items approved in the annual budget or other matters approved by the Power JV Board. 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 Power JV Board, such failure could be deemed an event of default under the BKV-BPP Power LLC Agreement. 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 Power JV 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 and cash flows.

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 and cash flows.

The ongoing operation of the Temple Plants 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 the Temple Plants), 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 the Temple Plants could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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

The Temple Plants 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 or Temple II, 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 and cash flows.

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

The Temple Plants may operate without long-term power sales agreements for some or all of their 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 either facility will be able to operate profitably. This could lead to less predictable revenues, future impairments of either 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 and cash flows.

We do not currently supply our own natural gas directly to Temple I, Temple II or their firm natural gas storage service at the Bammel storage facility. We cannot assure you that we will be successful in the future 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, Temple II or their firm natural gas storage service at the Bammel storage facility. Although the physical infrastructure exists to supply our own natural gas directly to the Temple Plants 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 and cash flows.

BKV-BPP Power may enter 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 may enter 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 and cash flows.

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 March 31, 2024, BKV-BPP Power had unrealized losses of $83.1 million on our derivative instruments as a result of increased power prices; of the $83.1 million, $49.3 million of these losses pertain to four open HRCOs. In the event BKV-BPP Power enters into an HRCO and is not able to satisfy its obligations, 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 may 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 and cash flows.

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

Delivery of natural gas to fuel the Temple Plants is dependent upon the infrastructure (including natural gas pipelines) available to serve such generation facilities 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 facilities 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 and cash flows.

Risks Related to Our Retail Power Business

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

Our retail energy business is operated through BKV-BPP Retail, a wholly owned subsidiary of the BKV-BPP Power Joint Venture in which we and BPPUS each have a 50% interest.

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. For additional information, see "*— Risks Related to Our Power Generation Business — We operate our power generation business through a joint venture which we do not control*," and "*Certain Relationships and Related Party Transactions — BKV-BPP Power Joint Venture — BKV-BPP Power Limited Liability Company Agreement.*"

Our retail power business operates in a highly competitive environment, which may make it difficult to grow without reducing prices or incurring additional costs.

Our retail business faces substantial competition from other retail electric providers. As a result, we may be forced to reduce prices or incur increased acquisition costs in order to attract and maintain customers. Present and future competitors may have greater name recognition, long-standing customer and broker relationships, greater financial strength, or other resources that could put us at a disadvantage.

Our retail power business is subject to market price risk.

Our retail business is required to purchase sufficient energy and ancillary services at wholesale to serve its retail customers. Although wholesale prices fluctuate based on market conditions, our retail business has contracted to provide 100% of our customers with fixed power prices. As a result, BKV-BPP Retail is exposed to fluctuations in wholesale energy and ancillary service prices. BKV-BPP Retail attempts to hedge

this exposure where possible, but hedging instruments are sometimes not economically feasible or available in the quantities that it requires, certain components of energy prices are not able to be hedged at all, and hedge providers could fail to perform. BKV-BPP Retail's hedging activities do not provide it with protection for all of its risks, and price fluctuations, including those caused by transmission congestion or extreme weather, could result in economic losses and liabilities, which could have a material adverse effect on BKV-BPP Retail.

Our retail power business is vulnerable to changes in law, regulation, or market structure resulting in unanticipated costs that cannot be passed through to customers.

Our retail business operates in a highly regulated environment. It is directly regulated by both the PUCT and ERCOT. Changes in regulation could create increased costs that BKV-BPP Retail might be unable to pass through to customers, particularly those on fixed-priced contracts. For example, ERCOT introduced a new ancillary service product — ERCOT Reserve Contingency Service ("ECRS") — in June 2023. Although ERCOT began assessing ECRS charges to BKV-BPP Retail, the PUCT prevented retail suppliers such as BKV-BPP Retail from passing these costs onto existing customers on fixed price contracts. Future changes in law or regulation resulting in increased costs could impact our retail business.

Our retail business, including our relationship with our supplier, is dependent on access to capital and liquidity.

Our business involves entering into contracts to purchase large quantities of electricity. Because of seasonal fluctuations, we often have to purchase electricity and hedges in advance and finance the purchases until we can recover such amounts from our customers. Aside from our trades with BKV-BPP Power, we rely on an energy supplier to sleeve our energy and hedge purchases. Should we be unable to renew this agreement or should our energy supplier experience a credit rating decrease, our ability to affordably purchase energy and hedges could be impacted. Further, any difficulty obtaining credit or liquidity on commercially reasonable terms could impact our retail business.

Our retail business depends on our ability to attract and retain personnel with retail market experience.

Our success depends on key members of our management team, the loss of whom could disrupt our business operations. Further, our business is required by the PUCT to have one or more officers or managers with at least 15 years of combined experience in the competitive energy industry. The loss of certain key personnel could impact our ability to continue operating a retail electric business and could endanger our retail electric provider ("REP") certificate.

Our retail business depends on maintaining regulated permits and any loss of these permits would adversely affect our business.

Our business requires a REP certificate from the PUCT and a load serving entity ("LSE") registration and qualified scheduling entity ("QSE") registration with ERCOT. Both the PUCT and ERCOT impose various requirements to maintain these permits. Any negative publicity regarding the retail industry in general could result in agencies or the state legislature seeking to further regulate the retail business and an increase in our compliance burdens. Further customer complaints and compliance violations can negatively affect our relationship with the PUCT and potentially endanger our REP certificate. Any loss of our REP certificate, LSE registration or QSE registration would prevent us from continuing to participate in the retail market.

Risks Related to Our CCUS Business

Our ability to establish and operate 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 limited experience in the development and operation of a CCUS business, which poses different challenges and risks than our existing upstream and natural gas 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 may 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 goal of net zero Scope 1, 2 and 3 emissions across our owned and operated upstream businesses, 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 the pipeline of CCUS projects currently under evaluation, will face, operational, technological, regulatory and financial risks (including the risk that EnLink, BPPUS 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 fifteen 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. In most cases, emitters have required extended periods of time to evaluate potential projects and participate in negotiations. We have not entered into the definitive agreements necessary to execute any of the other fifteen potential projects we have identified and, as such, we cannot assure you that any of those fifteen potential projects will reach FID or be completed. Additionally, we cannot assure you we will be able to source and identify additional emitters willing to enter into CCUS project agreements with us. We may not receive 100% of the environmental attributes associated with CCUS projects funded in whole or in part by third parties, and, in such cases, we expect to have the right to purchase such environmental attributes BKV would not otherwise receive. Ultimately, we will be able to apply only such portion of the sequestered emissions to offset our own GHG emissions that corresponds to the percentage of environmental attributes BKV receives or purchases. Our stated goals of timely achieving net zero Scope 1, 2 and 3 emissions from our owned and operated upstream businesses are dependent, in part, on being able to commercially develop our existing pipeline of CCUS projects.

Further, our ability to successfully operate the Barnett Zero Project with EnLink, or successfully develop the Cotton Cove Project with BPPUS and any future potential CCUS projects, 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.
- In addition to the BKV-BPP Cotton Cove Joint Venture, 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 to develop the seventeen identified actual and potential CCUS projects to be between approximately $1.3 – 1.8 billion between now and the end of 2030. We currently estimate the total investment required for the Barnett Zero Project to be approximately $36.0 million and the total investment required for the Cotton Cove Project to be approximately $17.6 million, of which we will be required to contribute approximately $9.0 million, as discussed in "*Certain Relationships and Related Party Transactions — BKV-BPP Cotton Cove Joint Venture — BKV-BPP Cotton Cove Limited Liability Company Agreement*."

Our CCUS projects are expected to have material capital requirements, and we expect to fund up to 50% of these CCUS projects from a variety of external sources, which may include joint ventures, project-based equity partnerships and federal grants, with the remaining capital needs being funded with cash flows from operations. We anticipate that some of these project costs will be borne by third-party investors in these projects, including emitters, landowners and other stakeholders. However, there is no certainty that we will be able to obtain external funding on a timeline sufficient to achieve our goals, on commercially reasonable terms or at all. Our access to external funding depends on a number of factors, including general market conditions, potential investors' confidence in our CCUS program, business model, growth potential and our current and expected future earnings as well as the liquidity needs of the external funding sources themselves. We may face intense competition from a variety of other companies and financing structures for such limited investment capital. If we are unable to obtain a sufficient level of external funding for our CCUS projects, we may be required to abandon or materially delay 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 our positive net income 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.

We operate the Cotton Cove Project through a joint venture that requires the consent of BPPUS for certain material actions.

The BKV-BPP Cotton Cove Joint Venture is owned 51% by BKV dCarbon Ventures and 49% by BPPUS and was formed on August 25, 2023 to own the Cotton Cove Project. In accordance with the terms of the Limited Liability Company Agreement of BKV-BPP Cotton Cove (the "BKV-BPP Cotton Cove LLC Agreement"), the BKV-BPP Cotton Cove Joint Venture is managed by a board of managers (the "Cotton Cove JV Board") consisting of six members, four of whom are appointed by BKV dCarbon Ventures and two of whom are appointed by BPPUS. Certain material actions require the unanimous consent of the Cotton Cove JV Board and consequently, BKV-BPP Cotton Cove may not take certain material actions without the consent of BPPUS, as discussed in "*Certain Relationships and Related Party Transactions — BKV-BPP Cotton Cove Joint Venture — BKV-BPP Cotton Cove 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.

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. 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. Additionally, we may not receive 100% of the Section 45Q tax credits associated with CCUS projects funded in whole or in part by third parties and, in such cases, will receive only a corresponding percentage of the anticipated Section 45Q tax credits associated with such projects.

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 operate the Barnett Zero Project with EnLink in the Barnett, or successfully develop the Cotton Cove Project with BPPUS or any future CCUS projects and any failure to do so in whole or in any significant part 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 and results of operations.

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 March 31, 2024, 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 and cash flows.

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 and cash flows. 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 available cash 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 and cash flows.

A financial crisis or deterioration in general economic, business or industry conditions could materially adversely affect our results of operations and financial condition.

Concerns over global economic conditions, instability in the banking sector, 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.

Our business has also been impacted by economic conditions and disruptions in global financial markets such as reduced energy demand, increased prices due to the impacts of pandemics, inflation, and labor shortages. There was uncertainty during 2023 with potential economic downturns or recessions in parts of the United States and globally, which continues into 2024 with global conflicts such as the Russia-Ukraine and Israel-Hamas wars. Due to uncertainty in inflation, we may continue to see global, industry-wide supply chain disruptions and widespread shortages of labor, materials and services. Such shortages have resulted in our facing significant cost increases for labor, materials and services, and we expect these shortages and cost increases to continue. We are currently in a period of declining natural gas prices; however, the cost of labor, materials, and services remains high and may not adjust downward in proportion to increase in natural gas 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 from higher costs through increases in commodity prices or from our current revenue stream, then our estimates of future reserves, impairment assessments of natural gas and oil properties, and values of properties in purchase and sale transactions may all be significantly impacted. Although macroeconomic inflation is easing, these inflationary pressures may have an impact on our liquidity position 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. We will also continue to monitor the impacts of inflation and commodity price volatility and the effects on our business, including to our customers and our partners.

Similarly, we cannot predict the impact that high market volatility and instability in the banking sector could have on economic activity and our business in particular. The failure of banks and financial institutions and measures taken, or not taken, by governments, businesses and other organizations in response to these events could adversely impact our business, financial conditions and results of operations.

In addition, continued hostilities between Russia and Ukraine and Israel and Hamas 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 conflicts between Russia and Ukraine and Israel and Hamas 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 and financial condition. 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 and 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 and cash flows. The COVID-19 pandemic adversely affected the global economy and 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 our unconsolidated affiliate 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 and the BKV-BPP Power Joint Venture's planned solar facility, are each important factors to our potential ability to achieve our emissions goal of net zero Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses by the early 2030s and aspirations to offset Scope 3 emissions from our owned and operated upstream and natural gas midstream businesses by the late 2030s. We may not meet our near term or long term goals by our target date or at all. Likewise, our estimated sequestration rates from our CCUS business and our emissions reduction expected from our initiatives and our associated expected emissions offsets and/or other environmental attributes may turn out to be inaccurate. The standards and expectations regarding carbon accounting and the processes for measuring and counting GHG emissions and GHG emission reductions are evolving. Changes in GHG emission accounting methodologies, regulatory changes addressing the use of "net zero" in environmental marketing claims or new developments related to climate science could impact our ability to claim emissions reductions related to our CCUS business or otherwise. For more information, see "*— Risks Related to Environmental, Legal Compliance, and Regulatory Matters*." As a result, it is possible that factors outside of our control could give rise to the need to restate or revise our emissions reduction goals, cause us to miss them altogether, or limit the impact of success of achieving our goals.

Moreover, our CCUS business and nearly all of our CCUS projects are in the early stages of development. Although we commenced commercial operations with the initial injection of CO_2 waste at the Barnett Zero Project in November 2023, and have reached FID and entered into definitive agreements with respect to the Cotton Cove Project, we have not reached FID with respect to or entered into the definitive agreements necessary to execute any of the other fifteen potential projects described in "*Business — Our Operations — Carbon Capture, Utilization and Sequestration*" and may not be able to reach agreements 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 projected timeline for commercial operations depends on our ability to fund the anticipated capital requirements for the potential projects that we have identified through external funding and revenues from our upstream business. Furthermore, the commercial viability of our CCUS projects depends, in part, on obtaining necessary permits and other regulatory approvals and on our ability to receive our portion of the anticipated Section 45Q tax credits associated with these projects. In particular, we must meet certain wage and apprenticeship requirements in order to qualify for enhanced Section 45Q tax credits.

Our ability to establish and operate large scale CCUS projects is subject to numerous risks and uncertainties, including securing third-party financing, 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, including the projects for which we have reached FID, 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 operate the Barnett Zero

Project with EnLink, or successfully develop the Cotton Cove Project with BPPUS 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 and natural gas midstream emissions goals. Even if we are able to successfully develop and operate such projects, we may not receive 100% of the environmental attributes associated with CCUS projects funded in whole or in part by third parties, and, in such cases, we expect to have the right to purchase such environmental attributes BKV would not otherwise receive. Ultimately, we will be able to apply only such portion of the sequestered emissions to offset our own GHG emissions that corresponds to the percentage of environmental attributes BKV receives or purchases, which may negatively impact our net zero strategy, including by delaying or preventing our achievement of net zero. We have already had to extend out the timing for our achievement of our net zero goals and we may have to do so again in the future. Any disputes or ambiguities regarding the right to claim environmental attributes, may also increase the risk of double-counting of such attributes, which may negatively affect our ability to reach our net zero goals and negatively affect perceptions of our operations and products. Additionally, to the extent we meet our emissions reduction goals, they may be achieved through various contractual arrangements, in addition to those described in "*Business — Overview — Our Operations — Path to Net Zero Emissions,*" including the purchase of various credits or offsets that may be deemed to mitigate our emissions impact instead of actual changes in our emissions reduction performance. However, we cannot guarantee that there will be sufficient offsets available for purchase given the increased demand from numerous businesses implementing net zero goals, that the offsets we do purchase will successfully achieve the emissions reductions they represent or that such offsets will be deemed sufficient by third parties to whom we may seek to market our products with certain environmental attributes or product claims. See "*— Risks Related to Our CCUS Business.*"

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

As of July 5, 2024, we had outstanding debt of $410.0 million, which consisted of (i) $360.0 million in aggregate principal amount of revolving borrowings under the RBL Credit Agreement and (ii) $50.0 million in aggregate principal amount under the BNAC A&R Loan Agreement as described in "*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.*" We intend to use borrowings under the RBL Credit Agreement for working capital purposes, to fund capital expenditures, for the acquisitions, development and exploration of oil and gas properties and for general company purposes.

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.

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, fluctuations in commodity prices, 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 BNAC A&R Loan Agreement and the RBL 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.

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

If 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 and certain other 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 RBL Credit Agreement contains, 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 RBL Credit Agreement on the RBL Borrower's and its restricted subsidiaries' ability to pay dividends to their stockholders (including BKV Corporation), see "*— Risks Related to the Offering and Our Common Stock — The agreements governing our indebtedness impose restrictions on dividend payments*."

In addition, the RBL Credit Agreement requires the RBL Borrower to maintain, and future debt agreements may require us to maintain, compliance with financial ratios and tests.

The requirement that we comply with these provisions may materially adversely affect our ability to react to changes in market conditions, take advantage of business opportunities we believe to be desirable, obtain future financing, fund needed capital expenditures, 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 and the foreclosure of liens on our assets.

If we are unable to comply with the restrictions and covenants in the BNAC A&R Loan Agreement, RBL Credit Agreement or any future debt agreement or if we default under the terms of the BNAC A&R Loan Agreement, the RBL 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, any person or group (other than Banpu and its controlled affiliates, excluding portfolio companies and operating companies) acquires 35% or more of BKV Corporation's equity interests, or if any person or group acquires a greater percentage of BKV Corporation's equity interests than are then held by Banpu and its controlled affiliates (excluding portfolio companies and operating companies of Banpu), such event will be an event of default under the RBL 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*") and 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 BNAC A&R Loan Agreement, RBL 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. Our obligations under the RBL Credit Agreement are secured by liens on substantially all of BKV Corporation's and the RBL Borrower's assets and those of the RBL Borrower's restricted subsidiaries that guarantee our obligations under the RBL Credit Agreement, and an event of default under the RBL Credit Agreement could result in the foreclosure of such liens. 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 RBL Credit Agreement or any future debt agreement or obtain needed waivers on satisfactory terms.

Natural gas prices have decreased significantly since January 1, 2023, which caused non-compliance with the Company's fixed charge coverage ratio financial covenant as of the quarter ended June 30, 2023. Although our lenders waived such non-compliance, as discussed below, if sustained, decreased natural gas prices could cause non-compliance with the Company's other financial covenants in subsequent quarters. Non-compliance with financial debt covenants will limit the Company's ability to draw on its existing credit facilities and could also result in our debt agreements being called early, which would move certain noncurrent

financial obligations to current. As a result, the Company would have insufficient liquidity and capital resources to be able to repay those obligations. Additionally, the Company's reduced cash flow from operations could cause the Company not to meet its current and noncurrent financial obligations based on our current forecasts. Banpu agreed to provide funding to allow the Company to meet its financial obligations until June 30, 2025, if necessary. On June 16, 2023, the lenders under the Term Loan Credit Agreement and the Revolving Credit Agreement agreed to: (i) waive compliance with our minimum consolidated fixed charge coverage ratio covenant for the quarter ending June 30, 2023; (ii) reduce the ratio required by our minimum consolidated fixed charge coverage ratio covenant to 1.00 to 1.00 for the quarters ending September 30 and December 31, 2023; (iii) waive compliance with our maximum total net leverage ratio covenant for the quarter ending December 31, 2023; and (iv) waive compliance with our required commodity hedging covenant for the quarters ending June 30, September 30 and December 31, 2023. Such waivers did not apply to our obligations in the Term Loan Credit Agreement and the Revolving Credit Agreement to satisfy such financial covenants in order to pay dividends on our common stock and to repay the loan under our BNAC A&R Loan Agreement. Additionally, on July 6, 2023, the lenders under the Revolving Credit Agreement agreed to waive compliance with respect to our minimum marketer receivables covenant for up to $40.0 million of our credit facility borrowings under the Revolving Credit Agreement with total borrowings not to exceed $100.0 million; this waiver was effective through the fiscal quarter ending December 31, 2023 and, on December 26, 2023, the lenders agreed to extend the effectiveness of this waiver until July 31, 2024. On September 29, 2023, we entered into the Fourth Amendment to the Term Loan Credit Agreement and the Fourth Amendment to the Revolving Credit Agreement with the respective lenders thereunder, pursuant to which such credit agreements were amended to (i) remove the Company's maximum total net leverage ratio covenant and minimum consolidated fixed charge coverage ratio covenant; and (ii) insert the following financial covenants: (a) minimum debt service coverage ratio, which could not be less than 1.05 to 1.00 at the end of each fiscal quarter and (b) maximum net indebtedness to equity ratio, which could not be greater than 1.50 to 1.00 at the end of each fiscal quarter.

The Fourth Amendment to the Term Loan Credit Agreement inserted an additional financial covenant that required us to hold a certain amount of cash in our Debt Service Reserve Account. To fund the Debt Service Reserve Account, BKV made a capital call on BNAC of $150.0 million and, pursuant to the requirements of the existing stockholders' agreement, on September 27, 2023, BNAC made such capital contribution in exchange for 7,500,000 shares of BKV common stock (taking into account the October 2023 one-for-two reverse stock split). $138.3 million of BNAC's capital contribution was placed in the Debt Service Reserve Account to comply with our financial covenant under the Term Loan Credit Agreement.

On June 11, 2024, the amounts outstanding under the Term Loan Credit Agreement, the Revolving Credit Agreement and the SCB Credit Facility were paid off with proceeds from the loans under the RBL Credit Agreement and cash on hand. The Term Loan Credit Agreement, the Revolving Credit Agreement and the SCB Credit Facility were terminated concurrently with the repayment of the remaining amounts owed thereunder.

There can be no assurance that, if needed to avoid noncompliance with our debt agreements in the future, we will obtain the necessary waivers from the applicable lenders on satisfactory terms or at all. As a result, there could be an event of default under such agreements, which could result in an acceleration of repayment.

Our borrowings under the BNAC A&R Loan Agreement and RBL Credit Agreement expose us to interest rate risk.

Our results of operations are exposed to interest rate risk associated with borrowings under the BNAC A&R Loan Agreement and the RBL Credit Agreement, which bear interest at rates based on the Secured Overnight Financing Rate ("SOFR") or an alternative floating interest rate benchmark ("ABR"). Interest rates rose significantly during 2022 and remained elevated throughout 2023 and the first half of 2024 as the U.S. Federal Reserve sought to control inflation. Interest rates are currently expected to remain high during 2024. 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 increase in the future, or such interest rates do not decrease over the next few years, it may have a material adverse effect on our results of operations and financial condition.

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 three months ended March 31, 2024 and 2023, we had realized gains of $36.5 million, $18.0 million, respectively, of which $13.3 million of the $36.5 million of gains related to early termination of hedges. For the year ended December 31, 2023, we had realized gains of $90.2 million, of which $46.7 million related to early terminations of hedges. These gains are attributable to decreases in underlying commodity prices and volatility in energy markets. However, for the years ended December 31, 2022 and 2021, we incurred realized losses on derivatives of $688.5 million and $268.7 million, respectively, $158.4 million and $30.9 million of which related to early termination of hedges, respectively. For the three months ended March 31, 2024 and 2023, we incurred unrealized losses on derivatives of $40.1 million and unrealized gains on derivatives of $79.3 million, respectively. For the years ended December 31, 2023, 2022 and 2021, we incurred unrealized gains on derivatives of $148.6 million and $58.8 million, and unrealized losses on derivatives of $115.2 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 March 31, 2024, we have hedged 297,500 MMBtu/d for the remainder of 2024 and 111,250 MMBtu/d and 95,000 MMBtu/d for 2025 and 2026, respectively, and sold 100,000 MMBtu/d of call options with a strike price of $5.00/MMBtu for 2026 and 2027. In addition, as of March 31, 2024, we have hedged 21,350 Bbl/d for the remainder of 2024 and 10,275 Bbl/d, and 3,000 Bbl/d of NGLs for 2025 and 2026, 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 were required to novate or terminate, at our election, at least $100.0 million in derivative contracts by October 4, 2022. On September 9, 2022, we terminated derivative contracts of $100.2 million with the counterparty to satisfy this requirement. In connection with such termination, we were required to make cash payments to the counterparty in an

aggregate amount of $100.2 million, all of which was paid by November 30, 2022. The Master Agreement, as amended to date, 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 15 — Credit and Other Risk*" to our audited consolidated financial statements included elsewhere in this prospectus for additional information regarding the Master Agreement.

Subject to restrictions in the RBL 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 and cash flows. 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, the BKV-BPP Power Joint Venture and the BKV-BPP Cotton Cove 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 joint ventures. Our subsidiaries' and joint ventures' respective abilities 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 natural gas 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 and results of operations.

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 "*— 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 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 and cash flows.

In addition, the BNAC A&R Loan Agreement and the RBL Credit Agreement (and, in respect of the RBL Credit Agreement, solely with respect to the RBL Borrower and its restricted subsidiaries) prohibit us

from entering 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 reserves recovery and investment in non-operated wells. Our capital expenditures in 2022 totaled $235.4 million, primarily relating to completion of drilled but uncompleted wells prior to January 1, 2022, investment in operated wells, projects to increase reserves recovery, and investment in non-operated wells. Our capital expenditures in 2023 totaled $165.9 million, primarily relating to the completion of drilled but uncompleted wells prior to January 1, 2023, our investment in our CCUS business, and projects to increase reserves recovery.

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. Natural gas prices decreased significantly during 2023 and are projected to remain lower than the near-record high prices experienced in 2022. In response to this natural gas pricing environment, our capital expenditures budget for development of natural gas properties for 2024 is approximately $22.0 million, a decrease of approximately $59.0 million from our prior year budget of $81.0 million. A sustained decline in commodity prices may result in further decreases 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 RBL 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 RBL 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. For example, the recent decline in commodity prices may reduce the amount of capital the Company can raise through debt or equity financing. 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 RBL Credit Agreement is 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 or our CCUS business, which in turn could lead to a decline in our reserves and production and a failure to meet our net zero goals, and could adversely affect our business, financial condition and results of operations.

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 and results of operations.

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 and cash flows. In addition, to assist in conducting our business, we rely on information technology systems and data hosting facilities, including systems and facilities that are hosted by third parties and with respect to which we have limited visibility and control. These systems and facilities may be vulnerable to a variety of evolving cyber security risks or information security breaches, including unauthorized access, denial-of-service attacks, malicious software, data privacy breaches by employees, insiders or others with authorized access, cyber or phishing-attacks, ransomware, malware, social engineering, physical breaches or other actions. The use by BKV and its third-party service providers to a hybrid systems model including on-premises and cloud environments has transformed how systems interconnect, how data is stored, how users interact with applications and what end user devices are utilized. This hybrid systems model has resulted in additional cybersecurity risk, and 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, including third-party systems that we do not control. 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.

Similarly, some activists view CCUS as a means to either promote the fossil fuel industry or avoid transition to other sources of energy, and thus, are often opposed to such projects regardless of any potential environmental benefits. We may need to incur significant costs associated with responding to these or other 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 and results of operations.

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 and cash flows.

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 and cash flows. 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 and cash flows.

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.

In addition, Christopher Kalnin serves as a member of Banpu's Executive Committee with responsibilities to Banpu to, among other things, manage all aspects of Banpu's business in North America. Although our corporate opportunity policy requires Mr. Kalnin to present applicable business opportunities sourced by him to our company before such opportunities may be presented to Banpu, Banpu or its affiliates may compete with us for acquisition or other business opportunities. Our independent directors also serve, or may in the future serve, as officers and board members for other entities. If our officers' and directors' other business affairs require them to devote substantial amounts of time to such affairs, it could limit their ability to devote time to our affairs which may have a negative impact on our ability to compete or follow the elements of our business strategy. For additional information about limitations on our access to business opportunities sourced by our officers or directors, see "*Management — Conflicts of Interest.*"

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.

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 and our financial condition 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 various environmental attributes (including but not limited to offsets and renewable energy credits) are evolving, and it is possible that our approach to measuring both our emissions (and any corresponding reductions) 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 including as such practice is interpreted by individual stakeholders and their own expectations, with respect to measuring and accounting for such matters, reducing overall emissions, effectively sequestering emissions, maintaining a “closed loop” approach to emissions and/or achieving “net zero,” whether for our entire emissions inventory, a particular business segment or for particular products. If our approaches to such matters fall out of step with particular stakeholder expectations, we may be subject to additional scrutiny, criticism, regulatory and investor or litigation, any of which may adversely impact our business, financial condition or results of operations. For example, there has been increasing scrutiny on and criticism of the certification or labelling of certain fossil fuel products as “responsible” or similar labels, as well as on various marketing or other claims related to the use of offsets or the emission profile of products, given alleged deficiencies in the monitoring processes used to support such certifications or claims, which may adversely impact demand for, and any premium associated with, such certifications and claims. Our plans and claims regarding our “Pad of the Future” program and RSG and our intent to produce Carbon Sequestered Gas may come under criticism, expose us to potential litigation or otherwise impact our reputation and

financial performance. For example, our plan to retire carbon credits against our Scope 1 and Scope 3 emissions instead of transferring such credits with our produced natural gas may impact certain customers' willingness or ability to use Carbon Sequestered Gas to meet their own emissions goals, and thus adversely impact demand for such product. Additionally, disputes or ambiguities regarding the methodologies used to certify and register carbon credits associated with CCUS projects could delay or prevent our efforts to certify and register the environmental attributes associated with our CCUS projects as tradeable carbon credits, including the development of a blockchain ledger and tokens to facilitate the transfer of environmental attributes, which may negatively impact our net zero strategy, including by delaying or preventing our achievement of net zero. Such failure may also otherwise impact our operations to the extent such certification or similar condition is required, such as with our contract with ENGIE. In some instances, relevant information or timing for our emissions reduction and other ESG efforts is dependent on third parties, who may not act in a manner or timeline that aligns with our expectations or desires. Similarly, even if we successfully achieve any or all of our net zero goals, as described herein, we may not see a benefit from such efforts to the extent other stakeholders disagree with, among other things, the structure of such goal or the methodology, accounting or data sources associated therewith.

Additionally, various regulators have adopted, or are considering adopting, regulations on environmental marketing claims, including but not limited to the use of climate-related language such as "net zero" in product marketing. These requirements may use different criteria or methodologies than we currently use in assessing our net zero strategy or products, such as our intentions to develop Carbon Sequestered Gas. Any new regulations adopted, or existing regulations subject to new interpretations, may require us to change our internal assessment criteria, restrict our use of certain marketing claims or our ability to benefit from initiatives we have undertaken or otherwise adversely impact our operations.

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.

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. 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, which could result in the restriction, delay or cancellation of drilling programs or development or production activities and affect our access to capital for potential growth projects. 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. In 2021, President Biden signed an executive order calling for the development of a "climate finance plan" and, separately, in 2020, the Federal Reserve joined the Network for Greening the Financial System ("NGFS"), a consortium of financial regulators focused on addressing climate-related risks in the financial sector. 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.

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 and cash flows.

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. Such 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 and liquidity.

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 reserves 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 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, in August 2022, Congress passed, and President Biden signed into law, the Inflation Reduction Act of 2022, which imposes several new climate-related requirements on oil and gas operations and appropriates significant federal funding for renewable energy initiatives. The Inflation Reduction Act, 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 U.S. Department of Transportation ("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 December 2, 2023, the EPA announced finalized rules establishing requirements for methane emissions from existing and modified oil and gas sources and impose additional requirements for new sources with respect to methane emissions, including sourcing not previously regulated under the oil and gas source category (the "2023 Methane Rules"). In addition, on May 6, 2024, the EPA released its revised regulations for GHG emissions reporting ("Subpart W Regulations") that will have an impact on the quantity of GHG emissions reported and the associated payment of fees under the Waste Emissions Charge imposed by the IRA that may be applicable to our operations. In addition, EPA is also proposing additional regulations that will require BKV to report energy consumption data to the US EPA ("Subpart B Regulations"), that will increase the overall regulatory burden for reporting. We continue to review additional changes to rules, such as the revised regulations issued by the Bureau of Land Management to reduce flaring and natural gas waste on federal leases or updates to its onshore oil and gas leasing rules that may impact our current or future operations.

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 further restrictions may be pursued. 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. In January 2024, the Biden Administration announced a temporary pause on the Department of Energy's ("DOE") review of pending applications for authorization to export LNG to countries that have not entered into free trade agreements ("FTAs") with the United States (so-called non-FTA countries). The temporary pause was intended to last until DOE could update its underlying analyses for authorizations using more current data to account for considerations like potential energy cost increases for consumers and manufacturers or the latest assessment of the impact of GHGs. However, a number of states have filed a judicial challenge to the temporary pause and on July 1, 2024 a federal district court granted a stay of the DOE pause. We continue to monitor this judicial challenge, but we cannot predict when or whether the temporary pause will resume. The temporary pause is not expected to affect LNG exports that have already been authorized but may have a material impact on the operations of U.S.-based LNG exporters, which could affect demand for natural gas, generally.

Additionally, in March 2024, the SEC finalized a new rule requiring the reporting of climate-related risks and financial impacts, as well as GHG emissions for larger companies. Compliance dates under the final rule are phased in by registrant category. Smaller reporting companies will be required to incorporate climate-related disclosures into their filings beginning in fiscal year 2027. Accelerated filers will be required to incorporate the disclosures in fiscal year 2026, as well as disclosure of Scope 1 and 2 GHG emissions, if material, in fiscal year 2028, and limited assurance attestation reports related to the same by fiscal year 2031. Large accelerated filers will be required to incorporate the disclosures in fiscal year 2025, with Scope 1 and 2 GHG emissions disclosures, if material, in fiscal year 2026, and attestation reports by fiscal year 2029. The new rule is currently being challenged in the U.S. Court of Appeals for the Eighth Circuit and, in April 2024, the SEC voluntary stayed the effective date of the rule. We continue to monitor this judicial challenge and are currently assessing the final rule, but we cannot predict the costs of implementation or any potential adverse impacts resulting from the rule. In addition, other policymakers, including the State of California, have adopted (or are considering adopting) similar or more stringent regulations. 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 the discharge 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.

The Temple Plants are subject to the rules and regulations of the PUCT and ERCOT, which could have a material adverse effect on our operations and cash flows.

The Temple Plants are 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 implemented rules regarding weatherization of power plants in the aftermath of Winter Storm Uri. Such rules increased capital and operations and maintenance costs for many generation facilities. Additionally, the PUCT is currently weighing a redesign of the ERCOT market that is intended to retain existing generation facilities and encourage the construction of new generation facilities. This process could lead to decreased revenue, increased operating costs, and adversely affect our business, financial condition, and results of operations.

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 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. 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.

The final of the three components of the Gas Mega Rule was published on August 24, 2022 and took effect on May 24, 2023. The Gas Mega Rule imposes new standards for pipeline inspections and repairs and empowers PHMSA with expanded authority to issue emergency orders.

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. As of January 2023, the maximum civil penalties PHMSA can impose are $257,664 per pipeline safety violation per day, with a maximum of $2,576,627 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 and cash flows.

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 and cash flows.

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 the 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 and cash flows.

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.

Since 2020, 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, in late 2021 the U.S. House of Representatives passed legislation that was not ultimately enacted and, in early 2022, 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*."

Further, if, after this initial public offering, any person or group (other than Banpu and its controlled affiliates, excluding portfolio companies and operating companies) acquires 35% or more of our equity interests, or if any person or group acquires a greater percentage of our equity interests than are then held by Banpu and its controlled affiliates (excluding portfolio companies and operating companies of Banpu),

such event will be an event of default under the RBL Credit Agreement, which may result in the amounts owed by us thereunder to become immediately due and payable.

Banpu also exercises substantial influence over the BKV-BPP Power Joint Venture, which we do not control, and the BKV-BPP Cotton Cove Joint Venture, which requires the consent of BPPUS for certain material actions. The BKV-BPP Power Joint Venture is controlled by its eight-member board of managers, four of whom are appointed by us and four of whom are appointed by BPPUS. The BKV-BPP Cotton Cove Joint Venture is controlled by its six-member board of managers, four of whom are appointed by BKV dCarbon Ventures (our wholly owned subsidiary) and two of whom are appointed by BPPUS. For additional information, see "*— Risks Related to Our Power Generation Business — We operate our power generation business through a joint venture which we do not control*" and "*— Risks Related to Our CCUS Business — We operate the Cotton Cove Project through a joint venture that requires the consent of BPPUS for certain material actions.*"

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 and results of operations. 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 for our upstream, midstream and power businesses through cash flows from operations and from borrowings under our RBL Credit Agreement. We expect to fund up to 50% of our CCUS business from a variety of external sources, which may include joint ventures, project-based equity partnerships and federal grants, with the remaining capital needs being funded with cash flows from operations. Our future operating performance and to meet our debt service obligations will be affected by economic and capital market conditions, commodity prices, our 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, BKV-BPP Cotton Cove 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 or BKV-BPP Cotton Cove 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. In addition, Christopher Kalnin serves as a member of Banpu's Executive Committee with responsibilities to Banpu to, among other things, manage all aspects of Banpu's business in North America. Although our corporate opportunity policy requires Mr. Kalnin to present applicable business opportunities sourced by him to our company before such opportunities may be presented to Banpu, Banpu or its affiliates may compete with us for acquisition or other business opportunities. For additional information about our corporate opportunity policy and limitations on our access to business opportunities sourced by our officers or directors, see "*Management — Conflicts of Interest*."

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

Christopher Kalnin currently serves as a member of Banpu's Executive Committee with responsibilities to Banpu to, among other things, manage all aspects of Banpu's business in North America. Following this offering, seven of our directors will be employees of Banpu or its affiliates. In addition, certain of our officers and such directors may now or in the future own capital stock or equity awards in Banpu or its affiliates. For certain of these individuals, their holdings of common stock or equity awards in Banpu or its affiliates 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 or its affiliates 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. For additional information about limitations on our access to business opportunities sourced by our officers or directors, see "*Management — Conflicts of Interest*."

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 in this "*Risk Factors*" section and under "*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 do not currently plan to, and may not in the future have sufficient available cash to, pay dividends on our common stock.

We do not currently plan to declare dividends on our shares of common stock, and any future determination to pay dividends will be made at the sole discretion of our board of directors after considering our general economic and business conditions, including, among other things, our financial condition and anticipated cash needs. Furthermore, 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. Events may occur, including a reduction in anticipated production volumes or realized prices or other events, which could materially impact the amount of surplus we may have and/or may result in insufficient available cash to enable us to pay dividends to our stockholders.

The payment of dividends on our common stock is subject to the discretion of our board of directors and the lack of dividend payments on our common stock could adversely affect the market price of our common stock.

Our stockholders will have no contractual or other legal right to dividends. The payment of any 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. 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 insufficient cash available for payment of dividends on our common stock. The lack of dividend payments on our common stock could adversely affect the market price of our common stock.

The agreements governing our indebtedness impose restrictions on dividend payments.

The RBL Credit Agreement contains, and any future debt agreement may contain, covenants that prohibit us from paying dividends on our common stock under certain circumstances. The RBL Credit Agreement permits the RBL Borrower and its restricted subsidiaries to pay (a) unlimited dividends to their stockholders (including BKV Corporation) if (1) the net leverage ratio (as defined in the RBL Credit Agreement) on a pro forma basis is less than or equal to 1.50 to 1.00 and (2) the pro forma available commitments are greater than or equal to 25% of the Loan Limit (as defined in the RBL Credit Agreement) and (b) dividends to their stockholders in an amount not to exceed 100% of Distributable Free Cash Flow (as defined in the RBL Credit Agreement) if (1) the net leverage ratio on a pro forma basis is less than or equal to 1.75 to 1.00 and (2) the pro forma available commitments are greater than or equal to 20% of the Loan Limit. There can be no assurance that we will generate sufficient cash flow to permit us to reduce leverage and pay dividends in compliance with the RBL 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 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.

As of March 31, 2024, material weaknesses continued to exist in our internal control over financial reporting. 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. These material weaknesses resulted in audit adjustments to share capital and other mezzanine equity accounts and liquidity disclosures in the consolidated financial statements as of December 31, 2021 and for the year then ended.

In addition, 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. This material weakness resulted in audit adjustments to income tax benefit, income taxes payable to related party and deferred tax assets in the consolidated financial statements as of December 31, 2021 and for the year then ended, and an immaterial audit adjustment to the supplemental cash flows information for cash payments for income taxes and a reclassification between oil and gas production and other taxes payable and other accrued liabilities within *Note 11 — Accounts Payable and Accrued Liabilities* to our consolidated financial statements, included elsewhere in this prospectus, as of and for the year ended December 31, 2023.

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 these 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 66⅔% 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 66⅔% 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.

Our net tangible book value as of March 31, 2024 was approximately $ million, or $ per share. 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 March 31, 2024 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 issuable 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 and cash flows.

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;
- actual and potential conflicts of interest relating to Banpu, its affiliates and other entities in which members of our officers and directors are or may become involved;
- 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 the Temple Plants;
- our plan to continue to build out our power generation business and to expand into retail power;
- our ability to produce and sell Carbon Sequestered Gas;
- our ability to effectively operate and grow our CCUS business;
- our ability to forecast annual CO_2e sequestration rates for our CCUS projects;
- 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 ability to effectively operate and grow our retail power business;
- our anticipated Scope 1, Scope 2 and Scope 3 emissions from our owned and operated upstream and natural gas midstream businesses and our sustainability plans and goals, including our plans to

offset our Scope 1, Scope 2 and Scope 3 emissions from our owned and operated upstream and natural gas midstream businesses;

- our ESG strategy and initiatives, including those relating to the generation and marketing of environmental attributes or new products seeking to benefit from ESG-related activities;
- 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.*"

Reserves 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 reserves estimate depends on the quality of available data, the interpretation of such data and price and cost assumptions made by reserves 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, reserves 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.

We intend to use the net proceeds we receive from the sale of our common stock in this offering for the repayment of certain indebtedness, which may include some or all of the $50.0 million in aggregate principal amount outstanding under the BNAC A&R Loan Agreement and the outstanding revolving borrowings under the RBL Credit Agreement, for growth capital expenditures and for other general corporate purposes, which may include the expansion of our CCUS business.

On June 11, 2024, the RBL Borrower drew down $425.0 million under the RBL Credit Agreement and we used such proceeds and cash on hand to pay off the amounts outstanding under the Term Loan Credit Agreement, the Revolving Credit Agreement and the SCB Credit Facility, which were each were terminated concurrently with the repayment of the remaining amounts owed thereunder. Subsequently, on June 27, 2024, we repaid $65.0 million, including interest, of the outstanding borrowings under the RBL Credit Agreement. As of July 5, 2024, there are $360.0 million of outstanding borrowings under the RBL Credit Agreement with an effective interest rate of 8.7%.

Amounts outstanding under the RBL Credit Agreement bear interest based upon SOFR or ABR (each as defined in the RBL Credit Agreement), as applicable, plus an additional margin which is based on the percentage of the borrowing base being utilized, ranging from 2.75% to 3.75% for SOFR loans and 1.75% to 2.75% for ABR loans. There is also a commitment fee of 0.50% on the undrawn commitments. Obligations under the RBL Credit Agreement may be prepaid without premium or penalty, other than customary breakage costs. 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 — RBL Credit Agreement*."

DIVIDEND POLICY

We currently do not pay a fixed cash dividend to holders of our common stock. Our dividend policy is under consideration by our board of directors. Any future determination related to our dividend policy will be made at the sole discretion of our board of directors after considering our general economic and business conditions, including 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.

CAPITALIZATION

The following table shows our capitalization as of March 31, 2024:

- 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 Financial Information*," "*Management's Discussion and Analysis of Financial Condition and Results of Operations*," "*Prospectus Summary — Summary Reserves, Production and Operating Data*," and our historical consolidated financial statements and the related notes thereto included elsewhere in this prospectus.

	As of March 31, 2024	
	Actual	As Adjusted
(in thousands, except shares and par value)	(unaudited)	
Cash and cash equivalents, including restricted cash	$ 162,846	$
Debt:		
Notes payable to related party[1]	$ 75,000	$
Term Loan Credit Agreement	452,645	
Credit facilities	126,000	
Total debt[2]	$ 653,645	$
Mezzanine equity[3]:		
Common stock – minority ownership puttable shares	$ 61,536	$
Equity-based compensation	128,534	
Total mezzanine equity	$ 190,070	$
Stockholders' equity[4]:		
Common stock, par value $0.01 per share; 300,000,000 authorized shares; 63,872,684 shares issued and outstanding, actual; and shares issued and outstanding, as adjusted[5]	$ 1,283	$
Treasury stock, shares at cost; 213,528 shares	(4,582)	
Additional paid-in capital	1,032,101	
Retained earnings	228,783	
Total stockholders' equity	$1,257,585	$
Total capitalization	$2,264,146	$

(1) Represents term loans under the BNAC A&R Loan Agreement. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Loan Agreements and Credit Facilities*."

(2) As of July 5, 2024, we had outstanding debt of $410.0 million, which consisted of (i) $360.0 million in aggregate principal amount of revolving borrowings under the RBL Credit Agreement and (ii) $50.0 million in aggregate principal amount under the BNAC A&R Loan Agreement.

(3) 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 condensed consolidated balance sheets.

(4) The number of shares of our common stock issued and outstanding on an actual basis has been adjusted to give effect to the one-for-two reverse stock split the Company completed on October 30, 2023. See "*Prospectus Summary — Reverse Stock Split.*"

(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 March 31, 2024 would have been $, $, $, $ and $, respectively.

The number of shares of our common stock set forth in the table above excludes an aggregate of 5,000,000 additional shares of our common stock reserved for 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 500,000 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. We calculate net tangible book value per share by dividing our tangible net worth (tangible assets less total liabilities) by the total number of outstanding shares of common stock.

Our net tangible book value as of March 31, 2024 was approximately $ million, or $ per share. 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 March 31, 2024 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 March 31, 2024	$	
Increase in pro forma 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 March 31, 2024, 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 investors					
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 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 condensed consolidated balance sheets.

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 5,000,000 of additional shares of our common stock reserved for 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 500,000 additional shares reserved to be available for purchase by employees pursuant to the ESPP.

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 — Business and Basis of Presentation" to our condensed consolidated financial statements included elsewhere in this prospectus. It is also described in "Note 1 — Business and Basis of Presentation" to our audited 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 are supported by 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 expect our owned and operated upstream and natural gas midstream businesses to achieve net zero Scope 1 and Scope 2 emissions by the early 2030s, and net zero Scope 1, 2 and 3 emissions by the late 2030s. We maintain a "closed-loop" approach to our net zero emissions goal through the operation of our four business lines. We are committed to vertically integrating portions of our business to reduce costs and improve overall commercial optimization of the full value chain. For instance, in the Barnett, our natural gas production is gathered and transported in part through our midstream systems and we commenced sequestration operations at our first CCUS project in November 2023. We expect our second CCUS project to commence sequestration activities by the end of 2025 and are evaluating a robust backlog of actionable CCUS opportunities. 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.

Operational and Financial Highlights

Below are some highlights of our operating and financial results for the three months ended March 31, 2024 and 2023 and the years ended December 31, 2023, 2022 and 2021:

- Production of natural gas, NGLs, and oil was approximately 74.7 Bcfe and 78.8 Bcfe during the three months ended March 31, 2024 and 2023, respectively. Production of natural gas, NGLs and oil was approximately 313.8 Bcfe, 279.5 Bcfe and 245.8 Bcfe during the years ended December 31, 2023, 2022 and 2021, respectively.
- Average realized product prices, excluding the impact of settled derivatives, were $1.90 per Mcfe and $2.67 per Mcfe for the three months ended March 31, 2024 and 2023, respectively. Average realized product prices, excluding the impact of settled derivatives, were $2.25 per Mcfe, $5.84 per Mcfe and $3.38 per Mcfe for the years ended December 31, 2023, 2022 and 2021, respectively.
- For the three months ended March 31, 2024 and 2023, production revenues were $141.7 million and $210.4 million, respectively, and midstream revenues were $4.1 million and $3.9 million respectively. For the years ended December 31, 2023, 2022 and 2021, production revenues were $706.2 million, $1.6 billion and $829.7 million, respectively, and midstream revenues were $16.2 million, $12.7 million and $6.9 million, respectively.
- Lease operating expense was $32.5 million, or $0.43 per Mcfe, and $40.7 million, or $0.52 per Mcfe, for the three months ended March 31, 2024 and 2023, respectively. Lease operating expense was

$142.9 million, or $0.46 per Mcfe, $123.4 million, or $0.44 per Mcfe, and $83.0 million, or $0.33 per Mcfe, for the years ended December 31, 2023, 2022 and 2021, respectively.

- Net loss for the three months ended March 31, 2024 was $38.6 million and for the three months ended March 31, 2023, net income was $96.2 million. Net income attributable to common stockholders for the years ended December 31, 2023 and 2022 was $116.9 million and $410.1 million, respectively. Net loss attributable to common stockholders for the year ended December 31, 2021 was $170.7 million.
- Net cash provided by operating activities for the three months ended March 31, 2024 and 2023 was $19.3 million and $13.5 million, respectively. Net cash provided by operating activities for the years ended December 31, 2023, 2022 and 2021 was $123.1 million, $349.2 million and $358.1 million, respectively.
- Adjusted EBITDAX was $47.1 million and $74.0 million for the three months ended March 31, 2024 and 2023, respectively. Adjusted EBITDAX was $251.2 million, $575.5 million and $281.0 million for the years ended December 31, 2023, 2022 and 2021, respectively.
- Adjusted Free Cash Flow was positive $47.6 million and negative $(14.5) million for the three months ended March 31, 2024 and 2023, respectively. Adjusted Free Cash Flow was $19.1 million, $169.2 million and $165.1 million for the years ended December 31, 2023, 2022 and 2021, respectively.
- Net cash used in investing activities was $19.9 million for the three months ended March 31, 2024, $14.3 million of which was used for the development of natural gas properties and $4.6 million was used to invest in CCUS activities. The remaining cash outflow is attributable to other investing activities. Net cash used in investing activities was $81.5 million for the three months ended March 31, 2023, and was primarily used for the development of natural gas properties. Net cash used in investing activities was $177.8 million for the year ended December 31, 2023, of which $134.4 million was used for the development of natural gas properties, $50.0 million was used to invest in CCUS activities, and $6.6 million was provided from other investing activities. Net cash used in investing activities was $865.6 million for the year ended December 31, 2022, $619.4 million of which was used to acquire assets in the Exxon Barnett Acquisition. The remaining cash outflow included $235.4 million attributable to development activities and $10.7 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 (without adjusting to give effect to our October 2023 reverse stock split). No dividends were paid during the three months ended March 31, 2024 or 2023 or the years ended December 31, 2023 or 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"* 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, the historical high and low Henry Hub natural gas spot prices per MMBtu for the following periods were as follows: in 2021, high of $23.86 and low of $2.43; in 2022, high of $9.85 and low of $3.46; in 2023, high of $3.78 and low of $1.74; and for the three months ended March 31, 2024, high of $13.20 and low of $1.25.

We expect the natural gas and NGL markets to 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 capital expenditures and meet our debt service obligations and other financial commitments."

Our business has also been impacted by economic conditions and disruptions in global financial markets such as reduced energy demand, increased prices due to the impacts of pandemics, inflation, and labor shortages. There was uncertainty during 2023 with potential economic downturn or recession in parts of the United States and globally, which continues into 2024 with global conflicts such as the Russia-Ukraine and Israel-Hamas wars. Due to uncertainty in inflation, we may continue to see global, industry-wide supply chain disruptions and widespread shortages of labor, materials and services. Such shortages have resulted in our facing significant cost increases for labor, materials and services, and we expect these shortages and cost increases to continue. We are currently in a period of declining natural gas prices; however, the cost of labor, materials, and services remain high and may not adjust downward in proportion to increase in natural gas 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 increases in commodity prices or from our current revenue stream, then our estimates of future reserves, impairment assessments of natural gas and oil properties, and values of properties in purchase and sale transactions may all be significantly impacted. Although macroeconomic inflation is easing, these inflationary pressures may have an impact on our liquidity position 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. We will also continue to monitor the impacts of inflation and commodity price volatility and the effects on our business, including to our customers and our partners.

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) attributable to BKV Corporation before (i) non-cash derivative gains (losses), (ii) depreciation, depletion, amortization and accretion, (iii) exploration and impairment expense, (iv) gains (losses) on contingent consideration liabilities, (v) interest expense, (vi) interest expense, related party, (vii) income tax benefit (expense), (viii) equity-based compensation expense, (ix) bargain purchase gains, (x) earnings or losses from equity affiliate, (xi) the portion of settlements paid (received) for early-terminated derivative contracts that relate to future periods and (xii) 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 operations 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 operations 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 refers to our total capital expenditures accrued for the development of natural gas properties (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 50% or less to allow for funding of strategic initiatives. In addition, we target a Maintenance Reinvestment Rate of less than 40%. For a reconciliation of upstream capital expenditures (accrued) to cash flows used in development of natural gas properties in the consolidated statements of cash flows, see "*— Liquidity and Capital Resources — Capital Resources — Cash flows used in investing activities*."

Adjusted Free Cash Flow. We define Adjusted Free Cash Flow as net cash provided by (used in) operating activities, excluding cash paid for contingent consideration and changes in operating assets and liabilities, less total cash paid for capital expenditures (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 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 to 1.5x 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 2021 acquisition of Temple I and the 2023 acquisition of Temple II by the BKV-BPP Power Joint Venture, as well as our Exxon Barnett Acquisition, our historical reserves, operating and financial data may not be comparable from period to period. For example, our average daily production volumes of natural gas, NGLs, and oil was 821.1 MMcfe/d and 875.9 MMcfe/d for the three months ended March 31, 2024 and 2023, respectively, and 859.7 MMcfe/d, 765.9 MMcfe/d, and 673.3 MMcfe/d for the years ended December 31, 2023, 2022, and 2021, respectively. In addition, our losses from the BKV-BPP Power Joint Venture were $7.7 million and $5.4 million for the three months ended March 31, 2024 and 2023, and for the years ended December 31, 2023, 2022, and 2021, earnings from the BKV-BPP Power Joint Venture were $16.9 million, $8.5 million and $0.9 million, 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, which trended lower during 2023 and into the first half of 2024. 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 level of drilling, completion, and production activities by other natural gas production companies, global industry-wide supply chain disruptions, widespread shortages of labor, material, and services, the ability to agree and maintain production levels by members of OPEC and other oil producing countries, and political instability of other energy producing countries, 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. Due to the impacts on commodity prices, they are likely to remain volatile in the future, but in the near-term, they may continue to trend on average between $1.50 to $2.00 and we believe our 2024 budget reflects this trend.

For example, due to the volatility in commodity prices, for the three months ended March 31, 2024, our average realized product prices were $1.90 compared to $2.67 for the three months ended March 31, 2023. For the years ended December 31, 2023, 2022, and 2021, our average realized product prices were $2.25, $5.84, and $3.38, respectively. Taking into consideration production volumes, production revenues were $141.7 million and $210.4 million for the three months ended March 31, 2024 and 2023, respectively, and $706.2 million, $1.6 billion, and $829.7 million for the years ended December 31, 2023, 2022, 2021, respectively.

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 and through gathering, processing and transporting natural gas. Our revenues, cash flows 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 continue to fluctuate widely in the future due to a variety of factors, including, but not limited to, severe weather, natural gas storage levels, prevailing economic conditions, supply and demand of hydrocarbons or other energy sources in the marketplace and geopolitical events such as wars, international relations, or political leadership. 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.

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, call options and basis swaps, 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 three months ended March 31, 2024 and 2023, we had net realized and unrealized derivative losses of $3.7 million and net realized and unrealized derivative gains of $97.4 million, respectively, and for the years ended December 31, 2023, 2022

and 2021, we had net realized and unrealized derivative gains of $238.7 million and net realized and unrealized derivative losses of $629.7 million and $383.8 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 variance 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 91.5% and 96.2% of our total revenues, excluding net derivative gains (losses) for the three months ended March 31, 2024 and 2023, respectively, were derived through the production and sale of natural gas, NGLs, and oil. Approximately 95.5%, 98.4% and 93.3% of our total revenues, excluding net derivative gains (losses), for the years ended December 31, 2023, 2022 and 2021, 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 the periods presented:

	Three Months Ended March 31,		Year Ended December 31,		
	2024	2023	2023	2022	2021
Natural gas sales	68%	75%	72%	80%	72%
NGL sales	31%	24%	27%	19%	27%
Oil sales	1%	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:

	Three Months Ended March 31,		Year Ended December 31,		
Production Data	2024	2023	2023	2022	2021
Natural gas (MMcf)	59,644	63,687	249,766	217,585	186,055
NGLs (MBbls)	2,485	2,488	10,554	10,187	9,829
Oil (MBbls)	28	36	119	140	123
Total volumes (MMcfe)	74,722	78,831	313,804	279,547	245,767
Average daily total volumes (MMcfe/d)	821.1	875.9	859.7	765.9	673.3

Midstream revenues

Approximately 2.7% and 1.8% of our total revenues, excluding net derivative gains (losses), for the three months ended March 31, 2024 and 2023, respectively, were generated from our midstream operations, including our approximate 29.4% non-operated interest in a midstream system operated by Repsol (our "Repsol Midstream Interest"). For the years ended December 31, 2023, 2022, and 2021, these midstream revenues were approximately 2.2%, 0.8%, and 0.7% of our total revenues, excluding net derivative gains (losses), respectively. For the year ended December 31, 2021, midstream revenues were generated exclusively from our Repsol Midstream Interest. For the three months ended March 31, 2024 and 2023, and for the years ended December 31, 2023 and 2022, in addition to revenues from our Repsol Midstream Interest, we began to generate midstream revenues from midstream assets acquired in the Exxon Barnett Acquisition, which we operate. Revenues from the non-operated Repsol Midstream Interest and our operated midstream assets are recognized when services are rendered based on quantities transported and measured according to the underlying contracts.

Marketing revenues

Approximately 3.2% and 1.2% of our total revenues, excluding net derivative gains (losses) for the three months ended March 31, 2024 and 2023, respectively, and 1.2%, 0.7%, and 5.9% of our total revenues, excluding net derivative gains (losses) for the years ended December 31, 2023, 2022, and 2021, respectively, consists of our portion of net profits earned through an agreement with Concord Energy, LLC, the third-party marketer of substantially all of our natural gas production. Pursuant to such agreement, which we entered into in 2021, 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.

Realized Commodity Prices

Our results of operations are heavily influenced by commodity prices. Natural gas, NGL and oil prices have historically been volatile and decreased significantly in early 2023. Although natural gas prices started to increase in the second half of 2023, they are considerably lower than the near-record high prices experienced in 2022, and are projected to remain lower for at least the first half of 2024. For example, on March 31, 2024, the Henry Hub natural gas spot price was $1.54 per MMBtu and during the period from January 1, 2022 through March 31, 2024, Henry Hub natural gas spot prices reached a high of $13.20 per MMBtu and

a low of $1.25 per MMBtu. A future decline in commodity prices may adversely affect our business, financial condition, and 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:

	Three Months Ended March 31,		Year Ended December 31,		
	2024	2023	2023	2022	2021
Average prices:					
Natural gas (Mcf):					
Average NYMEX Henry Hub price	$ 2.24	$ 3.42	$ 2.74	$ 6.64	$ 3.84
Average natural gas realized price (excluding derivatives)	$ 1.62	$ 2.48	$ 2.04	$ 6.02	$ 3.21
Average natural gas realized price (including derivatives)[1]	$ 2.00	$ 2.79	$ 2.23	$ 3.72	$ 2.29
Differential to NYMEX Henry Hub	$ (0.63)	$ (0.94)	$ (0.70)	$ (0.62)	$ (0.63)
NGLs (Bbl):					
Average NYMEX WTI price	$ 77.50	$ 75.93	$ 77.58	$ 95.03	$ 67.92
Average NGL realized price (excluding derivatives)	$ 17.47	$ 20.11	$ 17.80	$ 30.58	$ 22.90
Average NGL realized price (including derivatives)[1]	$ 17.53	$ 19.27	$ 17.55	$ 27.78	$ 16.03
Differential to NYMEX WTI	$(60.03)	$(55.82)	$(59.78)	$ (64.45)	$(45.02)
Oil (Bbl):					
Average NYMEX WTI price	$ 77.50	$ 75.93	$ 77.58	$ 95.03	$ 67.92
Average oil realized price (excluding derivatives)	$ 69.07	$ 72.14	$ 70.97	$ 84.76	$ 61.46
Average oil realized price (including derivatives)[1]	$ 69.07	$ 72.14	$ 70.97	$ 84.76	$ 61.46
Differential to NYMEX WTI	$ (8.43)	$ (3.79)	$ (6.61)	$ (10.27)	$ (6.46)
High and low NYMEX prices:					
Oil (Bbl):					
High	$ 84.39	$ 81.62	$ 93.67	$123.64	$ 84.65
Low	$ 70.62	$ 66.61	$ 66.61	$ 71.05	$ 47.62
Natural gas (Mcf):					
High	$ 13.20	$ 3.78	$ 3.78	$ 9.85	$ 23.86
Low	$ 1.25	$ 1.93	$ 1.74	$ 3.46	$ 2.43

(1) Impact of derivatives prices excludes $13.3 million and $46.7 million of gains on derivative contract terminations for the three months ended March 31, 2024 and for the year ended December 31, 2023, respectively, and $158.4 million and $30.9 million of losses on derivative contract terminations for the years ended December 31, 2022 and 2021, respectively.

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, NGLs and oil is generally less than the NYMEX prices because of adjustments for basis, relative quality and other factors.

During the three months ended March 31, 2024, our derivative settlements increased our natural gas revenue by $23.1 million and increased our NGL revenue by $0.1 million, and early terminations of natural gas derivative contracts during this period increased revenue by an additional $13.3 million. During the three months ended March 31, 2023, our derivative settlements increased our natural gas revenue by $20.1 million and decreased our NGL revenue by $2.1 million. During the year ended December 31, 2023, our derivative settlements increased our natural gas revenue by $46.1 million and decreased our NGL revenue by $2.6 million, and early terminations of our natural gas derivative contracts during this period increased revenue by an additional $46.7 million. During the year ended December 31, 2022, our derivative settlements decreased our natural gas revenue by $501.7 million and decreased our NGL revenue by $28.5 million, and early terminations of natural gas derivative contracts during the year ended December 31, 2022 decreased revenue by an additional $158.4 million. During the year ended December 31, 2021, our derivative settlements decreased our natural gas revenue by $170.2 million and decreased our NGL revenue by $67.6 million, and early terminations of natural gas derivative contracts during the year ended December 31, 2021 decreased revenue by an additional $30.9 million.

The following table summarizes our outstanding natural gas commodity derivatives indexed to NYMEX Henry Hub pricing as of March 31, 2024. 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 Floor	Weighted Average Price Ceiling	Fair Value as of March 31, 2024 (in thousands)
2024					
Swap	72,887,500	$ 3.52			$ 73,898
2025					
Swap	26,125,000	$ 3.55			$ 2,610
Collars	14,600,000		$ 3.71	$ 4.11	$ 5,211
2026					
Swap	8,550,000	$ 3.55			$ (4,099)
Call options	36,500,000			$ 5.00	$ (11,187)
2027					
Call options	36,500,000			$ 5.00	$ (12,993)

The following table represents natural gas basis derivatives based on the applicable basis reference price listed below:

Instrument	Basis Reference Price	MMBtu	Weighted Average Basis Differential	Fair Value as of March 31, 2024 (in thousands)
2024				
Swap	NGPL TXOK Basis	21,400,000	$ (0.54)	$ (5,297)
Swap	Transco Leidy Basis	24,750,000	$ (0.89)	$ (4,421)

The following table represents natural gas liquids commodity derivatives for contracts, by contract type, expiring through March 31, 2026 based on the applicable index listed below:

Instrument	Commodity Reference Price	Gallons	Weighted Average Price (USD)	Fair Value as of March 31, 2024 (in thousands)
2024				
Swap	OPIS Purity Ethane Mont Belvieu	144,375,000	$0.23	$ 4,693
Swap	OPIS IsoButane Mont Belvieu Non-TET	9,817,500	$0.93	$ (1,172)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	14,437,500	$0.90	$ (958)
Swap	OPIS Pentane Mont Belvieu Non-TET	23,100,000	$1.47	$ (2,623)
Swap	OPIS Propane Mont Belvieu Non-TET	54,862,500	$0.80	$ (1,834)
2025				
Swap	OPIS Purity Ethane Mont Belvieu	92,767,500	$0.25	$ 265
Swap	OPIS IsoButane Mont Belvieu Non-TET	6,599,250	$0.87	$ (337)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	9,082,500	$0.84	$ (364)
Swap	OPIS Pentane Mont Belvieu Non-TET	13,387,500	$1.39	$ (1,315)
Swap	OPIS Propane Mont Belvieu Non-TET	35,385,000	$0.74	$ (797)
2026				
Swap	OPIS Purity Ethane Mont Belvieu	6,615,000	$0.25	$ (226)
Swap	OPIS IsoButane Mont Belvieu Non-TET	472,500	$0.83	$ (13)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	472,500	$0.80	$ (18)
Swap	OPIS Pentane Mont Belvieu Non-TET	945,000	$1.40	$ (27)
Swap	OPIS Propane Mont Belvieu Non-TET	2,835,000	$0.69	$ (94)

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 condensed consolidated statements of operations, whereas any fees incurred after transfer of control are included as a reduction of the associated revenues.

Depreciation, depletion, amortization and accretion

Depreciation, depletion and amortization reflect 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.

Accretion of asset retirement obligations reflects the expense related to the 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.

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 ("ROU") 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 lease 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.

Included in depreciation, depletion, amortization and accretion, 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.

Gains (losses) on contingent consideration liabilities

Pursuant to the separate purchase agreements associated with the Devon Barnett Acquisition and the Exxon Barnett Acquisition, we agreed to earnout obligations pursuant to which we agreed to make certain contingent consideration payments based on future prices of natural gas. As of March 31, 2024, we paid Devon Energy a total of $150.0 million in contingent consideration payments. We have not paid any contingent consideration payments to Exxon Mobil Corporation as of March 31, 2024. These unpaid future contingent consideration payments are stated at fair value on our condensed consolidated balance sheets, with changes in fair value recorded in the condensed consolidated statements of operations.

Interest expense and related party interest expense

We finance a portion of our capital expenditures, working capital requirements and acquisitions with borrowings under the RBL Credit Agreement. As a result, we incur interest expense that is affected by both fluctuations in interest rates under our credit facility 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 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:

	Three Months Ended March 31,	
(in thousands)	**2024**	**2023**
Revenues and other operating income		
Natural gas revenues	$ 96,336	$ 157,768
NGL revenues	43,417	50,040
Oil revenues	1,934	2,597
Midstream revenues	4,128	3,922
Derivative gains (losses), net	(3,679)	97,368
Marketing revenues	4,921	2,635
Related party and other	4,157	1,774
Total revenues and other operating income	151,214	316,104
Operating expenses		
Lease operating and workover	34,468	43,166
Taxes other than income	11,365	24,169
Gathering and transportation	59,391	58,284
Depreciation, depletion, amortization and accretion	52,166	36,747
General and administrative	20,645	26,286
Other	8,242	2,500
Total operating expenses	186,277	191,152
Income (loss) from operations	(35,063)	124,952
Other income (expense)		
Gains on contingent consideration liabilities	6,594	22,894
Losses from equity affiliate	(7,707)	(5,399)
Interest income	1,633	648
Interest expense	(16,083)	(17,770)
Interest expense, related party	(1,973)	(1,492)
Other income	1,035	1,636
Income (loss) before income taxes	(51,564)	125,469
Income tax benefit (expense)	12,979	(29,307)
Net income (loss)	$ (38,585)	$ 96,162

(in thousands)	Year Ended December 31, 2023	2022	2021
Revenues and other operating income			
Natural gas revenues	$509,846	$1,310,339	$ 597,050
NGL revenues	187,860	311,542	225,135
Oil revenues	8,445	11,866	7,560
Midstream revenues	16,168	12,676	6,917
Derivative gains (losses), net	238,743	(629,701)	(383,847)
Marketing revenues	8,710	11,001	52,616
Related party and other	8,251	2,799	251
Total revenues and other operating income	978,023	1,030,522	505,682
Operating expenses			
Lease operating and workover	150,647	131,497	86,831
Taxes other than income	72,290	114,668	45,650
Gathering and transportation	248,990	208,758	173,587
Depreciation, depletion, amortization and accretion	223,370	118,909	92,277
General and administrative	114,688	148,559	85,740
Other	12,625	3,567	1,274
Total operating expenses	822,610	725,958	485,359
Income from operations	155,413	304,564	20,323
Other income (expense)			
Bargain purchase gain	—	170,853	—
Gain on settlement of litigation	—	16,866	—
Gains (losses) on contingent consideration liabilities	38,375	6,632	(194,968)
Earnings from equity affiliate	16,865	8,493	910
Interest income	3,138	1,143	8
Interest expense	(69,942)	(26,322)	—
Interest expense, related party	(7,078)	(10,846)	(2,134)
Other income	8,372	1,411	872
Income (loss) before income taxes	145,143	472,794	(174,989)
Income tax benefit (expense)	(28,225)	(62,652)	40,526
Net income (loss) attributable to BKV Corporation	$116,918	$ 410,142	$(134,463)
Less accretion of preferred stock to redemption value	—	—	(3,745)
Less preferred stock dividends	—	—	(9,900)
Less deemed dividend on redemption of preferred stock	—	—	(22,606)
Net income (loss) attributable to common stockholders	$116,918	$ 410,142	$(170,714)

Comparison of the Three Months Ended March 31, 2024 and 2023

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:

	Three Months Ended March 31,			
(in thousands, other than percentages)	2024	2023	$ Change	% Change
Revenues				
Natural gas revenues	$ 96,336	$ 157,768	$ (61,432)	(39)%
NGL revenues	43,417	50,040	(6,623)	(13)%
Oil revenues	1,934	2,597	(663)	(26)%
Midstream revenues	4,128	3,922	206	5%
Derivative gains (losses), net	(3,679)	97,368	(101,047)	*
Marketing revenues	4,921	2,635	2,286	87%
Related party and other	4,157	1,774	2,383	*
Total revenues and other operating income	$ 151,214	$ 316,104		

* *Percentage not meaningful*

Natural gas revenues

Our natural gas revenues decreased by approximately $61.5 million, or 39%, to $96.3 million for the three months ended March 31, 2024 from $157.8 million for the three months ended March 31, 2023. The impact of commodity price decreases, excluding the effect of derivative settlements, provided a $51.5 million decrease in period-over-period revenues (calculated as the change in the period-to-period average price times current period production volumes). The decrease was also due to lower production volumes during the three months ended March 31, 2024, which accounted for a $10.0 million increase in period-over-period revenues (calculated as the change in period-to-period volumes times the prior period average price).

NGL revenues

Our NGL revenues decreased by approximately $6.6 million, or 13%, to $43.4 million for the three months ended March 31, 2024, from $50.0 million for the three months ended March 31, 2023. The impact of commodity price decreases, excluding the effect of derivative settlements, provided a $6.6 million decrease in period-over-period revenues (calculated as the change in the period-to-period average price times current period production volumes). The change in production volumes accounted for a negligible impact in period-over-period revenues (calculated as the change in period-to-period volumes times the prior period average price).

Oil revenues

Our oil revenues decreased by approximately $0.7 million, or 26%, to $1.9 million for the three months ended March 31, 2024 from $2.6 million for the three months ended March 31, 2023. Lower production volumes during the three months ended March 31, 2024 accounted for a $0.6 million decrease in period-over-period revenues (calculated as the change in period-to-period volumes times the prior period average price). This decrease was also due to the impact of commodity price decreases, excluding the effect of derivative settlements, which provided a $0.1 million decrease 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 $0.2 million, or 5%, to $4.1 million for the three months ended March 31, 2024 from $3.9 million for the three months ended March 31, 2023. This increase was primarily due to the escalation of rates in the Barnett in November 2023.

Derivative gains (losses), net

For the three months ended March 31, 2024, we had net realized and unrealized losses on derivative contracts of $3.7 million compared to net realized and unrealized gains on derivative contracts of $97.4 million for the three months ended March 31, 2023. The increased losses for the three months ended March 31, 2024 was primarily attributable to the unrealized loss on the call option we sold in January 2024, which limits our 2025/2026 pricing upside, and is currently in a long term liability position. In addition, due to the significant decrease in the forward curve for natural gas prices during the three months ended March 31, 2023, the fair value change in our open derivatives was in more of an unrealized gain position for the three months ended March 31, 2023 compared to the three months ended March 31, 2024.

Marketing revenues

Our marketing revenues increased by approximately $2.3 million to $4.9 million for the three months ended March 31, 2024 from $2.6 million for the three months ended March 31, 2023. 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 during the three months ended March 31, 2024 compared to the three months ended March 31, 2023 was primarily due to colder than normal weather in NEPA in the month of January 2024.

Related party and other

We generate a portion of our revenues from a management fee from the BKV-BPP Power Joint Venture, the sale of third-party natural gas, and CCUS revenues generated from Section 45Q tax credits. Our related party and other revenues were $4.2 million for the three months ended March 31, 2024, as compared to $1.8 million for the three months ended March 31, 2023. Other revenues increased during the three months ended March 31, 2024 compared to the three months ended March 31, 2023 primarily due to 45Q tax credits of $2.3 million from the injection of CO_2 in our Barnett Zero well, which started in the fourth quarter of 2023.

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:

	Three Months Ended March 31,			
(in thousands, other than percentages and average costs)	**2024**	**2023**	**$ Change**	**% Change**
Operating expenses				
Lease operating and workover	$ 34,468	$ 43,166	$ (8,698)	(20)%
Taxes other than income	11,365	24,169	(12,804)	(53)%
Gathering and transportation	59,391	58,284	1,107	2%
Depreciation, depletion, amortization and accretion	52,166	36,747	15,419	42%
General and administrative	20,645	26,286	(5,641)	(21)%
Other	8,242	2,500	5,742	*
Total operating expenses	$ 186,277	$ 191,152		
Average costs per Mcfe				
Lease operating and workover	$ 0.46	$ 0.55	$ (0.09)	(16)%
Taxes other than income	0.15	0.31	(0.16)	(52)%
Gathering and transportation	0.79	0.74	0.05	7%
Depreciation, depletion, amortization and accretion	0.70	0.47	0.23	49%
General and administrative	0.28	0.33	(0.05)	(15)%
Other	0.11	0.03	0.08	*
Total	$ 2.49	$ 2.43		

* *Percentage not meaningful*

Lease operating and workover

The following table summarizes our components of lease operating expenses for the periods presented:

	Three Months Ended March 31,					
	2024		2023		$ Change	% Change
(in thousands, other than percentages and average costs)	Amount	Per Mcfe	Amount	Per Mcfe		
Lease operating expenses	$32,463	$ 0.43	$40,651	$ 0.52	$ (8,188)	(20)%
Workover expense	2,005	0.03	2,515	0.03	(510)	(20)%
Total lease operating and workover expense	$34,468	$ 0.46	$43,166	$ 0.55	$ (8,698)	(20)%

* *Percentage not meaningful*

Lease operating and workover expenses were $34.5 million, or $0.46 per Mcfe, for the three months ended March 31, 2024, which was a decrease of $8.7 million, or 20%, from $43.2 million, or $0.55 per Mcfe, for the three months ended March 31, 2023. The decrease in lease operating and workover expenses during the three months ended March 31, 2024 compared to the same period in 2023 was due to decreases in repairs and maintenance of $2.0 million, labor costs of $1.3 million, and milder weather in the NEPA and Barnett regions reducing costs by $1.2 million. In addition, we received a credit of $1.5 million for a water sharing agreement. We had other decreases of approximately $2.7 million of individually immaterial net decreases in other lease operating and workover costs in connection with our operations.

Taxes other than income

Taxes other than income were $11.4 million, or $0.15 per Mcfe, for the three months ended March 31, 2024, which was a decrease of $12.8 million, or 53%, from $24.2 million, or $0.31 per Mcfe, for the year ended three months ended March 31, 2023. The decrease in taxes other than income during the year ended three months ended March 31, 2024 compared to 2023 was due to decreases in ad valorem and property taxes, and natural gas and NGL production taxes, both associated with our operations in the Barnett of $6.8 million and $5.8 million, respectively. Certain ad valorem and production taxes are not applicable to our NEPA properties.

Gathering and transportation

Gathering and transportation expenses were $59.4 million, or $0.79 per Mcfe, for the three months ended March 31, 2024, which was an increase of $1.1 million, or 2%, from $58.3 million, or $0.74 per Mcfe, for the three months ended March 31, 2023. This increase was driven by rate increases and increased production of $5.0 million from the 2022 Barnett Assets, increases in natural gas rates from the 2020 Barnett Assets of $1.5 million, and $0.3 million of CO_2 purchases made by BKV dCarbon Ventures to commercially sequester the CO_2 waste utilizing our Barnett Zero Project. This was offset by decreases of $5.8 million in production volumes and NGL rates from the 2020 Barnett Assets during the three months ended March 31, 2024 compared to the same period in 2023.

Depreciation, depletion, amortization, and accretion

Depreciation, depletion, amortization, and accretion was $52.2 million, or $0.70 per Mcfe, for the three months ended March 31, 2024, which was an increase of $15.4 million, or 42%, from $36.7 million, or $0.47 per Mcfe, for the three months ended March 31, 2023. The increase in depreciation, depletion, amortization, and accretion during the three months ended March 31, 2024 compared to the three months ended March 31, 2023 was primarily due to increased development of our natural gas properties in NEPA and the Barnett during 2023.

General and administrative

General and administrative expenses were $20.6 million, or $0.28 per Mcfe, for the three months ended March 31, 2024, which was a decrease of $5.6 million, or 21%, from $26.3 million, or $0.33 per Mcfe, for the three months ended March 31, 2023. The decrease in general and administrative expenses during the three months ended March 31, 2024 compared to the three months ended March 31, 2023 was due to a decrease of $3.6 million in equity-based compensation, employee wages, and contract labor and fees and $2.0 million of management fees paid to Verde CO2 during the three months ended March 31, 2023. The contract with Verde CO_2 to provide management services terminated in November 2023.

Other operating expenses

Other operating expenses were $8.2 million, or $0.11 per Mcfe, for the three months ended March 31, 2024, which was an increase of $5.7 million from $2.5 million, or $0.03 per Mcfe, for the three months ended March 31, 2023. The increase in other operating expenses during the three months ended March 31, 2024 compared to the same period in 2023 was primarily due costs incurred during the current period related to waste emissions of $5.0 million based on $900/ton of methane taxed over certain thresholds established by the Inflation Reduction Act, and emissions monitoring costs of $0.7 million.

Other Income (Expense)

Gains on contingent consideration liabilities. We recognized a gain 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 gain on contingent consideration liabilities was $6.6 million for the three months ended March 31, 2024, which was a decrease of $16.3 million from the $22.9 million gain for the three months ended March 31, 2023. The $6.6 million gain compared to the $22.9 million gain was primarily attributable to the prior period's gain on contingent consideration liabilities with the Devon Barnett Acquisition of $15.0 million compared to the current period's gain of $4.6 million. There were higher gains in the prior period due to a significant decrease in the forward curve commodity pricing for natural gas (NYMEX) and oil (WTI) assumptions used in the Monte Carlo simulations during the three months ended March 31, 2023 compared to slight decreases during the three months ended March 31, 2024. The remaining $5.9 million of the current period gain on contingent consideration liabilities was attributed to the 2022 Exxon Barnett Acquisition, which was also driven by slight decreases in forward curve commodity pricing compared to significant decreases during the three months ended March 31, 2023.

Losses from equity affiliate. Losses from our equity affiliate were $7.7 million for the three months ended March 31, 2024, which was a change of $2.3 million from $5.4 million compared to the same period in 2023. Losses from equity affiliate is related to our investment in and our proportionate share in the income or losses of the BKV-BPP Power Joint Venture. On July 10, 2023, the BKV-BPP Power Joint Venture acquired CXA Temple 2, LLC, the owner of 100% of the interests in Temple II, a combined cycle gas turbine and steam turbine power plant located on the same site as Temple I in the Electric Reliability Council of Texas North Zone in Temple, Texas, for an aggregate purchase price of $460.0 million. The Temple Plants deliver power to customers on the ERCOT power network in Texas.

Interest expense. Interest expense was $16.1 million for the three months ended March 31, 2024, which was a decrease of $1.7 million from $17.8 million for the three months ended March 31, 2023. The decrease in interest expense during the three months ended March 31, 2024 was due to the payment of $150.0 million on the term loans borrowed under our Term Loan Credit Agreement, offset by higher interest rates on our debt.

Interest expense, related party. Interest expense from related parties was $2.0 million for the three months ended March 31, 2024, which was an increase of $0.5 million from $1.5 million for the three months ended March 31, 2023. The increase was due to the increase in interest rates period over period.

Other income. Other income was $1.0 million for the three months ended March 31, 2024, which was a decrease of $0.6 million from $1.6 million for the three months ended March 31, 2023. The decrease was

primarily due to the sale of surface rights of $1.1 million during the three months ended March 31, 2023. This was offset by a sale of tract land of $0.6 million during the three months ended March 31, 2024.

Income tax benefit (expense). For the three months ended March 31, 2024, we had an income tax benefit of $13.0 million, which was a change of $42.3 million from $29.3 million income tax expense for the three months ended March 31, 2023. The period-over-period change was due primarily to a pre-tax loss for the three months ended March 31, 2024 compared to a pre-tax income for the three months ended March 31, 2023. During the three months ended March 31, 2024, we also benefited from the monetization of certain tax credits under the Internal Revenue Code Section 45I Marginal Well Credit from marginal production.

Comparison of the Years Ended December 31, 2023 and 2022

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:

	Year Ended December 31,			
(in thousands, other than percentages)	**2023**	**2022**	**$ Change**	**% Change**
Revenues				
Natural gas revenues	$509,846	$1,310,339	$(800,493)	(61)%
NGL revenues	187,860	311,542	(123,682)	(40)%
Oil revenues	8,445	11,866	(3,421)	(29)%
Midstream revenues	16,168	12,676	3,492	28%
Derivative gains (losses), net	238,743	(629,701)	868,444	*
Marketing revenues	8,710	11,001	(2,291)	(21)%
Related party and other	8,251	2,799	5,452	*
Total revenues and other operating income	$978,023	$1,030,522		

* *Percentage not meaningful*

Natural gas revenues

Our natural gas revenues decreased by approximately $800.5 million to $509.8 million for the year ended December 31, 2023, from $1.3 billion for the year ended December 31, 2022. The impact of commodity price decreases, excluding the effect of derivative settlements, resulted in a $994.3 million decrease in year-over-year revenues (calculated as the change in the year-to-year average price times current year production volumes). This was offset by higher production volumes, primarily from the 2022 Barnett Assets, during the year ended December 31, 2023, which accounted for a $193.8 million increase in year-over-year revenues (calculated as the change in year-to-year volumes times the prior year average price).

NGL revenues

Our NGL revenues decreased by approximately $123.6 million to $187.9 million for the year ended December 31, 2023, from $311.5 million for the year ended December 31, 2022. The impact of commodity price decreases, excluding the effect of derivative settlements, provided a $134.8 million decrease in year-over-year revenues (calculated as the change in the year-to-year average price times current period production volumes).

This was offset by higher production volumes, primarily from the 2022 Barnett Assets, during the year ended December 31, 2023, which accounted for a $11.2 million increase in year-over-year revenues (calculated as the change in year-to-year volumes times the prior year average price).

Oil revenues

Our oil revenues decreased by approximately $3.5 million to $8.4 million for the year ended December 31, 2023 from $11.9 million for the year ended December 31, 2022. The decrease was driven by lower production volumes during the year ended December 31, 2023, which accounted for a $1.9 million decrease in year-over-year revenues (calculated as the change in year-to-year volumes times the prior year average price). The decrease was also due to the impact of commodity price decreases, excluding the effect of derivative settlements, which resulted in a $1.6 million decrease in year-over-year revenues (calculated as the change in the year-to-year average price times current period production volumes).

Midstream revenues

Our midstream revenues increased by approximately $3.5 million to $16.2 million for the year ended December 31, 2023 from $12.7 million for the year ended December 31, 2022. This increase was primarily due to the midstream assets acquired in the Exxon Barnett Acquisition, slightly offset by decreases in the associated production of natural gas properties that our legacy midstream assets support.

Derivative gains (losses), net

For the year ended December 31, 2023, we had net realized and unrealized gains on derivative contracts of $238.7 million compared to net realized and unrealized losses on derivative contracts of $629.7 million for the year ended December 31, 2022. The increased gain for the year ended December 31, 2023 was attributable to decreases in underlying commodity prices and volatility in energy markets, which resulted in higher realized and unrealized gains on derivative contracts.

Marketing revenues

Our marketing revenues decreased by approximately $2.3 million to $8.7 million for the year ended December 31, 2023 from $11.0 million for the year ended December 31, 2022. 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 decrease in marketing revenues was primarily due to lower natural gas prices during the year ended December 31, 2023 compared to the year ended December 31, 2022.

Related party and other

We generate a portion of our revenues from a management fee from the BKV-BPP Power Joint Venture and the sale of third-party natural gas. Our related party and other revenues were $8.3 million for the year ended December 31, 2023, as compared to $2.8 million for the year ended December 31, 2022. Other revenues increased during the year ended December 31, 2023 compared to the year ended December 31, 2022 primarily due to our decision to start selling third party natural gas in 2023, in connection with which we recognized sales of $3.8 million for the year ended December 31, 2023.

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)	**2023**	**2022**	**$ Change**	**% Change**
Operating expenses				
Lease operating and workover	$ 150,647	$ 131,497	$ 19,150	15%
Taxes other than income	72,290	114,668	(42,378)	(37)%
Gathering and transportation	248,990	208,758	40,232	19%
Depreciation, depletion, amortization and accretion	223,370	118,909	104,461	88%
General and administrative	114,688	148,559	(33,871)	(23)%
Other	12,625	3,567	9,058	*
Total operating expenses	$ 822,610	$ 725,958		
Average costs per Mcfe				
Lease operating and workover	$ 0.48	$ 0.47	$ 0.01	2%
Taxes other than income	0.23	0.41	(0.18)	(44)%
Gathering and transportation	0.79	0.75	0.04	5%
Depreciation, depletion, amortization and accretion	0.71	0.43	0.28	65%
General and administrative	0.37	0.53	(0.16)	(30)%
Other	0.04	0.01	0.03	*
Total	$ 2.62	$ 2.60		

* *Percentage not meaningful*

Lease operating and workover

The following table summarizes our components of lease operating expenses for the periods presented:

	Year Ended December 31,					
	2023		2022		$ Change	% Change
(in thousands, other than percentages and average costs)	**Amount**	**Per Mcfe**	**Amount**	**Per Mcfe**		
Lease operating expenses	$142,911	$ 0.46	123,386	$ 0.44	19,525	16%
Workover expense	7,736	0.02	8,111	0.03	(375)	(5)%
Total lease operating and workover expense	$150,647	$ 0.48	131,497	$ 0.47	19,150	15%

* Percentage not meaningful

Lease operating and workover expenses were $150.6 million, or $0.48 per Mcfe, for the year ended December 31, 2023, which was an increase of $19.1 million, or 15%, from $131.5 million, or $0.47 per Mcfe, for the year ended December 31, 2022. The increase in lease operating and workover expenses during the year ended December 31, 2023 compared to the same period in 2022 was primarily due to the Exxon Barnett Acquisition, which closed on June 30, 2022. The acquired operations drove $23.2 million of incremental lease operating and workover expenses during the year ended December 31, 2023. The remaining $4.1 million of decreased lease operating and workover expenses was driven by a $6.5 million decrease in professional services production and equipment, which was offset in part by $2.4 million of individually immaterial net increases in other direct production costs incurred in connection with our operations.

Taxes other than income

Taxes other than income were $72.3 million, or $0.23 per Mcfe, for the year ended December 31, 2023, which was a decrease of $42.4 million, or 37%, from $114.7 million, or $0.41 per Mcfe, for the year ended

December 31, 2022. The decrease in taxes other than income during the year ended December 31, 2023 compared to 2022 was primarily due to decreases in natural gas and NGL production taxes associated with our operations from the 2020 Barnett Assets and the 2022 Barnett Assets of $59.0 million and decreases in property taxes related to our NEPA natural gas properties of $1.7 million, in each case due to lower natural gas prices during the year ended December 31, 2023 compared to the year ended December 31, 2022. This was offset by an increase in ad valorem and property taxes on our 2020 Barnett Assets and 2022 Barnett Assets of $18.5 million. Certain ad valorem and production taxes are not applicable to our NEPA natural gas properties.

Gathering and transportation

Gathering and transportation expenses were $249.0 million, or $0.79 per Mcfe, for the year ended December 31, 2023, which was an increase of $40.2 million, or 19%, from $208.8 million, or $0.75 per Mcfe, for the year ended December 31, 2022. Approximately $30.5 million of the increase was driven by the Exxon Barnett Acquisition. The remainder of the increase in gathering and transportation expenses of $9.7 million during the year ended December 31, 2023 compared to the same period in 2022 was due to an increase in cost and production volumes from the development of the 2020 Barnett Assets.

Depreciation, depletion, amortization and accretion

Depreciation, depletion, amortization and accretion was $223.4 million, or $0.71 per Mcfe, for the year ended December 31, 2023, which was an increase of $104.5 million, or 88%, from $118.9 million, or $0.43 per Mcfe, for the year ended December 31, 2022. The increase in depreciation, depletion, amortization, and accretion during the year ended December 31, 2023 compared to the year ended December 31, 2022 was primarily due to the Exxon Barnett Acquisition, which accounted for an additional $64.9 million of depreciation, depletion, amortization and accretion expense during the year ended December 31, 2023. The remaining increase of $39.6 million was primarily due to increased production from the development of our natural gas properties in NEPA and the Barnett during 2022.

General and administrative

General and administrative expenses were $114.7 million, or $0.37 per Mcfe, for the year ended December 31, 2023, which was a decrease of $33.9 million, or 23%, from $148.6 million, or $0.53 per Mcfe, for the year ended December 31, 2022. The decrease in general and administrative expenses during the year ended December 31, 2023 compared to the year ended December 31, 2022 was due to a decrease in direct transaction costs from the Exxon Barnett Acquisition of $18.3 million, a decrease of $5.5 million in equity-based compensation, employee wages and contract labor and fees, and a decrease of $5.5 million in consulting and other general and administrative expenses. The decrease was also due to $8.0 million of BKVerde management fees incurred during 2023, compared to $13.0 million in 2022.

Other operating expenses

Other operating expenses were $12.6 million, or $0.04 per Mcfe, for the year ended December 31, 2023, which was an increase of $8.9 million from $3.6 million, or $0.01 per Mcfe, for the year ended December 31, 2022. The increase in other operating expenses during the year ended December 31, 2023 was primarily attributable to $3.6 million of inventory restocking and rig termination fees and $3.6 million of expenses incurred as a result of our decision to start selling third party gas. The remaining increase of $1.7 million was made up of individually immaterial increases.

Other Income (Expense)

Gains on contingent consideration liabilities. We recognized a gain 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 gain on contingent consideration liabilities was $38.4 million for the year ended December 31, 2023, which was an increase of $31.8 million from the $6.6 million gain for the year ended December 31, 2022. The $38.4 million gain compared to the $6.6 million gain was primarily attributable to a gain on contingent consideration liabilities from the Devon Barnett Acquisition of $25.0 million. Higher decreases in forward curve commodity pricing for natural gas

(NYMEX) and oil (WTI) assumptions used in the Monte Carlo simulations during the year ended December 31, 2023, compared to moderate decreases during the year ended December 31, 2022, further decreased the fair market value of the liability by $19.9 million. The remaining $11.8 million of the current period gain on contingent consideration liabilities was attributed to the 2022 Exxon Barnett Acquisition, which was also driven by decreases in forward curve commodity pricing compared to the year ended December 31, 2022.

Earnings from equity affiliate. Earnings from our equity affiliate was $16.9 million for the year ended December 31, 2023, which was a change of $8.4 million from $8.5 million compared to the same period in 2022. Earnings from our equity affiliate is related to our investment in, and our proportionate share in the income or losses of, the BKV-BPP Power Joint Venture. On July 10, 2023, the BKV-BPP Power Joint Venture acquired CXA Temple 2, LLC, the owner of 100% of the interests in Temple II, a combined cycle gas turbine and steam turbine power plant located on the same site as Temple I in the Electric Reliability Council of Texas North Zone in Temple, Texas, for an aggregate purchase price of $460.0 million. The Temple Plants deliver power to customers on the ERCOT power network in Texas.

Interest expense. Interest expense was $69.9 million for the year ended December 31, 2023, which was an increase of $43.6 million from $26.3 million for the year ended December 31, 2022. The increase in interest expense during the year ended December 31, 2023 was primarily driven by the term loans borrowed under our Term Loan Credit Agreement on June 30, 2022 and increased balances under our Revolving Credit Agreement and SCB Credit Facility.

Interest expense, related party. Interest expense from related parties was $7.1 million for the year ended December 31, 2023, which was a decrease of $3.7 million from $10.8 million for the year ended December 31, 2022. The decrease was primarily due to the payment in full of the loan under the $116 Million Loan Agreement (as defined herein) in 2022, which provided nine months of interest compared to none in 2023. This was slightly offset by an increase in the interest on the loan under the BNAC A&R Loan Agreement (as defined herein), which provided for seven months of interest in 2022 compared to a full year in 2023.

Other income. Other income was $8.4 million for the year ended December 31, 2023, which was an increase of $7.0 million from $1.4 million for the year ended December 31, 2022. The increase was due to the release of a service fee of $3.4 million originating from the Exxon Barnett Acquisition, a gain of $2.2 million recognized on the sale of other property and equipment, and the sale of surface rights of $1.1 million during the year ended December 31, 2023.

Income tax benefit (expense). Income tax expense was $28.2 million for the year ended December 31, 2023, which was a decrease of $34.5 million from $62.7 million for the year ended December 31, 2022. The year-over-year change was due primarily to the lower pre-tax income during the year ended December 31, 2023 compared to the year ended December 31, 2022.

Comparison of the Years Ended December 31, 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:

	Year Ended December 31,			
(in thousands, other than percentages)	**2022**	**2021**	**$ Change**	**% Change**
Revenues				
Natural gas revenues	$1,310,339	$ 597,050	$ 713,289	*
NGL revenues	311,542	225,135	86,407	38%
Oil revenues	11,866	7,560	4,306	57%
Midstream revenues	12,676	6,917	5,759	83%
Derivative losses, net	(629,701)	(383,847)	(245,854)	64%
Marketing revenues	11,001	52,616	(41,615)	(79)%
Related party and other	2,799	251	2,548	*
Total revenues and other operating income	$1,030,522	$ 505,682		

* *Percentage not meaningful*

Natural gas revenues

Our natural gas revenues increased by approximately $713.3 million to $1.3 billion for the year ended December 31, 2022 from $597.1 million for the year ended December 31, 2021. Higher production volumes, primarily from the 2022 Barnett Assets, during the year ended December 31, 2022 accounted for a $101.2 million increase in year-over-year revenues (calculated as the change in year-to-year volumes times the prior year average price).The impact of commodity price increases, excluding the effect of derivative settlements, provided a $612.1 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 $86.4 million to $311.5 million for the year ended December 31, 2022 from $225.1 million for the year ended December 31, 2021. Higher production volumes, primarily from the 2022 Barnett Assets, during the year ended December 31, 2022 accounted for a $8.2 million increase in year-over-year revenues (calculated as the change in year-to-year volumes times the prior year average price). The impact of commodity price increases, excluding the effect of derivative settlements, provided a $78.2 million increase in year-over-year revenues (calculated as the change in the year-to-year average price times current period production volumes).

Oil revenues

Our oil revenues increased by approximately $4.3 million to $11.9 million for the year ended December 31, 2022 from $7.6 million for the year ended December 31, 2021. Higher production volumes during the year ended December 31, 2022 accounted for a $1.1 million increase in year-over-year revenues (calculated as the change in year-to-year volumes times the prior year average price). This increase was also due to the impact of commodity price increases, excluding the effect of derivative settlements, which provided a $3.2 million increase in year-over-year revenues (calculated as the change in the year-to-year average price times current period production volumes).

Midstream revenues

Our midstream revenues increased by approximately $5.8 million to $12.7 million for the year ended December 31, 2022 from $6.9 million for the year ended December 31, 2021. This increase was primarily due to the midstream assets acquired in the Exxon Barnett Acquisition, slightly offset by decreases in the associated production of natural gas properties our legacy midstream assets support.

Derivative (losses) gains, net

For the year ended December 31, 2022, we had a loss on derivative contracts of $629.7 million compared to a loss on derivative contracts of $383.8 million for the year ended December 31, 2021. The increased loss for the year ended December 31, 2022 was attributable to increases in underlying commodity prices and volatility in energy markets, which resulted in higher realized losses on derivative contracts as well as $158.4 million of early terminations. This was offset by unrealized gains on derivative contracts of $58.8 million during the year ended December 31, 2022.

Marketing revenues

Our marketing revenues decreased by approximately $41.6 million to $11.0 million for the year ended December 31, 2022 from $52.6 million for the year ended December 31, 2021. 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 decrease 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. There were no events of this nature during the year ended December 31, 2022.

Related party and other

We generate a portion of our revenues from a management fee from the BKV-BPP Power Joint Venture. Our other revenues were approximately $2.8 million for the year ended December 31, 2022, as compared to $0.3 million for the year ended December 31, 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:

	Year Ended December 31,			
(in thousands, other than percentages and average costs)	**2022**	**2021**	**$ Change**	**% Change**
Operating expenses				
Lease operating and workover	$131,497	$ 86,831	$44,666	51%
Taxes other than income	114,668	45,650	69,018	*
Gathering and transportation	208,758	173,587	35,171	20%
Depreciation, depletion, amortization and accretion	118,909	92,277	26,632	29%
General and administrative	148,559	85,740	62,819	73%
Other	3,567	1,274	2,293	*
Total operating expenses	$725,958	$485,359		
Average costs per Mcfe				
Lease operating and workover	$ 0.47	$ 0.35	$ 0.12	33%
Taxes other than income	0.41	0.19	0.22	*
Gathering and transportation	0.75	0.71	0.04	6%
Depreciation, depletion, amortization and accretion	0.43	0.37	0.06	16%
General and administrative	0.53	0.35	0.18	51%
Other	0.01	0.01	—	*
Total	$ 2.60	$ 1.98		

* *Percentage not meaningful*

Lease operating and workover

The following table summarizes our components of lease operating expenses for the periods presented:

	Year Ended December 31,					
	2022		2021			
(in thousands, other than percentages and average costs)	**Amount**	**Per Mcfe**	**Amount**	**Per Mcfe**	**$ Change**	**% Change**
Lease operating expenses	$123,386	$ 0.44	$83,028	$ 0.33	$40,358	49%
Workover expense	8,111	0.03	3,802	0.02	4,309	*
Total lease operating and workover expense	$131,497	$ 0.47	$86,831	$ 0.35	$44,666	51%

* *Percentage not meaningful*

Lease operating and workover expenses were $131.5 million, or $0.47 per Mcfe, for the year ended December 31, 2022, which was an increase of $44.7 million, or 51%, from $86.8 million, or $0.35 per Mcfe, for the year ended December 31, 2021. The increase in lease operating and workover expenses during the year ended December 31, 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 $33.1 million of incremental lease operating and workover expenses during the year ended December 31, 2022. The remaining $13.9 million of increased lease operating and workover expenses was driven by a $4.5 million increase in labor costs, a $3.4 million increase in disposal costs, and $2.8 million increase in operating equipment costs. We had other

increases of approximately $3.2 million of individually immaterial net increases in other direct production costs incurred in connection with our operations.

Taxes other than income

Taxes other than income were $114.7 million, or $0.41 per Mcfe, for the year ended December 31, 2022, which was an increase of $69.0 million from $45.7 million, or $0.19 per Mcfe, for the year ended December 31, 2021. The increase in taxes other than income during the year ended December 31, 2022 compared to 2021 was primarily due to increased natural gas and NGL production taxes associated with our operations from the 2020 Barnett Properties, which accounted for $33.7 million of the increase, as certain ad valorem and production taxes are not applicable to our NEPA natural gas properties. Property taxes related to our NEPA natural gas properties and our 2020 Barnett Assets increased by $13.0 million during 2022 compared to 2021. Ad valorem, production and property taxes related to the Exxon Barnett Acquisition accounted for the remainder of the increase in 2022 compared to 2021.

Gathering and transportation

Gathering and transportation expenses were $208.8 million, or $0.75 per Mcfe, for the year ended December 31, 2022, which was an increase of $35.2 million, or 20%, from $173.6 million, or $0.71 per Mcfe, for the year ended December 31, 2021. The increase was primarily due to certain gathering and transportation contracts from the Devon Barnett Acquisition, expiring in 2021, which required us to net the gathering and transportation fees with our natural gas, NGL and oil sales. Upon expiration, the contracts were replaced and expenses under the new contracts are presented as gathering and transportation expenses, accounting for approximately $19.0 million of gathering and transportation expenses during the year ended December 31, 2022. In addition, the Exxon Barnett Acquisition accounted for $10.3 million of the increase. The remainder of the increase in gathering and transportation expenses during the year ended December 31, 2022 compared to the same period in 2021 was due to an increase in volumes of $2.4 million and an increase in contractual rates with a third party of $1.5 million.

Depreciation, depletion, amortization and accretion

Depreciation, depletion, amortization and accretion was $118.9 million, or $0.43 per Mcfe, for the year ended December 31, 2022, which was an increase of $26.6 million, or 29%, from $92.3 million, or $0.37 per Mcfe, for the year ended December 31, 2021. The increase in depreciation, depletion, amortization and accretion during the year ended December 31, 2022, compared to the year ended December 31, 2021, was primarily due to the Exxon Barnett Acquisition, which accounted for an additional $22.9 million of depreciation, depletion, amortization and accretion expense during the year ended December 31, 2022. The remaining $3.7 million consisted of individually immaterial increases.

General and administrative

General and administrative expenses were $148.6 million, or $0.53 per Mcfe, for the year ended December 31, 2022, which was an increase of $62.8 million, or 73%, from $85.7 million, or $0.35 per Mcfe, for the year ended December 31, 2021. The increase in general and administrative expenses during the year ended December 31, 2022 compared to the year ended December 31, 2021 was primarily due to the Exxon Barnett Acquisition, which provided $14.5 million of additional general and administrative costs and $18.5 million in incremental costs which included direct transaction costs. Also during the year ended December 31, 2022, we had an increase in costs of $20.7 million related to equity-based compensation, employee wages and contract labor and fees compared to the same period in 2021. During 2022, we entered into an agreement with Verde CO2 and incurred $13.0 million for the management of BKVerde, as compared to an immaterial amount during 2021.

Other operating expenses

Other operating expenses were $3.6 million or $0.01 per Mcfe for the year ended December 31, 2022, which was an increase of $2.3 million from $1.3 million or $0.01 per Mcfe for the year ended December 31, 2021. The increase in other operating expenses was due to the increases in other operating expenses related to the 2022 Barnett Assets.

Other Income (Expense)

Bargain purchase gain. Bargain purchase gain increased to $170.9 million for the year ended December 31, 2022 from zero for the year ended December 31, 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.

Gains (losses) on contingent consideration liabilities. We recognized a gain 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 gain on contingent consideration liabilities was $6.6 million for the year ended December 31, 2022, which was an increase of $201.6 million from the $195.0 million loss for the year ended December 31, 2021. The $6.6 million gain in 2022 compared to the $195.0 million loss in 2021 was primarily attributable to the gain on contingent consideration liabilities with the Devon Barnett Acquisition of $5.1 million. Decreases in forward curve commodity pricing for natural gas (NYMEX) and oil (WTI) assumptions used in the Monte Carlo simulations during the year ended December 31, 2022, decreased the fair market value of the liability. The year ended December 31, 2021 showed increases in forward curve commodity pricing for natural gas and oil causing the fair value of the contingent consideration to increase the associated liability. The remaining $1.6 million of the current period gain on contingent consideration liabilities was attributed to the 2022 Exxon Barnett Acquisition, which was also driven by decreases in forward curve commodity pricing from the acquisition date.

Gain on settlement of litigation. Gain on settlement of litigation increased to $16.9 million for the year ended December 31, 2022 from zero compared to the same period in 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 statements of operations.

Interest expense. Interest expense was $26.3 million for the year ended December 31, 2022, which was an increase from zero compared to the same period in 2021. The increase in interest expense during the year ended December 31, 2022 was driven from our Term Loan Credit Agreement and Revolving Credit Facilities (defined herein), which did not carry balances during the year ended December 31, 2021.

Interest expense, related party. Interest expense from our related party was $10.8 million for the year ended December 31, 2022, which was an increase of $8.7 million from $2.1 million for the year ended December 31, 2021. The increase was due to increased borrowings with BNAC of $75.0 million under the $75 Million Loan Agreement and nine months of outstanding debt on the $116.0 million loan under the $116 Million Loan Agreement during 2022, compared to three months in 2021.

Income tax benefit (expense). Income tax expense was $62.7 million for the year ended December 31, 2022, which was a change of $103.2 million from an income tax benefit of $40.5 million compared to the same period in 2021. The year-over-year change was due primarily to the higher pre-tax income during the year ended December 31, 2022, compared to a pre-tax loss during the year ended December 31, 2021.

Earnings from equity affiliate. Earnings from our equity affiliate was $8.5 million for the year ended December 31, 2022, which was a change of $7.6 million from $0.9 million compared to the same period in 2021. Earnings from our equity affiliate is related to our investment and proportionate share in the income or losses of the BKV-BPP Power Joint Venture, which we entered into in November 2021.

Liquidity and Capital Resources

Liquidity

Since January 1, 2023, natural gas prices have decreased significantly from previous periods, which caused non-compliance with our fixed charge coverage ratio financial covenant as of the quarter ended

June 30, 2023. Although our lenders waived such non-compliance, as discussed below, non-compliance with financial debt covenants will limit our ability to draw on our existing credit facilities and could also result in our debt agreements being called early, which would move certain noncurrent financial obligations to current. As a result, we would have insufficient liquidity and capital resources to be able to repay those obligations. Additionally, our reduced cash flow from operations could cause us not to meet our current and noncurrent financial obligations based on current forecasts. To alleviate these conditions our ultimate parent, Banpu, has agreed to provide funding to allow us to meet our financial obligations until June 30, 2025, if necessary.

On June 16, 2023, the lenders under the Term Loan Credit Agreement and the Revolving Credit Agreement agreed to: (i) waive compliance with our minimum consolidated fixed charge coverage ratio covenant for the quarter ending June 30, 2023; (ii) reduce the ratio required by our minimum consolidated fixed charge coverage ratio covenant to 1.00 to 1.00 for the quarters ending September 30 and December 31, 2023; (iii) waive compliance with our maximum total net leverage ratio covenant for the quarter ending December 31, 2023; and (iv) waive compliance with our required commodity hedging covenant for the quarters ending June 30, September 30 and December 31, 2023. Such waivers did not apply to our obligations in the Term Loan Credit Agreement and the Revolving Credit Agreement to satisfy such financial covenants in order to pay dividends on our common stock and to repay the loan under our BNAC A&R Loan Agreement. Additionally, on April 30, 2024, the lenders under the Revolving Credit Agreement agreed to waive compliance with respect to our minimum marketer receivables covenant for up to $60.0 million of our credit facility borrowings under the Revolving Credit Agreement with total borrowings not to exceed $100.0 million; this waiver was effective through the fiscal quarter ending December 31, 2023 and, on December 26, 2023, the lenders agreed to extend the effectiveness of this waiver until July 31, 2024. For additional information, see "*Risk Factors — Risks Related to Our Business Generally — 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.*"

Additionally, on September 29, 2023, we entered into the Fourth Amendment to the Term Loan Credit Agreement and the Fourth Amendment to the Revolving Credit Agreement with the respective lenders thereunder, pursuant to which such credit agreements were amended to (i) remove the Company's maximum total net leverage ratio covenant and minimum consolidated fixed charge coverage ratio covenant; and (ii) insert the following financial covenants: (a) minimum debt service coverage ratio, which could not be less than 1.05 to 1.00 at the end of each fiscal quarter and (b) maximum net indebtedness to equity ratio, which could not be greater than 1.50 to 1.00 at the end of each fiscal quarter.

The Fourth Amendment to the Term Loan Credit Agreement inserted an additional financial covenant which required us to hold a certain amount of cash in our Debt Service Reserve Account. To fund the Debt Service Reserve Account, BKV made a capital call on BNAC of $150.0 million and, pursuant to the requirements of the existing stockholders' agreement, on September 27, 2023, BNAC made such capital contribution in exchange for 7,500,000 shares of BKV common stock (taking into account the October 2023 one-for-two reverse stock split). $138.3 million of BNAC's capital contribution was placed in the Debt Service Reserve Account to comply with our financial covenant under the Term Loan Credit Agreement.

On June 11, 2024, the amounts outstanding under the Term Loan Credit Agreement, the Revolving Credit Agreement and the SCB Credit Facility were paid off with proceeds from the loans under the RBL Credit Agreement and cash on hand. The Term Loan Credit Agreement, the Revolving Credit Agreement and the SCB Credit Facility were terminated concurrently with the repayment of the remaining amounts owed thereunder.

On June 11, 2024, we entered into the RBL Credit Agreement.

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 the three months ended March 31, 2024 and 2023 were to fund the development of our natural gas properties. During the year ended December 31, 2023, our primary

uses of cash were to fund the development of our natural gas properties and CCUS projects and during the year ended December 31, 2022, our primary use of cash was to fund our Exxon Barnett Acquisition. During the year ended December 31, 2021, our primary uses of cash were to fund our BKV-BPP Power Joint Venture, the development of our natural gas properties, and to pay a special dividend to our common stockholders. Also in 2021, the primary use of the cash received from BNAC was to fund the redemption of our outstanding preferred stock.

During the three months ended March 31, 2024 and 2023, capital expenditures for development of natural gas properties were $14.3 million and $79.3 million, respectively. During the years ended December 31, 2023, 2022, and 2021, capital expenditures for development of natural gas properties were $134.4 million, $235.4 million, and $63.9 million, respectively. Our current estimate for total capital expenditures in 2024 is approximately $52.0 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.

Natural gas, NGL and oil prices have historically been volatile and decreased significantly in early 2023. Although natural gas prices started to increase in the second half of 2023, they are considerably lower than the near-record high prices experienced in 2022 and are projected to remain lower for at least the first half of 2024. Due to our desire to be a prudent operator and exercise capital discipline in this pricing environment, subsequent to finalizing our reserve reports as of December 31, 2023, we decreased our capital expenditures budget for development of natural gas properties for 2024 to approximately $13.0 million, which impacted our proved reserves, standardized measure value of proved reserves, and the PV-10 value of proved reserves as of December 31, 2023 by approximately 3.3%, 1.6%, and 2.0%, respectively. If the current lower natural gas commodity pricing environment extends beyond 2024, we will continue to maintain capital discipline and reflect corresponding capital expenditure changes in our estimated reserves as of December 31, 2023. These changes would mainly impact proved undeveloped reserves and proved developed non-producing reserves, which collectively represent approximately 25% of our total estimated proved reserves as of December 31, 2023.

Our operating leases consist of leases for office space and compressors. We do not have any 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 ROU assets or lease liabilities on the condensed consolidated balance sheets as they are not reasonably certain to be exercised. The exercise of lease renewal options is at our discretion. As of March 31, 2024, our undiscounted minimum cash payment obligations for operating lease liabilities through 2033 were $9.3 million.

Capital Resources

Historically, our primary sources of capital resources and liquidity have consisted of internally generated cash flows from operations and loans with and capital contributions from 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 2024 capital budget, excluding our CCUS capital budget, with cash on hand and cash flows from operations. We expect to fund up to 50% of our CCUS business from a variety of external sources, which may include joint ventures, project-based equity partnerships and federal grants, with the remaining capital

needs being funded with cash flows from operations. The following table summarizes our cash flows for the three months ended March 31, 2024 and 2023, as well as the years ended December 31, 2023, 2022, and 2021 (in thousands):

	Three Months Ended March 31,		Year Ended December 31,		
	2024	2023	2023	2022	2021
Net cash provided by operating activities	$ 19,251	$ 13,468	$ 123,076	$ 349,194	$ 358,133
Net cash used in investing activities	(19,884)	(81,485)	(177,848)	(865,566)	(161,858)
Net cash provided by (used in) financing activities	(1,590)	(44,464)	66,713	534,833	(79,053)
Net increase (decrease) in cash, cash equivalents and restricted cash	$ (2,223)	$ (112,481)	$ 11,941	$ 18,461	$ 117,222

Cash flows provided by operating activities. Net cash provided by operating activities was $19.3 million for the three months ended March 31, 2024, compared to $13.5 million for the three months ended March 31, 2023. Net cash provided by operating activities increased during the three months ended March 31, 2024 compared to the three months ended March 31, 2023 due to reduced settlements of contingent liabilities of $45.0 million and cash received from the sale of call options for $23.5 million, offset by a reduction in net working capital of $36.2 million and a $28.1 million decrease in income from operations (excluding net unrealized gains (losses), depreciation, depletion, amortization, and accretion, and equity-based compensation) resulting from lower natural gas prices compared to 2023.

Net cash provided by operating activities was $123.1 million for the year ended December 31, 2023, compared to $349.2 million for the year ended December 31, 2022. Net cash provided by operating activities decreased during the year ended December 31, 2023 compared to the year ended December 31, 2022 primarily due to a $150.2 million decrease in income from operations (excluding net unrealized gains (losses), depreciation, depletion, amortization, and accretion, and equity-based compensation) resulting from lower natural gas prices compared to 2022, a $36.4 million decrease due to higher cash paid for interest, which was driven by the term loans borrowed under our Term Loan Credit Agreement on June 30, 2022 and increased balances under our Revolving Credit Agreement and Revolving Credit Facilities, a decrease in contingent consideration as prior year's $19.7 million was recognized in net cash provided by (used in) financing activities, and cash received on the settlement litigation in 2022 of $16.9 million.

Net cash provided by operating activities was $349.2 million for the year ended December 31, 2022, compared to $358.1 million for the year ended December 31, 2021. Net cash provided by operating activities decreased in 2022 primarily due to our net income position in 2022 versus our net loss in 2021, offset by cash paid for contingent consideration, current year gain on bargain purchase, changes in the fair value of derivatives and an increase in 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 decreased from $81.5 million for the three months ended March 31, 2023 to $19.9 million for the three months ended March 31, 2024. The drivers of this change were due to the decrease in expenditures in the development of natural gas properties of $65.2 million during the three months ended March 31, 2024 compared to the three months ended March 31, 2023. This was offset by increases of $3.6 million, which was made up of individually immaterial increases.

Net cash used in investing activities decreased from $865.6 million for the year ended December 31, 2022 to $177.8 million for the year ended December 31, 2023. The primary driver of the decrease was the

$619.4 million used in connection with the Exxon Barnett Acquisition, which closed on June 30, 2022. Expenditures in development of natural gas properties also decreased by $101.0 million, which was offset by an increase of $50.0 million used in connection with the development of CCUS projects during the year ended December 31, 2023 compared to the year ended December 31, 2022.

Net cash used in investing activities increased from $161.9 million for the year ended December 31, 2021 to $865.6 million for the year ended December 31, 2022. Driving this increase was $619.4 million from our acquisition of certain operated and non-operated interests in proved reserves and certain midstream support assets in the Exxon Barnett Acquisition. Approximately $235.4 million of our cash outflows for the year ended December 31, 2022 was from our expenditures in development of natural gas properties. The remainder of the cash outflow was attributable to other investing activities.

Contributing to the $161.9 million cash outflow in 2021 was our initial investment in BKV-BPP Power. In November 2021, BKV-BPP Power purchased an operational power plant in Texas for $88.4 million. 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.

The following table presents our upstream capital expenditures (excluding leasehold costs and acquisitions) on an accrual basis for the three months ended March 31, 2024 and 2023, as well as the years ended December 31, 2023, 2022, and 2021 and reconciles to cash flows used in development of natural gas properties in the condensed consolidated statements of cash flows.

	Three Months Ended March 31,		Year Ended December 31,		
	2024	2023	2023	2022	2021
	(in thousands)				
Total use of cash and cash equivalents for development of natural gas properties	$(14,272)	$(79,306)	$(134,428)	$(235,406)	$(63,932)
(Increase) decrease in accrued development of natural gas properties	1,966	13,331	26,884	(17,773)	(13,702)
Upstream capital expenditures (accrued)	$(12,306)	$(65,975)	$(107,544)	$(253,179)	$(77,634)

Cash flows provided by (used in) financing activities. Net cash used in financing activities decreased from $44.5 million for the three months ended March 31, 2023 to $1.6 million for the three months ended March 31, 2024. The drivers of the current period inflow were the $20.0 million and $10.0 million of advances received from the SCB Credit Facility and Revolving Credit Agreement, respectively. This was offset by outflows of $16.0 million and $15.0 million for repayments made on our SCB Credit Facility and Revolving Credit Agreement, respectively. The $44.5 million cash outflow for the three months ended March 31, 2023 was due to the $97.5 million of repayments made on our Revolving Credit Facilities and Revolving Credit Agreement, offset by $57.5 million of advances received from these credit facilities.

Net cash provided by financing activities decreased from $534.8 million for the year ended December 31, 2022 to $66.7 million for the year ended December 31, 2023. The drivers of the current period inflow were the $258.5 million and $117.0 million of advances received from the Revolving Credit Facilities and Revolving Credit Agreement, respectively. In addition, we received a capital contribution from BNAC in the amount of $150.0 million in exchange for 7,500,000 shares of our common stock. This was offset by cash outflows of $114.0 million, $272.5 million and $66.0 million for repayments made on our Term Loan Credit Agreement, Revolving Credit Facilities and Revolving Credit Agreement, respectively. The $534.8 million cash inflow for the year ended December 31, 2022 was due to proceeds of $570.0 million in connection with a term loan agreement and proceeds of $75.0 million in connection with a related party note payable, offset by repayments of $166.0 million to the related party, $190.0 million of advances received in connection with our OCBC Credit Facility, offset by repayments of $100.0 million on said facility and the financing portion of the settlement of contingent consideration of $19.7 million. The remainder of the fluctuation consisted of deferred offering cost payments, debt issuance costs and net share settlements.

Net cash provided by financing activities changed from a $79.1 million outflow for the year ended December 31, 2021 to a $534.8 million inflow for the year ended December 31, 2022. The primary driver of

the current period inflow was 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 from our credit facilities, offset by $100.0 million of repayments on these credit facilities. The remainder of the fluctuation consists primarily of contingent consideration settlements, debt issuance cost and deferred offering cost payments, and net share settlements.

Contributing to the net cash used in financing activities of $79.1 million for the year ended December 31, 2021 were exercises of our redemption option on all outstanding shares of preferred stock and the associated shares of common stock for $122.4 million, and dividend payments made to common stockholders and preferred stockholders of $88.1 million and $10.3 million, respectively. We also repaid $24.0 million of our intercompany loan agreements with BNAC, which was offset by $166.0 million of proceeds received under the new loan agreements with BNAC.

Working Capital

As of March 31, 2024, we had cash and cash equivalents of $21.9 and restricted cash of $141.0 million compared to $40.6 million of cash and cash equivalents as of March 31, 2023. Our net working capital deficit was $98.7 million as of March 31, 2024 compared to $232.5 million as of March 31, 2023.

As of December 31, 2023, we had cash and cash equivalents of $25.4 and restricted cash of $139.7 million compared to $153.1 million of cash and cash equivalents as of December 31, 2022. Our net working capital deficit was $100.1 million as of December 31, 2023, compared to a deficit of $276.5 million as of 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 March 31, 2024, we had a working capital deficit of $98.7 million, primarily driven by the $240.0 million current portion of our debt instruments, offset by restricted cash of $141.0 million. Excluding debt issuance costs, the $240.0 million current portion of our debt as of March 31, 2024 consisted of $114.0 million from our Term Loan Credit Agreement, $91.0 million from our Revolving Credit Agreement, and $35.0 million from our SCB Credit Facility, as described below under "*— Loan Agreements and Credit Facilities*."

Due to the fluctuation in natural gas prices and our business being capital intensive, we may incur working capital deficits in the future. We currently believe our cash flows from operations, cash on hand and borrowings under our RBL Credit Agreement will provide sufficient liquidity to fund our operations and our 2024 capital expenditure budget, excluding our CCUS business, and interest expense and debt repayments that are expected to settle during the next 12 months; however, sustained decreases in natural gas prices may limit our ability to do so.

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 the 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. 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 "BNAC 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 under the Term Loan Credit Agreement. The BNAC A&R Loan 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. In connection with entering into the RBL Credit Agreement, our obligations under the BNAC A&R Loan Agreement were subordinated to our obligations under the RBL Credit Agreement.

Our payment obligation under the BNAC A&R Loan Agreement is unsecured and subordinated to our payment obligations under the Term Loan Credit Agreement and the Revolving Credit Agreement, both as discussed further below. The BNAC A&R Loan Agreement bears interest at SOFR plus 5.25%, is payable semi-annually, and is due on December 31, 2027, including any unpaid interest, 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 BNAC A&R Loan Agreement at any time, with no prepayment premium.

The BNAC A&R Loan Agreement includes 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 BNAC A&R Loan Agreement includes financial covenants that require us to: (i) maintain a net worth (as defined in the BNAC A&R Loan Agreement, but generally meaning total assets minus total liabilities) of at least $800.0 million at all times; and (ii) not permit our trailing 12 month

net borrowings to EBITDAX (as defined in the BNAC A&R Loan Agreement, 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 BNAC A&R Loan Agreement as of March 31, 2024.

On June 18, 2024, we paid down $25.0 million of the $75.0 million on the BNAC A&R Loan Agreement, including interest.

Term Loan Credit Agreement

On June 16, 2022, we entered into a Credit Agreement (as amended, 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 included $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. As discussed below, such term loans required annual principal payments of $114.0 million. We made the first annual principal payment of $114.0 million on June 23, 2023. Following such payment, $456.0 million of aggregate principal amount remained outstanding under the Term Loan Credit Agreement.

As of March 31, 2024, we were in compliance with all applicable covenants under the Term Loan Credit Agreement. To fund the Debt Service Reserve Account, we made a capital call on BNAC of $150.0 million and, pursuant to the requirements of the existing stockholders' agreement, on September 27, 2023, BNAC made such capital contribution in exchange for 7,500,000 shares of BKV common stock (taking into account the October 2023 one-for-two reverse stock split). $138.3 million of BNAC's capital contribution was placed in the Debt Service Reserve Account to comply with our financial covenant under the Term Loan Credit Agreement. For more information, see "*— Liquidity and Capital Resources — Liquidity*."

On June 11, 2024, we paid off the amounts outstanding under the Term Loan Credit Agreement with proceeds from the loans under the RBL Credit Agreement and cash on hand. We terminated the Term Loan Credit Agreement concurrently with the repayment of such outstanding borrowings.

Revolving Credit Facilities

On December 22, 2021, we entered into a $55.0 million uncommitted credit facility with Oversea-Chinese Banking Corporation Limited, which included a $25.0 million sublimit for the issuance of standby letters of credit (the "OCBC Credit Facility"). On December 29, 2023, we paid $0.2 million in accrued interest and repaid in full the $50.0 million of outstanding borrowings under the OCBC Credit Facility. We terminated the OCBC Credit Facility concurrently with the repayment of such outstanding borrowings.

We were also party to a $50.0 million uncommitted credit facility with Standard Chartered Bank, which included a $35.0 million sublimit for revolving loans (the "SCB Credit Facility" and, together with the OCBC Credit Facility, the "Revolving Credit Facilities"). On February 1, 2023, we entered into an amendment letter with Standard Chartered Bank that increased the limit of the SCB Credit Facility from $25.0 million to $50.0 million.

On June 11, 2024, we paid off the amounts outstanding under the SCB Credit Facility with proceeds from the loans under the RBL Credit Agreement and cash on hand. We terminated the SCB Credit Facility concurrently with the repayment of such outstanding borrowings.

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. The Revolving Credit Agreement included $100.0 million of commitments for unsecured revolving loans used for short-term working capital and operating needs.

As of March 31, 2024, the Company was in compliance with its minimum asset coverage ratio covenant and would have been in compliance with its minimum debt service coverage ratio covenant and

maximum net indebtedness to equity ratio covenant, had such covenants been in effect as of such date. For more information, see "*— Liquidity and Capital Resources — Liquidity*."

On June 11, 2024, we paid off the amounts outstanding under the Revolving Credit Agreement with proceeds from the loans under the RBL Credit Agreement and cash on hand. We terminated the Revolving Credit Agreement concurrently with the repayment of such outstanding borrowings.

RBL Credit Agreement

On June 11, 2024, BKV Corporation, as guarantor, and the RBL Borrower, as borrower, entered into the RBL Credit Agreement with Citibank, N.A., as the administrative agent, and the financial institutions party thereto. The RBL Credit Agreement includes a maximum credit commitment of $1.5 billion. As of June 11, 2024, the RBL Credit Agreement has a borrowing base of $800.0 million and an elected commitment of $600.0 million. As of July 5, 2024, $360.0 million of revolving borrowings and $9.0 million of letters of credit were outstanding under the RBL Credit Agreement, leaving $231.0 million of available capacity thereunder for future borrowings and letters of credit. The loans may be borrowed, repaid and reborrowed during the term of the RBL Credit Agreement. The RBL Credit Agreement will mature on June 12, 2028. The obligations under the RBL Credit Agreement are secured and guaranteed on a secured basis by BKV Corporation, the RBL Borrower and all of the RBL Borrower's current and future material restricted subsidiaries. Loans under the RBL Credit Agreement bear interest at one, three or six-month term SOFR or ABR, as applicable, plus a credit spread adjustment of 0.10% for SOFR borrowings, plus an applicable margin 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 RBL Credit Agreement, including commitment fees on the average daily amount of the undrawn portion of the commitments.

The RBL Credit Agreement contains various restrictive covenants that, among other things, limit the RBL Borrower's ability and the ability of its restricted subsidiaries to, subject to certain exceptions: (i) incur indebtedness; (ii) incur liens; (iii) acquire or merge with any other company; (iv) sell assets or equity interests of their subsidiaries; (v) make investments; (vi) pay dividends or make other restricted payments; (vii) change their lines of business; (viii) enter into certain hedge agreements; (ix) enter into transactions with affiliates; (x) own any subsidiary that is not organized in the United States; (xi) prepay any unsecured senior or subordinated indebtedness; (xii) engage in certain marketing activities; and (xiii) allow, on a net basis, gas imbalances, take-or-pay or other prepayments with respect to their proved oil and gas properties.

Beginning with the fiscal quarter ending September 30, 2024, the RBL Credit Agreement requires the RBL Borrower and its restricted subsidiaries to always hedge not less than 50% of projected production from their proved developed producing reserves for the subsequent 24 calendar month period immediately following such required delivery date.

The RBL Credit Agreement also includes financial covenants that require the RBL Borrower to maintain:

- on a quarterly basis, a minimum Current Ratio (as defined in the RBL Credit Agreement) of no less than 1.00 to 1.00; and
- on a quarterly basis, a Net Leverage Ratio (as defined in the RBL Credit Agreement) of no greater than 3.25 to 1.00.

The RBL Credit Agreement includes customary equity cure rights that will enable us to cure certain breaches of the minimum current ratio covenant or the maximum net leverage ratio covenant.

The RBL Credit Agreement generally includes customary events of default for a reserve-based credit facility, some of which allow for an opportunity to cure. 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. The RBL Credit Agreement is secured by substantially all of the assets of BKV Corporation, the RBL Borrower and its restricted subsidiaries that are guarantors, and upon an event of default the agent under the RBL Credit Agreement could commence foreclosure proceedings.

BKV-BPP Power and BKV-BPP Cotton Cove Joint Ventures

Under the terms of the BKV-BPP Cotton Cove LLC Agreement and the BKV-BPP Power LLC Agreement, we do not have the ability to unilaterally cause BKV-BPP Power or BKV-BPP Cotton Cove to make distributions. During the year ended December 31, 2023, BKV-BPP Power made a distribution of $10.0 million to BKV Corporation. During the three months ended March 31, 2024 and 2023 and during the years ended December 31, 2022 and 2021, no distributions were made by BKV-BPP Power or BKV-BPP Cotton Cove. In addition, we may be required to make additional capital contributions to one or both joint ventures to fund items approved in their respective annual budgets or other matters approved by their respective boards. Such additional capital contributions, which are not subject to any limit on the potential amount required, would reduce the amount of cash otherwise available to us. However, any additional capital contributions to the BKV-BPP Power Joint Venture must be approved by a majority of BKV-BPP Power's eight member board of managers, four of which are appointed by us and four of which are appointed by BPPUS. Similarly, any additional capital contributions to the BKV-BPP Cotton Cove Joint Venture must receive the unanimous approval of BKV-BPP Cotton Cove's six member board of managers, four of which are appointed by us and two of which are appointed by BPPUS. For more information about our joint ventures with BPPUS, see "*Certain Relationships and Related Party Transactions — BKV-BPP Power Joint Venture — BKV-BPP Power Limited Liability Company Agreement" and "Certain Relationships and Related Party Transactions — BKV-BPP Cotton Cove Joint Venture — BKV-BPP Cotton Cove 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*" and "*Risk Factors — Risks Related to Our CCUS Business — We operate the Cotton Cove Project through a joint venture that requires the consent of BPPUS for certain material actions.*"

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.

Material Weakness in Internal Control Over Financial Reporting

As of March 31, 2024, material weaknesses continued to exist in our internal control over financial reporting. 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. These material weaknesses resulted in audit adjustments to share capital and other mezzanine equity accounts and liquidity disclosures in the consolidated financial statements as of December 31, 2021 and for the year then ended.

In addition, 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. This material weakness resulted in audit adjustments to income tax benefit, income taxes payable to related party and deferred tax assets in the consolidated financial statements as of December 31, 2021 and for the year then ended, and an immaterial audit adjustment to the supplemental cash flows information for cash payments for income taxes and a reclassification between oil and gas production and other taxes payable and other accrued liabilities within *Note 11 — Accounts Payable and Accrued Liabilities* to our consolidated financial statements, included elsewhere in this prospectus, as of and for the year ended December 31, 2023.

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.

Notwithstanding these material weaknesses, we believe our condensed consolidated financial statements fairly present, in all material respects, our condensed consolidated financial condition as of March 31, 2024 and our condensed consolidated results of operations and cash flows for the three months ended March 31, 2024 and 2023, in accordance with GAAP. We also believe that our consolidated financial statements fairly present, in all material respects, our consolidated financial condition as of December 31, 2023 and 2022, and our consolidated results of operations and cash flows for the years ended December 31, 2023, 2022, and 2021, in conformity with GAAP.

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 these material weaknesses, the measures we have taken, and plan to take, may not be effective.

Off-Balance Sheet Arrangements

We may enter into off-balance sheet arrangements and transactions that could give rise to material off-balance sheet arrangements. As of March 31, 2024, our material off-balance sheet arrangements and transactions included volume commitments of $193.5 million and letters of credit of $11.2 million against our SCB Credit Facility. As of July 5, 2024, $9.0 million of letters of credit were outstanding under our RBL Credit Agreement. For further information regarding these arrangements, see *Note 10 — Commitments and Contingencies* to our condensed consolidated financial statements, included elsewhere in this prospectus and under "*— Loan Agreements and Credit Facilities — Revolving Credit Facilities" and "— Loan Agreements and Credit Facilities — RBL Credit Agreement*."

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 Reserves 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 capitalized, or suspended, pending determination of whether the wells have proved reserves. If we determine 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 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, NGL and oil 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 reserves 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 reserves estimates are representative of our actual reserves — for example, by involving independent reserves 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 goods identified in the contract transfers to the customer at the delivery point specified within the contract. Such sales amounts are based on an estimate of when the volumes delivered at estimated prices, as determined by the applicable sales agreement, which is variable based on commodity pricing. We estimate our sales volumes based on company-measured volume readings. Natural gas and NGL sales are adjusted in subsequent periods based on data received from our purchasers, which for natural gas, NGL and oil sales occur within two months 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.

Non-operated and operated midstream revenues are recognized when services are rendered based on quantities transported and measured according to the underlying contracts. We record midstream revenues based on volumes at stated contractual rates. We estimate our non-operated midstream revenue volumes based on third party data with respect to our proportionate share of non-operated volumes and actual gross

volumes for operated midstream revenues. 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.

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. 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 commodity derivative instruments are measured and recorded at fair value and included in our condensed consolidated balance sheets. Such fair values are calculated based on the market approach, which uses industry standard models, assumptions and inputs. These assumptions and inputs 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.

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. Therefore, net unsettled gains and losses on our commodity instruments are recorded based on the changes in the fair values of the derivative instruments and included within derivative gains (losses), net in the condensed consolidated statements of operations in the period of change.

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.

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. 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 us to make estimates and use valuation techniques. The transaction costs associated with asset acquisitions are capitalized as part of the assets acquired.

As part of the acquisitions made, we are also required to pay additional cash considerations, which are based on certain thresholds being met 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 10 — Commitments and Contingencies*” to our condensed consolidated financial statements included elsewhere in this prospectus. It is also described in “*Note 16 — Commitments and Contingencies*” to our audited 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, 2022 and 2023, we made annual grants of TRSUs under the 2021 Plan. The 2021 Plan terminated on January 1, 2024 and no further awards will be made thereunder. Termination of the 2021 Plan pursuant to its terms will not affect the Company's or participants' rights as to all outstanding unvested or vested awards, and shares of common stock issued in settlement of awards. See "*Executive Compensation — BKV Corporation 2021 Long Term Incentive Plan — Amendment and Termination*" for more information about the termination of the 2021 Plan.

We recognize compensation cost related to equity-based awards under the 2021 Plan 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 "Sell Fund Purchase Program" expired on December 31, 2023.

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 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 corporate restructuring of BKV O&G and Kalnin Ventures to form BKV Corporation, as described in "*Business — Our History — The Corporatization Event*." Impairment may occur if the reporting unit's carrying value exceeds its fair value. Goodwill is tested at the reporting unit level, which is at the consolidated level due to BKV having one identifiable operating segment or reporting unit. 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 our 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, 2023, 2022 and 2021. 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 reporting unit to be greater than the carrying value as of December 31, 2023 and 2022.

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 1 — Business and Basis of Presentation*" to our condensed consolidated financial statements and "*Note 2 — Summary of Significant Accounting Policies*" to our audited 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 March 31, 2024 consisted of commodity price swaps, basis differential swaps, call options and producer collar agreements, subject to master netting agreements with each individual counterparty.

These derivative contracts cover portions of our projected positions through 2027. Our commodity hedge position as of March 31, 2024 is summarized in "*Note 5 — Derivative Instruments*" to our condensed consolidated financial statements included elsewhere in this prospectus.

We may enter into hedge contracts with a term greater than 24 months, but for no longer than 36 months, for up to 60% of our estimated production for the current year, and for up to 50% and 25% of our estimated production in each of the subsequent years, respectively. During the three months ended March 31, 2024, a

hypothetical increase or decrease of $0.10 per Mcf in NYMEX would have resulted in a $1.5 million decrease or increase in natural gas hedge revenues, respectively, and a hypothetical increase or decrease of $1.00 per Bbl of NGL purity product price would have resulted in a $1.1 million decrease or increase in NGL hedge revenues, respectively. During the year ended December 31, 2023, a hypothetical increase or decrease of $0.10 per Mcf in NYMEX would have resulted in a $1.6 million decrease or increase in natural gas hedge revenues, respectively, and a hypothetical increase or decrease of $1.00 per Bbl of NGL purity product price would have resulted in a $1.9 million decrease or increase in NGL hedge revenues, respectively.

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 and cash flows. 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. Moreover, in the event BKV-BPP Power is not able to satisfy its obligations under the HRCO, it must purchase power at prevailing market prices to satisfy the HRCO. Likewise, increases in power pricing could limit the benefit we receive under HRCOs and may 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 and cash flows.

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 condensed 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 condensed consolidated 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 derivative gains (losses), 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 March 31, 2024, the estimated fair value of our commodity derivative instruments was a net asset of $38.9 million, comprised of current and noncurrent assets and current and noncurrent liabilities. As of December 31, 2023, the estimated fair value of our commodity derivative instruments was a net asset of $102.5 million, comprised of current and noncurrent assets, and as of December 31, 2022, the estimated fair value of our commodity derivative instruments was a net liability of $46.0 million, comprised of current and noncurrent assets and current liabilities.

By removing price volatility from a portion of our expected production through December 2027, 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 ("ISDA") Master Agreements with each of our derivative counterparties prior to executing derivative contracts. The terms of the ISDA Master Agreements 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

Our primary exposure to interest rate risk results from our outstanding related party borrowings with BNAC and the RBL Credit Agreement, which have floating interest rates. As of July 5, 2024, we had $50.0 million of outstanding borrowings with BNAC with an effective interest rate of 10.4% and $360.0 million of outstanding borrowings under the RBL Credit Agreement with an effective interest rate of 8.7%.

As of March 31, 2024, our primary exposure to interest rate risk resulted from our outstanding related party borrowings with BNAC, the Term Loan Credit Agreement, the Revolving Credit Agreement, and the SCB Credit Facility, which have floating interest rates. As of March 31, 2024, we had $75.0 million of outstanding borrowings with BNAC, $342.0 million of outstanding borrowings under the Term Loan Credit Agreement, $35.0 million of outstanding borrowings under the SCB Credit Facility, and $91.0 million of outstanding borrowings under the Revolving Credit Agreement. The average annualized interest rate incurred on our outstanding borrowings during the three months ended March 31, 2024 was approximately 9.4%. We estimate that a 1.0% increase in the applicable average interest rates during the three months ended March 31, 2024 would have resulted in an increase of $1.7 million in interest expense.

As of December 31, 2023, our primary exposure to interest rate risk resulted from our outstanding related party borrowings with BNAC, the Term Loan Credit Agreement, the Revolving Credit Agreement, and the SCB Credit Facility, which have floating interest rates. As of December 31, 2023, we had $75.0 million of outstanding borrowings with BNAC, $456.0 million of outstanding borrowings under the Term Loan Credit Agreement, $31.0 million of outstanding borrowings under the SCB Credit Facility, and $96.0 million of outstanding borrowings under the Revolving Credit Agreement. The average annualized interest rate incurred on our outstanding borrowings during the year ended December 31, 2023 was approximately 8.7%. We estimate that a 1.0% increase in the applicable average interest rates during the year ended December 31, 2023 would have resulted in an increase of $7.8 million in interest expense.

INDUSTRY

Our core business is to produce natural gas from our owned and operated upstream businesses, which are supported by 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 expect our owned and operated upstream and natural gas midstream businesses to achieve net zero Scope 1 and Scope 2 emissions by the early 2030s, and net zero Scope 1, 2 and 3 emissions by the late 2030s. 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. We achieved first injection of CO_2 waste at the Barnett Zero Project in November 2023. In addition, we expect to continue to 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.

We formally launched our CCUS business, BKV dCarbon Ventures, in March 2022 and currently have commenced commercial operations at the Barnett Zero Project. However, our CCUS business and nearly all of our CCUS projects are in the early stages of development and we have not reached FID with respect to or entered into the definitive agreements necessary to execute nearly all of the other potential projects described in "*Business — Our Operations — Carbon Capture, Utilization and Sequestration*." 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. For more information about the risks involved in our CCUS business, see "*Risk Factors — Risks Related to Our CCUS 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 Global CCS Institute's Global Status of CCS 2021, 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 and achieving long-term emissions reduction 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.

According to the Global Status of CCS 2022 Report, as of September 2022, there were 196 projects in the worldwide CCUS facilities pipeline (including two suspended projects). This represents an impressive 44% year over year growth and continues the upward momentum in CCUS projects in development. Additionally, the Global CCS Institute reported that, as of September 2022, 30 CCUS facilities were operational around the world. In Energy Technology Perspectives 2020, published by the International Energy Agency ("IEA"), the IEA estimated that 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 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 the Global Status of CCS 2022 Report, CCUS has become increasingly commercial and competitive in many countries and CCUS

networks involving the use of shared transport and storage infrastructure are becoming the predominant method of CCUS deployment, which benefits 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, 2% in 2022 and is expected to rise by an average of 3% over the next three years.

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. The United States recorded a significant 2.6% year over year demand increase in 2022, driven by economic activity and higher residential use to meet both heating and cooling needs. 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 2022, renewables grew to account for the largest share of total utility-scale electricity generating capacity in the United States at 36%, followed by natural gas at 33%. According to the IEA, the share of natural gas-based electricity generation tripled from 12% in 1990 to 36% in 2022. 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

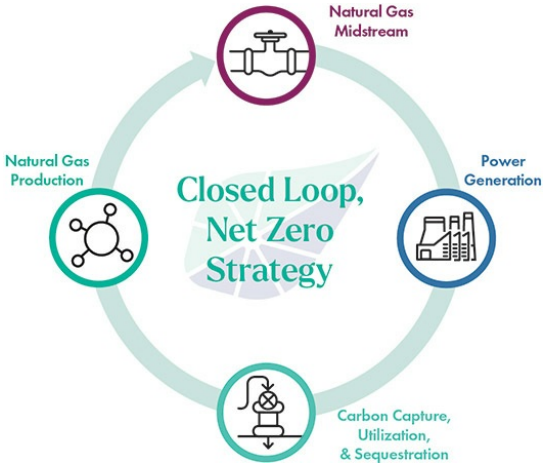
LNG is natural gas in its liquid phase after being super-cooled to-260°F. LNG is primarily used to store and transport gas between markets that have limited natural gas pipeline connectivity. Once natural gas is delivered to an LNG facility, the gas is liquified and shrunken to approximately $1/600^{th}$ 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, Russia's steep gas supply cuts to the EU put pressure on European and global gas markets. According to the EIA, before Russia's piped natural gas exports to the EU declined by an estimated 49% year-over-year in 2022, close to 40% of total EU gas demand was sourced from Russia. To mitigate that shortfall, European LNG imports increased by 65% compared to 2021, according to the EIA, which also reported that U.S. LNG exports to Europe increased by 141% over the same period, representing 64% of all U.S. LNG exports in 2022. According to the EIA and FERC, because U.S. LNG utilizations are at all-time highs at 98% of baseline capacity, an additional 11.9 Bcf/d capacity is currently under construction, and another 19.1 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 are supported by 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 expect our owned and operated upstream and natural gas midstream businesses to achieve net zero Scope 1 and Scope 2 emissions by the early 2030s, and net zero Scope 1, 2 and 3 emissions by the late 2030s. We maintain a "closed-loop" approach to our net zero emissions goal through the operation of our four business lines. We are committed to vertically integrating portions of our business to reduce costs and improve overall commercial optimization of the full value chain. For instance, in the Barnett, our natural gas production is gathered and transported in part through our midstream systems and we commenced sequestration operations at our first CCUS project in November 2023. We expect our second CCUS project to commence sequestration activities by the end of 2025 and are evaluating a robust backlog of actionable CCUS opportunities. 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 emission reduction and energy impact goals.

Overview of BKV Assets

Natural Gas

	Net Production (MMcfe/d)	SEC 1P Reserves (Tcfe)	Producing Wells[1]	Net Acres
	Year Ended December 2023	As of December 2023	As of December 2023	As of December 2023
Barnett	718	3.7	6,614	460,000
NEPA	142	0.4	414	37,000
Total	860	4.1	7,028	497,000

Operated Midstream

	As of December 2023 Throughput (MMcf/d)	Pipeline Miles	Midstream Compressors
Barnett	233	778	65

Power

	Location	Heat Rate Btu/kWh	Capacity MW+
Temple I	Bell County, TX	6,904	752
Temple II	Bell County, TX	6,905	747

CCUS

Projects in Operation	Status	Initiation of Sequestration Operations	Forecasted Annual Sequestration Volumes (Mtpy CO_2e)[4]
Barnett Zero	Operating	November 2023	0.18
Potential Projects	**Status[2]**	**Forecasted Initiation of Sequestration Operations[3]**	**Forecasted Annual Sequestration Volumes (Mtpy CO_2e)[4]**
Cotton Cove	FID	Q1 2026	0.04
8 NGP Projects	Pre-FID	2025-2029	2.68
3 Industrial Projects	Pre-FID	2026-2027	11.15
4 Ethanol Projects	Pre-FID	2027-2029	2.56

(1) Includes producing wells in which BKV has an ORRI or Non-Operated Interest.
(2) We have not secured external financing, reached FID or entered into the definitive agreements necessary to execute any of the pre-FID projects identified above.
(3) Our projected timeline for commencement of sequestration operations at the Cotton Cove Project and all of the pre-FID projects identified above depends in part on our ability to fund the capital requirements for these potential projects through external funding and revenues from our upstream business, as well as a regulatory environment that is favorable to our projects and their development. See *Risk Factors—Risks Related to our CCUS Business.*
(4) We may not receive 100% of the environmental attributes associated with CCUS projects funded in whole or in part by third parties, and, in such cases, we expect to have the right to purchase such environmental attributes BKV would not otherwise receive. Ultimately, we will be able to apply only such portion of the sequestered emissions to offset our own GHG emissions that corresponds to the percentage of environmental attributes BKV receives or purchases.

Our Operations

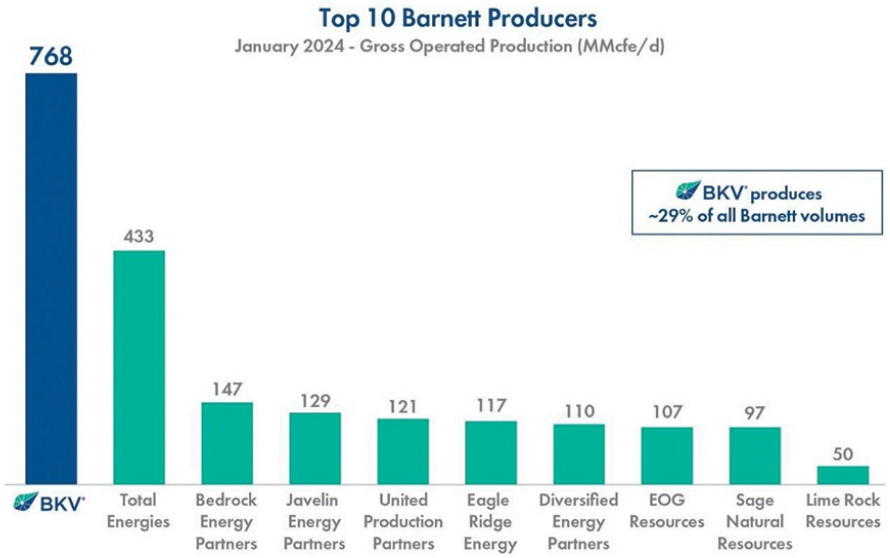
Natural Gas Production

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 upstream, midstream and power capital expenditure program 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 March 31, 2024, our total acreage position was approximately 496,000 net acres, 99% of which was held by production. For the three months ended March 31, 2024, our net daily production averaged 821.1 MMcfe/d, consisting of approximately 80% natural gas and approximately 20% NGLs. As of December 31, 2023, our total proved reserves of 4,094 Bcfe had an estimated 8.1% year-over-year average base decline rate over the next 10 years. We have more than 15 years of core inventory remaining, with attractive returns, based on a 1 to 1.5 rigs per year pace, including 99 proved undeveloped, 154 probable and 269 possible horizontal locations, and 501 proved developed non-producing, 618 probable and 334 possible refrac candidates. Based on current commodity prices, the capital investment required to hold production flat year-over-year is equal to less than approximately 68% of our Adjusted EBITDAX for the 2023 fiscal year. Adjusted EBITDAX is not a financial measure calculated in accordance with GAAP. See "*Prospectus Summary — 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 165,000 net acres, 2,100 operated wells and related upstream, midstream and other assets in the Exxon Barnett Acquisition. As of March 31, 2024, our Barnett acreage position was approximately 460,000 net acres, which is approximately 99% held by production. Our average daily Barnett production of approximately 688.3 MMcfe/d for the three months ended March 31, 2024 consisted of 76% natural gas and 24% NGLs. We had an average working interest in our operated wells in the Barnett of approximately 96.9% as of December 31, 2023 and an Effective NRI in the Barnett of approximately 80.2%.

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 as of January 2024, which represent approximately 29% of the total Barnett production, and nearly double than that of the next largest producer in the Barnett for the month of January 2024.



We entered NEPA in 2016 and have subsequently scaled our position through 12 acquisitions. As of March 31, 2024, our acreage position was approximately 36,000 net acres, which is approximately 98.6% held by production. Our average net daily production of 132.8 MMcfe/d for the three months ended March 31, 2024 consisted entirely of natural gas. We had an average working interest in our operated wells in NEPA of 89.4%, as of December 31, 2023.

On June 14, 2024, we sold our wholly owned subsidiary, BKV Chaffee, which owned a non-operated interest in approximately 9,800 net acres and 116 gross (24.2 net) wells and approximately 122 Bcfe of proved reserves in NEPA, as well as our interest in the Repsol Oil & Gas operated midstream system, for a purchase price of $106.7 million, subject to adjustment. On June 28, 2024, our wholly owned subsidiary, BKV Chelsea, sold certain of its non-operated upstream assets, including its interest in approximately 6,800 net acres and 214 gross (15.4 net) wells and approximately 35 Bcfe of proved reserves in NEPA for a purchase price of $25.0 million, subject to adjustment. Following the consummation of such sales, we hold approximately 19,400 net acres in NEPA, approximately 98% of which is held by production.

In February 2023, we re-certified most of our production under the TrustWell environmental assessment program of Project Canary, an environmental certification and ESG data company. We achieved a Gold rating from Project Canary, the second highest rating a company can receive for its production, qualifying the certified portion of our natural gas production as Responsibly Sourced Gas (“RSG”). As part of its environmental assessment, Project Canary analyzes and certifies our production on a well by well basis. As of March 31, 2024, our entire NEPA production and approximately 45% of our Barnett production was re-certified. We intend to continue an environmental assessment of substantially all of our existing production. In addition, we intend to advance the market for our produced gas beyond RSG and its current certification towards “Carbon Sequestered Gas”, a Scope 1, 2 and 3 carbon neutral natural gas product. We expect that production of Carbon Sequestered Gas will be achieved by bundling RSG with carbon credits sufficient to offset the estimated emissions associated with the production, gathering and boosting of such RSG, as well as the estimated emissions from its transmission, distribution (if applicable) and ultimate combustion, with the quantified emissions and the requisite volume of CCUS offsets being third-party certified. We have an agreement with a third party to establish the blockchain ledger and tokens; however, this process is dependent upon the development of the necessary technology by such third party. In addition, we expect to utilize the blockchain ledger and tokens with the American Carbon Registry, once that registry has been established. The carbon credits included in our Carbon Sequestered Gas will be generated by our CCUS

projects, as described below in "— *Path to Net Zero Emissions*" and retired against our Scope 1 and/or Scope 3 emissions. We believe Carbon Sequestered Gas could potentially provide a decarbonized, certified and qualified fuel and retired credits bundle that is a differentiated and premium product.

In August 2023, BKV entered into a contract with ENGIE Energy Marketing NA, Inc, a subsidiary of global energy utility ENGIE, for the sale and purchase of up to 10,000 MMBtu/day of our Carbon Sequestered Gas. The carbon credits included in our Carbon Sequestered Gas will be generated by our CCUS projects and will be third-party verified. Subject to completion of our certification process with the American Carbon Registry (see "— *Carbon Capture, Utilization and Sequestration*" below), we expect to begin delivery of Carbon Sequestered Gas by the end of 2024.

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, during the three months ended March 31, 2024, approximately 199 MMcf/d of our gross production (approximately 26% 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. We own and operate approximately 16 miles of natural gas gathering pipelines, 14 miles of freshwater distribution pipelines and six gas compression units in NEPA. As part of our sale of BKV Chaffee, we sold our minority non-operated ownership interest in a Repsol Oil & Gas operated midstream system in NEPA on June 14, 2024.

Power Generation

We have a 50% ownership interest in the BKV-BPP Power Joint Venture, which owns the Temple Plants, modern combined cycle gas and steam turbine power plants 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 and Temple II have annual average power generation capacities of 752 MW and 747 MW, respectively, and each power plant delivers power to customers on the ERCOT power network in Texas. Temple I and Temple II have baseload design heat rates of approximately 6,904 Btu/kWh and 6,950 Btu/kWh, respectively, which are below the ERCOT CCGT average. The modern technology utilized at the Temple Plants enables them to respond to rapidly changing market signals in real time, ensuring the highest operational readiness during the time when electricity consumption peaks (in winter and summer), making the power plants 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 and 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, after receiving the necessary approvals from the PUCT and ERCOT, the BKV-BPP Power Joint Venture recently launched a retail marketing business to sell electricity to commercial, industrial, and residential retail customers in Texas through its wholly owned subsidiary, BKV-BPP Retail, under the brand name BKV Energy. Since its official launch in February 2023, BKV Energy has built a portfolio of over 58,000 customers and is licensed to serve throughout the deregulated portions of Texas.

Carbon Capture, Utilization and Sequestration

Through our CCUS business, we aim to reduce man-made GHG emissions to the atmosphere 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 for secure geologic sequestration. Additionally, we have engaged Project Canary to analyze and report the CO_2e injection volumes and environmental attributes of our sequestration projects, and we are working with the American Carbon Registry to certify and register the environmental attributes associated with our CCUS projects as tradeable carbon credits. In the future, we may sell carbon credits associated with our CCUS projects to unrelated third parties outside of our value chain, which may negatively impact our net zero strategy, including by delaying or preventing our achievement of net zero.

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 since early 2021. The development of our CCUS business has progressed rapidly, supported by internal geology, engineering, operations, business development, land, regulatory and other professionals, along with academics and CCUS-focused partnerships. We believe that with a continued and timely execution of our business plans, the Barnett Zero Project could begin generating positive net income via tax credits in 2024. We expect to fund up to 50% of our CCUS business from a variety of external sources, which may include joint ventures, project-based equity partnerships and federal grants, with the remaining capital needs being funded with cash flows from operations. The projected timeline for commercial operations and the generation of positive CCUS business revenue and positive earnings depends, in part, on our ability to fund the anticipated capital requirements for the potential projects that we have identified and described below through external funding and revenues from our upstream business, as well as on our ability to receive our portion of the anticipated Section 45Q tax credits associated with these projects. We may not receive 100% of the Section 45Q tax credits associated with projects funded by third parties and, in such cases, will receive only a corresponding percentage of the anticipated Section 45Q tax credits associated with such projects.

We seek to execute CCUS projects with attractive standalone economics and the ability to sequester emissions from both our own operations and from third-party operations. For example, we plan to target CCUS projects with high concentration CO_2 streams where revenue, taking into account tax incentives, less cash operating expense would generally be expected to be between $40 and $70 per metric ton of sequestered CO_2e for the first six years of commercial operations for projects owned by BKV. We may also provide development and support services for third-party owned CCUS projects on a fee-for-service model, although such projects will not be included in our path to net zero.

As part of our "closed-loop" approach to our net zero emissions goal, we expect to apply a portion of the CO_2 emissions that are sequestered through our CCUS business to offset GHG emissions from our owned and operated upstream and natural gas midstream businesses. We may not receive 100% of the environmental attributes associated with CCUS projects funded in whole or in part by third parties, and, in such cases, we expect to have the right to purchase such environmental attributes BKV would not otherwise receive. Ultimately, we will be able to apply only such portion of the sequestered emissions to offset our own GHG emissions that corresponds to the percentage of environmental attributes BKV receives or purchases. We expect our CCUS business to contribute in significant part to our goals to fully offset our Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses by the early 2030s, and our Scope 1, 2 and 3 emissions from our owned and operated upstream and natural gas midstream businesses by the late 2030s. See "*— Path to Net Zero Emissions*" below for a description of how we estimate our Scope 1, 2 and 3 annual emissions and how we expect our CCUS business to contribute to the offset of those emissions.

CCUS Projects

Currently, we have one operational CCUS project and are pursuing sixteen additional potential CCUS projects that we believe are commercially viable based on economics supported by enhanced Section 45Q tax credits and that we believe can be completed by the late 2030s. We have entered into various letters of intent and definitive contracts that we expect to grant us carbon storage and sequestration rights on over 44,000 acres of leased pore space across seven distinct projects located in three states, with total reservoir storage capacity of over 1 billion metric tons of CO_2e. We have filed applications to seek Class VI permits for two of these pore space locations, one of which is in the State of Louisiana. The EPA recognized our permit applications as being administratively complete in January 2024 and February 2024, respectively, and then transferred our permit application applicable to the Louisiana pore space location to the State of

Louisiana, which assumed primacy for Class VI well permitting. The EPA expects to complete its technical review of our other permit application by September 2025. Our projected timeline for commercial operations of these sixteen projects depends in part on our ability to fund the capital requirements for these potential projects through external funding and revenues from our upstream business. Our timeline also depends on a regulatory environment that is favorable to our projects and their development. Our potential projects can be placed into six categories: (i) operational projects, (ii) projects that have reached FID, but are not yet operational, (iii) identified NGP projects under evaluation, (iv) identified industrial projects under evaluation, (v) identified ethanol projects under evaluation, and (vi) other potential projects that have been identified but not yet sufficiently evaluated. We have achieved notable milestones with respect to several of the seventeen projects within the first five categories, as more fully described below.

Project	Status[1]	Actual or Forecasted Initiation of Sequestration Operations[2]	Forecasted Annual Sequestration Volumes (Mtpy CO_2e)[3]
Barnett Zero	Operating	November 2023	0.18
Cotton Cove	FID	Q1 2026	0.04
8 NGP Projects	Pre-FID	2025 – 2029	2.68
3 Industrial Projects	Pre-FID	2026 – 2027	11.15
4 Ethanol Projects	Pre-FID	2027 – 2029	2.56

(1) We have not secured external financing, reached FID or entered into the definitive agreements necessary to execute any of the pre-FID projects identified above.

(2) Our projected timeline for commencement of sequestration operations at the Cotton Cove Project and all of the pre-FID projects identified above depends in part on our ability to fund the capital requirements for these potential projects through external funding and revenues from our upstream business, as well as a regulatory environment that is favorable to our projects and their development. See "*Risk Factors — Risks Related to Our CCUS Business.*"

(3) We may not receive 100% of the environmental attributes associated with CCUS projects funded in whole or in part by third parties, and, in such cases, we expect to have the right to purchase such environmental attributes BKV would not otherwise receive. Ultimately, we will be able to apply only such portion of the sequestered emissions to offset our own GHG emissions that corresponds to the percentage of environmental attributes BKV receives or purchases.

Operational Projects

Barnett Zero Project. In November 2023, our first CCUS project, which we refer to as the Barnett Zero Project, commenced commercial sequestration of CO_2 waste generated by EnLink's Bridgeport natural gas processing plant and neighboring operations. In the Barnett Zero Project, EnLink transports our natural gas produced in the Barnett to its natural gas processing plant in Bridgeport, Texas, where the CO_2 waste stream is captured, compressed and then disposed of and sequestered via our nearby injection well. The Barnett Zero Project is an NGP project that separates CO_2 from substantially all of our EnLink-gathered natural gas production. We initially reached FID and entered into a definitive agreement with EnLink for the Barnett Zero Project in June 2022, subsequently drilled a Class II well that complies with standards applicable to Class VI wells, obtained EPA-approval of our Monitoring, Reporting and Verification Plan, as required by the EPA's Greenhouse Gas Reporting Program, and commenced operations with first injection in November 2023. We expect the Barnett Zero Project to achieve an average sequestration rate of approximately 185,000 metric tons of CO_2e per year and to require a total investment by us of approximately $36.0 million, of which $34.0 million has been invested as of December 31, 2023.

We intend to use the Barnett Zero Project as a prototype for modular NGP projects that can be repeated and quickly scaled. We are currently progressing eight NGP projects based on this model and anticipate that these projects will reach FID at various times in 2025 through 2029.

FID Projects

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 midstream assets to do so. We have multiple pore space opportunities for CO_2 injection, and we estimate the Cotton Cove Project will geologically sequester up to approximately 40,000 metric tons of CO_2 per year, and we expect to be entitled to use 100% of the environmental attributes associated with such volumes towards our net zero goals. The Cotton Cove Project is held through BKV-BPP Cotton Cove LLC ("BKV-BPP Cotton Cove" or the "BKV-BPP Cotton Cove Joint Venture"), a joint venture owned 51% by BKV dCarbon Ventures and 49% by BPPUS. We currently estimate the total investment required for the Cotton Cove Project to be approximately $17.6 million, of which we will be required to contribute approximately $9.0 million and under the terms of an agreement with BPPUS, we expect to be entitled to use 100% of the environmental attributes associated with such volumes towards our net zero goals. We are targeting commencement of CO_2 sequestration activities by the end of 2025, 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, in addition to the Barnett Zero Project. Additionally, BKV dCarbon Ventures will manage the BKV-BPP Cotton Cove Joint Venture and leverage our existing organization to provide marketing, engineering, finance, operations, project management, accounting and other administrative services to the BKV-BPP Cotton Cove Joint Venture, in each case for an annual fee plus expenses. For additional information about the BKV-BPP Cotton Cove Joint Venture, see "*Certain Relationships and Related Party Transactions — BKV-BPP Cotton Cove Joint Venture — BKV-BPP Cotton Cove Limited Liability Company Agreement*."

We are also evaluating expansion of the Barnett Zero and Cotton Cove Projects 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 natural gas midstream and/or other nearby processing operations. As part of this process, we intend to capture CO_2e from sources such as compressor exhaust flues and utilize compressor waste heat to reduce energy requirements and cost.

NGP Projects

We have identified eight potential NGP projects that we anticipate will achieve FID and commence initial sequestration operations at various points in 2025 through 2029. If approved and implemented, we anticipate that these eight projects would sequester third-party emissions, require a total capital investment by us of approximately $440.0 million by December 31, 2029 and thereafter provide a combined forecasted annual sequestration volume of approximately 2.68 million metric tons per year of captured CO_2e.

A significant portion of the carbon capture infrastructure necessary to execute these eight potential NGP projects already exists. For example, we entered into definitive agreements for pore space leasehold that would provide approximately 45 million metric tons of CO_2e sequestration capacity for one project, and, in connection with our development of another project, entered into a definitive agreement with a local emitter for the transfer and purchase of the CO_2 waste stream from its natural gas processing plant. Therefore, if approved at FID, and assuming we are able to execute definitive agreements on the terms and timeline we believe are obtainable and secure sufficient external funding, we expect these projects to start sequestration operations before December 31, 2029.

Industrial Projects

We are currently evaluating three potential medium to higher concentration industrial projects to sequester third-party emissions, which we anticipate will reach FID in 2025 and 2026. If approved and implemented, these three projects would provide a combined forecasted annual sequestration volume of approximately 11.15 million metric tons per year of captured CO_2e.

Pore space leaseholds have been secured for all three of these projects, including one covering approximately 21,000 acres of state-owned land in Louisiana, which project we refer to as the High West Project.

In August 2023, High West, a wholly owned subsidiary of BKV dCarbon Ventures, entered into a carbon sequestration agreement with the State of Louisiana to develop facilities and permanently sequester CO_2 from local third-party emissions sources. The State of Louisiana granted High West the carbon storage and sequestration rights on approximately 21,000 acres of land in St. Charles and Jefferson Parishes. The acreage is in an ideal location for targeted carbon capture and sequestration efforts, with an estimated 22 Mtpy CO_2e of potential capture and sequestration located within a 20 mile radius from various emissions points. In addition, the storage site has a large CO_2 storage potential, estimated to be between 140 to 1,000 Mtpy CO_2, subject to further evaluation, planning and development design decisions. Under the agreement, High West will dispose of CO_2e waste from local third-party emissions sources through permanent sequestration via injection wells on the designated acreage. This project, which we refer to as the High West Project, is expected to reach FID by the end of 2024. BKV dCarbon Ventures engaged NuQuest Energy, LLC to provide CCUS marketing and development services for the High West Project.

We have filed applications to seek Class VI permits for two of these industrial projects, one of which is in the State of Louisiana. The EPA recognized our permit applications as being administratively complete in January 2024 and February 2024, respectively, and then transferred our permit application applicable to the Louisiana pore space location to the State of Louisiana, which assumed primacy for Class VI well permitting. The EPA expects to complete its technical review of our other permit application by September 2025. We also anticipate that a Class VI permit application for the third project will be submitted by August 2024. If each of these projects is approved at FID, and we are able to secure sufficient external financing and assuming definitive agreements are timely executed containing terms we believe are obtainable, we expect to initiate sequestration operations between 2026 and 2027. Verde CO2 has the option to purchase up to a 5% minority economic interest in two of these potential industrial projects and, to the extent it exercises such option, would be entitled to a pro rata share of the Section 45Q tax credits associated with the CCUS projects in which it invests.

Ethanol Projects

We have identified four potential ethanol projects that we anticipate will achieve FID and commence initial sequestration operations at various points during 2027 through 2029. If approved and implemented, we anticipate that these four projects would sequester third-party emissions, require a total capital investment by us of approximately $680 million by December 31, 2029, and thereafter provide a combined forecasted annual sequestration volume of approximately 2.56 million metric tons per year of captured CO_2e.

If each of these projects is approved at FID and assuming we are able to execute definitive agreements on the terms and timeline we believe are obtainable and secure sufficient external funding, we expect to begin sequestration operations between 2027 and 2029.

In addition to these sixteen identified potential projects, we are currently evaluating more than ten early-stage project opportunities that are aligned with our high concentration strategy but are not yet sufficiently evaluated to determine potential sequestration volumes, geologic feasibility or timeline of completion. In the event a potential project listed above is not progressed for any reason, including failure to FID, or additional funding provides for greater capacity to complete projects, we may further evaluate and develop one or more of these early-stage project opportunities.

Our CCUS business of capturing and sequestering emissions from our operations and from operations of third parties is a critical component of our "closed-loop" approach to achieving our goal of net zero Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses by the early 2030s and Scope 1, 2 and 3 emissions from our owned and operated upstream and natural gas midstream businesses by the late 2030s. We expect to continue to identify and evaluate additional CCUS projects and we believe that we will be able to complete a sufficient number of the above-described or other CCUS projects in order to meet our Scope 1, 2 and 3 emissions goals. See "*— Path to Net Zero Emissions*" for a more detailed description of how we anticipate reaching our Scope 1, 2 and 3 emissions goals.

However, we have not secured external financing, reached FID or entered into the definitive agreements necessary to execute any of the pre-FID projects identified above, and there can be no guarantee that we will be able to execute and operate any of the sixteen identified potential 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. There can be no assurance that any of the sixteen identified CCUS projects discussed above, the Barnett Zero Project or any other CCUS project will achieve the forecasted sequestration volumes, and we may not commence sequestration operations for any of the projects identified above by the anticipated timeframe, or at all. Furthermore, we may not receive 100% of the environmental attributes associated with CCUS projects funded in whole or in part by third parties, and, in such cases, we expect to have the right to purchase such environmental attributes BKV would not otherwise receive. Ultimately, we will be able to apply only such portion of the sequestered emissions to offset our own GHG emissions that corresponds to the percentage of environmental attributes BKV receives or purchases. While we may consider alternatives to offset our owned and operated upstream and natural gas midstream emissions (including the purchase of verified offset credits) in order to meet our Scope 1, 2 and 3 emissions goals, ultimately, we may not be able to achieve our goals of net zero Scope 1 and 2 emissions from our owned and operated upstream businesses and natural gas midstream by the early 2030s or net zero Scope 1, 2 and 3 emissions from our owned and operated upstream businesses and midstream businesses by the late 2030s.

We estimate the aggregate investment required to develop the seventeen identified actual and potential CCUS projects to be between approximately $1.3 – 1.8 billion between now and the end of 2030. We anticipate that some of these project costs will be borne by third-party investors in these projects, including owners of sources of CO_2e, landowners and other stakeholders. In order to achieve the projected timeline for commercial operations of such projects, we expect to fund the anticipated cost of these CCUS projects with a combination of up to 50% from third party sources, which may include joint ventures, project-based equity partnerships and federal grants, with the remaining capital needs being funded with cash flows from operations. 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. Therefore, if sufficient external funding is not available, then we would expect to continue to develop our CCUS business from cash flows from operations on a less accelerated timeline, which may result in an inability to achieve our Scope 1, 2 and 3 emissions goals on the timeline we anticipate.

Our CCUS business and all of our CCUS projects are in the early stages of development. Although we commenced commercial operations with the initial injection of CO_2 waste at the Barnett Zero Project on November 13, 2023, and have reached FID and entered into definitive agreements with respect to the Cotton Cove Project, we have not reached FID with respect to or entered into the definitive agreements necessary to execute any of the other fifteen potential projects identified above. We may not be able to reach agreements on terms acceptable to us or achieve our projected timeline for commercial operations for these projects. In addition, the development of our CCUS business is expected to require material capital investments, and the projected timeline for commercial operations depends on our ability to fund the anticipated capital requirements for the potential projects that we have identified through external funding and revenues from our upstream business. Furthermore, the commercial viability of our CCUS projects depends, in part, on obtaining necessary permits and other regulatory approvals and on our ability to receive our portion of the anticipated Section 45Q tax credits associated with these projects. In particular, we must meet certain wage and apprenticeship requirements in order to qualify for enhanced Section 45Q tax credits. For more information about the risks involved in our CCUS business, see "*Risk Factors — Risks Related to Our CCUS Business.*"

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.

Path to Net Zero Emissions

We conducted an initial assessment of our annual Scope 1 and 2 emissions from our owned and upstream businesses as of December 31, 2021, and subsequently updated that assessment for the upstream and natural gas midstream businesses acquired through the Exxon Barnett Acquisition in 2022 to establish an

emissions baseline of 2.49 Mtpy CO_2e annual Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses as of December 31, 2021. Our assessments did not address our GHG emissions from our other business operations.

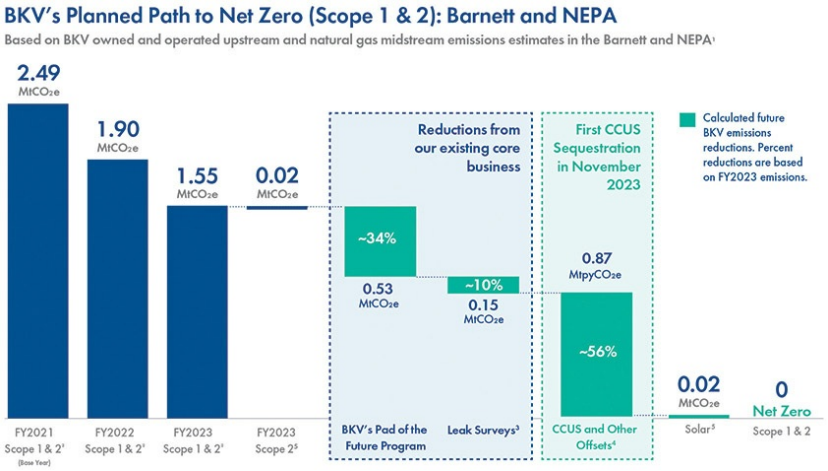
We have made progress in the reduction of our annual Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses since December 31, 2021. We estimate that our Scope 1 and 2 annual emissions from our owned and operated upstream and natural gas midstream businesses were approximately 1.9 Mtpy CO_2e as of December 31, 2022 and 1.55 Mtpy CO_2e as of December 31, 2023, reflecting a reduction of approximately 0.9 Mtpy CO_2e from our baseline emissions assessment established as of December 31, 2021. This reduction is due primarily to the implementation of our "Pad of the Future" and leak detection and repair programs, which began in the fourth quarter of 2021 and occurred throughout 2022 and 2023. During this time frame, our "Pad of the Future" program has eliminated 0.52 Mtpy CO_2e, or 21%, of our annual Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses, and improvements in our emission quantification methods and the implementation of site-level leak detection and repair programs have resulted in the elimination of an additional 0.42 Mtpy CO_2e, or 17%, of our annual Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses. In total, this represents a 0.94 Mtpy CO_2e or 38% reduction of our annual GHG emissions from our baseline emissions assessment established as of December 31, 2021.

Our emissions estimates presented in this prospectus are based on information with respect to our owned and operated upstream and natural gas midstream businesses in the Barnett and NEPA through fiscal year 2023 and reported by BKV pursuant to the Subpart C and Subpart W, as applicable, requirements of the federal Clean Air Act GHG reporting program regulations of the EPA. These estimates will be updated annually to reflect any changes in activity, inventory, production throughput and emissions reduction retrofits or equipment modifications.

We estimate that our annual Scope 3 emissions from our owned and operated upstream and natural gas midstream businesses were approximately 18.7 Mtpy CO_2e as of December 31, 2023. These Scope 3 emissions are currently estimated in accordance with IPIECA's "Sustainability reporting guidance for oil and gas industry," dated March 2020. Specifically, Scope 3 emissions are estimated per the Greenhouse Gas Protocol's "Corporate Value Chain (Scope 3) Accounting and Reporting Standard," released in 2011, under Category 11 (Use of Sold Product). Scope 3 emissions estimated using source Category 11 represent the majority of Scope 3 emissions from our owned and operated upstream and natural gas midstream 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 uses 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 annual Scope 3 CO_2e emissions are estimated at an approximated year-end net production volume of 942 MMcfe/d of natural gas (approximately 85% methane, 5% ethane and 10% other) and approximately 139.4 MBbls of NGLs (or approximately 2 MMcfe/d), as reported to the EPA for Subpart W. Our NGL constituents are estimated based on average constituent NGL barrel. Allocating the entire 944 MMcfe/d towards combustion as the end use, applying suitable combustion emission factors from the EPA, and using AR4 GWPs, Scope 3 annual emissions from our owned and operated upstream operations are estimated to be approximately 18.7 Mtpy CO_2e. We currently engage third party consultants to develop and review our Scope 3 emissions estimates.

The charts below reflect (i) our estimated annual Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses as of December 31, 2023, and (ii) our estimated annual Scope 3 emissions from our owned and operated upstream and natural gas midstream businesses as of December 31, 2023. These two charts also reflect our intended path to net zero Scope 1 and 2 emissions by the early 2030s and net zero Scope 1, 2 and 3 emissions by the late 2030s, in each case, for our owned and operated upstream and natural gas midstream businesses. These charts do not address our GHG emissions from our other business operations. As part of our "closed-loop" approach to our emissions goals, we intend to achieve these goals through our "Pad of the Future" emissions reductions, reductions attributable to

emissions monitoring and leak surveys, emissions offsets from the retirement of SRECs generated by the BKV-BPP Power Joint Venture's planned solar facility and executing CCUS projects to sequester our and third-party emissions.



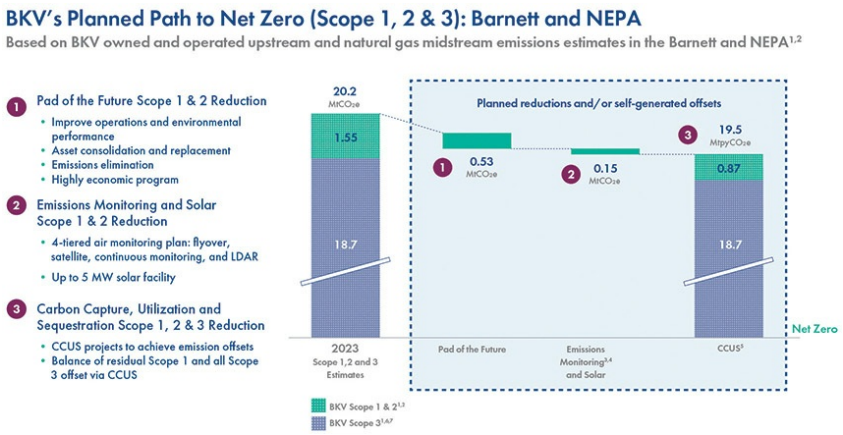
(1) These emissions estimates are based solely on our owned and operated upstream and natural gas midstream businesses. These emissions estimates do not reflect our GHG emissions from our other business operations, namely our CCUS operations and our power generation business through the BKV-BPP Power Joint Venture.

(2) Scope 1 calculated emissions are based on those reported to US EPA per Subpart W.

(3) Emissions surveys accomplished per US EPA Subpart W to reduce emissions.

(4) We achieved first injection of CO_2 waste at the Barnett Zero Project in November 2023.

(5) Retirement of the SRECs generated by the BKV-BPP Power Joint Venture's planned 2.5 MW to 5 MW solar facility is expected to offset up to 32% of current scope 2 emissions. The BKV-BPP Power Joint Venture has constructed a 2.5 MW solar facility, which will soon be operational and is in the process of obtaining permits for the remaining 2.5 MW. BKV expects to purchase the SRECs generated by the solar facility or will purchase off of the market to offset Scope 2 emissions.



(1) These emissions estimates are based solely on our owned and operated upstream and natural gas midstream businesses. These emissions estimates do not reflect our GHG emissions from our other business operations, namely our CCUS operations and our power generation business through the BKV-BPP Power Joint Venture.

(2) Scope 1 and 2 calculated emissions are based on 791 MMscf/d production volume for 2023 Subpart W in the Barnett and 151 MMscf/d production volume for 2023 Subpart W in NEPA.

(3) Emissions surveys accomplished per US EPA Subpart W to reduce emissions.

(4) We achieved first injection of CO_2 waste at the Barnett Zero Project in November 2023.

(5) Retirement of the SRECs generated by the BKV-BPP Power Joint Venture's planned 2.5 MW to 5 MW solar facility is expected to offset up to 32% of current scope 2 emissions. The BKV-BPP Power Joint Venture has constructed a 2.5 MW solar facility, which will soon be operational and is in the process of obtaining permits for the remaining 2.5 MW. BKV expects to purchase the SRECs generated by the solar facility or will purchase off of the market to offset Scope 2 emissions.

(6) Scope 3 calculated emissions are based on an estimated net production rate of approximately 944 MMcfe/d (approximately 944 MMscf/d of natural gas and 2 MMscfe/day of NGLs) as reported to US EPA for CY 2023 Subpart W.

(7) Scope 3 calculated emissions are estimated assuming combustion-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 sold 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)

Pad of the Future. 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 December 31, 2023, we had implemented elements of our "Pad of the Future" program on approximately 3,200 of our existing wells and we have successfully completed the implementation of the "Pad of the Future" program for our upstream owned and operated assets in NEPA. As a result, as compared to our 2021 baseline assessment, we have achieved a reduction in our estimated annual GHG emissions of approximately 0.52 Mtpy CO_2e per year. 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 plan to implement elements of our "Pad of the Future" program on more than 6,000 of our existing wells (more than 16,500 pneumatic devices and 3,000 pneumatic pumps) by the end of 2027 for an aggregate estimated cost of approximately $35 to $40 million. Once this expansion is completed, we expect to eliminate approximately 1.0 Mtpy CO_2e of the currently estimated Scope 1 annual emissions from our owned and operated upstream and natural gas midstream businesses.

Emissions Monitoring and Solar. 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 purchase the SRECs generated by the BKV-BPP Power Joint Venture's planned 2.5 MW to 5 MW solar facility, which is scheduled to begin construction and generating power in 2024. The BKV-BPP Power Joint Venture has obtained permits for and is constructing 2.5 MW and is in the process of obtaining permits for the remaining 2.5 MW. Solar facilities may be subject to increasingly arduous regulatory requirements, including additional permitting requirements. 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 BKV-BPP Power Joint Venture's planned solar facility is expected to generate SRECs to offset up to 32% of current GHG emissions. The SRECs BKV expects to purchase and retire are reflected in the charts above as neutralizing a portion of our annual Scope 2 emissions from purchased energy for our owned and operated upstream and natural gas midstream business.

CCUS. Further, as discussed under "— *Carbon Capture, Utilization and Sequestration*" above, we believe that the Barnett Zero Project, together with the Cotton Cove Project and the eight NGP projects,

three industrial projects and four ethanol projects for the capture and sequestration of third-party emissions that we have identified, have a combined annual forecasted sequestration volume of approximately 16.61 Mtpy CO_2e by the end of 2029, which is greater than the approximately 0.87 Mtpy CO_2e annual Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses that we currently estimate will remain after taking into account the expected emissions reductions and offsets from our "Pad of the Future" program, emissions monitoring and leak surveys and the retirement of SRECs generated by the BKV-BPP Power Joint Venture's planned solar facility that we expect to purchase. Although we have not secured external financing, reached FID or entered into the definitive agreements necessary to execute any of the eight NGP projects, three industrial projects or four ethanol projects we have identified, we expect these projects to reach FID and commence sequestration operations by the end of 2029. A significant portion of the carbon capture infrastructure necessary to execute the NGP projects already exists and, as discussed above, we continue to accomplish important milestones consistent with our projected timeline. If approved at FID, and assuming we are able to execute definitive agreements on the terms and timeline we believe are obtainable and secure sufficient external funding, we expect these projects to start sequestration operations before December 31, 2029.

If we are unable to complete these fifteen projects and the Cotton Cove Project before December 31, 2029, or enter into commercial agreements in connection with these projects that result in BKV receiving less than 100% of the associated emissions offsets, carbon credits or other environmental attributes, we may still reach our Scope 1 and 2 emissions goals with less than all of these projects completed, as the annual forecasted sequestration volume of (i) the Barnett Zero Project is 185,000 metric tons of captured CO_2e per year, (ii) the Cotton Cove Project is 40,000 metric tons of captured CO_2e per year, (iii) the eight potential NGP projects is an aggregate 2.86 million metric tons of captured CO_2e per year, (iv) the three potential industrial projects is an aggregate 11.15 million metric tons of captured CO_2e per year and (v) the four potential ethanol projects is an aggregate 2.56 million metric tons of captured CO_2e per year.

However, we have not secured external financing, reached FID or entered into the definitive agreements necessary to execute any of the pre-FID projects identified above, and there can be no guarantee that we will be able to execute and operate any of the sixteen identified potential 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. There can be no assurance that any of the potential projects we have identified or the Barnett Zero Project will achieve forecasted sequestration volumes, and we may not commence sequestration operations for any of the potential projects identified above by the anticipated timeframe, or at all. Furthermore, we may not receive 100% of the environmental attributes associated with CCUS projects funded in whole or in part by third parties, and, in such cases, we expect to have the right to purchase such environmental attributes BKV would not otherwise receive. Ultimately, we will be able to apply only such portion of the sequestered emissions to offset our own GHG emissions that corresponds to the percentage of environmental attributes BKV receives or purchases. While we may consider alternatives to offset our owned and operated upstream and natural gas midstream emissions (including the purchase of verified offset credits) in order to meet our Scope 1 and 2 emissions goals, ultimately, we may not be able to achieve our goals of net zero Scope 1 and 2 emissions from our owned and operated upstream businesses and natural gas midstream by the early 2030s.

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

We also aspire to offset the annual Scope 3 emissions impact of our owned and operated upstream and natural gas midstream businesses by the late 2030s, which we estimate to be approximately 18.7 Mtpy CO_2e annually as of December 31, 2023. Our CCUS business of capturing and sequestering our and third-party emissions is a critical component to achieving this net zero goal. This aspiration to offset the Scope 3 emissions of our owned and operated upstream and natural gas midstream businesses by the late 2030s is limited to our Category 11 (Use of Sold Product) emissions, which we believe represents a significant portion of the overall Scope 3 emissions from our owned and operated upstream and natural gas midstream businesses. However, our Scope 3 emissions estimate does not include our GHG emissions from our other business operations, namely our CCUS and power generation businesses.

As discussed in "— *Carbon Capture, Utilization and Sequestration,*" above, we are currently operating the Barnett Zero Project and have identified sixteen potential CCUS projects that we believe are commercially

viable and estimate would have a combined forecasted annual volume of carbon capture and sequestration of approximately 16 Mtpy CO_2e, which represents approximately 79% of our current Scope 1, 2 and 3 annual emissions from our owned and operated upstream and natural gas midstream businesses, and represents approximately 82% of our current Scope 1, 2 and 3 annual emissions from our owned and operated upstream and natural gas midstream businesses after taking into account the expected emissions reductions and offsets from our "Pad of the Future" program, emissions monitoring and leak surveys and the retirement of SRECs generated by the BKV-BPP Power Joint Venture's planned solar facility that we expect to purchase. In addition, we are currently evaluating more than ten early-stage project opportunities that are aligned with our high concentration strategy and have been identified, but are not yet sufficiently evaluated to determine potential sequestration volumes, geologic feasibility or timeline of completion. In the event a potential project is not progressed for any reason, including failure to FID, or additional funding provides for greater capacity to complete projects, we may further evaluate and develop one or more of these early-stage project opportunities. We will continue to evaluate and identify potential CCUS project opportunities consistent with our goal of offsetting our annual Scope 1, 2 and 3 emissions from our owned and operated upstream and natural gas midstream businesses by the late 2030s. However, we may not receive 100% of the environmental attributes associated with CCUS projects funded in whole or in part by third parties, and, in such cases, we expect to have the right to purchase such environmental attributes BKV would not otherwise receive. Ultimately, we will be able to apply only such portion of the sequestered emissions to offset our own GHG emissions that corresponds to the percentage of environmental attributes BKV receives or purchases.

Large scale CCUS projects are subject to numerous risks and uncertainties, including securing third-party financing, 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, including the projects for which we have reached FID, on the timeline we anticipate, on terms acceptable to us or at all. There can be no guarantee that we will be able to execute and complete any of these identified CCUS projects and there can be no guarantee that we will be able to achieve our net zero Scope 1, 2 and 3 emissions goals. The projected timeline for commercial operations of our CCUS projects depends in part on our ability to fund the anticipated capital requirements for the potential projects that we have identified through up to 50% third party equity or debt funding together with revenues from our upstream business. If sufficient external funding is not available, then we would expect to continue to develop our CCUS business from cash flows from operations on a less accelerated timeline. If we are not able to complete CCUS projects having a sufficient forecasted volume of carbon capture to offset our Scope 1, 2 and 3 annual 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 and natural gas midstream businesses by the late 2030s.

In addition, our path to net zero solely addresses GHG emissions relating to our owned and operated upstream and natural gas midstream businesses and does not address GHG emissions from our other business operations, namely our CCUS and power generation businesses. Our power generation business is operated through the BKV-BPP Power Joint Venture, which owns the Temple Plants. Although we believe our current path to net zero will be sufficient to reduce emissions related to our existing owned and operated upstream and natural gas midstream businesses, the future growth or expansion of such businesses will result in additional GHG emissions. We believe our approach to reducing the emissions from our owned and operated upstream and natural gas midstream operations is repeatable and scalable. Through continued investment and expansion of our "Pad of the Future" program and our emissions and leak surveys, as well as additional CCUS and solar projects, we believe we will be able to offset any such additional emissions from our owned and operated upstream and natural gas midstream businesses 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:

- **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 or electric power instruments on existing pads, combined with emission and leak surveys, is expected to eliminate or reduce approximately 1.05 Mtpy CO_2e of our annual GHG emissions by the end of 2027. Our "Pad of the Future" application also improves pad efficiencies and operating revenue. We have also improved pad efficiencies and reduced lease operating costs through improvements including leveraging of data analytics to coordinate the workforce, prioritize high-value activity, and assess individual well profitability; automating critical plunger set points; in-sourcing key services such as slick-line, value re-builds, compression overhaul, and location repair and maintenance; as well as entering water share arrangements to reduce disposal and trucking cost. Through these process improvements, we reduced our operating costs for our operated NEPA assets by 30.9% for the trailing twelve months ended March 31, 2024, as compared to the trailing twelve months ended March 31, 2019, which period was represented the first year of our operatorship of the NEPA assets. Similarly, we reduced our operating costs for our Barnett assets by 11.6% for the trailing twelve months ended March 31, 2024, as compared to the trailing twelve months ended June 30, 2023, which period was represented the first year of our operatorship of the Barnett assets acquired from the Exxon Barnett Acquisition and the Devon Barnett Acquisition combined. Additionally, our refrac and long lateral drill programs have allowed us to organically grow our reserves base. As of December 31, 2023, our Barnett refrac program has added 317 Bcfe of proved reserves since its inception in early 2021, as well as an estimated 116 Bcfe of probable reserves and 77 Bcfe of possible reserves. As of December 31, 2023, our Barnett refrac program has an average of $0.57/Mcfe in finding and development costs with respect to proved reserves. 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 reserves recovery and economics from legacy Barnett wells. Our Barnett new well drilling program has added 645 Bcfe of proved reserves since our entry into the Barnett, with a total estimate of approximately 355 Bcfe of probable 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" emissions reduction strategy that reduces Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream 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 "*— Preparation of Reserves 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, resulting in greater than a 75% compound annual growth rate of Adjusted EBITDAX as of March 31, 2024. 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 40% and an Upstream Reinvestment Rate of less than 50%. We are focused on our goal of maintaining a conservative financial profile, with a long-term Total Net Leverage Ratio target of 1.0x to 1.5x. 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 between 1.0x and 1.5x 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 "*Prospectus Summary — 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 emissions from our owned and operated upstream and natural gas midstream businesses by the early 2030s. We believe we can achieve this through reductions in and offsets to our owned and operated upstream and natural gas midstream emissions from our "Pad of the Future" emissions reductions program and emissions monitoring and leak surveys, the retirement of SRECs generated by the BKV-BPP Power Joint Venture's planned solar facility 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 owned and operated upstream and natural gas midstream businesses, CCUS for third parties has become a 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 offsetting Scope 3 emissions from our owned and operated upstream and natural gas midstream 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.
- **Deliver robust returns to stockholders.** We intend to prioritize delivering strong returns to our stockholders through our focus on creating stockholder value. 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. See "*Risk Factors — Risks Related to the Offering and Our Common Stock*."

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 460,000 net acres, with an approximately 80.2% Effective NRI, and are located in close proximity to key Gulf Coast industrial and LNG demand centers. Our NEPA assets consist of approximately 19,400 net acres (after giving effect to the sales of BKV Chaffee and certain assets held by BKV Chelsea) 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 8.1% year-over-year average base decline rate over the next 10 years as of December 31, 2023. Additionally, we have an inventory of over 15 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 emissions from our owned and operated upstream and natural gas midstream businesses by the early 2030s. We believe we have a comprehensive ESG program, which is overseen and directed by an executive ESG steering committee. In February 2023, we re-certified most of our production under the TrustWell environmental assessment program of Project Canary, an environmental certification and ESG data company. We achieved a Gold rating from Project Canary, the second highest rating a company can receive for its production, qualifying the certified portion of our natural gas production as RSG ("RSG"). As part of its environmental assessment, Project Canary analyzes and certifies our production on a well by well basis. As of March 31, 2024, our entire NEPA production and approximately 45% of our Barnett production was re-certified. We intend to continue an environmental assessment of substantially all of our existing production. In addition, we intend to advance the market for our produced gas beyond RSG and its current certification towards Carbon Sequestered Gas, a Scope 1, 2 and 3 carbon neutral natural gas product. We expect that production of Carbon Sequestered Gas will be achieved by bundling RSG with carbon credits sufficient to offset the estimated emissions associated with the production, gathering and boosting of such RSG, as well as the estimated emissions from its transmission, distribution (if applicable) and ultimate combustion, with the quantified emissions and the requisite volume of CCUS offsets being third-party certified. We have an agreement with a third party to establish the blockchain ledger and tokens; however, this process is dependent upon the development of the necessary technology by such third party. In addition, we expect to utilize the blockchain ledger and tokens with the American Carbon Registry, once that registry has been established. The carbon credits included in our Carbon Sequestered Gas will be generated by our CCUS projects, as described in "— *Overview — Our Operations — Path to Net Zero Emissions*," and retired against our Scope 1 and/or Scope 3 emissions. We believe Carbon Sequestered Gas could potentially provide a decarbonized, certified and qualified fuel and retired credits bundle that is a differentiated and premium product. Additionally, we have a plan to achieve net zero Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses by the early 2030s based on our "Pad of the Future" program, emissions monitoring and leak surveys and the retirement of SRECs generated by the BKV-BPP Power Joint Venture's planned solar facility and executing CCUS projects. However, if we are not able to complete CCUS projects having sufficient sequestration volumes of CO_2 on this timeline, we may consider alternatives to offset the Scope 1 and Scope 2 emissions from our owned and operated upstream and natural gas midstream businesses (including the purchase of verified offset credits from the BKV-BPP Power Joint Venture or third parties). Ultimately, we may not be able to achieve this goal, produce Carbon Sequestered Gas or obtain a premium on such gas (particularly to the extent there are any concerns regarding the type, ownership or quality of offsets or other environmental attributes used for our characterization of Carbon Sequestered Gas).
- **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.** Following the completion of this offering, we intend to continue to maintain a strong balance sheet and fund our upstream, midstream and power 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.

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, 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. We commenced commercial operations with the initial injection of CO_2 waste at the Barnett Zero Project in November 2023, and intend to use this project as a prototype for modular NGP projects that can be repeated and quickly scaled.

In June 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 165,000 total net acres in the State of Texas that are approximately 99% held by production and located primarily in Tarrant, Johnson and Parker counties, with additional smaller positions in Jack, Wise, Denton, Erath, Hood and Ellis counties (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 the addition of 129 employees and approximately 778 miles of gathering pipelines, compression and processing midstream infrastructure.

Pursuant to a development agreement with Verde CO2, an independent carbon capture and sequestration developer and operator, certain CCUS projects throughout the United States were identified and evaluated. We terminated the development agreement in November 2023 and, in accordance with the agreement's terms, Verde CO2 assigned to BKVerde the pore space leaseholds and other assets associated with two potential near-term industrial CCUS projects under evaluation by BKV as of such date. Verde CO2 has the option to purchase up to a 5% minority economic interest in two of these potential industrial projects and, to the extent it exercises such option, would be entitled to a pro rata share of the Section 45Q tax credits associated with the CCUS projects in which it invests. Since August 2022, we paid $26.0 million to Verde CO2 under the development agreement. We believe such investment 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. We expect to fund BKVerde through our cash flows from operations but may also obtain funding from external sources.

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 BKV Midstream assets to do so.

In November 2022, we entered into a non-binding letter of intent with ENGIE to build a framework for verifiable environmental attributes with the use of carbon credits applied to natural gas energy. We expect that production of Carbon Sequestered Gas will be achieved by bundling RSG with carbon credits sufficient to offset the estimated emissions associated with the production, gathering and boosting of such RSG, as well as the estimated emissions from its transmission, distribution (if applicable) and ultimate combustion, with the quantified emissions and the requisite volume of CCUS offsets being third-party certified. The carbon credits included in our Carbon Sequestered Gas will be generated by our CCUS projects, as described in "*— Overview — Our Operations — Path to Net Zero Emissions*," and retired against our Scope 1 and/or Scope 3 emissions.

In July 2023, BKV-BPP Power acquired CXA Temple 2, LLC, the owner of 100% of the interests in Temple II, a combined cycle gas turbine and steam turbine power plant located on the same site as Temple I in the ERCOT North Zone in Temple, Texas.

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 96.4% 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. If, after this initial public offering, any person or group (other than Banpu and its controlled affiliates, excluding portfolio companies and operating companies)

acquires 35% or more of our equity interests, or if any person or group acquires a greater percentage of our equity interests than are then held by Banpu and its controlled affiliates (excluding portfolio companies and operating companies of Banpu), such event will be an event of default under the RBL 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 partner in the BKV-BPP Power and BKV-BPP Cotton Cove joint ventures.

For additional information regarding our relationship with Banpu, see "*Certain Relationships and Related Party Transactions*" and "*Management — Conflicts of Interest*."

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 460,000 net acres) and NEPA (approximately 36,000 net acres) with a combined total Company net production of approximately 821.1 MMcfe/d for the three months ended March 31, 2024. 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.

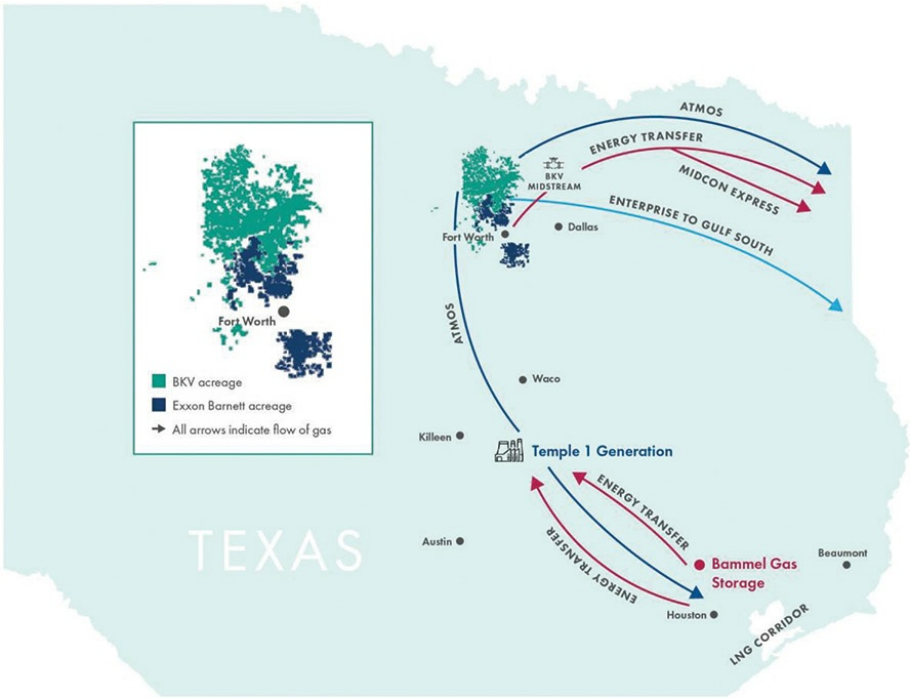
Our upstream assets are predominantly located in the Barnett, which is where horizontal drilling was pioneered and which has the advantage of more than 15 years of technological advancements, proximity to demand hubs and a significant amount of midstream and other infrastructure in place. As of December 31, 2023, we also enjoyed an average 7.7% 10-year Barnett base production decline on a current production base of approximately 718.2 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 December 31, 2023, we had 78 proved undeveloped, 137 probable and 152 possible horizontal locations and 501 proved developed non-producing, 618 probable and 334 possible refrac candidates.

We are the largest natural gas producer by gross operated volume in the Barnett. During the three months ended March 31, 2024, our Barnett properties, including both operated and non-operated wells, produced 62.6 Bcfe (or an average of 688.3 MMcfe/d). During the years ended December 31, 2023, 2022, and 2021, our Barnett properties, including both operated and non-operated wells, produced 262.1 Bcfe (or an average of 718.2 MMcfe/d), 228.7 Bcfe (or an average of 626.3 MMcfe/d), and 190.1 Bcfe (or an average of 520.9 MMcfe/d), respectively. We did not drill any of our own operated wells in our Barnett properties during 2021 and drilled 115 wells in 2022. Additionally, in November 2020, we began a restimulation program

to develop economic incremental reserves in existing wellbores and arrest the overall field production decline. In connection with such program, we completed 122 horizontal and 26 vertical restimulations in 2021, 128 horizontal and 35 vertical restimulations in 2022, and ten horizontal and 22 vertical restimulations in 2023. We led the industry in number of executed horizontal restimulations in 2021 and 2022, according to public completion reports. During the three months ended March 31, 2024, we did not complete any restimulations.

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 twelve accretive acquisitions since May 2016. We have an attractive production base comprising approximately 36,000 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, as of December 31, 2023, our position consisted of an average 89.4% working interest and 72.6% NRI on operated wells that yield 100% lean natural gas. We enjoy a significant non-operated position in NEPA. In addition, as of December, 2023, we had approximately 21 new well locations for near-term development in NEPA.

We are the eighth largest producer in NEPA, on a gross operated production basis. During three months ended March 31, 2024 and the years ended December 31, 2023, 2022 and 2021, we produced 12.1 Bcf (or an average of 132.8 MMcf/d), 51.7 Bcf (or an average of 141.5 MMcf/d), 50.8 Bcf (or an average of 139.2 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 year ended December 31, 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.

On June 14, 2024, we sold our wholly owned subsidiary, BKV Chaffee, which owned a non-operated interest in approximately 9,800 net acres and 116 gross (24.2 net) wells and 122 Bcfe of proved reserves in NEPA, as well as our interest in the Repsol Oil & Gas operated midstream system, for a purchase price of $106.7 million, subject to adjustment. On June 28, 2024, our wholly owned subsidiary, BKV Chelsea, sold certain of its non-operated upstream assets, including its interest in approximately 6,800 net acres and 214 gross (15.4 net) wells and 35 Bcfe of proved reserves in NEPA for a purchase price of $25.0 million, subject to adjustment.

The image below reflects our NEPA acreage (Green), which, after giving effect to the sales of BKV Chaffee and certain assets held by BKV Chelsea, spans the northeast portion of Pennsylvania and is comprised predominantly of 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 Millennium 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.

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. The BKV-BPP Power Joint Venture has obtained permits for and constructed 2.5 MW of commercial solar power, with plans to install up to 5 MW of commercial solar power within the next three years. We may purchase the SRECs generated by the BKV-BPP Power Joint Venture's planned solar facility and then retire such SRECs to neutralize at least a portion of our Scope 2 emissions from our electricity usage in our owned and operated upstream and natural gas midstream businesses.

Our "Pad of the Future" program primarily seeks to review our pad-level operations and mitigate or eliminate GHG emissions from those operations. The program targets equipment, such as natural gas operated pneumatic controllers, that is considered to be a significant source of methane emissions and thereby overall GHG emissions from our upstream assets. As part of the program, we have successfully completed the conversion of the BKV-owned pneumatic controllers at our NEPA upstream operations from operating on natural gas to compressed air. Additionally, we have successfully replaced the use of natural gas combusted at the GPU burners located at our NEPA upstream assets with electrically-operated heat trace that will reduce our overall GHG emissions associated with natural gas combustion. We note that our implementation of the "Pad of the Future" program is primarily targeted towards the reduction of methane emissions, as methane is a potent GHG that represents a significant proportion of the Scope 1 GHG emissions from our owned and operated upstream businesses. Implementation of our "Pad of the Future" program in calendar years 2021 through 2023 has resulted in a reduction of the Scope 1 emissions from our owned and operated upstream businesses of approximately 0.52 Mtpy CO_2e. For additional information about our "Pad of the Future" program, see "*— Our Operations — Planned Path to Net Zero Emissions*."

In February 2023, we re-certified most of our production under the TrustWell environmental assessment program of Project Canary, an environmental certification and ESG data company. We achieved a Gold rating from Project Canary, the second highest rating a company can receive for its production, qualifying the certified portion of our natural gas production as Responsibly Sourced Gas ("RSG"). As part of its environmental assessment, Project Canary analyzes and certifies our production on a well by well basis. As of March 31, 2024, our entire NEPA production and approximately 45% of our Barnett production was re-certified. We intend to continue an environmental assessment of substantially all of our existing production. In addition, we intend to advance the market for our produced gas beyond RSG and its current certification towards Carbon Sequestered Gas, a Scope 1, 2 and 3 carbon neutral natural gas product. We expect that production of Carbon Sequestered Gas will be achieved by bundling RSG with carbon credits sufficient to offset the estimated emissions associated with the production, gathering and boosting of such RSG, as well as the estimated emissions from its transmission, distribution (if applicable) and ultimate combustion, with the quantified emissions and the requisite volume of CCUS offsets being third-party certified. We have an agreement with a third party to establish the blockchain ledger and tokens; however, this process is dependent upon the development of the necessary technology by such third party. In addition, we expect to utilize the blockchain ledger and tokens with the American Carbon Registry, once that registry has been established. The carbon credits included in our Carbon Sequestered Gas will be generated by our CCUS projects, as described below in "*— Our Operations — Planned Path to Net Zero Emissions*" and retired against our Scope 1 and/or Scope 3 emissions. We believe Carbon Sequestered Gas could potentially provide a decarbonized, certified and qualified fuel and retired credits bundle that is a differentiated and premium

product. Through production of RSG and CSG, we believe we can provide reliable and affordable energy, while actively participating in the energy transition.

Our Reserves

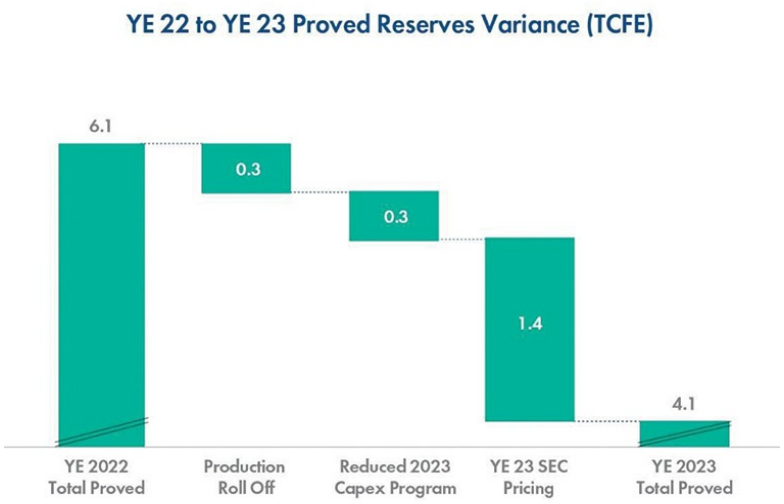
The following table summarizes our natural gas and oil properties as of December 31, 2023 and our average net daily production for the year ended December 31, 2023:

	December 31, 2023							
	Estimated Total Proved Reserves							
Operating Region	Natural Gas (MMcf)	Natural Gas Liquids (MBbls)	Oil (MBbls)	Total (MMcfe)	Average Net Daily Production (MMcfe/d)	Average Reserves Life (years)	Producing Wells	Net Acres
Barnett	2,557,868	184,165	1,051	3,669,164	718.2	15.3	6,786	459,912
NEPA	424,627	—	—	424,627	141.5	21.7	427	36,865
Total	2,982,495	184,165	1,051	4,093,791	859.7	16.2	7,213	496,777

The following table summarizes our natural gas and oil properties as of December 31, 2022 and our average net daily production for the year ended December 31, 2022, including the properties we acquired in the Exxon Barnett Acquisition:

	December 31, 2022							
	Estimated Total Proved Reserves							
Operating Region	Natural Gas (MMcf)	Natural Gas Liquids (MBbls)	Oil (MBbls)	Total (MMcfe)	Average Net Daily Production (MMcfe/d)[1]	Average Reserves Life (years)	Producing Wells	Net Acres
Barnett	3,955,330	211,500	1,868	5,235,544	732.7	19.6	6,825	457,787
NEPA	900,346	—	—	900,346	139.2	17.7	397	36,886
Total	4,855,676	211,500	1,868	6,135,890	871.9	19.3	7,222	494,673

(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.



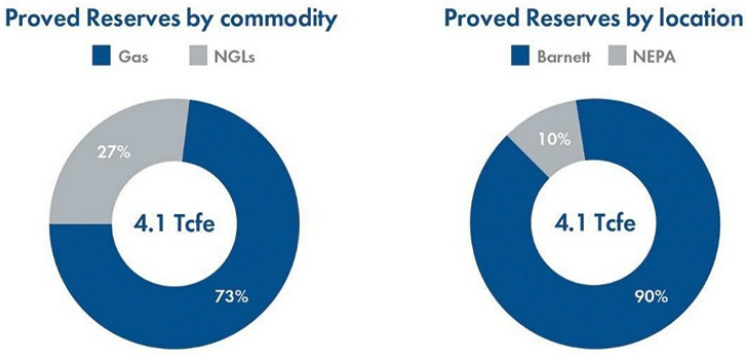
Based on forecasts used in our reserves reports, our PDP reserves as of December 31, 2023 had estimated average five-year and ten-year annual decline rates of approximately 9.1% and 8.1%, respectively. Our Company-wide 2023 base decline rate for all categories of reserves was 11.1%. As a result of this 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 a 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 year ended December 31, 2023 associated with our proved reserves as of December 31, 2023:

	December 31, 2023					
					Weighted Average Annual PDP Decline[1]	
Operating Region	Estimated Total Proved Reserves (MMcfe)	% Natural Gas	% Natural Gas Liquids	% Oil	Five Year	Ten Year
Barnett	3,669,164	69.7%	30.1%	0.2%	8.5%	7.7%
NEPA	424,627	100%	—	—	12.2%	10.1%
Total	4,093,791	72.8%	27%	0.2%	9.1%	8.1%

(1) Reflects the estimated average year over year decline rates of our base reserves as of December 31, 2023 for the five-year period ending December 31, 2028 and the ten-year period ending December 31, 2033, in each case based on the forecasts used in estimating our proved reserves.

The following charts summarize our proved reserves by commodity and proved reserves by location as of December 31, 2023:



The following table illustrates the weighted average decline profiles and total production in the year ended December 31, 2022 associated with our proved reserves as of December 31, 2022:

	December 31, 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	5,235,544	75.6%	24.2%	0.2%	7.8%	6.7%
NEPA	900,346	100%	—	—	13.5%	10.3%
Total	6,135,890	79.2%	20.6%	0.2%	8.7%	7.3%

(1) Reflects the estimated average year over year decline rates of our base reserves as of December 31, 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 illustrates the weighted average decline profiles and total production in the year ended December 31, 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%	—	—	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, 2026 and the ten-year period ending January 31, 2031, in each case based on the forecasts used in estimating our proved reserves.

Our Acreage

The following table summarizes our acreage position as of March 31, 2024:

	Developed		Undeveloped		Total	
Operating Region	Gross	Net	Gross	Net	Gross	Net
Barnett[1]	638,180	421,491	40,933	38,421	679,113	459,912
NEPA	58,441	28,535	21,851	7,113	80,292	35,648
Total	696,621	450,026	62,784	45,534	759,405	495,559

The following table summarizes our acreage position as of December 31, 2023:

	Developed		Undeveloped		Total	
Operating Region	Gross	Net	Gross	Net	Gross	Net
Barnett[1]	638,193	421,491	41,113	38,421	679,306	459,912
NEPA	63,739	29,501	18,774	7,364	82,513	36,865
Total	701,932	450,992	59,887	45,785	761,819	496,777

The following table summarizes our acreage position as of December 31, 2022:

	Developed		Undeveloped		Total	
Operating Region	Gross	Net	Gross	Net	Gross	Net
Barnett[1]	638,099	418,919	41,625	38,868	679,724	457,787
NEPA	62,191	28,162	20,823	8,723	83,014	36,885
Total	700,290	447,081	62,448	47,591	762,738	494,672

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	292,581
NEPA	61,971	28,162	20,890	8,816	82,861	36,978
Total	515,555	289,972	53,010	39,587	568,565	329,559

(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 acreage.

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 approximately 0.31% in 2024, 0.81% in 2025 and 0.16% in 2026.

Our Productive Wells

The following table sets forth our gross and net productive natural gas and oil wells as of December 31, 2023:

	Producing Natural Gas Wells		Producing Oil Wells		Total		Average
	Gross	Net	Gross	Net	Gross	Net	Working Interest
Operated Wells:							
Barnett	5,614	5,437	6	6	5,620	5,443	96.9%
NEPA	142	127	—	—	142	127	89.4%
Total	5,756	5,564	6	6	5,762	5,570	96.7%
Non-operated Wells:							
Barnett	993	95	1	—	994	95	9.6%
NEPA	272	37	—	—	272	37	13.6%
Total	1,265	132	1	—	1,266	132	10.4%
Total Wells:							
Barnett	6,607	5,532	7	6	6,614	5,538	83.7%
NEPA	414	164	—	—	414	164	39.6%
Total	7,021	5,696	7	6	7,028	5,702	81.1%

The following table sets forth our gross and net productive natural gas and oil wells as of December 31, 2022:

	Producing Natural Gas Wells		Producing Oil Wells		Total		Average Working Interest
	Gross	Net	Gross	Net	Gross	Net	
Operated Wells:							
Barnett	5,822	5,597	9	9	5,831	5,606	96.1%
NEPA	142	126	—	—	142	126	88.7%
Total	5,964	5,723	9	9	5,973	5,732	96.0%
Non-operated Wells:							
Barnett	1,122	95	22	—	1,144	95	8.3%
NEPA	266	36	—	—	266	36	13.5%
Total	1,388	131	22	—	1,410	131	9.3%
Total Wells:							
Barnett	6,944	5,692	31	9	6,975	5,701	81.7%
NEPA	408	162	—	—	408	162	39.7%
Total	7,352	5,854	31	9	7,383	5,863	79.4%

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	3,176	80.2%
NEPA	138	101	—	—	138	101	73.2%
Total	4,088	3,271	8	6	4,096	3,277	
Non-operated Wells:							
Barnett	838	672	8	6	846	678	80.1%
NEPA	256	189	—	—	256	189	73.8%
Total	1,094	861	8	6	1,102	867	
Total Wells:							
Barnett	4,788	3,842	16	12	4,804	3,854	80.2%
NEPA	394	290	—	—	394	290	73.6%
Total	5,182	4,132	16	12	5,198	4,144	

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 year ended December 31, 2022, we drilled five wells in NEPA and eleven wells in the Barnett, each of which constitutes a gross operated well and net operated development well. During the year ended December 31, 2022, eleven wells were completed in the Barnett and six wells were completed in NEPA, all of which were net productive. As of December 31, 2022, we had one well (one net) in the process of being drilled in the Barnett and no wells in the process of being drilled in NEPA.

During the year ended December 31, 2023, we drilled three wells in NEPA and eleven wells in the Barnett, each of which constitutes a gross operated well and net operated development well. During the year ended December 31, 2023, seven wells were completed in the Barnett (all of which were net productive)

and no wells were completed in NEPA. No wells were drilled during the three months ended March 31, 2024. As of March 31, 2024, we had eight wells (eight net) drilled and uncompleted in the Barnett and three wells (three net) drilled and uncompleted in NEPA. We continue to reduce our average drilling and completion cost per lateral foot in our wells. For example, in 2022, our average drilling and completion cost in the Barnett was $788 per lateral foot, while the same cost during the three months ended March 31, 2024 and during the year ended December 31, 2023, was $658 per lateral foot.

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 connection with such program, in 2021 and 2022, we led the industry in number of executed horizontal restimulations by completing 143 and 163, respectively, according to public completion reports, and in the year ended December 31, 2023, we completed 32 horizontal and vertical restimulations. Additionally, as of December 31, 2023, we had 99 proved undeveloped, 154 probable and 269 possible horizontal locations and 501 proved developed non-producing, 618 probable and 334 possible refrac candidates. During the three months ended March 31, 2024, we did not complete any restimulations.

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 three months ended March 31, 2024 and 2023, and for the years ended December 31, 2023, 2022 and 2021.

	Three Months Ended March 31,		Year Ended December 31,		
	2024	2023	2023	2022	2021
Sales Volumes					
Barnett:					
Natural gas (MMcf)	47,555.7	49,794.2	198,099.4	166,771.0	129,960.0
Natural gas liquids (MBbl)	2,484.9	2,487.7	10,553.6	10,187.0	9,829.3
Oil (MBbl)	27.9	36.0	118.6	140.0	123.0
Total Barnett (Bcfe)	62.6	64.9	262.1	228.7	189.7
NEPA:					
Natural gas (MMcf)	12,088.3	13,892.4	51,666.9	50,814.0	56,095.1
Natural gas liquids (MBbl)	—	—	—	—	—
Oil (MBbl)	—	—	—	—	—
Total NEPA (Bcfe)	12.1	13.9	51.7	50.8	56.1
Total Company (Bcfe)	74.7	78.8	313.8	279.5	245.8
Average Sales Prices (excluding the impact of derivative settlements)					
Barnett:					
Natural gas (per Mcf)	$ 1.76	$ 2.62	$ 2.28	$ 6.38	$ 3.58
Natural gas liquids (per Bbl)	$ 17.47	$ 20.11	$ 17.80	$ 30.58	$ 22.90
Oil (per Bbl)	$ 69.34	$ 72.14	$ 71.21	$ 84.76	$ 61.46
NEPA:					
Natural gas (per Mcf)	$ 1.03	$ 1.96	$ 1.12	$ 4.85	$ 2.34
Natural gas liquids (per Bbl)	$ —	$ —	—	$ —	$ —
Oil (per Bbl)	$ —	$ —	—	$ —	$ —
Total Company (per Mcfe)	$ 1.90	$ 2.67	$ 2.25	$ 5.84	$ 3.38
Average Sales Prices (including the impact of derivative prices)[(1)]					
Natural gas (per Mcf)	$ 2.00	$ 2.79	$ 2.23	$ 3.72	$ 2.29
Natural gas liquids (per Bbl)	$ 17.53	$ 19.27	$ 17.55	$ 27.78	$ 16.03

	Three Months Ended March 31,		Year Ended December 31,		
	2024	2023	2023	2022	2021
Oil (per Bbl)	$ 69.07	$ 72.14	$ 70.97	$ 84.76	$ 61.46
Total Company (per Mcfe)	$ 2.21	$ 2.92	$ 2.39	$ 3.95	$ 2.41
Average Production Cost (per Mcfe)[2)]					
Barnett	$ 1.48	$ 1.51	$ 1.48	$ 1.43	$ 1.31
NEPA	$ 0.10	$ 0.24	$ 0.24	$ 0.26	$ 0.23
Total Company	$ 1.26	$ 1.29	$ 1.27	$ 1.22	$ 1.06

(1) Impact of derivative prices excludes $13.3 million of gains on derivative contract terminations for the three months ended March 31, 2024, no gains or losses on derivative contract terminations for the three months ended March 31, 2023, $46.7 million of gains on derivative contract terminations for the year ended December 31, 2023, and $158.4 million and $30.9 million of derivative contract terminations for the years ended December 31, 2022, and 2021, respectively.

(2) 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 March 31, 2024. In the Barnett, during the three months ended March 31, 2024, approximately 199 MMcf/d of our gross production volumes (approximately 26% 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, 65 gas compression units and one amine processing unit.

In NEPA, for the three months ended March 31, 2024, our gross operated production volumes were approximately 132.8 MMcf/d. The volumes flow into third-party gatherers in the following proportions:

- UGI Energy Services Midstream Services ("UGI"): 48%

- Williams Companies ("Williams"): 44%
- Energy Transfer LP ("Energy Transfer"): 8%

Our owned and operated NEPA midstream system includes approximately 16 miles of gas gathering pipelines, 14 miles of freshwater distribution pipelines and six gas compression units in NEPA. As part of our sale of BKV Chaffee, we sold our minority non-operated ownership interest in a Repsol Oil & Gas operated midstream system in NEPA on June 14, 2024.

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 March 31, 2024, approximately 48%, 44% and 8% of our gross operated volumes in NEPA were further gathered and treated on UGI, Williams 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 March 31, 2024, such MVCs require us to deliver 36 MMcf/d of natural gas, a majority of which flows into 82 MMcf/d of MVC related the gathering, central delivery point aggregation and intra-basin transport, which represented 64% 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 almost six years remaining between the various contracts, as of March 31, 2024. 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 the Temple Plants, newly-constructed, modern combined cycle gas and steam turbine power plants 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.

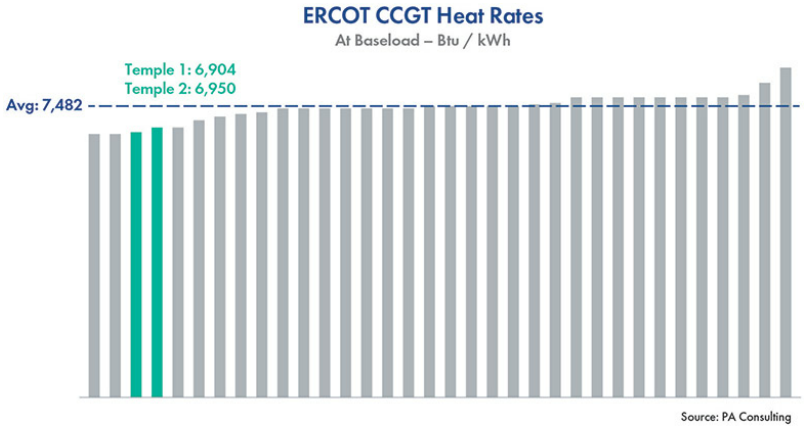
Power generation output from the Temple Plants is sold into the competitive wholesale bulk power market managed by ERCOT, Texas' electrical grid operator. ERCOT currently provides electric power to approximately 23 million people in Texas, with its customers using about 85% of the state's electric power. The operating flexibility of the Temple Plants provides significant competitive advantages in the ERCOT market. On a combined basis, the Temple Plants can generate and supply the power needs of approximately 1.5 million households in central Texas.

Operational since July 2014 and May 2015, the modern technology utilized at the Temple Plants enables them to respond to rapidly changing market signals in real time, making the power plants well-suited to serve the various needs of the ERCOT market. Temple I and Temple II have an average power generation capacities of 752 MW and 747 MW, respectively. Key equipment at the Temple Plants 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 has minimal to moderate congestion risk. The Temple Plants typically undergo 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 $836,117, with an additional $275,000 for each of Temple I and Temple II in planned weatherization expenditures for 2023, in each case 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. Additionally, wet compression systems were installed at Temple I and Temple II in July 2021 and July 2023, respectively, to increase each facility's output while operating in high ambient temperatures. Wet compression systems allow 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.

The Temple Plants deploy modern CCGT technology, which combines the working process of gas combustion, turbine and steam turbine generation. They are also some of the more flexible CCGTs supplying power to the ERCOT system due to their ability to achieve 50% production within 10 minutes and full baseload capacity within 30 minutes. Temple I and Temple II have baseload design heat rates of approximately 6,904 Btu/kWh and 6,950 Btu/kWh, respectively, which are below the ERCOT CCGT average, as shown in the chart below. Equipped with pollution control management systems to maintain low emissions, the Power Plants' efficient and flexible operations help maintain their competitive position in the ERCOT market.

The following chart summarizes the realized heat rate of the Temple Plants, as compared to other CCGT in ERCOT.



We expect our power generation assets will be synergistic with our base upstream business and 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, after receiving the necessary approvals from the PUCT and ERCOT, the BKV-BPP Power Joint Venture recently launched a retail marketing business to sell electricity to commercial, industrial, and residential retail customers in Texas through its wholly owned subsidiary, BKV-BPP Retail, under the brand name BKV Energy. Since its official launch in February 2023, BKV Energy has built a portfolio of over 58,000 customers and is licensed to serve throughout the deregulated portions of Texas.

In addition to 200,000 MMBtu/d of firm transportation services with Atmos and Energy Transfer and its subsidiaries, BKV-BPP Power'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 plants and to expand our CCUS business by sequestering post combustion CO_2 from the power plants are additional vertical integration opportunities that we intend to explore over time.

We believe we can create a differentiated offering to strategic buyers, retail and industrial customers. For more information about the risks involved in our retail power business, see "*Risk Factors — Risks Related to Our Retail Power Business*."

BKV-BPP Power Limited Liability Company Agreement

The Temple Plants are 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 Power JV 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 Power JV Board. The appointment and removal of the general manager must be approved by both the Power JV 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 Power JV 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 Power JV 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 Power JV 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. During the year ended December 31, 2023, BKV-BPP Power made a distribution to BKV Corp and BPPUS of $10.0 million to each member. For the three months ended March 31, 2024 and 2023 and for the years ended December 31, 2022 and 2021, no distributions were made by BKV-BPP Power or BKV-BPP Cotton Cove.

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 Power JV 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 Power JV Board, such as, among other things, any merger, consolidation, amalgamation, conversion of BKV-BPP Power 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 Power JV Board 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 Power JV Board, which debt payments would reduce the amount of cash that might otherwise be available for distributions to us.

Temple II Acquisition Financing

On July 10, 2023, Temple Generation Intermediate Holdings II, LLC ("Temple Borrower"), a subsidiary of BKV-BPP Power, entered into a Credit Agreement (the "Temple II Credit Agreement") with the lenders party thereto, administrative agent and collateral agent, which was comprised of (i) a senior secured term loan facility in an aggregate principal amount of $500.0 million, (ii) a senior secured revolving credit facility in an aggregate principal amount of $60.0 million and (iii) a letter of credit facility. Also on July 10, 2023, Temple Borrower borrowed an aggregate amount of $560.0 million under the Temple II Credit Agreement for purposes of, among other things, paying the consideration for the acquisition of Temple II and working capital and general corporate purposes. Under the Temple II Credit Agreement, the lenders 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.

Carbon Capture, Utilization and Sequestration

Through our CCUS business, we aim to reduce man-made GHG emissions to the atmosphere 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 for secure geologic sequestration. Additionally, we have engaged Project Canary to analyze and report the CO_2e injection volumes and environmental attributes of our sequestration projects, and we are working with the American Carbon Registry to certify and register the environmental attributes associated with our CCUS projects as tradeable carbon credits. In the future, we may sell carbon credits associated with our CCUS projects to unrelated third parties outside of our value chain, which may negatively impact our net zero strategy, including by delaying or preventing our achievement of net zero.

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 since early 2021. The development of our CCUS business has progressed rapidly, supported by internal geology, engineering, operations, business development, land, regulatory and other professionals, along with academics and CCUS-focused partnerships. We believe that with a continued and timely execution of our business plans, the Barnett Zero Project could begin generating positive net income via tax credits in 2024. We expect to fund up to 50% of our CCUS business from a variety of external sources, which may include joint ventures, project-based equity partnerships and federal grants, with the remaining capital needs being funded with cash flows from operations. The projected timeline for commercial operations and the generation of positive CCUS business revenue and positive earnings depends, in part, on our ability to fund the anticipated capital requirements for the potential projects that we have identified and described above through external funding and revenues from our upstream business, as well as on our ability to receive our portion of the anticipated Section 45Q tax credits associated with these projects. We may not receive 100% of the Section 45Q tax credits associated with projects funded by third parties and, in such cases, will receive only a corresponding percentage of the anticipated Section 45Q tax credits associated with such projects.

We seek to execute CCUS projects with attractive standalone economics and the ability to sequester emissions from both our own operations and from third-party operations. For example, we plan to target CCUS projects with high concentration CO_2 streams where revenue, taking into account tax incentives, less cash operating expense would generally be expected to be between $40 and $70 per metric ton of sequestered CO_2e for the first six years of commercial operations for projects owned by BKV. We may also provide development and support services for third-party owned CCUS projects on a fee-for-service model, although such projects will not be included in our path to net zero.

As part of our "closed-loop" approach to our net zero emissions goal, we expect to apply a portion of the CO_2 emissions that are sequestered through our CCUS business to offset GHG emissions from our owned and operated upstream and natural gas midstream businesses. We may not receive 100% of the environmental attributes associated with CCUS projects funded in whole or in part by third parties, and, in such cases, we expect to have the right to purchase such environmental attributes BKV would not otherwise receive. Ultimately, we will be able to apply only such portion of the sequestered emissions to offset our own GHG emissions that corresponds to the percentage of environmental attributes BKV receives or purchases. We expect our CCUS business to contribute in significant part to our goals to fully offset our Scope 1 and 2 emissions from our owned and operated upstream and natural gas midstream businesses by the early 2030s, and our Scope 1, 2 and 3 emissions from our owned and operated upstream and natural gas midstream businesses by the late 2030s. See "*— Overview — Our Operations — Path to Net Zero Emissions*" for a description of how we estimate our Scope 1, 2 and 3 annual emissions and how we expect our CCUS business to contribute to the offset of those emissions.

Currently, we have one operational CCUS project and are pursuing sixteen additional potential CCUS projects that we believe are commercially viable based on economics supported by enhanced Section 45Q

tax credits and that we believe can be completed by the late 2030s. For additional information about these projects, see "*— Overview — Our Operations — Carbon Capture, Utilization and Sequestration.*"

Summary of Our Reserves Estimates

Ryder Scott, our independent petroleum engineers, prepared estimates of our natural gas, NGL and oil reserves as of December 31, 2023, 2022 and 2021. These reserves estimates were prepared in accordance with the rules and regulations of the SEC regarding oil and natural gas reserves reporting using SEC Pricing (except for the table that provides our estimated reserves as of December 31, 2023 at "NYMEX strip pricing" using pricing based on NYMEX future prices as of market close on December 31, 2023). For more information about our reserves volumes and values, see "*— Preparation of Reserves Estimates and Internal Controls*" and Ryder Scott's summary reserves reports, which are filed as exhibits to the registration statement of which this prospectus forms a part.

The following table provides our estimated proved reserves, probable reserves and possible reserves information prepared by Ryder Scott as of December 31, 2023, 2022, 2021 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 December 31, 2023 and 2022, as compared to December 31, 2021, is primarily due to the Exxon Barnett Acquisition, our refrac and restimulation program, adding NGL rich locations to the drilling program. 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 reserves quantities and future production rates are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in the reserves estimates or the underlying assumptions will materially affect the quantities and present value of our reserves.*" For more information about our proved reserves, see "*— Preparation of Reserves Estimates and Internal Controls*" and Ryder Scott's summary reserves 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,		
	2023	**2022**	**2021**
Estimated proved developed reserves:			
Natural gas (MMcf)	2,443,072	3,798,019	2,494,925
Producing	2,290,025	3,468,896	2,346,712
Non-producing	153,047	329,123	148,213
Natural gas liquids (MBbls)	156,399	170,840	151,433
Producing	129,260	157,585	142,961
Non-producing	27,139	13,255	8,472
Oil (MBbls)	992	1,111	867
Producing	802	1,111	867
Non-producing	190	—	—
Total estimated proved developed reserves (MMcfe)	3,387,418	4,829,725	3,408,725
Producing	3,070,397	4,421,072	3,209,680
Non-producing	317,021	408,653	199,045
Standardized Measure (millions)	$ 986	$ 5,809	$ 2,119
PV-10 (millions)[(2)(3)]	$ 1,151	$ 7,389	$ 2,672
Estimated proved undeveloped reserves:			
Natural gas (MMcf)	539,423	1,057,657	950,358

	December 31,		
	2023	2022	2021
Natural gas liquids (MBbls)	27,766	40,660	13,722
Oil (MBbls)	59	758	58
Total estimated proved undeveloped reserves (MMcfe)[4][5]	706,373	1,306,165	1,033,038
Standardized Measure (millions)	$ 48	$ 1,185	$ 295
PV-10 (millions)[2][6]	$ 81	$ 1,566	$ 403
Estimated total proved reserves:			
Natural gas (MMcf)	2,982,495	4,855,676	3,445,283
Natural gas liquids (MBbls)	184,165	211,500	165,155
Oil (MBbls)	1,051	1,869	925
Total estimated proved reserves (MMcfe)	4,093,791	6,135,890	4,441,763
Standardized Measure (millions)	$ 1,034	$ 6,994	$ 2,414
PV-10 (millions)[2][7]	$ 1,232	$ 8,955	$ 3,075
Estimated probable developed reserves:			
Natural gas (MMcf)	68,385	367,081	—
Natural gas liquids (MBbls)	7,871	25,558	—
Oil (MBbls)	6	—	—
Total estimated probable developed reserves (MMcfe)[5][8]	115,647	520,429	—
Standardized Measure (millions)	$ 13	$ 281	—
PV-10 (millions)[2][9]	$ 18	$ 372	—
Estimated probable undeveloped reserves:			
Natural gas (MMcf)	237,236	572,425	522,442
Natural gas liquids (MBbls)	19,114	39,319	31,227
Oil (MBbls)	548	1,556	486
Total estimated probable undeveloped reserves (MMcfe)[5][8]	355,208	817,675	712,720
Standardized Measure (millions)	$ 5	$ 420	$ 146
PV-10 (millions)[2][10]	$ 17	$ 563	$ 202
Estimated total probable reserves:			
Natural gas (MMcf)	305,621	939,506	522,442
Natural gas liquids (MBbls)	26,985	64,877	31,227
Oil (MBbls)	554	1,556	486
Total estimated probable reserves (MMcfe)[5][8]	470,855	1,338,104	712,720
Standardized Measure (millions)	$ 18	$ 701	$ 146
PV-10 (millions)[2][11]	$ 35	$ 935	$ 202
Estimated possible developed reserves:			
Natural gas (MMcf)	57,114	84,124	—
Natural gas liquids (MBbls)	3,257	8,146	—
Oil (MBbls)	2	—	—
Total estimated possible developed reserves (MMcfe)[5][8]	76,668	133,000	—
Standardized Measure (millions)	$ 2	$ 53	$ —
PV-10 (millions)[2][12]	$ 4	$ 70	$ —
Estimated possible undeveloped reserves:			
Natural gas (MMcf)	12,742	540,878	381,941

	December 31,		
	2023	2022	2021
Natural gas liquids (MBbls)	—	16,876	32,047
Oil (MBbls)	—	789	1,841
Total estimated possible undeveloped reserves (MMcfe)[5][8]	12,742	646,868	585,269
Standardized Measure (millions)	$ —	$ 247	$ 51
PV-10 (millions)[2][13]	$ —	$ 330	$ 75
Estimated total possible reserves:			
Natural gas (MMcf)	69,856	625,002	381,941
Natural gas liquids (MBbls)	3,257	25,022	32,047
Oil (MBbls)	2	789	1,841
Total estimated possible reserves (MMcfe)[5][8]	89,410	779,868	585,269
Standardized Measure (millions)	$ 2	$ 300	$ 51
PV-10 (millions)[2][14]	$ 4	$ 400	$ 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 December 31, 2023 were $2.637 per MMBtu (Henry Hub), $78.22 per Bbl (WTI Cushing) and NGL pricing equal to 29.5% of WTI Cushing, (ii) at December 31, 2022 were $6.358 per MMBtu (Henry Hub), $93.67 per Bbl (WTI Cushing) and NGL pricing equal to 36.7% of WTI Cushing and (iii) at December 31, 2021 were $3.598 per MMBtu (Henry Hub), $66.56 per Bbl (WTI Cushing) and NGL pricing equal to 39.5% 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 Reserves, Production and Operating Data*."

(3) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated proved developed reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$1,151	$ 7,389	$2,672
Present value of future income taxes discounted at 10%	(165)	(1,580)	(553)
Standardized Measure	$ 986	$ 5,809	$2,119

(4) Proved undeveloped reserves as of December 31, 2023 are part of a development plan that has been adopted by management indicating that such locations are scheduled to be drilled within five years. Based off of lower commodity pricing and capital spend, a portion of the proved undeveloped reserves as of December 31, 2022 and 2021 will not be drilled within five years from initial disclosure.

(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 reserves category.

(6) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated proved undeveloped reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$ 81	$1,566	$ 403
Present value of future income taxes discounted at 10%	(33)	(381)	(108)
Standardized Measure	$ 48	$1,185	$ 295

(7) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated proved reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$1,232	$ 8,955	$3,074
Present value of future income taxes discounted at 10%	(198)	(1,961)	(661)
Standardized Measure	$1,034	$ 6,994	$2,413

(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 "*— Preparation of Reserves Estimates and Internal Controls*."

(9) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated probable developed reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$18	$372	$ —
Present value of future income taxes discounted at 10%	(5)	(91)	—
Standardized Measure	$13	$281	$ —

(10) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated probable undeveloped reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$ 17	$ 563	$202
Present value of future income taxes discounted at 10%	(12)	(143)	(56)
Standardized Measure	$ 5	$ 420	$146

(11) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated probable reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$ 35	$ 935	$202
Present value of future income taxes discounted at 10%	(17)	(234)	(56)
Standardized Measure	$ 18	$ 701	$146

(12) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated possible developed reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$ 4	$ 70	$ —
Present value of future income taxes discounted at 10%	(2)	(17)	—
Standardized Measure	$ 2	$ 53	$ —

(13) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated possible undeveloped reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$—	$330	$ 75
Present value of future income taxes discounted at 10%	—	(83)	(24)
Standardized Measure	$—	$247	$ 51

(14) The following table provides a reconciliation of the Standardized Measure to PV-10 with respect to estimated possible reserves as of December 31, 2023, 2022 and 2021:

	December 31,		
	2023	2022	2021
PV-10 (millions)	$ 4	$ 400	$ 75
Present value of future income taxes discounted at 10%	(2)	(100)	(24)
Standardized Measure	$ 2	$ 300	$ 51

During the years ended December 31, 2023, 2022 and 2021, we incurred costs of approximately $37.7 million, $54.0 million and $7.2 million, respectively, to convert 31.9 Bcfe, 74.0 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 December 31, 2023, 2022 and 2021 are approximately $356.2 million, $1,089.6 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 year ended December 31, 2023 focused on refracturing under-stimulated wells and designing and drilling new wells in both our Barnett and Marcellus assets. Our PUD reserves, as of December 31, 2023, are scheduled to be developed within five years of their initial disclosure. Due to lower commodity pricing and capital spend, a portion of the 2021 and 2022 PUD reserves will not be drilled within five years from initial disclosure. 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."

Natural gas prices decreased significantly during 2023 and are projected to remain lower than the near-record high prices experienced in 2022. Due to our desire to be a prudent operator and exercise capital discipline in this pricing environment, subsequent to finalizing our reserve reports as of December 31, 2023, we decreased our capital expenditures budget for development of natural gas properties for 2024 to approximately $13.0 million from our original budget of approximately $73.0 million, which was the amount applied in connection with the preparation of the estimates of our reserves as of December 31, 2023. We estimate that this reduction in our 2024 capital expenditures would result in a decrease in our proved reserves, standardized measure value of proved reserves, and the PV-10 value of proved reserves as of December 31, 2023 by approximately 3.3%, 1.6%, and 2.0%, respectively. If the current lower natural gas commodity pricing environment extends beyond 2024, we will continue to maintain capital discipline and reflect corresponding capital expenditure changes in our estimated reserves. These changes would mainly impact proved undeveloped reserves and proved developed non-producing reserves, which collectively represent approximately 25% of our total estimated proved reserves as of December 31, 2023.

2023 Activity

During the year ended December 31, 2023, the Company's proved reserves decreased by 2,042.1 Bcfe. The decrease in proved reserves was primarily attributable to decreased commodity pricing and changes to the Company's drilling schedule, which resulted in total downward revisions of 1,986.3 Bcfe. As discussed below, these decreases were partially offset by extensions and discoveries and improved recoveries experienced by the Company in 2023, which resulted in net increases to proved reserves of 227.8 Bcfe and 30.2 Bcfe, respectively. The Company produced 313.8 Bcfe during the year ended December 31, 2023.

Revisions of previous estimates primarily consisted of downward revisions to proved developed reserves and proved undeveloped reserves of 1,160.0 Bcfe and 305.1 Bcfe, respectively, as a result of lower average pricing during 2023 for natural gas, NGLs, and oil. Additional downward revisions were made to proved undeveloped reserves of 521.2 Bcfe due to changes to the Company's drilling schedule during 2023 that moved the development of 112.0 gross (104.6 net) locations in NEPA and the Barnett from the Company's next five-year development plan in the SEC reserves report. These locations are now part of the Company's probable and possible development plan. The drilling schedule changes reflect the Company's ongoing commitment to optimize the long-term plan to best develop its assets, maximize cash flow, and produce overall economic returns.

Extensions and discoveries primarily consisted of 226.5 Bcfe of proved undeveloped reserves, of which 197.8 Bcfe was attributable to 22.0 gross (21.2 net) locations recognized as a result of the Company's optimized drilling program, which reduced costs and extended lateral lengths. In addition, 28.7 Bcfe was attributable to extensions related to 3.0 gross (1.1 net) locations in NEPA. Our unitization and combination of acreage with Repsol resulted in the three additional locations.

Improved recoveries consisted of 30.2 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, 2023.

Conversions of proved undeveloped reserves to proved developed reserves consisted of 31.9 Bcfe related to the completion of 22.0 gross (8.1 net) wells on proved undeveloped locations during the year ended December 31, 2023.

2022 Activity

During the year ended December 31, 2022, the Company's proved reserves increased by 1,694.1 Bcfe. The increase in proved reserves was primarily due to the acquisition of the 2022 Barnett Assets. Other factors that contributed to the increase in proved reserves during 2022 included increasing commodity pricing, which improved economics, improved recoveries due to the application of restimulation technology to producing wells and the addition of NGL rich locations to the drilling schedule. The Company produced 279.5 Bcfe during the year ended December 31, 2022.

Revisions of previous estimates consisted of upward revisions to proved developed reserves of 182.9 Bcfe as a result of higher average pricing during 2022 for natural gas, NGLs and oil. An additional upward revision of 52.0 Bcfe was made to proved developed reserves for performance adjustments. Upward revisions were offset by downward revisions to proved undeveloped reserves of 246.0 Bcfe relating to 76.0 gross (53.1 net) locations in NEPA and the Barnett that were removed from the drilling schedule in exchange for locations with more favorable economics, as discussed in the following explanation of extensions and discoveries in 2022. Additional downward revisions of 67.3 Bcfe and 42.9 Bcfe were made to proved undeveloped reserves related to performance and increased development costs, respectively.

Extensions and discoveries primarily consisted of the addition of 389.5 Bcfe from 71.0 gross (66.4 net) locations recognized as a result of our revised evaluation of properties acquired through our Devon Barnett Acquisition. The added locations are more rich in NGLs than the previously recognized locations that were removed from the 2021 drilling schedule, as discussed in the preceding explanation of revisions of previous estimates in 2022. Additional extensions consisted of proved undeveloped reserves of 85.8 Bcfe related to 27.0 gross (12.8 net) locations in NEPA and the Barnett that were recognized from acreage acquired in 2021 and as a result of the revised 2022 drilling plan. Extensions related to proved developed reserves of 74.1 Bcfe consisted of 23.0 gross (13.0 net) newly drilled wells on locations previously classified as unproved.

Purchases of minerals in place consisted of 1,237.1 Bcfe and 227.9 Bcfe of proved developed and proved undeveloped reserves, respectively, from the Exxon Barnett Acquisition. The acquired reserves consisted of operated working interests in 2,289.0 gross (1,696.4 net) wells and 53.0 gross (48.7 net) undeveloped locations.

Improved recoveries consisted of 80.5 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, 2022.

Conversions of proved undeveloped reserves to proved developed reserves consisted of 73.9 Bcfe related to the completion of 19.0 gross (5.5 net) wells on proved undeveloped locations during the year ended December 31, 2022.

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 evaluation of properties acquired through our Devon Barnett Acquisition, 550.1 Bcfe of proved undeveloped reserves was recognized for 123.0 gross (94.8 net) locations added to the Company's revised drilling schedule during 2021. Additional extensions consisted of proved undeveloped reserves of 162.5 Bcfe related to 13.0 gross (9.6 net) locations in NEPA recognized from acquired acreage and the revised 2021 drilling plan. Extensions related to proved developed reserves of 15.4 Bcfe consisted of 10.0 gross (3.0 net) newly drilled wells.

Purchases of minerals in place consisted of 17.7 Bcfe of proved developed reserves from the acquisition of additional working interests in 601.0 gross (14.6 net) wells and 1.8 Bcfe of proved undeveloped reserves from the acquisition of additional working interests in 18.0 gross (1.0 net) locations, each of which were in addition to the Company's previously held working interests in wells or working interests in locations in the Barnett.

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.

Conversions of proved undeveloped reserves to proved developed reserves consisted of 19.4 Bcfe related to the completion of 4.0 gross (3.9 net) wells on proved undeveloped locations during the year ended December 31, 2021.

Estimated Reserves at NYMEX Strip Pricing

The following table provides our total estimated proved reserves, probable reserves and possible reserves information prepared by Ryder Scott as of December 31, 2023, using NYMEX strip prices as of market close on December 31, 2023 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 December 31, 2023. The historical 12-month pricing average in our December 31, 2023 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 December 31, 2023. 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 reserves quantities and future production rates are based on many assumptions that may prove to be inaccurate. Any material inaccuracies in the reserves estimates or the underlying assumptions will materially affect the quantities and present value of our reserves.*"

	December 31, 2023
Estimated proved developed reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	2,984,949
Producing	2,791,791
Non-producing	193,158
Natural gas liquids (MBbls)	164,204
Producing	134,689
Non-producing	29,515
Oil (MBbls)	1,046
Producing	808
Non-producing	238
Total estimated proved developed reserves (MMcfe)	3,976,436
Producing	3,604,773
Non-producing	371,663
Standardized Measure (millions)	$ 1,651
PV-10 (millions)[1]	$ 2,015
Estimated proved undeveloped reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	790,838
Natural gas liquids (MBbls)	30,500
Oil (MBbls)	59
Total estimated proved undeveloped reserves (MMcfe)[2][3]	974,192

	December 31, 2023
Standardized Measure (millions)	$ 244
PV-10 (millions)[4]	$ 335
Estimated total proved reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	3,775,787
Natural gas liquids (MBbls)	194,704
Oil (MBbls)	1,105
Total estimated proved reserves (MMcfe)	4,950,628
Standardized Measure (millions)	$ 1,895
PV-10 (millions)[5]	$ 2,350
Estimated probable developed reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	179,158
Natural gas liquids (MBbls)	10,403
Oil (MBbls)	44
Total estimated probable developed reserves (MMcfe)[3][6]	241,840
Standardized Measure (millions)	$ 25
PV-10 (millions)[7]	$ 36
Estimated probable undeveloped reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	609,077
Natural gas liquids (MBbls)	24,020
Oil (MBbls)	518
Total estimated probable undeveloped reserves (MMcfe)[3][6]	756,305
Standardized Measure (millions)	$ 88
PV-10 (millions)[8]	$ 130
Estimated total probable reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	788,235
Natural gas liquids (MBbls)	34,423
Oil (MBbls)	562
Total estimated probable reserves (MMcfe)[3][6]	998,145
Standardized Measure (millions)	$ 113
PV-10 (millions)[9]	$ 166
Estimated possible developed reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	103,647
Natural gas liquids (MBbls)	3,823
Oil (MBbls)	8
Total estimated possible developed reserves (MMcfe)[3][6]	126,633
Standardized Measure (millions)	$ 10
PV-10 (millions)[10]	$ 14
Estimated possible undeveloped reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	113,477
Natural gas liquids (MBbls)	1,021
Oil (MBbls)	—
Total estimated possible undeveloped reserves (MMcfe)[3][6]	119,603
Standardized Measure (millions)	$ 12
PV-10 (millions)[11]	$ 17

	December 31, 2023
Estimated total possible reserves at NYMEX Strip Pricing:	
Natural gas (MMcf)	217,124
Natural gas liquids (MBbls)	4,844
Oil (MBbls)	8
Total estimated possible reserves (MMcfe)[3][6]	246,236
Standardized Measure (millions)	$ 22
PV-10 (millions)[12]	$ 31

(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 December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 2,015
Present value of future income taxes discounted at 10%	(364)
Standardized Measure	$ 1,651

(2) Proved undeveloped reserves as of December 31, 2023 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 reserves 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 December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 335
Present value of future income taxes discounted at 10%	(91)
Standardized Measure	$ 244

(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 December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 2,350
Present value of future income taxes discounted at 10%	(455)
Standardized Measure	$ 1,895

(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 Reserves 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 developed reserves as of December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 36
Present value of future income taxes discounted at 10%	(11)
Standardized Measure	$ 25

(8) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated probable undeveloped reserves as of December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 130
Present value of future income taxes discounted at 10%	(42)
Standardized Measure	$ 88

(9) 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 December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 166
Present value of future income taxes discounted at 10%	(53)
Standardized Measure	$ 113

(10) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated possible developed reserves as of December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 14
Present value of future income taxes discounted at 10%	(4)
Standardized Measure	$ 10

(11) The following table provides a reconciliation of the Standardized Measure to PV-10 (applying NYMEX Strip Pricing) with respect to estimated possible undeveloped reserves as of December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 17
Present value of future income taxes discounted at 10%	(5)
Standardized Measure	$ 12

(12) 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 December 31, 2023:

	December 31, 2023
PV-10 (millions)	$ 31
Present value of future income taxes discounted at 10%	(9)
Standardized Measure	$ 22

Preparation of Reserves Estimates and Internal Controls

Our reserves estimates as of December 31, 2023, 2022 and 2021 included in this prospectus are based on reports prepared by Ryder Scott, our independent reserves 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 reserves 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 reserves 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 reserves 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 reserves engineers in their reserves 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 reserves engineers to review properties and discuss methods and assumptions used to prepare reserves estimates. Our Chief Technology Services Officer, Ethan Ngo, is primarily responsible for overseeing the independent reserves 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 reserves 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 reserves 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 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. 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. Reserves 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 reserves 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 reserves estimates. See "*Risk Factors*" for a description of some of the risks and uncertainties associated with our upstream business and reserves.

Reserves 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, reserves 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 reserves 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 years ended December 31, 2023, 2022 and 2021, 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 reserves database and supporting data to Ryder Scott to facilitate their preparation of independent reserves estimates and final reports. Access to our database containing reserves 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

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 March 31, 2024, we have multiple contracts for firm transportation services including a combined 61,000 MMBtu/d to various locations on Tennessee Gas Pipeline and 27,500 MMBtu/d on Millennium 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 a few months to 12 years, with an average remaining duration of 4.8 years as of March 31, 2024.

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 60,000 MMBtu/d to NGPL-TxOk with term end dates ranging through 2024 and 2027. We are currently negotiating extensions of several Barnett transportation 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 firm transport 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. Such contract expired on November 1, 2022 and BKV is currently negotiating to replace the expired capacity and maintain access to such markets.

As it relates to the Temple Plants, 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 a combined 200,000 MMBtu/d of firm transport with Atmos and 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. As of March 31, 2024, our minimum aggregate required payments per year under firm gathering and transportation agreements are approximately $37.9 million for 2024, $33.4 million for 2025, $31.4 million for 2026, $23.5 million for 2027, $17.7 million for 2028 and $49.6 million for 2029 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 of our transport contracts for NEPA, the Barnett and the Temple Plants 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, inflation may affect us more than it may affect some of our larger competitors.

Ownership by our Directors and Officers in Other Entities

Most of our directors now own, or our officers and other directors may own in the future, stock and options to purchase stock in one or more of Banpu or its related companies. Additionally, our directors or officers may own disproportionate interests (in percentage or value terms) in Banpu or its related companies. These ownership interests and/or such disparity could create, or appear to create, potential conflicts of interest when the applicable individuals are faced with decisions that could have different implications for us, Banpu or its related companies.

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 emission reduction and energy impact 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 2023, we achieved our operational safety goals by having zero major incidents (such as well control issues or explosions), having two regulatory violations and having four reportable incidents or injuries (TRIR 0.42). Also, in 2023, we exceeded our ESG program goals of reaching 110,000 Mtpy CO_2e in emissions reductions from our owned and operated upstream operations. The base-year emissions values established in 2021, and then reestablished in 2022 with the addition of the Exxon Barnett Acquisition have been utilized to measure our emission reduction progress and develop goals. To facilitate our emissions reduction goals, we are deploying our emissions monitoring ecosystem and executing our "Pad of the Future" and other emissions reduction programs. We utilized the upstream and natural gas midstream operations' updated base-year emissions to refine and measure our emission reductions goals and progress, which include year-over-year step-down reduction projections through 2027. Through these efforts, as of December 31, 2023, we completed emission reducing conversions on 3,202 of the approximately 6,000 wells we plan to include in our "Pad of the Future" program by the end of 2027. Emissions reductions of over 380,000 Mtpy CO_2e that were attributable to our "Pad of the Future" program as of December 31, 2022, and reductions of over 130,000 Mtpy CO_2e as of December 31, 2023 are reflected in our updated emissions based on 2023 Subpart W reporting year's emissions.

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 Senior 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, a 0.21 in 2022 and a 0.42 in 2023, which includes both our employees and our contractors. Through December 31, 2023, our employees have driven, on average, a total of nearly 6,000,000 miles per year, during which time we have had two at-fault driving incidents. We recorded our first and second at-fault incidents in the first and second quarters of 2023, respectively. Regarding our environmental and safety performance, we have received zero notices of violation that have carried a penalty in 2020, 2021, 2022 and 2023 through the date of this prospectus. 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 completed a self-audit of our environmental management system in the third quarter of 2022 for alignment to ISO 14001 (a set of environmental management standards). As of March 31, 2024, we have certified approximately 70% of our production in NEPA with Project Canary TrustWell and achieved a Gold rating for 135 evaluated wells; a strong rating that will enable us to sell RSG. In the Barnett, we have received TrustWell certification for 1,687 wells on 398 pads and have achieved Gold rating for these wells, totaling approximately 45% of our Barnett production. We expect to continue the TrustWell certification process throughout our NEPA and 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 Scope 1 and 2 emissions across our owned and operated upstream and natural gas midstream businesses by the early 2030s. To achieve our net zero goals, we invested approximately $9.1 million and $4.5 million in 2022 and 2023, respectively, to reduce emissions from our operations. These investments allowed us to prototype and deploy electrified components into the production processes, convert pneumatic gas instruments through our "Pad of the Future" program, enhance measurement technology, remove redundant equipment and develop and draw on renewable energy sources, among other operational improvements.

We also aspire to offset 100% of the combined Scope 1, 2 and 3 emissions from our owned and operated upstream and natural gas midstream businesses by the late 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 these goals based on potential completion of the currently identified potential CCUS projects in our project pipeline upon agreeable terms that we believe are obtainable. In addition to the CCUS projects we have identified, we expect to continue to identify and evaluate additional CCUS projects.

Our CCUS business and all of our CCUS projects are in the early stages of development. Although we commenced commercial operations with the initial injection of CO_2 waste at the Barnett Zero Project in November 2023, and have reached FID and entered into definitive agreements with respect to the Cotton Cove Project, we have not reached FID with respect to or entered into the definitive agreements necessary to execute any of the other fifteen potential projects 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 projected timeline for commercial operations depends on our ability to fund the anticipated capital requirements for the potential projects that we have identified through external funding and revenues from our upstream business. Furthermore, the commercial viability of our CCUS projects depends, in part, on obtaining necessary permits and other regulatory approvals and on our ability to receive our portion of the anticipated Section 45Q tax credits associated with these projects. In particular, we must meet certain wage and apprenticeship requirements in order to qualify for enhanced Section 45Q tax credits. 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. As of March 31, 2024, we have certified approximately 70% of our NEPA production and approximately 45% of our Barnett production and, in each case, earned a Gold rating with Project Canary's TrustWell environmental assessment.

Human Capital Resources

As of March 31, 2024, we had a total of 355 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. We have standardized our job and pay structure based on best practices and market data. We continue to survey and update our pay structure to stay competitive with our peers. 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 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 March 31, 2024, we have recorded asset retirement obligations of $199.0 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 CWA 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 CWA 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 CWA 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 CWA 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 UIC Program requires that we obtain permits from the EPA or delegated state agencies for our disposal and other injection wells, establishes minimum standards for UIC 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 UIC 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 UIC 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 UIC 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 UIC wells, may be correlated to induced seismicity. In addition, the 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.

Additionally, the EPA has established the Class VI well classification under the SDWA UIC for wells used for long-term geologic sequestration of CO_2. We will be required to obtain a Class VI permit for our CCUS projects that do not meet the criteria for Class II oil and gas related acid gas injection wells. The Class VI UIC permit program is currently administered by the EPA in all states except for Louisiana, Wyoming and North Dakota, which have assumed primacy for Class VI permitting. Class VI permits currently require a lengthy permitting process, and the costs and regulatory burdens associated with obtaining Class VI permits could delay development of our CCUS projects.

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. More recently, on December 2, 2023, the EPA announced its finalized 2023 Methane Rules, which 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, including sourcing not previously regulated under the oil and gas source category. 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 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. In December 2020, the EPA completed its review of the currently available scientific evidence and risk information and decided to retain the existing ozone National Ambient Air Quality Standards. While we are not able to determine the extent to which this 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 the EPA's statutory authority under the CAA. Additionally, on May 11, 2023, the EPA announced proposed limits on GHG emissions from existing coal and new natural-gas electric generating units, which could compel such facilities to install additional pollution controls. The proposed rule represents the first time the federal government has attempted to restrict CO_2 emissions from existing electric generating units. However, 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 December 2, 2023, the EPA announced its finalized 2023 Methane Rules, which 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, including sourcing not previously regulated under the oil and gas source category. For more 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 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, 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.

Environmental Justice Considerations. Recent attention to environmental justice considerations — from both government regulators and activist groups — may impede or otherwise have an adverse effect on our ability to develop both our fossil fuel assets and our proposed CCUS projects. In particular, on April 21, 2023, President Biden signed a new executive order focused on incorporating environmental justice considerations into federal decision-making. The executive order created a new White House Office of Environmental Justice, and directed all federal agencies to make environmental justice a central part of each agency's mission by publishing an environmental justice strategic plan for the agency. Additionally, the order requires agencies conducting National Environmental Policy Act reviews to assess direct, indirect and cumulative impacts on environmental justice communities in their analyses, to consider best available science and information on disparate health impacts related to exposure to environmental hazards and provide opportunities for meaningful engagement with environmental justice communities during the environmental review process. It remains to be seen how federal agencies will undertake to comply with these new requirements addressing environmental justice considerations, but the development and application of the new requirements may result in permit uncertainty and delays for our activities that require federal approvals.

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 $1,840,585 for personal property and $50,000 to $3,200,000 for certain real property.
- *Operators Extra Expense (Limits assume 100% working interest and scale accordingly)*:
  - $25,000,000 per occurrence limit for wells located in Pennsylvania;
  - $20,000,000 per occurrence limit for wells located in Pennsylvania spud prior to 2013;
  - $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; and
  - $2,500,000 per occurrence additional limit for certain materials and supplies.
- *Oil Lease Property (Limits assume 100% working interest and scale accordingly)*: $378,238,108 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 on our most significant facilities with lower limits on other locations.
  - $64,200,000 Combined Single Limit for Contingent Business Interruption relating to Bridgeport, TX facility subject to $176,000 Maximum Daily Values and 365 Day Maximum Recover Period;
  - $13,376,000 Combined Single Limit for Direct Business Interruption subject to $74,313 Maximum Daily Values and 180 Day Maximum Recover Period Per Schedule (PA); and
  - $7,912,000 Combined Single Limit for Direct Business Interruption subject to $87,912 Maximum Daily Values and 90 Day Maximum Recover Period Per Schedule (TX).
- *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 per occurrence and 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*: $10,000,000 aggregate policy limit for cyber and privacy liability.
- *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	46	Chief Executive Officer and Director
John T. Jimenez	55	Chief Financial Officer
Eric S. Jacobsen	54	Chief Operating Officer
Barry S. Turcotte	53	Chief Accounting Officer
Lindsay B. Larrick	41	Chief Legal Officer
Ethan Ngo	42	Chief Technical Services Officer
Mary Rita Valois	63	Chief Information Officer
Chanin Vongkusolkit	70	Chairman of the Board
Somruedee Chaimongkol	62	Director
Joseph R. Davis	74	Director
Akaraphong Dayananda	65	Director
Kirana Limpaphayom	48	Director
Carla S. Mashinski	61	Director
Thiti Mekavichai	62	Director
Charles C. Miller III	72	Director
Sunit S. Patel	62	Director
Anon Sirisaengtaksin	71	Director
Sinon Vongkusolkit	34	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. In September 2023, he was appointed as a member of a newly established Executive Committee of Banpu, with the delegation of authority to manage all aspects of Banpu's businesses in North America, among other things. 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 an HBA 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.

Barry S. Turcotte has served as Chief Accounting Officer of the Company since December 2022. Prior to joining the Company, he most recently served as Senior Vice President and Chief Financial Officer of Crestone Peak Resources, a privately held oil and natural gas company, from May 2017 to November 2021. In addition, Mr. Turcotte served as Chief Accounting Officer of RSP Permian, Inc. (NYSE: RSPP), a publicly listed oil and natural gas company, from April 2014 to May 2017. Prior to that, he served in various positions at Swift Energy Company (NYSE: SFY), a publicly listed oil and natural gas exploration and production company, including Vice President of Accounting and Controller from December 2009 to April 2014, Assistant Controller from April 2005 to November 2009 and other progressive positions of responsibility after joining Swift Energy Company in 2001. He also served in various progressive accounting positions at Westlake Group of Companies, a global chemical manufacturer, from 1995 to 2001. Mr. Turcotte began his career as an auditor in the energy group of Ernst & Young LLP from 1993 to 1995. He has over 30 years of experience in the accounting and finance professions, including in the oil and gas industry. Mr. Turcotte is a Certified Public Accountant and received a BBA from the University of Houston and an Executive MBA from the University of Houston.

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.

Mary Rita Valois has served as Chief Information Officer of the Company since October 2023 and, prior to that, as Vice President of Information Technology of the Company since March 2023. Ms. Valois has also served as a director of Dana's Organic Wines, Inc. d/b/a Wander + Ivy, an early-stage, single-serve, premium organic wine business, since April 2022, and as a director of Spirit Free Beverages Co. d/b/a Gruvi, an early-stage non-alcoholic beer and wine business, since November 2021. Prior to joining the Company, Ms. Valois leveraged her extensive information technology experience to provide strategic guidance related to the technology and technology services sectors while serving as Senior M&A Advisor to CIVC Partners L.P., a Chicago-based private equity firm, from May 2020 to March 2023. Ms. Valois also served as Head of IT — North America for Abbott Nutrition, the nutrition productions division of Abbott Laboratories (NYSE: ABT), a multinational medical devices and health care company, from November 2021 to April 2022, during which time Ms. Valois was responsible digital and commercial solutions for all Abbott Nutrition brands in North America, and as U.S. M&A and IT Consulting Practice Leader and Executive Director of Ernst & Young LLP, from March 2015 to November 2017. Ms. Valois served as Global Chief Information Officer of Treasury Wine Estates Ltd (ASX: TWE), the former wine division of international brewing company Foster's Group Pty. Ltd, from December 2011 to June 2013, after serving as the company's Vice President — IT and Business Process Transformation, from August 2010 to December 2011. She also holds the title of Retired Partner at Deloitte & Touche LLP, where she provided IT consulting services as a Senior Manager from May 1995 to June 1996 and then as a Principal (Equity Partner) from June 1996 to August 2010. Ms. Valois received a BBA in Accounting from the University of Notre Dame and an MBA in Operations Management and Management Information and Decision Systems from Case Western Reserve University.

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.

Kirana Limpaphayom has served as a director of the Company since September 2023. He has served as Chief Executive Officer of Banpu Power (SET: BPP) and as Head of Power at Banpu (SET: BANPU) since April 2020, as Executive Manager of Banpu Power Trading G.K., a licensed electricity retailer in Japan, since April 2021 and as Commissioner to PT. Indo Tambangraya Megah Tbk (IDX: ITMG), an Indonesian coal supplier, since March 2022. In September 2023, he was appointed as a member of a newly established Executive Committee of Banpu, with the delegation of authority to manage many aspects of Banpu's businesses in Asia, among other things. Mr. Limpaphayom also currently serves as a director of various subsidiaries of Banpu, including as a director of BKV-BPP Retail since July 2022, BPPUS and the BKV-BPP Power Joint Venture since July 2021 and Banpu Power since April 2020. He has also served as an Alternate Director of Centennial Coal Co. Pty Ltd. (ASX: CEY), an Australian mining company, since April 2014. Mr. Limpaphayom previously served as a President Director of PT. Indo Tambangraya Megah Tbk from March 2016 to May 2020. Prior to that, Mr. Limpaphayom served in various positions at Banpu and its subsidiaries, including as Head of Strategic Planning at Banpu from August 2009 until May 2013, as Executive Director of Banpu Australia Co. Pty. Ltd. from June 2013 until December 2015 and as President Director of PT. Indominco Mandiri, a subsidiary of PT. Indo Tambangraya Megah Tbk, from April 2016 until August 2017. Mr. Limpaphayom received a Bachelor of Economics and an MBA from the Chulalongkorn University, a Master of Science in Industrial Relations from the University of London and a PhD in Sociology from the University of Warwick. Mr. Limpaphayom brings broad expertise in corporate

leadership and financial matters to the board of directors. In addition, we believe that Mr. Limpaphayom's extensive experience as an executive and director at international energy companies makes him qualified to serve on our board of directors.

Carla S. Mashinski has served as a director of the Company since September 2022. Since 2019, she has served on the board of directors of Primoris Services Corporation (NYSE: 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. She has also served on the board of directors of Ranger Energy Services (NYSE: RNGR) since October 2023. 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. Since July 2022, she has also served on the board of directors of Lean In Energy, a non-profit organization that provides mentoring and professional development programs to women, particularly those working in the energy industry. 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, Project Management Professional, National Association of Corporate Directors (NACD) Directorship Certified and holds a CERT Certification in Cybersecurity Oversight issued by the Software Engineering Institute of Carnegie Mellon University. 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 Group Senior Vice President of Banpu (SET: BANPU) since October 2023. He served as Chief Executive Officer of BNAC between January 2019 and September 2023. He has served as a director 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, corporate development and information and technology 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 2022. Since December 2023, Mr. Patel has served as a director of Crown Caste Inc. (NYSE: CCI), a wireless infrastructure company, and since February 2021, he 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 have applied 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 four 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 twelve 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 Messrs. Kalnin, C. Vongkusolkit and Sirisaengtaksin and Ms. Chaimongkol, 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 Messrs. Dayananda, Mekavichai and Patel and Ms. Mashinski, 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 Messrs. Davis, Limpaphayom, Miller and S. Vongkusolkit, 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, we expect the following four members of our board of directors will qualify as "independent" under the listing standards of the NYSE: Messrs. Davis, Miller and Patel and Ms. Mashinski.

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 Ms. Mashinski, Ms. Chaimongkol and Mr. Patel, and Ms. Mashinski will serve as the chair of the Audit & Risks Committee. All members of our Audit & Risks Committee are required to be "independent" as defined in the NYSE corporate governance standards and Rule 10A-3 of the Exchange Act, subject to transitional relief during the one-year period following the effectiveness of the registration statement of which this prospectus forms a part. Those rules permit us to have an audit committee that has one independent member by the date our common stock first trades on the NYSE, a majority of independent members within 90 days of the effectiveness of the registration statement of which this prospectus forms a part and all independent members within one year of the effective date. Our board of directors has determined that each of Mr. Patel and Ms. Mashinski is independent under 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 Messrs. Sirisaengtaksin, Davis, Dayananda and Mekavichai, and Mr. Sirisaengtaksin 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 Ms. Chaimongkol, Ms. Mashinski and Mr. Miller, and Ms. Chaimongkol 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.

Conflicts of Interest

We, Banpu and our respective affiliates have direct and indirect interests in subsidiaries, joint ventures and other companies which are engaged in a broad array of industries, including the acquisition, exploration, development and production of oil and gas reserves and electricity generation. Conflicts may arise from our affiliation with Banpu or its related companies, including BNAC and BPPUS. For example, Chris Kalnin, our Chief Executive Officer and Director, serves as a member of Banpu's Executive Committee. The Banpu Executive Committee's responsibilities include, among other things, developing an integrated plan for Banpu's transformation toward becoming an international versatile energy provider, ensuring Banpu's strategy in the countries in which it operates and realigning key organization processes. In particular, Mr. Kalnin will oversee all aspects of Banpu's business in North America, develop its growth strategy and business strengths in North America and seek opportunities for synergies among products and business of

Banpu in North America. Mr. Kalnin will not receive any additional compensation or ancillary benefits from Banpu as a result of this role and our board of directors has waived any provisions of Mr. Kalnin's employment agreement and award agreements under our equity compensation plans that could be deemed to be violated by Mr. Kalnin serving on Banpu's Executive Committee.

In addition, in recognition that each of BKV and Banpu or any of its affiliates may desire to pursue the same or similar business opportunities, and in light of Mr. Kalnin's role on Banpu's Executive Committee, our board of directors has adopted a corporate opportunity policy that requires Mr. Kalnin to present applicable business opportunities of which he may become aware to our company before such opportunities may be presented to Banpu or one of its affiliates and, in connection therewith, our board of directors established an Opportunity Committee consisting entirely of independent directors, who are also independent of Banpu, to evaluate such opportunities. If an applicable business opportunity is presented to our company for consideration and the Opportunity Committee, after consultation with management or other persons as the members thereof determine advisable or appropriate, determines by majority vote to decline and reject such opportunity, only then may Mr. Kalnin present such opportunity to Banpu or one or more of its affiliates. Certain business opportunities will not be considered applicable, such as business opportunities that BKV is neither financially or legally able, nor contractually permitted, to undertake, that are not in BKV's line of business or in which BKV has no reasonable expectancy. Furthermore, business opportunities presented or submitted to the BKV-BPP Power Joint Venture will not violate the corporate opportunity policy.

Certain of our other personnel also serve as officers, directors, agents and/or consultants of Banpu, its related companies or other companies and, following this offering, seven of our directors will be employees of Banpu and its affiliates. Such persons have duties to Banpu or such other company or their respective stockholders and may have conflicts of interest or the appearance of conflicts of interest with respect to matters involving or affecting us and Banpu or any of the other companies to which they owe duties or other contractual obligations. 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, 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. There can be no assurance that Banpu and its affiliates will not engage in competition with us in the future.

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 years 2023 and 2022:

- Christopher P. Kalnin, Chief Executive Officer and interim Chief Financial Officer
- John T. Jimenez, Chief Financial Officer
- Eric S. Jacobsen, Chief Operating Officer

Summary Compensation Table

Name and Position (as of December 31, 2023)	Year	Salary ($)	Bonus ($)	Stock awards ($)[1]	Nonequity incentive plan compensation ($)[2]	All other compensation ($)[3]	Total ($)
Christopher Kalnin Chief Executive Officer	2023	692,692	—	—	772,800	19,860	1,485,352
	2022	510,000	—	—	800,700	18,383	1,329,083
John Jimenez Chief Financial Officer	2023	398,346	—	—	308,016	19,860	726,222
	2022	357,000	—	—	210,183	18,376	585,559
Eric Jacobsen Chief Operating Officer	2023	424,500	—	—	380,052	17,731	822,283
	2022	412,000	—	—	223,159	18,383	653,542

(1) At the time the 2021 Plan was adopted and approved, TRSUs were expected to be granted in four annual grants over a four-year period. Each of Messrs. Kalnin, Jimenez and Jacobsen, received their first annual grant of TRSUs in 2021, their second annual grant of TRSUs in 2022 and their third annual grant in 2023. In accordance with FASB ASC 718, for accounting purposes, the Company recognized a compensation expense in 2021 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, although Messrs. Kalnin, Jimenez and Jacobsen were granted TRSUs in 2022 and 2023, because the Company was required to recognize the compensation expense for all TRSUs expected to be granted under the 2021 Plan in 2021, no grant date fair value for TRSUs granted to the NEOs in 2022 and 2023 is reflected in the table above. Messrs. Kalnin and Jacobsen also received a grant of PRSUs in 2021, with a performance period that ended on December 31, 2023. The grant date fair value of the TRSUs and PRSUs, computed in accordance with FASB ASC 718 (which viewed all four annual TRSU grants and the PRSU grant as being granted in 2021), plus the incremental cost associated with a modification made to the awards in November 2021, was $16,896,074 for Mr. Kalnin, $8,009,952 for Mr. Jimenez and $9,591,205 for Mr. Jacobsen. 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 12 — Equity-Based Compensation*" to our audited consolidated financial statements included elsewhere in this prospectus. For more details relating to the TRSUs and PRSUs granted to Messrs. Kalnin, Jimenez and Jacobsen in 2021, 2022 and 2023, see "— *Equity Awards Granted Under our 2021 Long-Term Incentive Plan*" below.

(2) Amounts reported represent each NEO's annual performance-based bonus earned in 2022 or 2023 but paid after the end of the applicable fiscal year, upon certification of the applicable performance measures by our Compensation Committee. See "— *Annual Performance-Based Bonuses*" for more information.

(3) Amounts reported include the amounts paid to the NEOs shown in the following table:

	Company 401(k) Contribution ($)[a]	Life Insurance Premiums ($)[b]
Christopher P. Kalnin	19,800	60
John T. Jimenez	19,800	60
Eric S. Jacobsen	17,671	60

(a) The Company maintains a 401(k) plan that provides employees with an opportunity to save for retirement. From January 1, 2023 until April 23, 2023 and again from December 1, 2023 through the end of December 2023, the Company made matching contributions of up to 6% of base salary attributable to such periods, which contributions are immediately vested.

(b) Included in this column are the life insurance premiums paid on behalf of each NEO.

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, which, following such review was increased in 2022 to $510,000 and in 2023 to $700,000, (2) the eligibility to receive an annual cash bonus, which, following approval by our board of directors in 2022, was set for 2023 at a target amount equal to 120% 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 2021, 2022 and 2023 (each an "Annual RSU Grant") that is equal to at least 325,900 RSUs per year (which number has not been adjusted to give effect to the October 2023 one-for-two reverse stock split); 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 aggregate four-year Annual RSU Grant opportunity, with such RSUs granted approximately 70% on January 1, 2021 in the form of PRSUs and the remaining 30% in the form of TRSUs, with the first, second, third and fourth annual grants of TRSUs granted on each of January 1, 2021, January 1, 2022, January 1, 2023, and January 1, 2024. 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*" and "*— Outstanding Equity Awards at Fiscal Year-End.*" 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, which was increased in 2022 to $357,000 and in 2023 to $400,000, (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), which, following approval by our board of directors in 2022, was set for 2023 at a target amount equal to 95% of his base salary, and (3) the opportunity to participate in the 2021 Plan, subject to the 2021

Plan not being terminated, which was originally estimated to equate to equity awards with respect to approximately 618,000 shares over a four-year period (which number has not been adjusted to give effect to the October 2023 one-for-two reverse stock split) and, which awards would be subject to the terms of the 2021 Plan, adjustment to give effect to the October 2023 one-for-two reverse stock split and ultimately dependent on Company performance and Mr. Jimenez's individual effort and satisfactory achievement of performance goals. 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, which was increased in 2022 to $412,000 and in 2023 to $425,000, 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), which, following approval by our board of directors in 2022, was set for 2023 at a target amount equal to 95% 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 years ended December 31, 2021, December 31, 2022 and December 31, 2023, 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. The descriptions of these RSU awards in this section have not been adjusted to give effect to our one-for-two reverse stock split that occurred on October 30, 2023. 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 an additional 25% vested on each of January 1, 2022, January 1, 2023 and January 1, 2024. Approximately 25% of Mr. Jimenez's TRSUs were vested at the time of grant and an additional 25% vested on each of April 16, 2022 and April 16, 2023, with the remainder set to vest on April 16, 2024, subject to continued employment through such applicable vesting date. Messrs. Kalnin's, Jacobsen's and Jimenez's PRSUs vested based upon the level at which the performance measures described below in "— *BKV Corporation 2021 Long Term Incentive Plan*" were achieved over the period beginning January 1, 2021 and ending on December 31, 2023. On February 8, 2024, the Compensation Committee determined that such performance measures were achieved, and on February 15, 2024, the board of directors approved payout of the PRSUs, at 147.743% of target.

On January 1, 2022, Messrs. Kalnin and Jacobsen were granted 97,700 and 55,500 TRSUs, respectively, and on April 16, 2022, Mr. Jimenez was granted 46,350 TRSUs. Approximately 25% of Messrs. Kalnin's and Jacobsen's TRSUs were vested at the time of grant and an additional 25% vested on January 1, 2023 and January 1, 2024, with the remainder set to vest on January 1, 2025, subject to continued employment through such date. Approximately 25% of Mr. Jimenez's TRSUs were vested at the time of grant and an additional 25% vested on April 16, 2023, with the remainder set to vest in two substantially equal tranches on each of April 16, 2024 and April 16, 2025, in each case, subject to continued employment through such applicable vesting date.

On January 1, 2023, Messrs. Kalnin and Jacobsen were granted 97,770 and 55,500 TRSUs, respectively, and on April 16, 2023, Mr. Jimenez was granted 46,350 TRSUs. Approximately 25% of Messrs. Kalnin's and Jacobsen's TRSUs were vested at the time of grant and an additional 25% vested on January 1, 2024, with the remainder set to vest in two substantially equal tranches on each of January 1, 2025 and January 1, 2026, 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 an additional 25% vested on April 16, 2024, with the remainder set to vest in two substantially equal tranches on each of April 16, 2025 and April 16, 2026, in each case, subject to continued employment through such applicable vesting date.

Annual Performance-Based Bonuses

For 2022 and 2023, 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 "2022 Annual Bonus" and the "2023 Annual Bonus," respectively, and collectively, the "Annual Bonuses"). Messrs. Kalnin, Jimenez and Jacobsen were assigned a target bonus opportunity for each of their 2022 Annual Bonuses equal to, for Mr. Kalnin, 100% of his base salary and for Messrs. Jimenez and Jacobsen, 30% of each of their respective base salaries and for each of their 2023 Annual Bonuses equal to, for Mr. Kalnin, 120% of his base salary and for Messrs. Jimenez and Jacobsen, 95% of each of their respective base salaries. Each NEO's Annual Bonuses were 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) for the applicable year, 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, for each applicable year. Once both the corporate performance goals and the individual performance goals were scored and the corporate multiplier and individual multipliers were determined, the Annual Bonuses earned by each of Messrs. Kalnin, Jimenez and Jacobsen was 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.

Company Performance Measures

The Company's performance metrics are based on the "KPI Scorecard," which, for the 2022 Annual Bonus, evaluated and for the 2023 Annual Bonus evaluated "lagging" indicators, "leading" indicators and "ESG" indicators that were weighted at an aggregate of 40%, 30% and 30%, respectively.

For the 2022 Annual Bonus, the "lagging" indicators measured the Company's shareholder value metrics, including the Company's EBITDA, net income, free cash flow, break-even unit costs, and the total net income related to the BKV-BPP Power Joint Venture. Each of these metrics comprised between 15% and 30% of the overall "lagging" indicator category. The "leading" indicators measured the Company's achievement of operational and strategic goals, including its net revenue interests production, estimated proved reserves at SEC Pricing, operational excellence (including the performance of its drilling and completion and restimulation programs and the level at which future projects inventory is clearly planned), the number of acquisition opportunities identified by the Company, the Company's automation and use of big data tools, and margin expansion through the use of daily pricing, hedges, storage sales and other means. Each of these metrics are weighted between 9% and 26% of the overall "leading" indicator category. The "ESG" indicators measured the Company's EHSR and ESG performance, including its Total Recordable Incident Rate (TRIR), major incidents, notices of violations (NOVs) from current year activity that could carry a penalty or fine, employee engagement, progress towards emission reduction targets, the satisfaction of three key goals derived from the 2021 employee engagement survey, the Company's performance of its ESG goals (including its MSCI ESG rating, completion of its sustainability report and the initiation of RSG sales), and reaching FID on a CCUS project. Each of these metrics are weighted between 10% and 38% of the overall "ESG" indicator category.

The Compensation Committee determined that the Company's shareholder value metrics were met, in the aggregate, at 161% of target, resulting in a company multiplier of 0.64 (or the product of the 161% level of achievement and the 40% weighting of such metrics). The Compensation Committee determined that the Company's operational and strategic goal metrics were met, in the aggregate, at 138% of target, resulting

in a company multiplier of 0.41 (or the product of the 138% level of achievement with the 30% weighting of such metrics). The Compensation Committee determined that "ESG" indicators were met, in the aggregate at 171%, resulting in a company multiplier of 0.52 (or the product of the 171% level of achievement and the 30% weighting of such metrics). These determinations resulted in a company multiplier equal to 1.57.

For the 2023 Annual Bonus, the "lagging" indicators will measure the Company's shareholder value, which includes Adjusted EBITDAX, Adjusted Free Cash Flow, adjusted net income and break even unit costs. Each of these metrics comprises between 20% and 30% of the overall "lagging" indicator category. The "leading" indicators will measure the Company's achievement of operational and strategic goals, including total net sales production, year-end reserved, upstream/midstream capex delivery and people, leadership & culture. Each of these metrics comprises between 15% and 45% of the overall "leading" indicator category. The "ESG" indicators measures EHSR and ESG excellence and CCUS business delivery. Each of these metrics comprises between 40% and 60% of the overall "ESG" indicator category.

The Compensation Committee determined that the Company's shareholder value metrics were met, in the aggregate, at 41% of target, resulting in a company multiplier of 0.16 (or the product of the 41% level of achievement and the 40% weighting of such metrics). The Compensation Committee determined that the Company's operational and strategic goal metrics were met, in the aggregate, at 195% of target, resulting in a company multiplier of 0.59 (or the product of the 195% level of achievement with the 30% weighting of such metrics). The Compensation Committee determined that "ESG" indicators were met, in the aggregate at 89%, resulting in a company multiplier of 0.27 (or the product of the 89% level of achievement and the 30% weighting of such metrics). While these determinations resulted in a company multiplier equal to 1.02, the Compensation Committee exercised its discretion to set the company multiplier equal to 0.92 due to a treatment of depreciation, depletion, and amortization expenses in break-even unit costs.

Individual Performance Measures

For both the 2022 Annual Bonus and the 2023 Annual Bonus, 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 for the 2022 Annual Bonus 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 1.00, which the board of directors approved. The Compensation Committee determined for the 2023 Annual Bonus that Mr. Kalnin's individual contributions to the KPI Scorecard, resulted in an individual multiplier of 0.92, which the board of directors approved.

Mr. Kalnin set Messrs. Jimenez's and Jacobsen's individual performance goals for both of their 2022 Annual Bonus and 2023 Annual Bonus to be based off the elements of the KPI Scorecard that directly related to each of their duties.

For Mr. Jimenez's 2022 Annual Bonus, Mr. Jimenez's individual performance goals included his leadership, people and culture skills, his finance and accounting foundational processes and his IPO readiness. With respect to Mr. Jimenez's 2022 Annual Bonus, Mr. Kalnin recommended to the board of directors that, based on growth of the finance and accounting teams, IPO readiness, the development of relationships with investors and financial institutions, Mr. Jimenez's individual multiplier should be 1.25, which the board of directors approved. For Mr. Jimenez's 2023 Annual Bonus, Mr. Jimenez's individual performance goals included his leadership, people and culture skills, IPO readiness, his review of system strategies and financial solutions to enable the company's continued growth, and his contributions towards initiatives to improve the company's operational efficiencies and commercial optimization and towards the continued development of the company's IT organization. With respect to Mr. Jimenez's 2023 Annual Bonus, Mr. Kalnin recommended to the board of directors that, based on financial reporting process improvements and a successful debt financing, Mr. Jimenez's individual multiplier should be 0.92, which the board of directors approved.

For Mr. Jacobsen's 2022 Annual Bonus, Mr. Jacobsen's individual performance goals included his leadership, people and culture skills, his ESG foundations and his IPO readiness, and growth of the CCUS business. With respect to Mr. Jacobsen's 2022 Annual Bonus, Mr. Kalnin recommended to the board of directors that, based on growth of the CCUS business, development of the data analysis program, successful

M&A integration and an award-winning sustainability report, Mr. Jacobsen's individual multiplier should be 1.15, which the board of directors approved. For Mr. Jacobsen's 2023 Annual Bonus, Mr. Jacobsen's individual performance goals included his leadership, people and culture skills, continued support of the company's ESG and EHSR initiatives, continued growth of the CCUS business and his work with the steering committee to develop certain projects and businesses. With respect to Mr. Jacobsen's 2023 Annual Bonus, Mr. Kalnin recommended to the board of directors that, based on strong base production development performance and growth of the CCUS business, Mr. Jacobsen's individual multiplier should be 1.08, which the board of directors approved.

Outstanding Equity Awards at Fiscal Year-End

The following table presents the outstanding equity awards held by each of our NEOs as of December 31, 2023, which amounts are reflective of the impact of our one-for-two reverse stock split completed on October 30, 2023. The values are based on a share price of $28.25 per share, which is the per share value as of December 31, 2023.

	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 P. Kalnin	—	—	456,260[(1)]	12,889,345
Christopher P. Kalnin	36,664[(2)]	1,035,758	—	—
Christopher P. Kalnin	24,442[(3)]	690,487	—	—
Christopher P. Kalnin	12,222[(4)]	345,272	—	—
John T. Jimenez	—	—	216,300[(1)]	6,110,475
John T. Jimenez	17,381[(5)]	491,014	—	—
John T. Jimenez	11,587[(6)]	327,333	—	—
John T. Jimenez	5,794[(7)]	163,681	—	—
Eric S. Jacobsen	—	—	259,000[(1)]	7,316,750
Eric S. Jacobsen	20,812[(2)]	587,939	—	—
Eric S. Jacobsen	13,875[(3)]	391,969	—	—
Eric S. Jacobsen	6,937[(4)]	195,971	—	—

(1) In accordance with SEC rules, represents the maximum number of PRSUs outstanding as of December 31, 2023 (assuming the performance goals are determined to be met at maximum), as it is anticipated that the PRSU KPIs will be met at a level at least equal to target performance. On February 8, 2024, the Compensation Committee determined that the PRSUs were earned, and the board of directors approved payout of the PRSUs, at 147.743% of target performance.

(2) Represents the portion of the TRSUs granted on January 1, 2023 to Messrs. Kalnin and Jacobsen that remained outstanding and unvested as of December 31, 2023, approximately one-third of which vested or vest, as applicable, on each of January 1, 2024, January 1, 2025 and January 1, 2026.

(3) Represents the portion of the TRSUs granted on January 1, 2022 to Messrs. Kalnin and Jacobsen that remained outstanding and unvested as of December 31, 2023, approximately one-half of which vested or vest, as applicable, on each of January 1, 2024 and January 1, 2025.

(4) 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, 2023, which vested on January 1, 2024.

(5) Represents the portion of the TRSUs granted on April 16, 2023 to Mr. Jimenez that remained outstanding and unvested as of December 31, 2023, approximately one-third of which vest on each of April 16, 2024, April 16, 2025 and April 16, 2026.

(6) Represents the portion of the TRSUs granted on April 16, 2022 to Mr. Jimenez that remained outstanding and unvested as of December 31, 2023, approximately one-half of which vest on each of April 16, 2024 and April 16, 2025.

(7) Represents the portion of the TRSUs granted on April 16, 2021 to Mr. Jimenez that remained outstanding and unvested as of December 31, 2023, which vest on each 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 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 terminated pursuant to its terms on January 1, 2024 and no further awards

will be made thereunder. Termination of the 2021 Plan will not affect the Company's or participants' rights, which 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.

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. Prior to our one-for-two reverse stock split completed on October 30, 2023, 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 target payout of the PRSUs and based on the TRSUs that were legally outstanding as of December 31, 2023, 3,114,435 shares were underlying outstanding equity awards and 3,315,320 shares remained available for issuance under the 2021 Plan as of such date (which numbers account for our one-for-two reverse stock split completed on October 30, 2023). Assuming payout of the PRSUs at 150% of target and based on the TRSUs that were legally outstanding as of December 31, 2023, 4,457,153 shares were underlying outstanding equity awards and 1,721,483 shares remained available for issuance under the 2021 Plan as of such date (which numbers account for our one-for-two reverse stock split completed on October 30, 2023). Following the grant on January 1, 2024 of TRSUs to certain of the Company's employees, including Messrs. Kalnin and Jacobsen, no more grants may be made 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 200% of the target performance level. The performance period for the PRSUs began on the effective date of the 2021 Plan and ended on December 31, 2023. The performance measures include total shareholder return, return on capital employed and the Company's IPO readiness and were met at 147.743% of target performance, in the aggregate.

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. Prior to this offering, 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 receipt of the 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 shares are acquired pursuant to such award, 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 "Sell Fund Purchase Program" expired on December 31, 2023 and the put right will be subject to the market stand-off provisions discussed below upon consummation of this offering. 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.

BKV Corporation 2022 Equity and Incentive Compensation Plan

In anticipation of this offering, our board of directors adopted, and our stockholders approved, the 2022 Plan. The 2022 Plan will become effective immediately prior to the consummation of this offering. 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. 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"). Under the 2022 Plan, 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. After adjustments to give effect to our one-for-two reverse stock split completed on October 30, 2023, and 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, 5,000,000 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.

BKV Corporation Employee Stock Purchase Plan

In anticipation of this offering, our board of directors adopted, and our stockholders approved, the ESPP. The ESPP is intended to qualify as an "employee stock purchase plan" under Section 423 of the Code. The ESPP will become effective immediately prior to the consummation of this offering. 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 has 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. After adjustments to give effect to our one-for-two reverse stock split completed on October 30, 2023, and subject to adjustment as described in the ESPP, the number of shares of our common stock available for awards under the ESPP is 500,000 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 329 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 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 permits 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 may 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 the 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.

Recovery of Erroneously Awarded Compensation

In September 2023, the board of directors approved a policy for the recovery of erroneously awarded compensation, or "clawback" policy, applicable to executive officers, which will become effective upon the consummation of this offering. The policy implements the incentive-based compensation recovery provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 as required under the listing standards of the New York Stock Exchange, and requires recovery of incentive-based compensation received after the effectiveness of the policy by current or former executive officers during the three fiscal years preceding the date it is determined that the Company is required to prepare an accounting restatement, including to correct an error that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. The amount required to be recovered is the excess of the amount of incentive-based compensation received over the amount that otherwise would have been received had it been determined based on the restated financial measure.

Director Compensation

Name[1]	2023 Fees earned or paid in cash ($)[2][3]	Total ($)
Chanin Vongkusolkit	—	—
Somruedee Chaimongkol	—	—
Joseph R. Davis	266,795	266,795
Akaraphong Dayananda	—	—
Kirana Limpaphayom	—	—
Carla S. Mashinski	261,795	261,795
Thiti Mekavichai	—	—
Charles C. Miller III	271,795	271,795
Sunit S. Patel	261,795	261,795
Anon Sirisaengtaksin	—	—
Sinon Vongkusolkit	—	—

(1) Mr. Limpaphayom was elected to our board of directors effective September 12, 2023.

(2) Messrs. Davis, Miller and Patel and Ms. Mashinski received cash retainers pursuant to the Non-Employee Director Compensation Program, described below. Messrs. Davis, Miller and Patel and Ms. Mashinski earned annual cash retainers for 2023 equal to $80,000, $85,000, $75,000 and $75,000, respectively. For Messrs. Davis and Miller, the cash retainers paid pursuant to the Non-Employee Director Compensation Program included fees earned for their services on the Compensation Committee (for Mr. Davis) and the Audit & Risks Committee (for Mr. Miller).

(3) As described below, until the 2022 Plan becomes effective, the grant date value of RSU awards contemplated by our Non-Employee Director Compensation Program are to be paid in cash. Included in this column is (i) $110,082, which represents the cash payment made in June 2023 in lieu of the initial RSUs that would have been granted upon the effectiveness of the 2022 Plan for the non-employee director's services from the September 1, 2022 adoption of the Non-Employee Director Compensation Plan through the 2023 annual meeting of the Company's stockholders (the "2023 meeting") (of which, $46,411 would have related to services provided from the adoption of the Non-Employee Director Compensation Program through December 31, 2022 and $63,671 would have related to services provided from January 1, 2023 through the 2023 meeting) and (ii) $76,713, which represents

the portion of the cash payment in lieu of the RSUs that would have been granted at the 2023 meeting for service through the next annual meeting of the Company's stockholders that is attributable to services performed from the 2023 meeting through December 31, 2023. Because of the timing of the $110,082 cash payment in lieu of the initial RSU grant and its inclusion in this table, the amount paid to Messrs. Davis, Miller and Patel and Ms. Mashinski in 2023 appears higher than the annual compensation we pay our directors under the Non-Employee Director Compensation Plan.

Our board of directors adopted the BKV Corporation Non-Employee Director Compensation Program (the "Non-Employee Director Compensation Program"), pursuant to which our non-employee directors have been compensated as follows:

- Each non-employee director, other than a non-employee director who serves as chairman of the board, is entitled to receive an annual cash retainer of $75,000, and any non-employee director serving as the chairman of the board is entitled to receive an annual cash retainer of $137,500, each 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) are entitled to receive an additional cash retainer of $10,000, and the chairperson of the Audit & Risks Committee is 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) are entitled to receive an additional cash retainer of $5,000, and the chairperson of the Compensation Committee and chairperson of the Governance Committee are 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 serve 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 while attending meetings of the board or any of its committees.

Until the 2022 Plan becomes effective, cash has been and will be paid quarterly in arrears in lieu of the RSU awards. Messrs. C. Vongkusolkit, Dayananda, Limpaphayom, 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 70,515,058 shares of our common stock outstanding, which amount includes 4,161,513 shares of common stock underlying restricted stock units eligible for settlement as of the date of this prospectus. 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.

We expect each of the following to purchase shares under the reserved share program: (shares).

The table does not reflect any shares of common stock that directors and executive officers may purchase through the reserved share program.

	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	2,518,549[(1)]	3.6%	3.6%			
John T. Jimenez	358,841[(2)]	*	*			
Eric S. Jacobsen	435,083[(3)]	*	*			
Barry S. Turcotte	—	—%	—%			
Somruedee Chaimongkol	—	—%	—%			
Joseph R. Davis	23,000	*	*			
Akaraphong Dayananda	—	—%	—%			
Kirana Limpaphayom	—	—%	—%			
Carla S. Mashinski	—	—%	—%			
Thiti Mekavichai	18,500	*	*			
Charles C. Miller III	87,500	*	*			
Sunit S. Patel	—	—%	—%			
Anon Sirisaengtaksin	—	—%	—%			
Chanin Vongkusolkit	—	—%	—%			
Sinon Vongkusolkit	—	—%	—%			
All executive officers and directors as a group (16 persons)	4,103,288	5.8%	5.8%			
5% Stockholders:						
Banpu North America Corporation[(4)]	63,877,614	90.6%	90.6%			

* Less than 1%.

(1) Includes 48,885 shares of our common stock underlying outstanding TRSUs that vested on January 1, 2024 and 674,091 shares of our common stock underlying PRSUs for which the Compensation Committee determined performance achievement on February 8, 2024, but, in each case, have not been settled as of the date of this prospectus, and 875,754 shares of our common stock held by Mr. Kalnin's spouse. In addition, Mr. Kalnin will receive 73,328 shares of our common stock underlying outstanding TRSUs that will vest upon consummation of this offering.

(2) Includes 17,381 shares of our common stock underlying outstanding TRSUs that vested on April 16, 2024 and 319,567 shares of our common stock underlying PRSUs for which the Compensation Committee determined performance achievement on February 8, 2024, but, in each case, have not been settled as of the date of this prospectus. In addition, Mr. Jimenez will receive 17,381 shares of our common stock underlying outstanding TRSUs that will vest upon consummation of this offering.

(3) Includes 27,748 shares of our common stock underlying outstanding TRSUs that vested on January 1, 2024 and 382,653 shares of our common stock underlying PRSUs for which the Compensation Committee determined achievement on February 8, 2024, but, in each case, have not been settled as of the date of this prospectus. In addition, Mr. Jacobsen will receive 41,626 shares of our common stock underlying outstanding TRSUs that will vest upon consummation of this offering.

(4) Approximately 90.6% 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.

Equity Investments and Preemptive Rights Offering

The following share numbers have not been adjusted to give effect to our one-for-two reverse stock split that occurred on October 30, 2023.

On October 1, 2020, we issued 22,284,000 shares of BKV common stock to BNAC, an existing shareholder, for $222.8 million.

Additionally, in order to fund the Debt Service Reserve Account in the amount of $138.3 million pursuant to the requirements of the Term Loan Credit Agreement, BKV made a capital call on BNAC of $150.0 million and, pursuant to the requirements of the existing stockholders' agreement, on September 27, 2023, BNAC made such capital contribution by purchasing 15,000,000 shares of BKV common stock. Subsequently, on September 29, 2023, pursuant to the preemptive rights provision contained in Article VI, Section 5 of the Company's existing bylaws, as amended and restated, we issued 521 shares of BKV common stock for $5,210, in the aggregate, to certain existing stockholders that qualified as "accredited investors" within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act.

BKV-BPP Power Joint Venture

BKV-BPP Power is jointly controlled by us and BPPUS through a board of directors 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.

In July 2023, BKV-BPP Power acquired Temple II for an aggregate purchase price of $460.0 million. In connection with the purchase of Temple II, a subsidiary of BKV-BPP Power entered into the Temple II Credit Agreement. For more information about the Temple II Credit Agreement, see "*Business — Our Operations — Power Generation —Temple II Acquisition Financing*."

Temple I 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 "Temple I 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 Temple I Loan Agreements are senior unsecured indebtedness. The Temple I Loan Agreements bear interest at 12-month SOFR plus 4.6% 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 Temple I Loan Agreements include covenants that, among other things, prohibit BKV-BPP from merging, incurring liens or incurring any additional indebtedness or guarantees. The Temple I Loan Agreements include financial covenants that require BKV-BPP Power to maintain a minimum net worth (as defined in the Temple I 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 Temple I 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 Power JV

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 Power JV Board. The appointment and removal of the general manager must be approved by both the Power JV 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 Power JV 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 Power JV 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 Power JV 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. During the year ended December 31, 2023, BKV-BPP Power made a distribution to BKV Corp and BPPUS of $10.0 million to each member. For the three months ended March 31, 2024 and 2023 and for the years ended December 31, 2022 and 2021, no distributions were made by BKV-BPP Power or BKV-BPP Cotton Cove.

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 Power JV 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 Power JV Board, such as, among other things, any merger, consolidation, amalgamation, conversion of BKV-BPP Power 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 to us 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 (as amended on December 1, 2022, the "BKV-BPP Power 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 BKV-BPP Power Administrative Services Agreement and in return receive an annual fee of $2.65 million until December 1, 2023, 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 BKV-BPP Power Administrative Services Agreement. During the three months ended March 31, 2024 and 2023, and years ended December 31, 2023, 2022 and 2021, we recognized $1.1 million, $0.7 million, $3.6 million, $2.7 million and $0.2 million, respectively, of revenues related to the services provided under the BKV-BPP Power Administrative Services Agreement.

BKV-BPP Cotton Cove Joint Venture

BKV-BPP Cotton Cove is a joint venture owned 51% by BKV dCarbon Ventures and 49% by BPPUS and formed on August 25, 2023 to own the Cotton Cove Project. BKV-BPP Cotton Cove is jointly controlled by BKV dCarbon Ventures and BPPUS through a board of managers consisting of six members, four of whom are appointed by BKV dCarbon Ventures and two of whom are appointed by BPPUS. As discussed below, any environmental attributes arising from the Cotton Cove Project will be distributed and allocated to BKV dCarbon Ventures on an annual basis.

We currently expect the total investment required for the Cotton Cove Project to be approximately $17.6 million. To fund such investment, and pursuant to the terms of the BKV-BPP Cotton Cove LLC Agreement, BKV dCarbon Ventures will make a capital contribution to BKV-BPP Cotton Cove in the amount of $9.0 million and BPPUS will make a capital contribution to BKV-BPP Cotton Cove in the amount of $8.6 million.

BKV-BPP Cotton Cove Limited Liability Company Agreement

BKV dCarbon Ventures and BPPUS are each a party to the BKV-BPP Cotton Cove LLC Agreement governing the BKV-BPP Cotton Cove Joint Venture, which, among other things, provides that:

- any environmental attributes arising from the Cotton Cove Project will be distributed and allocated to BKV dCarbon Ventures on an annual basis;
- BKV dCarbon Ventures has the power to manage and administer the business and affairs of BKV-BPP Cotton Cove, subject to specified matters reserved for approval by the Cotton Cove JV Board, as discussed below;
- BKV dCarbon Ventures has agreed to enter into an administrative services agreement and management agreement with BKV-BPP Cotton Cove; and
- BKV-BPP Cotton Cove has agreed to reimburse BKV dCarbon Ventures in an amount equal to 100% of the costs and expenses incurred and paid by BKV dCarbon Ventures for subsurface seismic testing intended to determine the optimal location and design for the Cotton Cove Project.

Additionally, neither party can transfer or encumber its interests in BKV-BPP Cotton Cove, except transfers to its affiliates, without prior approval of the Cotton Cove JV Board, and no transfer will be permitted if the transfer would, among other things, (i) 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 Cotton Cove or any affiliate is bound or (ii) cause any of BKV-BPP Cotton Cove, BKV dCarbon Ventures or BPPUS to suffer any reduction in entitlement to, or recapture of tax credits under Section 45Q of the Code or any monetization of such tax credits under Section 6417 or Section 6418 of the Code.

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 Cotton Cove 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 Cotton Cove JV 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 Cotton Cove JV Board will determine the amount and timing of distributions of operating cash flow 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 BKV dCarbon Ventures and BPPUS. As of December 31, 2023, no distributions have been made by BKV-BPP Cotton Cove. Additional cash capital contributions in amounts of up to approximately $1.4 million and $1.7 million may be required to be made by BKV dCarbon Ventures and by BPPUS, respectively, upon receipt of a unanimous request from the Cotton Cove JV Board; provided that (i) BKV-BPP Cotton Cove LLC Agreement prohibits the Cotton Cove JV Board from making any such request to BPPUS unless and until BKV dCarbon Ventures has made its initial capital contribution in full and (ii) any such additional contributions made by BPPUS must be expended on items included in the annual approved budget, items in response to an emergency in the event that BKV-BPP Cotton Cove does not have sufficient cash reserves to address such emergency, or any other matter approved by the Cotton Cove JV Board.

The BKV-BPP Cotton Cove LLC Agreement delegates to BKV dCarbon Ventures full authority to decide, agree, consent to, approve, perform, enter into, delegate or otherwise undertake any activity that does not (A) violate applicable law for and on behalf BKV-BPP Cotton Cove or (B) qualify as a major decision or significant activity of BKV-BPP Cotton Cove that requires the unanimous consent of the Cotton Cove JV Board, such as, among other things: (i) making certain elections available to BKV-BPP Cotton Cove with respect to the monetization of Section 45Q credits; (ii) approving certain final investment decisions related to the Cotton Cove Project; (iii) directing transfers of BKV-BPP Cotton Cove membership interests to unaffiliated third parties; (iv) entering into any merger, consolidation, amalgamation, conversion of BKV-BPP Cotton Cove or any of its subsidiaries, into another form or entity or any other business combination of any nature; (v) causing the wind up, dissolution, liquidation, commencement or any filing or petition for a voluntary bankruptcy, reorganization, debt arrangement involving BKV-BPP Cotton Cove; (vi) authorizing any amendment, restatement or revocation of the organizational documents of BKV-BPP Cotton Cove or its subsidiaries; (vii) authorizing increases or decrease of the required capital contributions; (viii) determining the location of the wells associated with the Cotton Cove Project; or (ix) decisions related a possible initial public offering of BKV-BPP Cotton Cove. Under the terms of the BKV-BPP Cotton Cove LLC Agreement:

- BKV dCarbon Ventures does not have the power to unilaterally cause BKV-BPP Cotton Cove to make distributions; and
- a majority of the Cotton Cove JV Board may require BKV dCarbon Ventures to make additional capital contributions to fund items approved in the annual budget or other matters approved by the Cotton Cove JV Board, which would reduce the amount of cash otherwise available to BKV dCarbon Ventures or require BKV dCarbon Ventures to incur additional indebtedness.

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 BNAC 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. In connection with entering into the RBL Credit Agreement, our obligations under the BNAC A&R Loan Agreement were subordinated to our obligations under the RBL Credit Agreement. On June 18, 2024, we paid down $25.0 million of the $75.0 million, including 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*."

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. 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 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 12-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 12-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*."

Employee Relationship with Chief Legal Officer

Tara Blevins, the sister of Lindsay B. Larrick, our Chief Legal Officer, is employed by the Company in a non-executive officer position and received total compensation of approximately $161,000, $266,000 and $281,000 in 2021, 2022 and 2023, respectively. Her compensation was established by the Company in accordance with its compensation practices applicable to employees with comparable qualifications and responsibilities and holding similar positions.

Independent Contractor Relationship with Chief Executive Officer and Director

Rebecca Kalnin, the spouse of Christopher P. Kalnin, our Chief Executive Officer and a director of the Company, is engaged as an independent contractor, through Wood Group PSN, Inc., a third-party consulting firm, as a Human Resources Advisor to the Company. The Company made payments of approximately $148,000 and $57,500 in 2022 and 2023, respectively, to such firm for her services, and, in turn, such firm paid her less than $120,000 in each of 2022 and 2023.

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.

On October 30, 2023, we completed a one-for-two reverse stock split. As a result of the reverse stock split, every two shares of our outstanding common stock were combined into and now represent one share of common stock, and fractional shares were paid out in cash. Following the reverse stock split, our authorized capital stock consists of 300,000,000 shares of common stock, $0.01 par value per share, of which 66,353,545 shares are issued and outstanding as of the date of this prospectus, and 80,000,000 shares of preferred stock, $0.01 par value per share, of which no shares are issued and outstanding as of the date of this prospectus.

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, 5,000,000 shares of our common stock will be reserved for issuance pursuant to the 2022 Plan and 500,000 shares of common stock will be available for purchase by employees pursuant to the ESPP. See "*Executive Compensation — BKV Corporation 2022 Equity and Incentive Compensation Plan" and "Executive Compensation — BKV Corporation Employee Stock Purchase Plan*."

As of the date of this prospectus, BNAC owns approximately 90.6% 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.

In addition, in light of Mr. Kalnin's role on Banpu's Executive Committee, our Board has adopted a corporate opportunity policy that requires Mr. Kalnin to present applicable business opportunities of which he may become aware to our Company before such opportunities may be presented to Banpu or one of its affiliates. See "*Management — Conflicts of Interest*" for more information regarding our corporate opportunity policy.

Limitations of Liability and Indemnification

The DGCL authorizes corporations to limit or eliminate the personal liability of directors and certain officers to corporations and their stockholders for monetary damages for breaches of directors' or certain officers' 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 Party 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 have applied to list our common stock on the 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. This number does not reflect any shares of common stock that directors and executive officers may purchase through the reserved share program. 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, (i) BNAC and all of our directors and executive officers will enter into lock-up agreements with the underwriters and (ii) each of the individuals who participate in the reserved share program will enter into lock-up agreements with an affiliate of Citigroup Global Markets Inc., a participating underwriter, 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 or Merrill Lynch, as applicable. The representatives of the underwriters or Merrill Lynch, as applicable, may, in their discretion, release any of the securities subject to lock-up restrictions 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 issuance under the 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 reserved for purchase under the ESPP. 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

We currently do not pay a fixed cash dividend to holders of our common stock, and our existing debt agreements place certain restrictions on our ability to pay cash dividends on our common stock. Our dividend policy is under consideration by our board of directors. Any future determination related to our dividend policy will be made at the sole discretion of our board of directors. See "*Dividend Policy*" for additional information.

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 Citigroup Global Markets Inc. and Barclays Capital Inc. are acting as representatives, the following respective numbers of shares of common stock:

Underwriter	Number of Shares
Citigroup Global Markets Inc.	
Barclays Capital Inc.	
Evercore Group L.L.C.	
Jefferies LLC	
Wells Fargo Securities, LLC	
Tudor, Pickering, Holt & Co. Securities, LLC	
Susquehanna Financial Group, LLLP	
Capital One Securities, 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 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 sales by the underwriters of a greater number of shares than the total number in the table above.

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' option to purchase additional shares.

	Per Share		Total	
	Without Option	With Option	Without Option	With Option
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, including those related to the Financial Industry Regulatory Authority, 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 applied to list our 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, short sales, 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.
- Short sales involve 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 short position is not greater than the number of shares for which the underwriters’ option described above may be exercised. In a naked short position, the short position is greater than the number of shares for which the underwriters’ option described above may be exercised.
- 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 their option. The underwriters may close out any covered short

position by either exercising their option and/or purchasing shares in the open market. If the underwriters sell more shares than could be covered by their 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.

At our request, an affiliate of Citigroup Global Markets Inc., a participating underwriter, has reserved for sale, at the initial public offering price, up to 5% of the shares of common stock being offered by this prospectus for sale to some of our directors, executive officers, employees, business associates and related persons at the public offering price. If these persons purchase reserved shares, it will reduce the number of shares of common stock available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus. These persons must commit to purchase no later than the close of business on the day following the date of this prospectus. Any participants purchasing such reserved common stock will be prohibited from selling such stock for a period of 180 days after the date of this prospectus.

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 Citigroup Global Markets Inc. 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.

Notice to Prospective Investors in Japan

Shares of our common stock have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

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 as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and that no reasonable investor would conclude otherwise.

Estimates of our natural gas reserves, related future net cash flows and the present values thereof related to our properties as of December 31, 2023, 2022 and 2021 included elsewhere in this prospectus were based upon reserves 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, 2023 and 2022, and the related consolidated statements of operations, of stockholders' equity, partners' capital and mezzanine equity and of cash flows for each of the three years in the period ended December 31, 2023, 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, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 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. Those standards require that we plan and perform the audits 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

Dallas, Texas
April 29, 2024

We have served as the Company's auditor since 2020.

BKV CORPORATION

CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

	December 31, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	$ 25,407	$ 153,128
Restricted cash	139,662	—
Accounts receivable, net	48,500	143,537
Accounts receivable, related parties	559	416
Commodity derivative assets, current	84,039	2,651
Other current assets	13,990	20,408
Total current assets	312,157	320,140
Natural gas properties and equipment		
Developed properties	2,370,156	2,252,681
Undeveloped properties	15,846	15,511
Midstream assets	318,855	317,109
Accumulated depreciation, depletion, and amortization	(579,415)	(375,783)
Total natural gas properties, net	2,125,442	2,209,518
Other property and equipment, net	83,935	39,865
Goodwill	18,417	18,417
Investment in joint venture	104,750	97,885
Commodity derivative assets	18,508	816
Other noncurrent assets	19,937	15,932
Total assets	$2,683,146	$2,702,573
Liabilities, mezzanine equity, and stockholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 149,173	$ 272,475
Contingent consideration payable	20,000	65,000
Commodity derivative liabilities, current	—	49,484
Income taxes payable to related party	864	5,227
Credit facilities	127,000	90,000
Current portion of long-term debt, net	112,373	112,001
Other current liabilities	2,849	2,446
Total current liabilities	412,259	596,633
Asset retirement obligations	193,205	181,135
Contingent consideration	29,676	88,051
Note payable to related party	75,000	75,000
Deferred tax liability, net	136,524	104,130
Long-term debt, net	339,663	452,036
Other noncurrent liabilities	11,652	9,664
Total liabilities	1,197,979	1,506,649

The accompanying notes are an integral part of these consolidated financial statements.

BKV CORPORATION

CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)

	December 31,	
	2023	**2022**
Commitments and contingencies (*Note 16*)		
Mezzanine equity		
Common stock – Minority ownership puttable shares; 2,403 authorized shares; 2,403 and 2,290 shares issued and outstanding as of December 31, 2023 and 2022, respectively	59,988	62,712
Equity-based compensation	126,966	89,171
Total mezzanine equity	186,954	151,883
Stockholders' equity		
Common stock, $0.01 par value; 300,000 authorized shares; 63,873 and 56,373 shares issued and outstanding as of December 31, 2023 and 2022, respectively	1,283	1,132
Treasury stock, shares at cost; 213 shares and 193 shares as of December 31, 2023 and 2022, respectively	(4,582)	(3,974)
Additional paid-in capital	1,034,144	896,433
Retained earnings	267,368	150,450
Total stockholders' equity	1,298,213	1,044,041
Total liabilities, mezzanine equity, and stockholders' equity	$2,683,146	$2,702,573

The accompanying notes are an integral part of these consolidated financial statements.

BKV CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)

	Year Ended December 31,		
	2023	**2022**	**2021**
Revenues and other operating income			
Natural gas, NGL, and oil sales	$706,151	$1,633,747	$ 829,745
Midstream revenues	16,168	12,676	6,917
Derivative gains (losses), net	238,743	(629,701)	(383,847)
Marketing revenues	8,710	11,001	52,616
Related party and other	8,251	2,799	251
Total revenues and other operating income	978,023	1,030,522	505,682
Operating expenses			
Lease operating and workover	150,647	131,497	86,831
Taxes other than income	72,290	114,668	45,650
Gathering and transportation	248,990	208,758	173,587
Depreciation, depletion, amortization, and accretion	223,370	118,909	92,277
General and administrative	114,688	148,559	85,740
Other	12,625	3,567	1,274
Total operating expenses	822,610	725,958	485,359
Income from operations	155,413	304,564	20,323
Other income (expense)			
Bargain purchase gain	—	170,853	—
Gain on settlement of litigation	—	16,866	—
Gains (losses) on contingent consideration liabilities	38,375	6,632	(194,968)
Earnings from equity affiliate	16,865	8,493	910
Interest income	3,138	1,143	8
Interest expense	(69,942)	(26,322)	—
Interest expense, related party	(7,078)	(10,846)	(2,134)
Other income	8,372	1,411	872
Income (loss) before income taxes	145,143	472,794	(174,989)
Income tax benefit (expense)	(28,225)	(62,652)	40,526
Net income (loss) attributable to BKV Corporation	116,918	410,142	(134,463)
Less accretion of preferred stock to redemption value	—	—	(3,745)
Less preferred stock dividends	—	—	(9,900)
Less deemed dividend on redemption of preferred stock	—	—	(22,606)
Net income (loss) attributable to common stockholders	$116,918	$ 410,142	$(170,714)
Net income (loss) per common share:			
Basic	$ 1.93	$ 6.99	$ (2.92)
Diluted	$ 1.82	$ 6.62	$ (2.92)
Weighted average number of common shares outstanding:			
Basic	60,730	58,659	58,496
Diluted	64,380	61,990	58,496

The accompanying notes are an integral part of these consolidated financial statements.

BKV CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2023	2022	2021
Cash flows from operating activities:			
Net income (loss)	$ 116,918	$ 410,142	$(134,463)
Adjustments to reconcile to net cash provided by operating activities:			
Depreciation, depletion, amortization, and accretion	224,427	130,038	98,833
Equity-based compensation expense	25,756	31,947	30,387
Deferred income tax (benefit) expense	32,394	89,065	(72,753)
Unrealized (gains) losses on derivatives, net	(148,564)	(58,815)	115,161
(Gains) losses on contingent consideration liabilities	(38,375)	(6,632)	194,968
Settlement of contingent consideration	(65,000)	(45,300)	—
Gain on bargain purchase	—	(170,853)	—
Earnings from equity affiliate	(16,865)	(8,493)	(910)
Distribution from equity affiliate	10,000	—	—
Other, net	822	911	48
Changes in operating assets and liabilities:			
Accounts receivable, net	86,477	(39,394)	(24,689)
Accounts receivable, related parties	(143)	3,082	(3,498)
Accounts payable and accrued liabilities	(98,238)	62,539	137,550
Other changes in operating assets and liabilities	(6,533)	(49,043)	17,499
Net cash provided by operating activities	123,076	349,194	358,133
Cash flows from investing activities:			
Business combination	—	(619,437)	—
Investment in joint venture	—	(72)	(88,410)
Acquisition of natural gas properties	(4,889)	—	(2,528)
Investment in other property and equipment	(52,066)	(11,787)	(2,249)
Development of natural gas properties	(134,428)	(235,406)	(63,932)
Loan advanced to equity affiliate	(8,000)	—	—
Loan repayment from equity affiliate	8,000	—	—
Other investing activities	13,535	1,136	(4,739)
Net cash used in investing activities	(177,848)	(865,566)	(161,858)
Cash flows from financing activities:			
Proceeds from notes payable from related party	17,000	75,000	166,000
Payments on notes payable to related party	(17,000)	(166,000)	(24,000)
Proceeds under term loan agreement	—	570,000	—
Payment on term loan agreement	(114,000)	—	—
Payment of debt issuance costs	—	(7,738)	—
Proceeds from draws on credit facilities	375,500	190,000	—
Payments on credit facilities	(338,500)	(100,000)	—
Settlement of contingent consideration	—	(19,700)	—
Payments of deferred offering costs	(2,901)	(5,625)	—
Redemption of minority ownership puttable shares	—	—	(2,754)
Issuance of minority ownership puttable shares	—	78	3,177
Dividends paid to preferred stock shareholders	—	—	(10,330)
Proceeds from the issuance of common stock	150,005	—	(121,275)
Dividends paid to common stock shareholders	—	—	(88,126)
Redemption of common stock	—	—	(1,106)
Redemption of common stock issued upon vesting of equity-based compensation and other	(426)	(4)	(110)
Shares repurchased in conjunction with reverse stock split	(4)	—	—
Net share settlements, equity-based compensation	(2,961)	(1,178)	(529)
Net cash provided by (used in) financing activities	66,713	534,833	(79,053)
Net increase in cash, cash equivalents, and restricted cash	11,941	18,461	117,222
Cash, cash equivalents, and restricted cash, beginning of period	153,128	134,667	17,445
Cash, cash equivalents, and restricted cash, end of period	$ 165,069	$ 153,128	$ 134,667

The accompanying notes are an integral part of these consolidated financial statements.

BKV CORPORATION

SUPPLEMENTAL CASH FLOW INFORMATION
(in thousands)

	Year Ended December 31,		
	2023	**2022**	**2021**
Supplemental cash flow information:			
Cash payments for:			
Interest	$ 68,480	$ 32,086	$ 393
Income tax	$ 1,545	$ 400	$ —
Non-cash investing and financing activities:			
Increase (decrease) in accrued capital expenditures	$ (23,863)	$ 19,247	$ 12,297
Additions to asset retirement obligations	$ 89	$ 302	$ 923
Revisions to asset retirement obligation estimates	$ —	$ 36,516	$ —
Lease liabilities arising from obtaining right-of-use assets	$ 3,061	$ 1,218	$ 11,249
Increase (decrease) in accrued offering costs	$ (604)	$ 945	$ —
Fair value of contingent consideration from acquisitions	$ —	$ 17,150	$ —
Adjustment of minority ownership puttable shares to redemption value	$ 2,722	$ 12,793	$ 7,042
Adjustment of equity-based compensation to redemption value	$ 15,602	$ 24,400	$ 4,236
Impact of redemption of minority interest puttable shares on additional paid-in capital, common stock, and treasury stock	$ 781	$ 4	$ 2,754
Accretion of preferred stock to redemption value	$ —	$ —	$ 3,745

The accompanying notes are an integral part of these consolidated financial statements.

BKV CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY, PARTNERS' CAPITAL, AND MEZZANINE EQUITY

(in thousands, except per share amounts)

	Stockholders' Equity						Mezzanine Equity				
	Common Stock			Additional Paid-in Capital	Retained Earnings (Deficit)	Total Stockholders' Equity	Preferred Stock	Common Stock		Equity-based Compensation	Total Mezzanine Equity
	Shares	Amount	Treasury					Shares	Amount		
Balances, December 31, 2020	56,428	$1,129	$ —	$968,500	$ (26,773)	$ 942,856	$ 94,924	2,114	$42,288	$ —	$137,212
Net loss	—	—	—	—	(134,463)	(134,463)	—	—	—	—	—
Dividend declared, preferred stock shareholders ($0.50 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	(50)	—	(1,106)	—	—	(1,106)	—	—	—	—	—
Purchase of vested equity-based compensation award shares of common stock	(5)	—	(110)	—	—	(110)	—	—	—	—	—
Redemption of minority ownership puttable common stock shares	—	3	(2,754)	2,751	—	—	—	(138)	(2,754)	—	(2,754)
Dividend declared ($1.50 per share)	—	—	—	—	(88,126)	(88,126)	—	—	—	—	—
Issuance of common stock from employee stock purchase plan	—	—	—	—	—	—	—	144	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	—	—	—	—	—	—	—	58	—	—	—
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	56,373	$1,132	$(3,970)	$933,622	$(259,692)	$ 671,092	$ —	2,178	$49,841	$ 34,006	$ 83,847
Net income	—	—	—	—	410,142	410,142	—	—	—	—	—
Redemption of common stock issued upon vesting of equity-based compensation	—	—	(4)	4	—	—	—	—	—	(4)	(4)
Issuance of common stock from employee stock purchase plan	—	—	—	—	—	—	—	2	78	—	78
Issuance of common stock upon vesting of equity-based compensation awards, net of shares withheld for income taxes	—	—	—	—	—	—	—	110	—	(1,178)	(1,178)
Adjustment of minority ownership puttable shares to redemption value	—	—	—	(12,793)	—	(12,793)	—	—	12,793	—	12,793
Adjustment of equity-based compensation to redemption value	—	—	—	(24,400)	—	(24,400)	—	—	—	24,400	24,400
Equity-based compensation	—	—	—	—	—	—	—	—	—	31,947	31,947
Balances, December 31, 2022	56,373	$1,132	$(3,974)	$896,433	$ 150,450	$1,044,041	$ —	2,290	$62,712	$ 89,171	$151,883
Net income	—	—	—	—	116,918	116,918	—	—	—	—	—
Redemption of common stock issued upon vesting of equity-based compensation	—	1	(604)	736	—	133	—	(21)	(2)	(602)	(604)

The accompanying notes are an integral part of these consolidated financial statements.

BKV CORPORATION

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY, PARTNERS' CAPITAL, AND MEZZANINE EQUITY
(in thousands, except per share amounts)

	Stockholders' Equity						Mezzanine Equity				
	Common Stock							Common Stock			
	Shares	Amount	Treasury	Additional Paid-in Capital	Retained Earnings (Deficit)	Total Stockholders' Equity	Preferred Stock	Shares	Amount	Equity-based Compensation	Total Mezzanine Equity
Issuance of common stock upon vesting of equity-based compensation awards, net of shares withheld for income taxes	—	—	—	—	—	—	—	134	—	(2,961)	(2,961)
Adjustment of minority ownership puttable shares to redemption value	—	—	—	2,722	—	2,722	—	—	(2,722)	—	(2,722)
Adjustment of equity-based compensation to redemption value	—	—	—	(15,602)	—	(15,602)	—	—	—	15,602	15,602
Issuance of common stock	7,500	150	—	149,855	—	150,005	—	—	—	—	—
Shares repurchased with reverse stock split	—	—	(4)	—	—	(4)	—	—	—	—	
Equity-based compensation	—	—	—	—	—	—	—	—	—	25,756	25,756
Balances, December 31, 2023	63,873	$1,283	$(4,582)	$1,034,144	$267,368	$1,298,213	$ —	2,403	$59,988	$126,966	$186,954

The accompanying notes are an integral part of these consolidated financial statements.

BKV Corporation

Notes to the Consolidated Financial Statements

Note 1 — Business and Basis of Presentation

Business

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"). BKV Corp's ultimate parent company is Banpu Public Company Limited, a public company listed in the Stock Exchange of Thailand. As of April 29, 2024, the date these consolidated financial statements were available to be issued, BNAC owned 96.4% of BKV Corp's shares. The remaining 3.6% of shares of common stock of BKV Corp were owned by non-controlling members of management, members of the Board of Directors ("Directors"), and employee and non-employee shareholders who hold shares with contingent put rights that may be exercised according to conditions stipulated in the agreement among these shareholders, BNAC, and BKV Corp (the "Stockholders' Agreement").

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts for BKV Corp's wholly owned subsidiaries. Prior years' financial statement amounts have been reclassified in certain cases to conform with the presentation of the consolidated financial statements for the year ended December 31, 2023. As of December 31, 2022, these amounts included current and noncurrent commodity derivative assets, which were reclassified out of other current assets and other noncurrent assets, respectively, on the consolidated balance sheets. In addition, for the years ended December 31, 2022 and 2021, other operating expenses were reclassified out of lease operating and workover expenses on the consolidated statements of operations.

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 consolidated financial statements. Current and deferred income taxes and related tax expense have been determined based on the stand-alone results of BKV by applying the separate return method to BKV's operations as if it were a separate taxpayer.

Reverse Stock Split

On October 30, 2023, the Company completed a one-for-two reverse stock split. As a result of the reverse stock split, every two shares of outstanding common stock were combined and now represent one share of common stock, and fractional shares were paid out in cash to the common stockholders, which amounted to an immaterial amount. No fractional shares were issued in connection with the reverse stock split.

Following the reverse stock split, the Company's authorized capital stock consists of 300,000,000 shares of common stock, $0.01 par value per share, of which 66,275,866 shares are issued and outstanding, and 80,000,000 shares of preferred stock, $0.01 par value per share, of which no shares are issued and outstanding. All shares of common stock issuable upon exercise of equity awards, as well as the applicable exercisable prices and weighted average fair value of such equity awards, and per share amounts contained throughout these consolidated financial statements have been retroactively adjusted. See *Note 12 — Equity-Based Compensation and Note 18 — Earnings Per Share* for further discussion and analysis.

Liquidity

As of December 31, 2023, the Company held $165.1 million of cash, cash equivalents, and restricted cash. The Company's working capital deficit as of December 31, 2023 was $100.1 million, which was

primarily driven by the current portion of long-term debt of $112.4 million, borrowings under the Company's credit facilities of $127.0 million, and contingent consideration payable of $ 20.0 million. For the year ended December 31, 2023, the Company's cash flows from operations was $123.1 million. The Company intends to make the payments related to the current portion of long-term debt and the contingent consideration payable with cash flows from operations. 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. As of the date these consolidated financial statements were available to be issued, the Company paid the $20.0 million of contingent consideration payable. The Company also sold call options with a counterparty and received a premium of $23.5 million and early terminated a portion of its derivative contracts and received cash on the gain of $13.3 million. For further discussion on the derivative transactions, see *Note 7 — Derivative Instruments.*

During the first half of 2023, natural gas prices decreased significantly from previous periods, which was the primary cause for the Company to either waive, amend or include additional financial debt covenants in the Company's credit facilities. Additionally, the Company's reduced cash flow from operations could cause the Company not to meet its current and noncurrent financial obligations based on current forecasts. To alleviate these conditions the Company's ultimate parent, Banpu Public Company Limited, has agreed to provide funding to allow the Company to meet its financial obligations through June 30, 2025, if necessary. In addition, on September 27, 2023, BNAC made a capital contribution to the Company of $150.0 million in exchange for purchasing 7,500,000 shares of BKV common stock, pursuant to the requirements of the existing stockholders' agreement. Subsequently, on September 29, 2023, the Company's lenders agreed to amend the Term Loan Credit Agreement and the Revolving Credit Agreement (each as defined and further described in the Annual Financial Statements) to: (i) remove the Company's maximum total net leverage ratio covenant and minimum consolidated fixed charge ratio covenant; (ii) insert the following covenants: (a) maximum debt service coverage ratio, which must be greater than 1.05 to 1.00 at the end of each fiscal quarter and (b) minimum net indebtedness to equity, which must be less than 1.50 to 1.00 at the end of each fiscal quarter; and (iii) require a certain amount of cash to be held in a restricted debt service bank account, which is held as restricted cash in the consolidated balance sheets. To fund the debt service bank account, the Company used $138.3 million of the $150.0 million capital contribution from BNAC.

Note 2 — Summary of Significant Accounting Policies

Significant Judgments and Accounting Estimates

The preparation of these consolidated financial statements in accordance with GAAP for the periods presented requires Company management to make estimates using assumptions and judgments 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: (i) estimates of proved hydrocarbon reserves used in calculating depletion; (ii) estimates of unpaid revenues and unbilled costs; (iii) future cash flows from developed natural gas properties used in impairment assessments; (iv) valuation of commodity derivative instruments; (v) the estimation of asset retirement obligations; (vi) 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; (vii) valuation of minority ownership puttable shares; (viii) valuation of the Company's common stock relative to the grant date fair value of equity-based compensation; (ix) valuation of market-based performance conditions; (x) valuation of contingent consideration associated with certain acquired assets; and (xi) 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.

BKV Corporation

Notes to the Consolidated Financial Statements

Principles of Consolidation

These consolidated financial statements include the accounts of BKV Corp and its wholly owned subsidiaries. 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.

Comprehensive Income (Loss)

The Company did not have any other comprehensive income (loss) for the years ended December 31, 2023, 2022, and 2021. As such, net income (loss) and comprehensive income (loss) are the same for the periods presented.

Acquisitions

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, including, if any, adjustments to provisional amounts recognized during the twelve months following the acquisition, any residual negative goodwill is recorded as a bargain purchase gain in the consolidated statements of operations. Subsequent changes to the fair value of contingent consideration are recorded in the other income (expense) section of the consolidated statements of operations.

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 (expense) section of the consolidated statements of operations.

BKV Corporation

Notes to the Consolidated Financial Statements

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.

Restricted Cash

As of December 31, 2023, restricted cash includes amounts to fund the debt service reserve account, which is equal to the current portion of the Term Loan Credit Agreement plus accrued interest to comply with the Company's financial covenant under the Term Loan Credit Agreement. The following table provides a reconciliation of cash, cash equivalents, and restricted cash to amounts shown in the consolidated statements of cash flows:

	December 31,	
(in thousands)	**2023**	**2022**
Cash and cash equivalents	$ 25,407	$153,128
Restricted cash	139,662	—
Cash, cash equivalents, and restricted cash	$165,069	$153,128

Inventory

Inventories are stated at the lower of cost or net realizable value. The cost of inventories is based upon the average cost method.

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 on the basis of a two-step process in which (i) 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 (ii) 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.

Natural Gas Properties

The Company uses the successful efforts method of accounting for natural gas producing activities. 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 as of December 31, 2023 and 2022. 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, 2023, 2022, and 2021, 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 and undeveloped reserves.

The process of estimating natural gas, NGL, and oil reserves is complex and requires significant subjective decisions in the evaluation of all available geological, engineering, and economic data. These estimates are based on studies performed by the Company's internal engineering function and a third party reserve engineer.

Upon certain triggering events, capitalized costs related to proved gas properties, including wells and related support equipment and facilities, are evaluated for impairment by comparing the associated net capitalized cost to undiscounted future cash flows on a field by field basis. 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. Estimating the fair value of the natural gas properties includes discounting the future net cash flows of the natural gas properties to arrive at a single amount. Significant assumptions included in the discounted cash flow model include natural gas properties reserves, estimated future operating and development cost, expectations of future commodity prices and a market based weighted average cost of capital discount rate. The Company had no impairment of proved properties during the years ended December 31, 2023, 2022, and 2021.

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, 2023, 2022, and 2021, the Company recognized no impairments related to undeveloped natural gas properties.

Midstream Assets

Midstream assets are recorded at historical cost, less depreciation. Hydrocarbon transportation assets (midstream assets) are depreciated using the straight-line method over 25 years for compressor and meter stations, and 40 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 assets. 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 discounted future net operating cash flows related to the assets. There were no impairments recognized during the years ended December 31, 2023, 2022, and 2021.

BKV Corporation

Notes to the Consolidated Financial Statements

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 as either lease operating and workover expense or general and administrative expense.

Realization of the carrying value of other property and equipment is reviewed for possible impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Fair value of other property and equipment is determined using the market approach. 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. There were no material impairments recognized during the years ended December 31, 2023, 2022, and 2021.

Depreciation and amortization expense is included within Depreciation, depletion, and amortization on the consolidated statements of operations. Following is a listing of useful lives for other property and equipment:

	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

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 IPO. If the IPO is abandoned or significantly delayed, the deferred offering costs will be expensed. As of December 31, 2023 and 2022, the Company capitalized $8.9 million and $6.6 million, respectively, of deferred offering costs, which are included within other noncurrent assets on the consolidated balance sheets.

Asset Retirement Obligations

The Company records the estimated 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.

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 and midstream assets.

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.

Leases

The Company recognizes a right-of-use ("ROU") 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, 2023 and 2022, 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.

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 lease 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 uses 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.

Revenue Recognition

The Company recognizes 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 consolidated financial statements. A high percentage of associated 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 Sales

Sales of natural gas, NGLs, and oil are recognized when the Company satisfies a performance obligation by transferring control of its product to its customers. Such sales amounts are 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 with the associated payment that reflects actual volumes and prices received. The data and payment are typically received by the Company within two months of transfer of control to the purchaser. Historically, the difference between estimated and actual sales revenues have not been material. Under the Company's sales contracts, the Company invoices customers after its performance obligations have been satisfied, at which point payment is considered unconditional. Until payment for the performance obligation has occurred, the Company records an accounts receivable on its consolidated balance sheets.

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 two months of control transfer, no significant financing component is included within the contracts.

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 also 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.

For the years ended December 31, 2023, 2022, and 2021, the impact of any natural gas imbalances was not significant.

Midstream Revenues

Non-operated and operated midstream revenues are recognized when services are rendered based on quantities transported and measured according to the underlying contracts. The Company records midstream revenues based on volumes transported at stated contractual rates. The Company estimates its non-operated midstream revenue volumes based on third party data with respect to its proportionate share of non-operated volumes and actual gross volumes for operated midstream revenues. 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.

Marketing Revenues

In conjunction with certain contracts for the sales of natural gas and NGLs, the Company recognizes its 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 NGLs 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.

BKV Corporation

Notes to the Consolidated Financial Statements

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, 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, 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 10 — Revenue from Contracts with Customers* for additional disclosure.

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.

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 and recorded at fair value and included in the consolidated balance sheets. Such fair values are calculated based on the market approach, which uses industry standard models, assumptions, and inputs. These assumptions and inputs are substantially observable in active markets throughout the full term of the instruments and include market price curves, contract terms and prices, credit risk adjustments, implied market volatility, and discount factors. The Company does not hold or issue derivative financial instruments for trading purposes. In addition, the Company has not designated any of its derivative contracts as fair value or cash flow hedges. As such, hedge accounting does not apply and any unsettled net gains and losses, or changes in the fair values of the derivative instruments, are included within derivative gains (losses), net in the consolidated statements of operations. The Company's cash flows are 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.

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 generally limited to the aggregate fair value of the outstanding contracts in an unrealized gain position offset by any collateral posted with the counterparty. The Company's counterparties are primarily with commercial banks and financial service institutions with high credit quality and are subject to master netting agreements; therefore, the risk of nonperformance by the counterparties is low. Accordingly, adjustments for counterparty credit risk are immaterial.

BKV Corporation

Notes to the Consolidated Financial Statements

Accounts Receivable and Allowance for Expected Credit Losses

The Company's receivables consist mainly of trade receivables from contracts with customers from commodity sales. Accounts receivable 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. The majority of these receivables have payment terms of 60 days or less from when control is transferred. The Company also has joint interest billings due from owners on properties the Company operates. 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 not been material to the Company and are expected to remain so in the future assuming no substantial changes to the business or creditworthiness of BKV Corp's business partners.

Fair Value of Financial Instruments

Fair value, as defined by the relevant accounting standards, represents the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date. The Company determines the fair values of its assets and liabilities that are recognized or disclosed at fair value in accordance with the hierarchy described below:

Level 1 — Quoted and unadjusted prices in active markets for identical assets or liabilities.

Level 2 — Observable inputs other than Level 1 prices such as: (i) quoted prices for similar assets or liabilities in active markets; (ii) quoted 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 — Unobservable inputs, including valuations based on pricing models where significant inputs are not observable and not corroborated by market data. Unobservable inputs are 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 under 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 of the assets and liabilities and 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 that subsequent changes in interest rates and exchange rates are not taken into account. The carrying amounts for the Company's financial instruments included in current assets and current liabilities approximates fair value due to the short-term maturities of these instruments. In addition, as of December 31, 2023, the carrying value of the Company's long-term debt approximated the fair value as the applicable interest rates are variable and reflective of current market rates.

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). The Company primarily applies the market and income approach for recurring fair value measurements and endeavor to utilize the best available information.

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. The Company has one identifiable operating segment, which represents the Company's reporting unit where goodwill is tested. 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 of the reporting unit may be impaired. Management determined there were no circumstances indicating the carrying value of goodwill may not be recoverable during the years ended December 31, 2023, 2022, and 2021. Therefore, 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 reporting unit to be greater than the carrying value during the years ended December 31, 2023, 2022, and 2021.

Equity-Based Compensation

The Company recognizes compensation cost related to equity-based awards in its consolidated financial statements on a straight-line basis based on estimated grant date fair value over the applicable vesting or service period. 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 market value of common stock on the grant date, Monte Carlo simulations, and the estimated fair market value of common stock on the grant date coupled with probability assessments relative to the satisfaction of non-market performance conditions.

Forfeitures are estimated and recognized over the applicable vesting or service period and are re-evaluated at the end of each reporting period. The Company's equity-based compensation is discussed further in *Note 12 — Equity-Based Compensation*.

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.

BKV Corporation

Notes to the Consolidated Financial Statements

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 investee's board of directors (the "JV Board"), and participation in the policy-making decisions of equity method investee. 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 earnings from equity affiliate in the consolidated statements of operations.

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.

Net Income (Loss) Per Common Share

Basic net income (loss) per common share for each period is calculated by dividing net income (loss) available to common shareholders by the basic weighted average number of shares outstanding during the period. Diluted net 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 stock method for restricted stock units ("RSUs") and the if-converted method for preferred stock. The Company includes potential shares of common stock for performance-based restricted stock units ("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.

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 generated in, and all assets based in the United States.

Recent Accounting Pronouncements

In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09 *Income Taxes* (Topic 740). This ASU provides further transparency through enhanced disclosure of specific categories around the income tax rate reconciliation, and disaggregation of income taxes paid, income (loss) from continuing operations, and income tax expense (benefit) by federal, state, and foreign jurisdictions, among others. The amendments in this update are effective for annual periods beginning after December 15, 2024, and should be applied prospectively. Management is currently evaluating the impact of this guidance, but does not expect this update to have a material impact on the Company's financial statements.

In November 2023, the FASB issued ASU 2023-07,*Segment Reporting* (Topic 280). This update provides enhanced disclosures of significant segment expenses that are provided to the chief operating decision maker used to assess segment performance and determine how to allocate resources. The amendments in this update are effective for the year ended December 31, 2024 and interim periods beginning January 1,

2025. Management believes that this updated guidance will not have a material impact on the Company's financial statements, as the Company is currently organized, managed, and identified as one operating and reportable segment.

In August 2023, the FASB issued ASU 2023-05 — *Business Combinations — Joint Venture Formations* (Topic 805). This update applies to the formation of entities that meet the definition of a joint venture (or a corporate joint venture) and addresses how a joint venture should recognize contributions received upon its formation, and measure its assets and liabilities at fair value on the date the joint venture is formed. This guidance is effective for joint ventures formed beginning January 1, 2025 with early adoption permitted. This amendment would only impact the Company upon adoption or in the future if the Company entered into a joint venture.

Note 3 — Acquisition

Exxon Barnett Acquisition

On May 18, 2022, the Company entered into an agreement to acquire certain operated and non-operated interests in proved reserves and certain midstream support assets (the "Purchase and Sale Agreement") 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 $619.4 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 6 — Fair Value Measurements* and *Note 16 — Commitments and Contingencies* 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 $570.0 million term loan and the proceeds from the $75.0 million loan from BNAC. Refer to *Note 4 — Debt* and *Note 9 — Related Parties*, respectively, for further information on these loans.

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 in the consolidated statements of operations. 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. As of June 30, 2023, the Company completed the purchase price accounting, including the fair market value assessment of the assets acquired and the liabilities assumed from the Exxon Barnett Acquisition, and no further adjustments to the purchase price have been made. 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 bargain purchase gain of $170.9 million was recognized net of related income tax expense of $50.6 million, and is included as such on the Company's consolidated statements of operations. 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 year ended December 31, 2022, the Company incurred $5.0 million of acquisition costs, which are included within general and administrative expense on the consolidated statements of operations. 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 consolidated statements of operations for the year ended December 31, 2022 and include $225.1 million of total revenue and $130.6 million of income from operations.

BKV Corporation

Notes to the Consolidated Financial Statements

The estimated purchase price consideration and fair value of assets acquired and liabilities assumed are as follows (in thousands):

Cash	$ 619,437
Contingent consideration	17,150
Total consideration	$ 636,587
Assets acquired and liabilities assumed:	
Inventory	$ 150
Natural gas properties – developed	657,935
Midstream assets	260,843
Other property and equipment	8,856
Property taxes	(6,296)
Deferred tax liability	(50,569)
Revenues payable	(16,612)
Asset retirement obligations	(46,867)
Total identifiable net assets	$ 807,440
Bargain purchase gain	$(170,853)

Pro Forma Information. The following pro forma financial information represents a summary of the historical consolidated results of operations for the years ended December 31, 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 is 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 does it 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 4 — Debt* and *Note 9 — 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 year ended December 31, 2021 for transition services provided by the Seller upon acquisition, and a corresponding decrease of general and administrative expenses for the year ended December 31, 2022 for the actual transition service expense incurred by the Company, and (vi) the estimated tax impacts of the pro forma adjustments.

	Year Ended December 31,	
(in thousands)	**2022**	**2021**
Total revenues and other operating income	$1,253,623	$ 820,173
Net income (loss) attributable to BKV Corporation	$ 476,567	$(113,181)

BKV Corporation

Notes to the Consolidated Financial Statements

Note 4 — Debt

The Company's outstanding borrowings consisted of the following:

	December 31,	
(in thousands)	**2023**	**2022**
Credit facilities		
OCBC Credit Facility	$ —	$ 45,000
SCB Credit Facility	31,000	—
Revolving Credit Agreement	96,000	45,000
Term loan		
Current portion of Term Loan Credit Agreement	114,000	114,000
Current portion of unamortized debt issuance costs	(1,627)	(1,999)
Total current debt, net	239,373	202,001
Term Loan Credit Agreement	342,000	456,000
Long-term portion of unamortized debt issuance costs	(2,337)	(3,964)
Total long-term debt, net	339,663	452,036
Total debt, net	$579,036	$654,037

Revolving Credit Facilities

On December 22, 2021, the Company entered into an agreement with respect to a $55.0 million uncommitted credit facility with Oversea-Chinese Banking Corporation Limited (the "Bank"). This agreement provides for a revolving credit facility (the "OCBC Credit Facility") with a limit of $55.0 million. Of the $55.0 million, a maximum of $25.0 million can be used for the issuance of standby letters of credit, and in the absence of outstanding letters of credit, the full $55.0 million is available for cash draw downs. The OCBC Credit Facility is not secured. Advances on the OCBC Credit 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 OCBC Credit Facility must be greater than $1.0 million. Interest on any outstanding advances is payable monthly using the Secured Overnight Financing Rate ("SOFR") plus a credit spread of 0.11% and an interest rate margin of 2.0%. On December 29, 2023, the Company repaid the full $50.0 million of outstanding borrowings on the OCBC Credit Facility, including accrued interest, and concurrently terminated the OCBC Credit Facility.

On March 16, 2022, the Company entered into an agreement with Standard Chartered Bank, which provides term loans and letters of credit (the "SCB Credit Facility") with a limit of $25.0 million. On February 7, 2023, the Company and Standard Chartered Bank agreed to increase the limit of the SCB Credit Facility from $25.0 million to $50.0 million. Of the $50.0 million, $35.0 million is available for cash draw downs, and in the absence of outstanding cash draw downs, the full $50.0 million is available for letters of credit. The SCB Credit Facility 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 and as of December 31, 2023, the variable interest rate was 7.37%. Of the outstanding balance of $31.0 million as of December 31, 2023, $16.0 million is due on June 11, 2024, and $15.0 million is due on June 18, 2024. On March 5, 2024, the Company drew down $4.0 million, which is due on June 3, 2024. As of December 31, 2023, the SCB Credit Facility had outstanding letters of credit amounting to $ 12.2 million, of which $3.5 million was issued on behalf of BKV-BPP Retail, LLC, a related party. See *Note 9 — Related Parties* for further information. The $3.5 million letter of credit issued on behalf of BKV-BPP Retail, LLC expired on January 30, 2024, and was replaced with cash by BKV-BPP Power.

BKV Corporation

Notes to the Consolidated Financial Statements

Revolving Credit Agreement

On August 24, 2022, the Company entered into an agreement with Bangkok Bank Public Company Limited (New York Branch), which provides for a revolving credit facility (the "Revolving Credit Agreement") with a limit of $100.0 million. The Revolving Credit Agreement 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 using SOFR plus a credit spread of 0.10% and an interest rate margin of 4.75%. The interest period is determined by the Company at the time of the advance and as of December 31, 2023, the variable interest rate was 10.21%. Of the outstanding balance of $96.0 million, $19.0 million was paid down on April 10, 2024, including accrued interest, and $35.0 million is due on June 27, 2024 and $27.0 million is due on June 28, 2024. On March 6, 2024, the Company paid down $15.0 million of the $96.0 million, including accrued interest, and on March 19, 2024 and March 20, 2024, the Company drew down $5.0 million per day from the Revolving Credit Agreement, of which $1.0 million was paid down on April 10, 2024. The remaining balance of these draws are both due on June 20, 2024.

In August 2022, the Company paid debt issuance costs of $1.1 million, which was recorded in other current and noncurrent assets in the consolidated balance sheets. As of December 31, 2023 and 2022, $0.8 million and $1.0 million, respectively, remained unamortized.

Term Loan Credit Agreement

On June 16, 2022, the Company entered into an agreement with a syndicate of 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 Loan Credit Agreement"). The term loans under the Term Loan Credit Agreement must be equal to or greater than $5.0 million and amounts repaid by the Company in respect to the term loans may not be re-borrowed under the Term Loan 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 payable semi-annually in June and December using SOFR plus a credit spread of 0.10% and an interest rate margin of 4.75%. As of December 31, 2023, the interest rate of on this outstanding balance was 10.06%. The proceeds of the term loans must be used to finance the Exxon Barnett Acquisition. See *Note 3 — Acquisition.* The Company paid debt issuance costs of $6.6 million, which was recorded in current portion of long-term debt, net and long-term debt, net in the consolidated balance sheets. As of December 31, 2023 $4.0 million remained unamortized.

As of December 31, 2023, the weighted average interest rate on the Company's short-term borrowings of $241.0 million was 9.78%.

The Term Loan Credit Agreement and the Revolving Credit Agreement require the Company to maintain certain financial covenants at the end of each fiscal quarter, including (i) the asset coverage ratio to be no less than 2.00 to 1.00, (ii) the maximum debt service coverage ratio to be no less than 1.05 to 1.00, and (iii) the minimum net indebtedness to equity ratio to be no more than 1.50 to 1.00. The Term Loan Credit Agreement also requires the Company to hold a certain amount of cash held in a restricted debt service bank account equal to the current portion of the Term Loan Credit Agreement plus accrued interest. The Revolving Credit Agreement requires the Company to have an accounts receivable balance from its largest purchaser that exceeds the outstanding balance on the Revolving Credit Agreement. As of December 31, 2023, the Company was in compliance with all covenants of the Term Loan Credit Agreement and the Revolving Credit Agreement.

On December 26, 2023, the lenders under the Revolving Credit Agreement agreed to waive compliance with respect to the minimum marketer receivables covenant for up to $40.0 million of our credit facility borrowings under the Revolving Credit Agreement with total borrowings not to exceed $100.0 million. This waiver is effective through July 31, 2024.

BKV Corporation

Notes to the Consolidated Financial Statements

Note 5 — Natural Gas Properties & Other Property and Equipment

Accumulated depreciation, depletion, and amortization for developed natural gas properties as of December 31, 2023 and 2022 was $560.0 million and $363.8 million, respectively. Depreciation, depletion, and amortization expense for developed natural gas properties for the years ended December 31, 2023, 2022, and 2021 was $196.1 million, $96.5 million, and $78.1 million, respectively.

Midstream assets consisted of the following:

	December 31,	
(in thousands)	**2023**	**2022**
Compressor station	$ 37,280	$ 37,130
Meter station	721	654
Pipelines	280,854	279,325
Total	318,855	317,109
Accumulated depreciation	(19,399)	(11,951)
Midstream assets, net	$299,456	$305,158

Depreciation expense on midstream assets was $7.5 million, $4.5 million, and $1.3 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Other property and equipment consisted of the following:

(in thousands)	December 31,	
	2023	**2022**
Carbon capture, utilization, and sequestration	$ 59,142	$ —
Buildings	15,707	16,788
Furniture, fixtures, equipment, and vehicles	15,101	14,368
Computer software	4,844	4,844
Land	3,090	3,090
Leasehold improvements	1,685	1,627
Construction in process	76	9,845
Total	99,645	50,562
Accumulated depreciation	(15,710)	(10,697)
Other property and equipment, net	$ 83,935	$ 39,865

Depreciation expense for other property and equipment was $5.7 million, $4.4 million, and $2.8 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Note 6 — Fair Value Measurements

As the Company uses the market approach to determine the fair value of its derivative instruments, these fair values are also 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. The Company factors its own non-performance risk into the valuation of derivatives using current published credit default swap rates. As of December 31, 2023 and 2022, the impact of the non-performance risk adjustment to the Company's fair value of commodity derivative liabilities was $1.0 million and $1.7 million, respectively.

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 using Level 3

BKV Corporation

Notes to the Consolidated Financial Statements

valuation techniques. There were no transfers between fair value levels during the years ended December 31, 2023, 2022, and 2021.

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 December 31, 2023		
	Fair Value Measurements Using:		
(in thousands)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets			
Derivative instruments	$ 102,547	$ —	$102,547
Financial liabilities			
Derivative instruments	—	—	—
Contingent consideration	—	29,676	29,676
Mezzanine equity			
Minority ownership puttable shares	—	59,988	59,988
Equity-based compensation	—	126,966	126,966

	As of December 31, 2022		
	Fair Value Measurements Using:		
(in thousands)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets			
Derivative instruments	$ 3,467	$ —	$ 3,467
Financial liabilities			
Derivative instruments	49,484	—	49,484
Contingent consideration	—	88,051	88,051
Mezzanine equity			
Minority ownership puttable shares	—	62,712	62,712
Equity-based compensation	—	89,171	89,171

The contingent consideration was generated from the 2019 acquisition of interest in proved reserves and related upstream assets in the Barnett formation from Devon Energy Corporation (the "Devon Barnett Acquisition") and the Exxon Barnett Acquisition. The fair value of the contingent consideration as of December 31, 2023 and 2022 represents management's best estimate if a third party were paid to assume the contingency. The fair values were determined using Monte Carlo simulations, which use observable (Level 2) inputs based on forecasted monthly Henry Hub Prices and West Texas Intermediate ("WTI") prices, as applicable, and unobservable (Level 3) inputs. The Exxon Barnett Acquisition and Devon Barnett Acquisition contingencies are described further in *Note 16 — Commitments and Contingencies*.

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 initial carrying value and redemption value of the minority ownership puttable shares in mezzanine equity on the consolidated balance sheets as of December 31, 2023 and 2022. 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 13 — Stockholders' Equity and Mezzanine Equity*.

Equity-based compensation is recorded at fair market value on the grant date. The underlying market condition was valued using the application of Monte Carlo simulations using both observable (Level 2) and

BKV Corporation

Notes to the Consolidated Financial Statements

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. As of December 31, 2023 and 2022, the fair market values of the Company's market condition and common stock were used to determine the redemption value or fair market value of equity-based compensation in mezzanine equity on the consolidated balance sheets. Equity-based compensation is further described in *Note 12 — Equity-Based Compensation and Note 13 — Stockholders' Equity and Mezzanine Equity.*

All per share amounts for common stock and equity-based compensation have been retrospectively restated to reflect the effect of the reverse stock split. 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
Market condition equity-based compensation per share, as of December 31, 2022	$ 35.54	Monte Carlo Simulation	Performance period dividends	3.0% equity capital, annually
Common stock – per share value, as of December 31, 2022[1]	$ 29.54	Enterprise value	Discount rate	10.0% – 11.0%
Contingent consideration, as of December 31, 2022	$ 88,051	Monte Carlo Simulation	Risk free rate[2]	4.8%
			Credit spread	4.8%
			Discount rate	9.6%
Common stock – per share value, as of December 31, 2023[1]	$ 28.25	Enterprise value	Discount rate	11.5% – 12.5%
Contingent consideration, as of December 31, 2023	$ 29,676	Monte Carlo Simulation	Risk free rate[2]	5.2%
			Credit spread	4.7%
			Discount rate	9.9%

(1) The Company uses the midpoint of valuation results when estimating the fair value of common stock.

(2) Represents an observable input.

The table below sets forth the changes in the Company's Level 3 fair value measurements:

(in thousands)	2023	2022	2021
Balance, as of January 1,	$239,934	$226,380	$ 54,853
Contingent consideration – additions through acquisitions	—	17,150	—
Contingent consideration – settled	(20,000)	(65,000)	(65,000)
Minority ownership puttable share activity	(2)	78	511
Grant date fair value of equity-based compensation	22,193	30,765	28,990
Change in fair market value *(all instruments)*	(25,495)	30,561	207,026
Balance, as of December 31,	$216,630	$239,934	$226,380

Note 7 — 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 derivative contracts outstanding

BKV Corporation

Notes to the Consolidated Financial Statements

as of December 31, 2023 consisted of commodity swaps, basis swaps, 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 recorded in the consolidated balance sheets:

		As of December 31, 2023		
(in thousands)	Balance Sheet Location	Gross Amounts of Assets and Liabilities	Offset Adjustments	Net Amounts of Assets and Liabilities
Current derivative assets	Commodity derivative assets, current	$ 90,540	$ (6,501)	$ 84,039
Noncurrent derivative assets	Commodity derivative assets	18,615	(107)	18,508
Current derivative liabilities	Commodity derivative liabilities, current	6,501	(6,501)	—
Noncurrent derivative liabilities	Other noncurrent liabilities	107	(107)	—

		As of December 31, 2022		
(in thousands)	Balance Sheet Location	Gross Amounts of Assets and Liabilities	Offset Adjustments	Net Amounts of Assets and Liabilities
Current derivative assets	Commodity derivative assets, current	$ 3,719	$ (1,068)	$ 2,651
Noncurrent derivative assets	Commodity derivative assets	816	—	816
Current derivative liabilities	Commodity derivative liabilities, current	50,552	(1,068)	49,484

Collar, Commodity Swap, and Basis Swap Contracts

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 two different specified delivery points over a specified period. The fair value of open collar, commodity swap, and basis 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.

Derivative Contracts

The following tables set forth the derivative gains (losses), net on the consolidated statements of operations:

	Year Ended December 31,		
(in thousands)	2023	2022	2021
Total gain (loss) on settled derivatives	$ 90,179	$(688,516)	$(268,686)
Total gain (loss) on unsettled derivatives	148,564	58,815	(115,161)
Total gain (loss) on derivatives, net	$238,743	$(629,701)	$(383,847)

Settled derivative gains (losses), net for the year ended December 31, 2023 includes gains of $46.7 million related to the termination of certain natural gas commodity derivative swap contracts prior to their contractual settlement dates. $39.1 million of such gains is attributable to early-terminated natural gas commodity derivative swap contracts covering production during the year ended December 31, 2023. Settled derivative gains (losses), net for the year ended December 31, 2022 includes losses of $158.4 million related to the termination of certain natural gas commodity derivative swap and collar contracts prior to their contractual settlement dates. $1.3 million of such losses is attributable to early-terminated natural gas

commodity derivative swap contracts covering production during the year ended December 31, 2022. Settled derivative gains (losses), net for the year ended December 31, 2021 includes losses of $30.9 million related to the termination of certain natural gas commodity derivative swap and collar contracts prior to their contractual settlement dates. None of these losses is attributable to early-terminated natural gas commodity derivative swap contracts covering production during the year ended December 31, 2021.

As of December 31, 2023 and 2022, $0.3 million and $101.7 million, respectively, of settled derivatives were included in accounts payable and accrued liabilities on the Company's consolidated balance sheets. Of the $101.7 million, $57.0 million related to monetizations.

Volume of Derivative Activities

As of December 31, 2023, 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 Floor	Weighted Average Price Ceiling	Fair Value as of December 31, 2023 (in thousands)
2024					
Swap	99,662,500	$ 3.52			$ 82,071
2025					
Collars	49,275,000		$ 3.73	$ 4.13	$ 16,447

The following table represents natural gas basis derivatives based on the applicable basis reference price listed below:

Instrument	Basis Reference Price	MMBtu	Weighted Average Basis Differential	Fair Value as of December 31, 2023 (in thousands)
2024				
Swap	NGPL TXOK Basis	21,400,000	$ (0.54)	$ (5,059)
Swap	Transco Leidy Basis	32,940,000	$ (0.89)	$ (795)

The following table represents natural gas liquids commodity derivatives for contracts, by contract type, expiring throughout the years ending December 31, 2024 and 2025 based on the applicable index listed below:

Instrument	Commodity Reference Price	Gallons	Weighted Average Price (USD)	Fair Value as of December 31, 2023 (in thousands)
2024				
Swap	OPIS Purity Ethane Mont Belvieu	115,290,000	$0.25	$ 5,346
Swap	OPIS IsoButane Mont Belvieu Non-TET	7,686,000	$0.88	$ (468)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	11,529,000	$0.87	$ (149)
Swap	OPIS Pentane Mont Belvieu Non-TET	19,215,000	$1.48	$ 1,163
Swap	OPIS Propane Mont Belvieu Non-TET	23,058,000	$0.77	$ 1,930

BKV Corporation

Notes to the Consolidated Financial Statements

Instrument	Commodity Reference Price	Gallons	Weighted Average Price (USD)	Fair Value as of December 31, 2023 (in thousands)
2025				
Swap	OPIS Purity Ethane Mont Belvieu	53,655,000	$0.27	$ 908
Swap	OPIS IsoButane Mont Belvieu Non-TET	3,832,500	$0.84	$ (74)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	5,748,750	$0.82	$ (34)
Swap	OPIS Pentane Mont Belvieu Non-TET	7,665,000	$1.37	$ 203
Swap	OPIS Propane Mont Belvieu Non-TET	19,162,500	$0.73	$ 1,058

Subsequent Activity

On January 12, 2024, the Company terminated certain outstanding natural gas commodity derivative contracts indexed to NYMEX Henry Hub pricing and received a one-time cash settlement totaling $13.3 million. The following table represents a summary of such terminated contracts.

Instrument	MMBtu	Weighted Average Price (USD)	Weighted Average Price Floor	Weighted Average Price Ceiling	Settlement Value (in thousands)
2024					
Swap	12,000,000	$ 3.52			$ 8,350
2025					
Collars	34,770,000		$ 3.74	$ 4.14	$ 4,900

On January 29, 2024, the Company entered into an agreement to sell a call option and subsequently received a net premium of $23.5 million for contracts that settle in 2026 and 2027. The call option has an established ceiling price. If at the time of settlement the contracted settlement price exceeds the ceiling price, the Company pays the counterparty an amount equal to the difference between the contracted settlement price and the ceiling price multiplied by the contract volumes. Below is a summary of the call option position.

Instrument	Index	Daily Volume	Weighted Average Price Ceiling
2026			
Collars	NYMEX Henry Hub	100,000	$ 5.00
2027			
Collars	NYMEX Henry Hub	100,000	$ 5.00

Note 8 — 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. As of December 31, 2023 and 2022, the liability has been accreted to its present value and during the years ended December 31, 2023, 2022, and 2021, accretion expense of $13.2 million, $12.8 million, and $10.0 million, respectively, was recognized and included in depreciation, amortization, depletion, and accretion in the consolidated statements of operations.

BKV Corporation

Notes to the Consolidated Financial Statements

The following table summarizes the activities of the Company's asset retirement obligations:

(in thousands)	2023	2022	2021
Balance, as of January 1,	$182,300	$158,968	$148,826
Additions through business combination	640	46,867	—
Liabilities incurred	89	303	923
Liabilities settled	(759)	(156)	(811)
Revision of estimates	—	(36,516)	—
Accretion of discount	13,206	12,834	10,030
Balance, as of December 31,	195,476	182,300	158,968
Less current portion	(2,271)	(1,165)	—
Asset retirement obligations, long-term	$193,205	$181,135	$158,968

Note 9 — Related Parties

During 2020, the Company entered into a note payable with its majority shareholder BNAC which allowed for a single drawdown in the amount of $10.0 million. On July 1, 2020, BKV Corp drew down $10.0 million with interest at 5.30%. During the year ended December 31, 2021, the Company recorded interest expense on this loan of $0.1 million in the consolidated statements of operations. The full balance of the loan 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 BNAC. Interest on the outstanding principal was 5.25% plus six-month LIBOR. During the year ended December 31, 2021, the Company paid down the outstanding balance of $19.0 million on this loan, and recorded interest expense of $0.2 million in the consolidated statements of operations.

On October 14, 2021, the Company entered into a loan agreement with its majority shareholder, BNAC and borrowed $116.0 million thereunder. Interest on the outstanding principal was SOFR plus an interest rate margin of 5.25% and 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. During the years ended December 31, 2022 and 2021, the Company recognized interest expense of $5.5 million and $1.4 million, respectively.

On November 8, 2021, the Company entered into a loan agreement with BNAC and borrowed $50.0 million thereunder. Interest on the outstanding principal was LIBOR plus an interest rate margin of 5.25%. On June 1, 2022, the Company repaid the principal plus related interest, and terminated this loan agreement. During the years ended December 31, 2022 and 2021, the Company recognized interest expense of $0.9 million and $0.4 million, respectively.

On December 23, 2021, the Company entered into a loan agreement with Temple Generation I LLC (the "Power Plant"), a wholly owned subsidiary of BKV-BPP Power, LLC (see *Note 14 — Equity Method Investment* for further discussion on BKV-BPP Power, LLC). This loan agreement was subsequently amended on December 1, 2022 to allow the Power Plant to borrow up to $10.0 million from the Company ("Power Plant Loan"). Interest on the outstanding principal is at six-month SOFR plus an interest rate margin of 4.75%. On June 13, 2023 and June 20, 2023, BKV-BPP Power, LLC drew down $3.0 million and $5.0 million, respectively. On July 10, 2023, BKV-BPP Power, LLC repaid the $8.0 million, including accrued interest. During the year ended December 31, 2023, the Company recognized interest income on the Power Plant Loan of an immaterial amount, and during the years ended December 31, 2022 and 2021, recognized zero interest income on the Power Plant Loan. The Power Plant Loan expired on November 30, 2023 and was not renewed.

On March 10, 2022, the Company entered into a loan agreement (the "$75 Million Loan Agreement") with BNAC and borrowed $75.0 million thereunder. On June 15, 2022, the Company entered into a

subordination agreement with BNAC whereby the $75.0 million is subordinate to the term loans under the Company's Term Loan Credit Agreement, further discussed in *Note 4 — Debt*. Interest on the outstanding principal is SOFR plus an interest rate margin of 5.25%, and as of December 31, 2023, the interest rate was 10.41%. The principal balance of $75.0 million is due on December 31, 2027, including any unpaid interest. Financial covenants under the $75 Million Loan Agreement are consistent with those of the Term Loan Credit Agreement as discussed in *Note 4 — Debt.* As of December 31, 2023 and 2022, interest payable under the $75 Million Loan Agreement was $11.4 million and $4.3 million, respectively. For the years ended December 31, 2023 and 2022, interest expense recognized on the $75 Million Loan Agreement was $7.1 million and $ 4.3 million, respectively.

As of December 31, 2023 and 2022, the Company had payables of $0.9 million and $5.2 million, respectively, to BNAC for current tax expense included in income taxes payable to related party on the consolidated balance sheets. During these periods, these amounts due to BNAC are related to reimbursements for income tax related items. Separately, as of December 31, 2023 and 2022, the Company had a receivable from BNAC of $0.1 million and $0.2 million, respectively, related to shared general and administrative expenses.

As of December 31, 2023 and 2022, the Company had accounts receivable from BKV-BPP Power, LLC of $0.4 million and $0.2 million, respectively. These receivable balances are related to reimbursement for certain expenses paid on behalf of BKV-BPP Power, LLC and amounts receivable under an Administration Services Agreement ("ASA") between the Company and BKV-BPP Power, LLC. See *Note 14 — Equity Method Investment* for further discussion of the ASA and the Company's equity method investments. During the years ended December 31, 2023, 2022, and 2021, the Company recognized $3.6 million, $2.7 million and $0.2 million, respectively, of income related to the services provided under the ASA, which is included in related party and other on the consolidated statements of operations.

On February 17, 2023, the Company issued a letter of credit from the SCB Credit Facility on behalf of BKV-BPP Retail LLC in the amount of $3.5 million. See *Note 4 — Debt* for further information on this credit facility. BKV-BPP Retail, LLC is a wholly owned subsidiary of BKV-BPP Power, LLC, and related party to the Company.

The Company's ultimate parent company, Banpu Public Company Limited, is also the ultimate parent of Banpu Power US Corporation ("BPP US"), the Company's partner in a joint venture which is discussed further in *Note 14 — Equity Method Investment*. As of December 31, 2023, the Company did not have any accounts receivable from BPP US and as of December 31, 2022, the accounts receivable from BPP US was a negligible amount.

Note 10 — Revenue from Contracts with Customers

All of the Company's revenues are generated in the states of Pennsylvania and Texas. Revenues consist of the following:

	Year Ended December 31, 2023		
(in thousands)	**Pennsylvania**	**Texas**	**Total**
Natural gas	$ 57,678	$452,168	$509,846
NGLs	—	187,860	187,860
Oil	—	8,445	8,445
Total natural gas, NGL, and oil sales	$ 57,678	$648,473	$706,151
Marketing revenues	—	8,710	8,710
Midstream revenues	4,635	11,533	16,168
Related party and other	—	8,251	8,251
Total	$ 62,313	$676,967	$739,280

BKV Corporation

Notes to the Consolidated Financial Statements

	Year Ended December 31, 2022		
(in thousands)	**Pennsylvania**	**Texas**	**Total**
Natural gas	$ 246,200	$1,064,139	$1,310,339
NGLs	—	311,542	311,542
Oil	—	11,866	11,866
Total natural gas, NGL, and oil sales	$ 246,200	$1,387,547	$1,633,747
Marketing revenues	—	11,001	11,001
Midstream revenues	5,845	6,831	12,676
Related party and other	—	2,799	2,799
Total	$ 252,045	$1,408,178	$1,660,223

	Year Ended December 31, 2021		
(in thousands)	**Pennsylvania**	**Texas**	**Total**
Natural gas	$ 131,207	$465,843	$597,050
NGLs	—	225,135	225,135
Oil	—	7,560	7,560
Total natural gas, NGL, and oil sales	$ 131,207	$698,538	$829,745
Marketing revenues	—	52,616	52,616
Midstream revenues	6,917	—	6,917
Related party and other	—	251	251
Total	$ 138,124	$751,405	$889,529

As of December 31, 2023 and 2022, the Company's receivables from contracts with customers were $32.8 million and $114.7 million, respectively.

Note 11 — Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities included in current liabilities consists of the following:

	December 31,	
(in thousands)	**2023**	**2022**
Accounts payable	$ 47,504	$ 74,957
Commodity derivative settlements payable	347	44,754
Commodity derivative monetizations payable	—	56,972
Oil and gas production and other taxes payable	48,857	37,530
Revenues payable	21,765	28,976
Other accrued liabilities	30,700	29,286
Total	$149,173	$272,475

Note 12 — Equity-Based Compensation

On January 1, 2021, the BKV Corporation 2021 Long-Term Incentive Plan (the "Plan") was established (the "Initial Incentive Award Date") 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 RSUs. Each RSU represents the contingent right to receive one share of common stock of the Company. As of December 31, 2023, the maximum number of RSUs authorized to be awarded under the Plan was 7,470,588. 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 in accordance with the FASB's Accounting Standards Codification ("ASC") 718 — *Compensation-Stock Compensation* ("ASC 718") 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 because all grant date criteria had been satisfied and compensation expense and forfeitures were accounted for accordingly. Under ASC 718, as of December 31, 2023, 7,724,499 were considered to have been granted under the Plan since the Plan's inception when taking into consideration performance RSUs at the maximum performance level and time-based RSUs anticipated to be legally granted in the three years following the Initial Incentive Award Date. As of December 31, 2023, of the awards considered granted under ASC 718, since the Initial Incentive Award Date of the Plan, 790,743 RSUs were not considered legally granted.

RSUs are granted in the form of PRSUs and time-based restricted stock units ("TRSUs"). 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 181 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. 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, during the year ended December 31, 2021, the Company incurred $26.7 million of equity-based compensation expense, which is included within the consolidated statements 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 RSUs for a minimum of 181 days (the "Holding Period") prior to having the ability to exercise the Plan Put Right. The Plan 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 consolidated balance sheets as of the date of Plan Amendment. The fair market value of the RSUs prior to the modification was $25.3 million. On the date of the Plan Amendment, 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 13 — Stockholders' Equity and Mezzanine Equity* for additional discussion of the Company's treatment of equity-based compensation within mezzanine equity.

The Plan 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 could be opened twice per year, and the Sell Fund remained in effect until December 31, 2023. During the year ended December 31, 2021, the Company repurchased 4,974 shares at $22.12 per share for a total of $0.1 million. There were no Sell Fund windows opened during the years ended December 31, 2023 or 2022.

Performance-Based Restricted Stock Units

During the year ended December 31, 2023, the Company did not grant any PRSUs under the Plan. Since inception of the Plan, the PRSUs granted took into consideration performance units at the maximum performance levels, or 200%. PRSUs cliff vest and were subject to a vesting or performance period beginning January 1, 2021 and ending on December 31, 2023 (the "Performance Period"). The table below summarizes the PRSU activity for the year ended December 31, 2023, taking into consideration vesting and forfeitures at actual performance levels during this period:

(in thousands, except per share amounts)	Shares	Weighted-Average Grant Date Fair Value
Unvested PRSUs as of January 1, 2023	5,910	$ 22.20
Adjustment[(1)]	(1,673)	$ 19.02
Forfeited	(270)	$ 21.80
Unvested PRSUs as of December 31, 2023	3,967	$ 19.02

(1) The PRSUs were adjusted to reflect the actual performance level at the time the PRSUs vested compared to the PRSUs granted and forfeited since inception, which took into consideration the maximum performance levels, or 200%.

PRSUs were eligible to be earned based on three performance conditions: (i) Annualized Total Shareholder Return ("TSR") of fully diluted common stock during the performance period weighted at 60%, (ii) Return on Capital Employed ("ROCE") based on the average annual performance over the Performance Period weighted at 20%, and (iii) 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 weighted at 20%. As of December 31, 2023, or the Performance Period, the Company achieved its goals as follows: TSR met its threshold at 136%, ROCE met its threshold at 131%, and IPO readiness met its threshold at 200%. In February 2024, the Plan's committee approved the Company's goals and the PRSUs outstanding as of December 31, 2023 vested.

The TSR component of the awards is a market-based condition. To calculate the grant date fair value of the TSR component of the vested awards, the Company utilized the Monte Carlo Simulation pricing model, which calculated multiple potential outcomes to establish the grant date fair value based on the most likely outcome. The weighted average grant date fair value of the TSR component of the PRSU awards vested during the year ended December 31, 2023 was $16.38.

ROCE and IPO readiness are considered to be non-market performance conditions. The grant date fair value of the PRSUs vested during the year ended December 31, 2023 took 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 respective modification date or grant 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 vested during the year ended December 31, 2023 was $22.26.

After the modification of terms, during the year ended December 31, 2021, equity-based compensation expense related to the PRSUs was $3.1 million. During the years ended December 31, 2023 and 2022, equity-based compensation expense was $22.2 million and $27.3 million, respectively. These costs are included in general and administrative expenses in the consolidated statements of operations.

BKV Corporation

Notes to the Consolidated Financial Statements

Time-Based Restricted Stock Units

During the year ended December 31, 2023, the Company did not grant any TRSUs under the Plan. As of December 31, 2023, of the awards considered granted under ASC 718 since the inception of the Plan, 790,743 TRSUs were not considered legally granted. 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 of Director 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 IPO 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, 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, 2023:

(in thousands, except per share amounts)	Shares	Weighted-Average Grant Date Fair Value
Unvested TRSUs as of January 1, 2023	1,034	$ 22.32
Vested[(1)]	(235)	$ 22.24
Forfeited	(72)	$ 22.12
Unvested TRSUs as of December 31, 2023	727	$ 22.37

(1) For the year ended December 31, 2023, the total fair value of the shares vested was $26.30.

As of December 31, 2023, there was $13.3 million of unrecognized compensation expense related to the TRSU awards, which will be amortized over a weighted average period of 3.7 years.

After the modification of terms, during the year ended December 31, 2021, equity-based compensation expense related to the TRSUs was $0.5 million. During the years ended December 31, 2023 and 2022 equity-based compensation expense was $3.6 million and $4.6 million, respectively. These costs are included in general and administrative expenses in the consolidated statements of operations.

Tax Impact

For the years ended December 31, 2023, 2022, and 2021, the Company recognized $4.2 million, $6.4 million and $6.6 million, respectively, of tax benefit related to equity-based compensation.

Note 13 — Stockholders' Equity and Mezzanine Equity

Reverse Stock Split

On October 30, 2023, the Company completed a one-for-two reverse stock split. As a result of the reverse stock split, every two shares of outstanding common stock were combined and now represent one share of common stock and fractional shares were paid out in cash to the common stockholders, which amounted to an immaterial amount. No fractional shares were issued in connection with the reverse stock split.

Following the reverse stock split, the Company's authorized capital stock consists of 300,000,000 shares of common stock, $0.01 par value per share, of which 66,275,866 shares are issued and outstanding, and 80,000,000 shares of preferred stock, $0.01 par value per share, of which no shares are issued and

outstanding. All shares of common stock issuable upon exercise of equity awards, as well as the applicable exercisable prices and weighted average fair value of such equity awards, and per share amounts contained throughout these consolidated financial statements have been retroactively adjusted for all past and current periods presented. On an as-adjusted basis to give effect to the reverse stock split, the number of shares of common stock issued and outstanding as of December 31, 2023 and 2022 was 66,275,866 and 58,662,898, respectively.

Common Shares Issued and Outstanding

As of December 31, 2023 and 2022, the Company had 66,275,866 and 58,662,898, respectively, of common shares issued and outstanding. 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 years ended December 31, 2023 and 2022.

During the year ended December 31, 2021, the Company declared, and paid to the common stockholders, a cash dividend of $1.50 per share of common stock outstanding for a total of $88.1 million. There were no cash dividends declared or paid during the years ended December 31, 2023 and 2022.

Minority Ownership Puttable Shares — Mezzanine Equity

Of the 47,350,000 shares issued on May 1, 2020, 1,114,385 shares were issued to certain non-controlling management shareholders of BKV as a part of a series of acquisitions, including the corporate restructuring of BKV Corp, and 1,000,000 shares were issued as part of the merger with Kalnin Ventures LLC (collectively, the "Management Shares"). As of December 31, 2023 and 2022, there were 1,976,689 of these minority shares outstanding. The Management Shares 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 $20.00 per share or the fair market value per share, depending on the type and timing of the triggering event. In addition, BKV may call and repurchase the Management Shares upon the occurrence of certain events stipulated in the Stockholders' Agreement at either $20.00 per share or the fair market 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 IPO by the Company. Since the shares are not mandatorily redeemable, but can become redeemable at the option of the holder, the fair market value of the Management Shares upon issuance was recognized within mezzanine equity. As of December 31, 2023 and 2022, 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 market value, in mezzanine equity on the consolidated balance sheets. During the years ended December 31, 2023, 2022, and 2021, the Company recognized adjustments of $2.5 million, $11.9 million, and $6.9 million, respectively, to the carrying value of the Management Shares to adjust to redemption value.

During the year ended December 31, 2021, certain shares were redeemed (see*Treasury Stock* section for share counts and redemption prices) causing the specific redeemed shares to no longer retain the previously mentioned rights. Accordingly, upon redemption the redeemed shares and associated carrying values were reclassified to permanent equity. No Management Shares were redeemed during the years ended December 31, 2023 and 2022.

Employee Stock Purchase Plan — Mezzanine Equity

The Company's Employee Stock Purchase Plan (the "ESPP") was adopted on November 1, 2021 and reserves 3,735,294 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 Stockholders' Agreement. The ESPP allows for certain eligible non-employees and members of the Board of Directors to purchase shares under the ESPP in addition to eligible employees of the Company. During the years ended December 31, 2022 and 2021, the Company issued 2,563 and 143,605 shares of common stock, respectively, under the ESPP. There were no shares issued under the ESPP during the year ended December 31,

2023. 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 Directors, the fair market value of the shares of common stock sold under the ESPP is recognized within mezzanine equity upon issuance. 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 years ended December 31, 2023, 2022, and 2021, the Company recognized an adjustment of $0.2 million, $0.9 million, and $0.1 million, respectively, to the carrying value of the ESPP shares.

Equity-Based Compensation — Mezzanine Equity

As discussed in *Note 12 — Equity-Based Compensation,* the Plan includes the Plan Put Right. Accordingly, management has determined it is probable the shares issued in settlement of the RSUs upon vesting will become redeemable and has elected to carry the shares at redemption value which equals fair market value. During the years ended December 31, 2023, 2022, and 2021, the Company recognized an adjustment to the pro-rata portion of the RSUs which have vested in the amounts of $15.6 million, $24.4 million, and $5.0 million, respectively. The maturities related to the redemption feature are in accordance with the vesting terms discussed in *Note 12 — Equity-Based Compensation*, taking into account the three year and 181 day holding periods. During the years ended December 31, 2023, 2022, and 2021, the Company issued 133,622, 109,339, and 58,173, respectively, shares of common stock in settlement of vested incentive awards. As of December 31, 2023 and 2022, the Company has 301,134 and 167,512, respectively, shares of common stock issued in settlement of vested incentive awards outstanding, which are included in equity-based compensation within mezzanine equity on the consolidated balance sheets of the Company at redemption value of $7.9 million and $4.9 million, respectively.

Preferred Shares — Mezzanine Equity

On December 15, 2020, the Company authorized 80,000,000 shares of preferred stock at $10.00 par value. Of the shares of preferred stock authorized, 9,900,000 shares were designated as par Series A Cumulative Redeemable Preferred Stock (“Series A”) and these designated shares were issued during 2020 in a private exchange for $99.0 million. Cost associated with the issuance was $4.1 million. In conjunction with the issuance of the Series A shares, 100,000 shares of common stock were issued.

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 a 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. Management has determined it is probable the Company will exercise its 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. For the year ended December 31, 2021, the Company recognized $3.7 million in accretion of preferred stock to redemption value within mezzanine equity on the consolidated balance sheets.

BKV Corporation

Notes to the Consolidated Financial Statements

During April 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 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 statements of stockholders' equity and mezzanine 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 that 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 $22.6 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 statements of stockholders' equity and mezzanine equity for the year ended December 31, 2021. As of December 31, 2023 and 2022, there were no outstanding shares of preferred stock.

Treasury Stock

On October 18, 2021 the Company purchased 50,000 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 $22.12 per share.

As discussed in *Note 12 — Equity-Based Compensation*, on December 31, 2021, the Company purchased 4,974 shares of its common stock for $0.1 million at a price of $22.12 per share.

During February, April, and December of 2021, the Company purchased a total of 137,696 shares of common stock from non-controlling management shareholders for $2.8 million at a price of $20.00 per share.

During the year ended December 31, 2022, the Company purchased 110 shares of its common stock for an immaterial amount at a price of $33.58 per share.

Note 14 — 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 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 additional $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. Of the total $282.0 million term loans provided by affiliates, $15.0 million was for the purposes of working capital. Both term loans mature on November 1, 2026.

In December 2021, the Company entered into the ASA with the Joint Venture, in which the Company provides certain services as required by the ASA, on an annual basis with options to extend. During the years

BKV Corporation

Notes to the Consolidated Financial Statements

ended December 31, 2023, 2022, and 2021, the Company recognized revenues of $3.6 million, $2.7 million, and $0.2 million, respectively, related to the services provided under the ASA, which is included in related party and other on the consolidated statements of operations.

On July 10, 2023, the Joint Venture acquired CXA Temple 2, LLC, the owner of 100% of the interests in Temple II, a combined cycle gas turbine and steam turbine power plant located on the same site as Temple I in the Electric Reliability Council of Texas North Zone in Temple, Texas for an aggregate purchase price of $460.0 million. Temple I and Temple II deliver power to customers on the ERCOT power network in Texas.

The Joint Venture is independently operated and jointly owned 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 is not 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 JV Board, 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 $88.5 million, which represents the Company's maximum exposure to loss from the investment.

During the years ended December 31, 2023, 2022, and 2021, the Company recognized, based on its 50% ownership interest in the Joint Venture, earnings of $16.9 million, $8.5 million, and $0.9 million, respectively.

On September 27, 2023, the JV Board authorized a dividend to the Company of $10.0 million, which was then paid on October 17, 2023.

The table below sets forth a reconciliation of BKV Corp's investment in the Joint Venture:

Reconciliation of Equity Method Investment (in thousands)	
Balance as of December 31, 2021	$ 89,320
Equity in earnings of Joint Venture	8,493
Direct transaction costs	72
Balance as of December 31, 2022	97,885
Equity in earnings of Joint Venture	16,865
Dividends from Joint Venture	(10,000)
Balance as of December 31, 2023	$104,750

The tables below set forth the summarized financial information of the Joint Venture based on audited numbers:

Balance Sheet (in thousands)	**As of December 31,**	
	2023[1]	**2022[2]**
Current assets	$ 142,672	$ 45,341
Noncurrent assets	880,097	434,455
Total assets	$1,022,769	$479,796
Current liabilities	$ 122,334	$287,432
Noncurrent liabilities	694,203	—
Total liabilities	816,537	287,432
Members' equity	206,232	192,364
Total liabilities and members' equity	$1,022,769	$479,796

BKV Corporation

Notes to the Consolidated Financial Statements

(1) Amounts are based on the Joint Venture's audited financial statements.

(2) Amounts are based on the Joint Venture's audited financial statements, which differ from the Company's 2022 audited financial statements. This is due to the timing of the Company's financial statements being issued prior to the Joint Venture's audit.

Income Statement (in thousands)	Year Ended December 31, 2023[1]	2022[2]	2021[2]
Total revenues, net	$326,604	$294,736	$23,918
Operating expenses	243,075	255,230	23,140
Income from operations	83,529	39,506	778
Interest expense	(50,524)	(19,662)	(2,599)
Other income	863	377	—
Net income (loss)	$ 33,868	$ 20,221	$ (1,821)

(1) Amounts are based on the Joint Venture's audited financial statements.

(2) Amounts are based on the Joint Venture's audited financial statements, which differ from the Company's 2022 audited financial statements. These differences and their impacts on the Company's earnings in equity affiliate were trued-up and recognized in the following period.

Note 15 — Credit and Other Risk

Each of the derivative contracts entered into by the Company with counterparties is subject to the terms of an International Swap Dealers Association master agreement ("Master Agreement"). On August 4, 2022, the Company entered into a third amendment to a Master Agreement with a certain counterparty (the "Counterparty"), which 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 4 — 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. On September 9, 2022, the Company terminated derivative contracts for $100.2 million with the Counterparty to satisfy this requirement. In connection with such termination, the Company made cash payments to the Counterparty of $100.2 million, all of which was paid by the end of 2022. The fair market value of derivative contracts as of December 31, 2022 under the Counterparty's Master Agreement was $35.3 million, which was included in current commodity derivative liabilities on the Company's consolidated balance sheets.

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's financial condition and results of operations.

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. As of December 31, 2023 and 2022, one purchaser accounted for more than 10% of accounts receivables, and for the years ended December 31, 2023, 2022, and 2021, the same purchaser's revenues were $476.5 million, $1.1 billion, and $550.9 million, respectively, of the Company's revenues. Another purchaser's revenues, that also accounted for more than 10% of the Company's revenues during the years ended December 31, 2023, 2022, and 2021,amounted to $170.6 million, $282.3 million, and $199.5 million, respectively. The Company does not believe that the loss of these customers would have a material adverse effect on the consolidated financial statements because alternative customers are readily available.

Note 16 — 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, for the periods presented in the consolidated financial statements, 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 was recognized as a gain on settlement of litigation in the consolidated statements of operations for the year ended December 31, 2022.

The Company has volume commitments in the form of gathering, processing, and transportation agreements with various third parties that require delivery of 769,250,996 dekatherms of natural gas. The majority of the agreements terminate by 2029, with one agreement extending through 2036. As of December 31, 2023, the aggregate undiscounted future payments required under these contracts total $208.9 million. The Company expects to fulfill the commitments from existing productive wells.

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 years ended December 31, 2023 and 2022, there were no changes to the estimated value of $5.7 million of liabilities previously reported in the consolidated balance sheet.

As a part of the consideration paid for the Devon Barnett Acquisition, additional cash consideration will be required to be paid by the Company if certain thresholds are met for average Henry Hub natural gas and WTI crude oil prices for each of the calendar years during the period beginning January 2021 through December 31, 2024 (the "Devon Barnett Earnout"). Average Henry Hub payouts and threshold are as follows: $2.75/MMBtu $20.0 million, $3.00/MMBtu $25.0 million, $3.25/MMBtu $35.0 million, and $3.50/MMBtu $45.0 million; average WTI payouts and thresholds are as follows for these periods: $50.00/Bbl $10.0 million, $55.00/Bbl $12.5 million, $60.00/Bbl $15.0 million, and $65.00/Bbl $20.0 million. The maximum remaining amount payable under the arrangement is $130.0 million, or $65.0 million per year for the years ending December 31, 2023 through 2024. Payments are due in the month following the end of the respective measurement period for which the hurdle rates are set. During the year ended December 31, 2023, the

BKV Corporation

Notes to the Consolidated Financial Statements

Company paid the 2022 portion of the arrangement of $65.0 million on January 13, 2023. As of December 31, 2023, the 2023 portion of the arrangement is considered to be settled resulting in a settlement of $20.0 million, which is reflected as contingent consideration payable within current liabilities on the consolidated balance sheets, and was paid on January 12, 2024. As described in *Note 6 — Fair Value Measurements*, management uses NYMEX forward pricing estimates for both Henry Hub and WTI hurdle rates and Monte Carlo simulations to determine the fair value of the contingent consideration. As of December 31, 2023 and 2022, the Company's estimate of the fair value of the unsettled contingent consideration was $47.5 million and $72.5 million, respectively. The change in the fair value of the contingent consideration, considering the settlements of $20.0 million and $65.0 million for years ended December 31, 2023 and 2022 was a gain of $25.0 million and a gain of $5.0 million, respectively. For the year ended December 31, 2021, the change in the fair value of the contingent consideration was a loss of $194.9 million. These changes in the fair value during these periods impacted the associated liability on the consolidated balance sheets and recognition of the gain or loss was recognized in the gains (losses) on contingent consideration liabilities on the consolidated statements of operations.

In conjunction with the Exxon Barnett Acquisition (see *Note 3 — Acquisition*), additional cash consideration will be required to be paid by the Company if certain thresholds for future Henry Hub natural gas prices are met for the years ended December 31, 2023 and 2024. Payouts and thresholds were 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, which resulted in a zero payment on the 2023 portion of the arrangement. 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 by January 31 of the calendar year following the applicable threshold measurement periods. The fair value of the contingent consideration as of December 31, 2023 and 2022 was $2.2 million and $15.6 million, respectively. The change in the fair value of the contingent consideration for the years ended December 31, 2023 and 2022 was a gain of $13.4 million and $1.6 million, respectively. These changes in the fair value during these periods impacted the associated liability on the consolidated balance sheets and recognition of the gain or loss was recognized in the gains (losses) on contingent consideration liabilities on the consolidated statements of operations. Refer to *Note 6 — 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 was required to make fixed quarterly payments to Verde CO2 of $2.0 million. Payments began in August 2022 and on November 20, 2023, the Company and Verde CO2 terminated the management services agreement. Upon termination of this agreement, the Company is no longer required to make its quarterly payments to Verde CO2. Through December 31, 2023, the Company paid Verde CO2 $26.0 million.

A summary of the Company's commitments, excluding contingent consideration, as of December 31, 2023, is provided in the following table:

(in thousands)	2024	2025	2026	2027	2028	Thereafter	Total
Term loan payments	$114,000	$114,000	$114,000	$114,000	$ —	$ —	$456,000
Credit facilities	127,000	—	—	—	—	—	127,000
Interest payable	1,117	—	—	—	—	—	1,117
Notes payable to related party	—	—	—	75,000	—	—	75,000
Interest on related party notes	11,394	—	—	—	—	—	11,394
Operating lease payments	1,104	1,082	961	908	924	4,608	9,587
Volume commitments	53,542	33,214	31,376	23,477	17,704	49,566	208,879
Total	$308,157	$148,296	$146,337	$213,385	$18,628	$ 54,174	$888,977

BKV Corporation

Notes to the Consolidated Financial Statements

Note 17 — Income Taxes

The Company's income tax (expense) benefit consisted of the following:

Tax (Expense) Benefit

	Year ended December 31,		
(in thousands)	**2023**	**2022**	**2021**
Current tax (expense) benefit			
United States federal income tax	$ —	$ 30,165	$(29,051)
Various state income taxes	4,169	(3,752)	(3,176)
Total current income tax (expense) benefit	4,169	26,413	(32,227)
Deferred tax (expense) benefit			
United States federal income tax	(29,569)	(86,772)	66,362
Various state taxes	(2,825)	(2,293)	6,391
Total deferred income tax (expense) benefit	(32,394)	(89,065)	72,753
Income tax (expense) benefit	$(28,225)	$(62,652)	$ 40,526

The following table reconciles the provision for income taxes using the federal statutory rate to the Company's effective tax rate:

Reconciliation of the Effective Tax Rate

	Year ended December 31,		
(in thousands)	**2023**	**2022**	**2021**
Income (loss) before income taxes	$145,143	$472,794	$(174,989)
Federal statutory rate	21.0%	21.0%	21.0%
Income tax (provision) benefit based on statutory rate	$ (30,480)	$ (99,287)	$ 36,748
(Increase) decrease in income taxes resulting from:			
State tax (expense) benefit, net of federal benefit	(4,002)	(9,948)	4,114
Change in state tax rate, net of federal effect	1,177	3,005	(227)
Deferred tax activity	—	—	520
Bargain purchase gain	—	38,139	—
Marginal well credit	94	6,417	—
Payable true-up	4,067	—	—
Other, including tax credits	919	(978)	(629)
Income tax (expense) benefit	$ (28,225)	$ (62,652)	$ 40,526

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

Recognized Deferred Income Tax Assets and Liabilities

	As of December 31,	
(in thousands)	**2023**	**2022**
Deferred tax assets		
Fair value of derivative financial instruments	$ —	$ 49,869
Asset retirement obligations	43,578	41,315
Equity-based compensation	17,220	13,002
Contingent consideration	12,338	36,203
Interest expense carryforward	21,769	4,959
Net operating loss carryforward	27,583	4,231
Other[(1)]	10,387	6,345
Total deferred tax asset	$ 132,875	$ 155,924
Deferred tax liabilities		
Property and equipment	$(206,576)	$(211,892)
Investment in joint venture	(37,283)	(47,215)
Fair value of derivative financial instruments	(24,307)	—
Other[(1)]	(1,233)	(947)
Total deferred tax liability	$(269,399)	$(260,054)
Deferred tax liability, net	$(136,524)	$(104,130)

(1) Prior year's financial statement amounts have been reclassified between Deferred tax assets, other and Deferred tax liabilities, property and equipment, to conform with the presentation as of December 31, 2023. The reclassification was due the statutory rate decrease in the state of Pennsylvania, impacting other and property and equipment.

As of December 31, 2023, the Company has a net operating loss carryforward for federal tax purposes of approximately $27.6 million, which does not expire. In addition, the Company has Section 163(j) interest expense carryforwards of $21.8 million as of December 31, 2023. Section 382 of the Internal Revenue Code limits the use of net operating losses, which includes Section 163(j) interest expense carryforwards and tax credit carryforwards in certain situations where changes occur in the stock ownership of a company. If the company should have an ownership change of more than 50% of the value of its capital stock, utilization of these carryforwards could be restricted. As of December 31, 2023, the Company's net operating losses and Section 163(j) interest expense carryforwards are not currently subject to the limits of Section 382.

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, 2023 and 2022, 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 recognizes 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 has no unrecognized tax benefit balances as of December 31, 2023, 2022, and 2021. The Company is generally subject to potential federal and state examination for the tax years on and after December 31, 2021.

BKV Corporation

Notes to the Consolidated Financial Statements

Note 18 — Earnings Per Share

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:

	Year Ended December 31,		
(in thousands)	**2023**	**2022**	**2021**
Basic weighted average common shares outstanding	60,730	58,659	58,496
Add: dilutive effect of TRSUs	172	351	—
Add: dilutive effect of PRSUs	3,478	2,980	—
Diluted weighted average of common shares outstanding	64,380	61,990	58,496
Weighted average number of outstanding securities excluded from the calculation of diluted loss per share			
TRSUs	—	—	237
PRSUs	—	—	711

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)	**2023**	**2022**
Developed properties	$2,370,156	$2,252,681
Undeveloped properties	15,846	15,511
Total capitalized costs	2,386,002	2,268,192
Less: Accumulated depreciation, depletion, and amortization	(560,016)	(363,832)
Net capitalized costs	$1,825,986	$1,904,360

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:

	For the year ended December 31,		
(in thousands)	**2023**	**2022**	**2021**
Undeveloped property acquisition costs	$ 335	$ 290	$ 3,569
Acquisitions	9,885	431,897	2,928
Development costs	107,544	253,179	77,634
Total cost incurred	117,764	685,366	84,131
Asset retirement obligations[(1)]	89	38,337	923
Total costs incurred, including asset retirement obligations	$117,853	$723,703	$85,054

(1) The amount as of December 31, 2022 includes $38.0 million related to the Exxon Barnett Acquisition.

The Company's results of operations from natural gas and oil producing activities are not materially different from the amounts presented within the consolidated statements of operations due to substantially all of the Company's operating activity relating to natural gas and oil producing activities. Accordingly, no supplemental disclosure information for the results of operations from natural gas and oil producing activities is included herein.

Natural Gas, NGL, and Oil Reserve Quantities

Estimates of the Company's total proved reserves are based on studies performed by the Company's internal engineering function and services provided by Ryder Scott, the Company's independent third-party reserve engineer. As of December 31, 2023, 2022, and 2021 the Company's estimates of total proved reserves are based on reserve reports prepared by Ryder Scott. Pricing for natural gas, NGLs, and oil is 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 process of estimating quantities of "proved" and "proved developed" and "proved undeveloped" 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 Company's reserve reports also include estimates of asset retirement obligations for all properties for which an asset retirement obligation exists. Estimates for asset retirement obligations include all costs associated with abandonment after salvage. The data used in the Company's reserve reports 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 following tables illustrate the changes in the Company's quantities of net proved reserves:

	Natural Gas (MMcf)	NGL (MBbls)	Oil (MBbls)	Total (MMcfe)
January 1, 2021	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
Revision of previous estimates	(119,200)	(388)	43	(121,270)
Extensions and discoveries	364,494	30,037	786	549,432
Purchase of minerals in place	1,323,059	23,406	255	1,465,025
Improved recoveries	59,625	3,477	—	80,487
Production	(217,585)	(10,187)	(140)	(279,547)
December 31, 2022	4,855,676	211,500	1,869	6,135,890
Revision of previous estimates	(1,828,619)	(25,570)	(704)	(1,986,263)
Extensions and discoveries	188,572	6,539	—	227,806
Improved recoveries	16,632	2,250	5	30,162
Production	(249,766)	(10,554)	(119)	(313,804)
December 31, 2023	2,982,495	184,165	1,051	4,093,791
Proved developed reserves as of:				
January 1, 2022	2,494,925	151,433	867	3,408,725
December 31, 2022	3,798,027	170,840	1,111	4,829,733
December 31, 2023	2,443,072	156,399	992	3,387,418
Proved undeveloped reserves as of:				
January 1, 2022	950,358	13,722	58	1,033,038
December 31, 2022	1,057,649	40,660	758	1,306,157
December 31, 2023	539,423	27,766	59	706,373

	Developed	Undeveloped	Total
	(MMcfe)		
January 1, 2021	2,540,900	92,374	2,633,274
Revision of previous estimates	855,750	245,562	1,101,312
Extensions and discoveries	15,399	712,619	728,018
Purchase of minerals in place	17,664	1,847	19,511
Improved recoveries	205,415	—	205,415
Production	(245,767)	—	(245,767)
Undeveloped reserves converted to developed	19,364	(19,364)	—
December 31, 2021	3,408,725	1,033,038	4,441,763
Revision of previous estimates	234,914	(356,184)	(121,270)
Extensions and discoveries	74,094	475,338	549,432
Purchase of minerals in place	1,237,142	227,883	1,465,025
Improved recoveries	80,487	—	80,487
Production	(279,547)	—	(279,547)
Undeveloped reserves converted to developed	73,924	(73,924)	—
December 31, 2022	4,829,739	1,306,151	6,135,890
Revision of previous estimates	(1,159,956)	(826,307)	(1,986,263)
Extensions and discoveries	1,289	226,517	227,806
Improved recoveries	30,162	—	30,162
Production	(313,804)	—	(313,804)
Undeveloped reserves converted to developed	31,931	(31,931)	—
December 31, 2023	3,419,361	674,430	4,093,791

2023 Activity

During the year ended December 31, 2023, the Company's proved reserves decreased by 2,042.1 Bcfe. The decrease in proved reserves was primarily attributable to decreased commodity pricing and changes to the Company's drilling schedule, which resulted in total downward revisions of 1,986.3 Bcfe. As discussed below, these decreases were partially offset by extensions and discoveries and improved recoveries experienced by the Company in 2023, which resulted in net increases to proved reserves of 227.8 Bcfe and 30.2 Bcfe, respectively. The Company produced 313.8 Bcfe during the year ended December 31, 2023.

Revisions of previous estimates — Primarily consisted of downward revisions to proved developed reserves and proved undeveloped reserves of 1,160.0 Bcfe and 305.1 Bcfe, respectively, as a result of lower average pricing during 2023 for natural gas, NGLs, and oil. Additional downward revisions were made to proved undeveloped reserves of 521.2 Bcfe due to changes to the Company's drilling schedule during 2023 that moved the development of 112.0 gross (104.6 net) locations in NEPA and the Barnett from the Company's next five year development plan in the SEC reserves report. These locations are now part of the Company's probable and possible development plan. The drilling schedule changes reflect the Company's ongoing commitment to optimize the long-term plan to best develop its assets, maximize cash flow, and produce economic returns.

Extensions and discoveries — Primarily consisted of 226.5 Bcfe of proved undeveloped reserves, of which 197.8 Bcfe was attributable to 22.0 gross (21.2 net) locations recognized as a result of the Company's optimized drilling program, which reduced costs and extended lateral lengths. In addition, 28.7 Bcfe was attributable to extensions related to 3.0 gross (1.1 net) locations in NEPA. The Company's unitization and combination of acreage with Repsol resulted in the three additional locations.

Improved recoveries — Consisted of 30.2 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, 2023.

Conversions of proved undeveloped reserves to proved developed reserves— Consisted of 31.9 Bcfe related to the completion of 22.0 gross (8.1 net) wells during the year ended December 31, 2023 that were converted to proved developed wells, previously classified as proved undeveloped.

2022 Activity

During the year ended December 31, 2022, the Company's proved reserves increased by 1,694.1 Bcfe. The increase in proved reserves was primarily due to the acquisition of the 2022 Barnett Assets. Other factors that contributed to the increase in proved reserves during the year ended December 31, 2022 included increasing commodity pricing, which improved economics, improved recoveries from application of restimulation technology to producing wells, and the addition of NGL rich locations to the drilling schedule. The Company produced 279.5 Bcfe during the year ended December 31, 2022.

Revisions of previous estimates — Consisted of upward revisions to proved developed reserves of 182.9 Bcfe as a result of higher average pricing during 2022 for natural gas, NGLs, and oil. An additional upward revision of 52.0 Bcfe was made to proved developed reserves for performance adjustments. Upward revisions were offset by downward revisions to proved undeveloped reserves of 246.0 Bcfe relating to 76.0 gross, (53.1 net) locations in the Marcellus and Barnett basins removed from the drilling schedule in exchange for locations with more favorable economics which are discussed in *2022 Activity — Extensions and discoveries*. Additional downward revisions of 67.3 Bcfe and 42.9 Bcfe were made to proved undeveloped reserves related to performance and increased development costs, respectively.

Extensions and discoveries — Primarily consisted of the addition of 389.5 Bcfe of proved undeveloped reserves from 71.0 gross (66.4 net) locations recognized as a result of the Company's revised evaluation of properties acquired through our Devon Barnett Acquisition. These locations are more rich in NGLs than the previously recognized locations removed from the 2021 drilling schedule as discussed in *2022 Activity — Revisions of previous estimates.* Additional extensions consisted of proved undeveloped reserves of 85.8 Bcfe related to 27.0 gross (12.8 net) locations in the Marcellus and Barnett basins recognized from acreage acquired during 2021 and as a result of the revised 2022 drilling plan. Extensions related to proved developed reserves of 74.1 Bcfe consisted of 23.0 gross (13.0 net) newly drilled wells on locations previously classified as unproved.

Purchases of minerals in place— Consisted of 1,237.1 Bcfe and 227.9 Bcfe of proved developed and proved undeveloped reserves, respectively, from the Exxon Barnett Acquisition. The acquired reserves consisted of operated working interests in 2,289.0 gross (1,696.4 net) wells and 53.0 gross (48.7 net) undeveloped locations.

Improved recoveries — Consisted of 80.5 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, 2022.

Conversions of proved undeveloped reserves to proved developed reserves — Consisted of 73.9 Bcfe related to the completion of 19.0 gross (5.5 net) wells on proved undeveloped locations during the year ended December 31, 2022.

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 which improved 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 the evaluation of properties acquired through the Company's Barnett Asset Acquisition, 550.1 Bcfe of proved undeveloped reserves was recognized for 123.0 gross (94.8 net) locations added to the Company's revised drilling schedule during 2021. Additional extensions consisted of proved undeveloped reserves of 162.5 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 15.4 Bcfe consisted of 10.0 gross (3.0 net) newly drilled wells.

Purchases of minerals in place— Consisted of 17.7 Bcfe of proved developed reserves from the acquisition of additional working interests in 601.0 gross (14.6 net) wells and 1.8 Bcfe of proved undeveloped reserves from the acquisition of additional working interest in 18.0 gross (1.0 net) locations, each of which were in addition to the Company's previously held working interests in wells or working interests in locations in the Barnett.

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.

Conversions of proved undeveloped reserves to proved developed reserves— Consisted of 19.4 Bcfe related to the completion of 4.0 gross (3.9 net) wells on proved undeveloped locations during the year ended December 31, 2021.

Standardized Measure of Discounted Future Net Cash Flows

The following information has been developed based on natural gas, NGL, and oil reserve cash flows, including production volumes from the Company's reserve reports. 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 (in thousands)	**As of December 31,**		
	2023	**2022**	**2021**
Future cash inflows	$ 9,691,057	$ 34,992,383	$15,029,839
Future production costs	(5,799,209)	(11,967,176)	(6,840,969)
Future development costs[(1)]	(977,333)	(1,859,661)	(1,051,911)
Income tax expense	(406,937)	(4,572,275)	(1,501,984)
Future net cash flows	2,507,578	16,593,271	5,634,975
10% annual discount for estimated timing of cash flows	(1,445,245)	(9,599,669)	(3,222,086)
Standardized measure of discounted future net cash flows related to proved reserves	$ 1,062,333	$ 6,993,602	$ 2,412,889

(1) Includes abandonment costs

The following table summarizes the changes in the Standardized Measure:

	For the Year Ended December 31,		
(in thousands)	**2023**	**2022**	**2021**
Balance, beginning of period	$ 6,993,602	$ 2,412,889	$ 510,410
Net change in sales and transfer prices and in production (lifting) costs related to future production	(5,386,961)	4,656,150	1,768,893
Changes in estimated future development costs	91,657	43,101	(393,235)
Sales and transfers of natural gas, NGLs, and oil produced during the period	(201,884)	(1,293,492)	(522,403)
Net change due to extensions, discoveries, and improved recoveries	36,107	824,295	183,332
Purchase of minerals in place	—	1,649,737	19,050
Net change due to revisions in quantity estimates	(3,058,900)	(86,088)	1,266,086
Previously estimated development costs incurred during the period	27,598	37,784	60,406
Net change in future income taxes	1,790,684	(1,299,320)	(611,031)
Accretion of discount	861,914	322,498	56,096
Changes in timing and other	(91,484)	(273,952)	75,285
Total discounted cash flow as end of period	$ 1,062,333	$ 6,993,602	$2,412,889

BKV CORPORATION

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except per share amounts)
(Unaudited)

	March 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 21,891	$ 25,407
Restricted cash	140,955	139,662
Accounts receivable, net	54,695	48,500
Accounts receivable, related parties	1,300	559
Commodity derivative assets, current	62,605	84,039
Other current assets	13,997	13,990
Total current assets	295,443	312,157
Natural gas properties and equipment		
Developed properties	2,382,484	2,370,156
Undeveloped properties	16,168	15,846
Midstream assets	319,255	318,855
Accumulated depreciation, depletion, and amortization	(626,526)	(579,415)
Total natural gas properties, net	2,091,381	2,125,442
Other property and equipment, net	87,580	83,935
Goodwill	18,417	18,417
Investment in joint venture	97,043	104,750
Commodity derivative assets	1,857	18,508
Other noncurrent assets	20,752	19,937
Total assets	$ 2,612,473	$ 2,683,146
Liabilities, mezzanine equity, and stockholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 126,497	$ 149,173
Contingent consideration payable	23,082	20,000
Income taxes payable to related party	1,008	864
Credit facilities	126,000	127,000
Current portion of long-term debt, net	112,512	112,373
Other current liabilities	5,075	2,849
Total current liabilities	394,174	412,259
Asset retirement obligations	195,533	193,205
Contingent consideration	—	29,676
Note payable to related party	75,000	75,000
Deferred tax liability, net	123,402	136,524
Long-term debt, net	340,133	339,663
Other noncurrent liabilities	36,576	11,652
Total liabilities	1,164,818	1,197,979

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)

	March 31, 2024	December 31, 2023
Commitments and contingencies (Note 10)		
Mezzanine equity		
Common stock – minority ownership puttable shares; 2,472 authorized shares; 2,472 and 2,403 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	61,536	59,988
Equity-based compensation	128,534	126,966
Total mezzanine equity	190,070	186,954
Stockholders' equity		
Common stock, $0.01 par value; 300,000 authorized shares; 63,873 shares issued and outstanding as of March 31, 2024 and December 31, 2023	1,283	1,283
Treasury stock, shares at cost; 213 shares as of March 31, 2024 and December 31, 2023	(4,582)	(4,582)
Additional paid-in capital	1,032,101	1,034,144
Retained earnings	228,783	267,368
Total stockholders' equity	1,257,585	1,298,213
Total liabilities, mezzanine equity, and stockholders' equity	$ 2,612,473	$ 2,683,146

The accompanying notes are an integral part of these condensed consolidated financial statements.

BKV CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(Unaudited)

	Three Months Ended March 31,	
	2024	2023
Revenues and other operating income		
Natural gas, NGL, and oil sales	$141,687	$210,405
Midstream revenues	4,128	3,922
Derivative gains (losses), net	(3,679)	97,368
Marketing revenues	4,921	2,635
Related party and other	4,157	1,774
Total revenues and other operating income	151,214	316,104
Operating expenses		
Lease operating and workover	34,468	43,166
Taxes other than income	11,365	24,169
Gathering and transportation	59,391	58,284
Depreciation, depletion, amortization, and accretion	52,166	36,747
General and administrative	20,645	26,286
Other	8,242	2,500
Total operating expenses	186,277	191,152
Income (loss) from operations	(35,063)	124,952
Other income (expense)		
Gains on contingent consideration liabilities	6,594	22,894
Losses from equity affiliate	(7,707)	(5,399)
Interest income	1,633	648
Interest expense	(16,083)	(17,770)
Interest expense, related party	(1,973)	(1,492)
Other income	1,035	1,636
Income (loss) before income taxes	(51,564)	125,469
Income tax benefit (expense)	12,979	(29,307)
Net income (loss)	$ (38,585)	$ 96,162
Net income (loss) per common share:		
Basic	$ (0.58)	$ 1.64
Diluted	$ (0.58)	$ 1.53
Weighted average number of common shares outstanding:		
Basic	66,287	58,783
Diluted	66,287	62,735

The accompanying notes are an integral part of these condensed consolidated financial statements.

BKV CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Three Months Ended March 31,	
	2024	**2023**
Cash flows from operating activities:		
Net income (loss)	$ (38,585)	$ 96,162
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion, amortization, and accretion	52,259	37,146
Equity-based compensation expense	1,073	3,797
Deferred income tax (benefit) expense	(13,122)	29,123
Unrealized (gains) losses on derivatives, net	40,143	(79,347)
Gains on contingent consideration liabilities	(6,594)	(22,894)
Settlement of contingent consideration	(20,000)	(65,000)
Proceeds from the sale of call options	23,502	—
Losses from equity affiliate	7,707	5,399
Other, net	743	750
Changes in operating assets and liabilities:		
Accounts receivable, net	(6,195)	83,097
Accounts payable and accrued liabilities	(20,701)	(72,726)
Other changes in operating assets and liabilities	(979)	(2,039)
Net cash provided by operating activities	19,251	13,468
Cash flows from investing activities:		
Acquisition of natural gas properties	—	(4,889)
Investment in other property and equipment	(4,958)	(5,161)
Development of natural gas properties	(14,272)	(79,306)
Other investing activities	(654)	7,871
Net cash used in investing activities	(19,884)	(81,485)
Cash flows from financing activities:		
Proceeds from draws on credit facilities	30,000	57,500
Payments on credit facilities	(31,000)	(97,500)
Payments of deferred offering costs	(590)	(1,379)
Redemption of common stock issued upon vesting of equity-based compensation and other	—	(349)
Net share settlements, equity-based compensation	—	(2,736)
Net cash used in financing activities	(1,590)	(44,464)
Net decrease in cash, cash equivalents, and restricted cash	(2,223)	(112,481)
Cash, cash equivalents, and restricted cash, beginning of period	165,069	153,128
Cash, cash equivalents, and restricted cash, end of period	$162,846	$ 40,647

The accompanying notes are an integral part of these condensed consolidated financial statements.

BKV CORPORATION

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Three Months Ended March 31,	
Supplemental cash flow information:	**2024**	**2023**
Cash payments for:		
Interest	$ 3,988	$ 4,263
Non-cash investing and financing activities:		
Decrease in accrued capital expenditures	$ (1,833)	$ (12,129)
Additions to asset retirement obligations	$ 20	$ 57
Lease liabilities arising from obtaining right-of-use assets	$ 494	$ —
Decrease in accrued offering costs	$ (142)	$ (602)
Adjustment of minority ownership puttable shares to redemption value	$ 1,548	$ 6,871
Adjustment of equity-based compensation to redemption value	$ 495	$ 10,346
Impact of redemption of shares issued in settlement of equity-based compensation and other on additional paid-in capital, common stock, and treasury stock	$ —	$ 527

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)
(Unaudited)

	Stockholders' Equity						Mezzanine Equity			
	Common Stock			Additional Paid-In Capital	Retained Earnings	Total Stock-holders' Equity	Common Stock		Equity-based Compensation	Total Mezzanine Equity
	Shares	Amount	Treasury				Shares	Amount		
Balance, December 31, 2023	63,873	$1,283	$(4,582)	$1,034,144	$267,368	$1,298,213	2,403	$59,988	$126,966	$186,954
Net loss	—	—	—	—	(38,585)	(38,585)	—	—	—	—
Adjustment of minority ownership puttable shares to redemption value	—	—	—	(1,548)	—	(1,548)	—	1,548	—	1,548
Adjustment of equity-based compensation to redemption value	—	—	—	(495)	—	(495)	—	—	495	495
Common stock issued upon settlement of RSUs	—	—	—	—	—	—	69	—	—	—
Equity-based compensation	—	—	—	—	—	—	—	—	1,073	1,073
Balance, March 31, 2024	63,873	$1,283	$(4,582)	$1,032,101	$228,783	$1,257,585	2,472	$61,536	$128,354	$190,070

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)
(Unaudited)

	Stockholders' Equity						Mezzanine Equity			
	Common Stock			Additional Paid-In Capital	Retained Earnings	Total Stock-holders' Equity	Common Stock		Equity-based Compensation	Total Mezzanine Equity
	Shares	Amount	Treasury				Shares	Amount		
Balance, December 31, 2022	56,373	$1,132	$(3,974)	$896,433	$150,450	$1,044,041	2,290	$62,712	$ 89,171	$151,883
Net income	—	—	—	—	96,162	96,162	—	—	—	—
Redemption of common stock issued upon vesting of equity-based compensation and other	—	1	(527)	659	—	133	(18)	(2)	(525)	(527)
Issuance of common stock upon vesting of equity-based compensation awards, net of shares withheld for income taxes	—	—	—	—	—	—	122	—	(2,736)	(2,736)
Adjustment of minority ownership puttable shares to redemption value	—	—	—	6,871	—	6,871	—	(6,871)	—	(6,871)
Adjustment of equity-based compensation to redemption value	—	—	—	10,346	—	10,346	—	—	(10,346)	(10,346)
Equity-based compensation	—	—	—	—	—	—	—	—	3,797	3,797
Balance, March 31, 2023	56,373	$1,133	$(4,501)	$914,309	$246,612	$1,157,553	2,394	$55,839	$ 79,361	$135,200

The accompanying notes are an integral part of these condensed consolidated financial statements.

Note 1 — Business and Basis of Presentation

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"). BKV Corp's ultimate parent company is Banpu Public Company Limited, a public company listed in the Stock Exchange of Thailand. As of July 5, 2024, the date these condensed consolidated financial statements were available to be issued, BNAC owned 96.3% of BKV Corp's shares. The remaining 3.7% of shares of common stock of BKV Corp were owned by non-controlling members of management, members of the Board of Directors ("Directors"), and employee and non-employee shareholders who hold shares with contingent put rights that may be exercised according to conditions stipulated in the agreement among these shareholders, BNAC, and BKV Corp (the "Stockholders' Agreement").

Basis of Presentation of the Unaudited Condensed Consolidated Financial Statements

These condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and include the accounts for BKV Corp's wholly owned subsidiaries. The condensed consolidated financial statements are unaudited and should be read in conjunction with the Company's 2023 Consolidated Financial Statements ("Annual Financial Statements") as certain disclosures and information required by GAAP for complete consolidated financial statements have been condensed or omitted. The condensed consolidated 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, results of operations, and cash flows for the periods presented herein. The interim results are not necessarily indicative of results to be expected for the year ending December 31, 2024 or for any other future annual or interim period. The December 31, 2023 condensed consolidated balance sheet was derived from the audited Annual Financial Statements of the Company, but does not include all disclosures required by GAAP for annual financial statements.

BKV Upstream Midstream, LLC ("BKV Upstream Midstream"), a limited liability company, was formed on May 21, 2024 and registered in the state of Delaware. This entity is a wholly owned subsidiary of BKV Corp. Since its formation, all the midstream and upstream entities of BKV Corp are wholly owned subsidiaries of BKV Upstream Midstream and include BKV Operating, LLC, BKV Barnett, LLC, BKV Chelsea, LLC, BKV Midstream, LLC, BKV North Texas, LLC, and Kalnin Ventures, LLC.

On June 14, 2024, BKV sold BKV Chaffee Corners, LLC ("Chaffee") subsequently and dissolved that entity, and on June 28, 2024, sold its non-operated upstream assets in BKV Chelsea, LLC ("Chelsea"). See *Note 3 — Natural Gas Properties & Other Property and Equipment* for further discussion.

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. Current and deferred income taxes and related tax expense have been determined based on the stand-alone results of BKV by applying the separate return method to BKV's operations as if it were a separate taxpayer. The Company is organized, managed, and identified as one operating segment and one reportable segment.

Reverse Stock Split

On October 30, 2023, the Company completed a one-for-two reverse stock split. As a result of the reverse stock split, every two shares of outstanding common stock were combined and now represent one share of common stock and fractional shares were paid out in cash to the common stockholders, which amounted to an immaterial amount. No fractional shares were issued in connection with the reverse stock split.

Following the reverse stock split, the Company's authorized capital stock consisted of 300,000,000 shares of common stock, $0.01 par value per share, of which 66,275,866 shares were issued and outstanding, and 80,000,000 shares of preferred stock, $0.01 par value per share, of which no shares were issued and outstanding. All shares of common stock issuable upon exercise of equity awards, as well as the applicable exercisable prices and weighted average fair value of the equity awards, and per share amounts contained throughout these condensed consolidated financial statements have been retroactively adjusted. See *Note 8 — Stockholders' Equity and Note 12 — Earnings Per Share for further discussion and analysis.*

Liquidity

As of March 31, 2024, the Company held $162.8 million of cash, cash equivalents, and restricted cash. The Company's working capital deficit as of March 31, 2024 was $98.7 million, which was primarily driven by the current portion of long-term debt of $112.5 million, and borrowings under the Company's credit facilities of $126.0 million. For the three months ended March 31, 2024, the Company's cash flows provided by operating activities was $19.3 million. The Company intends to make the payments related to the current portion of long-term debt with cash flows from operations and extending the terms of cash drawdowns under its credit facilities. During the three months ended March 31, 2024, the Company also sold call options with a counterparty and received a premium of $23.5 million and early terminated a portion of its derivative contracts and received cash on the gain of $13.3 million. For further discussion on the derivative transactions, see *Note 5 — Derivative Instruments*.

On June 11, 2024, BKV Upstream Midstream entered into the RBL Credit Agreement and drew down $425.0 million in revolver borrowings. The Company then repaid the amounts outstanding under the Term Loan Credit Agreement, the Revolving Credit Agreement and the SCB Credit Facility with proceeds from the loans under the RBL Credit Agreement and cash on hand. The Term Loan Credit Agreement, the Revolving Credit Agreement and the SCB Credit Facility were terminated concurrently with the repayment of the remaining amounts owed thereunder. See *Note 2 — Debt* for further discussion on the RBL Credit Agreement and these transactions.

On June 14, 2024, the Company sold its non-operated interests in Chaffee, a wholly owned subsidiary, for an aggregate purchase price of $106.7 million, subject to adjustment, and on June 28, 2024, sold its non-operated upstream assets in Chelsea for an aggregate purchase price of $25.0 million, subject to adjustment. See *Note 3 — Natural Gas Properties & Other Property and Equipment* for further discussion on these transactions.

Significant Judgments and Accounting Estimates

The preparation of these condensed consolidated financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the condensed consolidated 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.

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, 2023 included in the Company's Annual Financial Statements. There have been no significant changes in accounting policies during the three months ended March 31, 2024.

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 IPO. If the IPO is abandoned or significantly delayed, the deferred offering costs will be expensed. As of March 31, 2024 and December 31, 2023, the Company capitalized $9.3 million and $8.9 million, respectively, of deferred offering costs, which are included within other noncurrent assets on the condensed consolidated balance sheets.

Restricted Cash

As of March 31, 2024, restricted cash included amounts to fund the debt service reserve account, which equaled the current portion of the Term Loan Credit Agreement plus accrued interest to comply with the Company's financial covenant under the Term Loan Credit Agreement. The following table provides a reconciliation of cash, cash equivalents, and restricted cash to amounts shown in the condensed consolidated statements of cash flows:

(in thousands)	March 31, 2024	December 31, 2023
Cash and cash equivalents	$ 21,891	$ 25,407
Restricted cash	140,955	139,662
Cash, cash equivalents, and restricted cash	$162,846	$ 165,069

Common Shares Issued and Outstanding

As of March 31, 2024 and December 31, 2023, the Company had 66,344,672 and 66,275,866, respectively, of common shares issued and outstanding.

Note 2 — Debt

The following table summarizes the debt balances (refer to the Company's Annual Financial Statements for definitions and further description of the Company's debt instruments):

(in thousands)	March 31, 2024	December 31, 2023
Credit facilities		
SCB Credit Facility[(1)]	$ 35,000	$ 31,000
Revolving Credit Agreement[(2)]	91,000	96,000
Term loan		
Current portion of Term Loan Credit Agreement	114,000	114,000
Current portion of unamortized debt issuance costs	(1,488)	(1,627)
Total current debt, net	238,512	239,373
Term Loan Credit Agreement	342,000	342,000
Long-term portion of unamortized debt issuance costs	(1,867)	(2,337)
Total long-term debt, net	340,133	339,663
Total debt, net	$ 578,645	$ 579,036

(1) Of the outstanding balance as of March 31, 2024, $4.0 million, including interest was paid on June 3, 2024 and $31.0 million, including interest was paid on June 11, 2024 and this facility was subsequently terminated. As of March 31, 2024, the variable interest rate on the SCB Credit Facility was 7.32%.

(2) Of the outstanding balance as of March 31, 2024, $20.0 million, including interest was paid on April 10, 2024 and $71.0 million, including interest was paid on June 11, 2024, and this agreement was subsequently terminated. On May 8, 2024, the Company drew down $14.0 million, which was paid on June 10, 2024, including interest. As of March 31, 2024, the variable interest rate on the Revolving Credit Agreement was 10.17%.

As of March 31, 2024, the SCB Credit Facility had outstanding letters of credit for $11.2 million.

As of March 31, 2024, the weighted average interest rate on the Company's short-term borrowings of $240.0 million was 9.70%.

The Term Loan Credit Agreement and the Revolving Credit Agreement required the Company to maintain certain financial covenants at the end of each fiscal quarter, including (i) the asset coverage ratio to be no less than 2.00 to 1.00, (ii) the maximum debt service coverage ratio to be no less than 1.05 to 1.00, and

(iii) the minimum net indebtedness to equity ratio to be no more than 1.50 to 1.00. The Term Loan Credit Agreement also required the Company to hold a certain amount of cash held in a restricted debt service bank account equal to the current portion of the Term Loan Credit Agreement plus accrued interest. The Revolving Credit Agreement required the Company to have an accounts receivable balance from its largest purchaser that exceeds the outstanding balance on the Revolving Credit Agreement. As of March 31, 2024, the Company was in compliance with all covenants of the Term Loan Credit Agreement and the Revolving Credit Agreement.

On April 30, 2024, the lenders under the Revolving Credit Agreement agreed to waive compliance with respect to the minimum marketer receivables covenant for up to $60.0 million of our credit facility borrowings under the Revolving Credit Agreement with total borrowings not to exceed $100.0 million. This waiver was effective through July 31, 2024.

RBL Credit Agreement

On June 11, 2024, the Company and BKV Upstream Midstream entered into a reserved-based lending agreement (the "RBL Credit Agreement") with Citibank, N.A., as the administrative agent, and the financial institutions party thereto, with BKV Upstream Midstream as the borrower and BKV Corp as the guarantor on the RBL Credit Agreement. The RBL Credit Agreement includes a maximum credit commitment of $1.5 billion. As of June 11, 2024, the RBL Credit Agreement has a borrowing base of $800.0 million and an elected commitment of $600.0 million. The loans may be borrowed, repaid and reborrowed during the term of the RBL Credit Agreement. The RBL Credit Agreement matures on June 12, 2028. The obligations under the RBL Credit Agreement are secured and guaranteed on a secured basis by all of BKV Upstream Midstream's current and future material subsidiaries. Loans under the RBL Credit Agreement bear interest at one, three, or six-month term secured overnight financing rate ("SOFR") or an alternative base rate, as applicable, plus a credit spread adjustment of 0.10% for SOFR borrowings, plus an applicable margin per annum. Interest is payable on the last day of each interest period and at maturity. BKV Upstream Midstream is obligated to pay certain fees to the lenders and administrative agent under the RBL Credit Agreement, including commitment fees on the average daily amount of the undrawn portion of the commitments.

The RBL Credit Agreement contains various restrictive covenants that, among other things, limit BKV Upstream Midstream's ability and the ability of its restricted subsidiaries to, subject to certain exceptions: (i) incur indebtedness; (ii) incur liens; (iii) acquire or merge with any other company; (iv) sell assets or equity interests of its subsidiaries; (v) make investments; (vi) pay dividends or make other restricted payments; (vii) change its lines of business; (viii) enter into certain hedge agreements; (ix) enter into transactions with affiliates; (x) own any subsidiary that is not organized in the United States; (xi) prepay any unsecured senior or subordinated indebtedness; (xii) engage in certain marketing activities; and (xiii) allow, on a net basis, gas imbalances, take-or-pay or other prepayments with respect to our proved oil and gas properties. Beginning with the fiscal quarter ending September 30, 2024, the RBL Credit Agreement requires BKV Upstream Midstream to always hedge not less than 50% of projected production from our proved developed producing reserves for the subsequent 24 calendar month period immediately following such required delivery date.

The RBL Credit Agreement also includes financial covenants that require BKV Upstream Midstream to maintain:

- on a quarterly basis, a minimum Current Ratio (as defined in the RBL Credit Agreement) of no less than 1.00 to 1.00; and
- on a quarterly basis, a Net Leverage Ratio (as defined in the RBL Credit Agreement) of no greater than 3.25 to 1.00.

The RBL Credit Agreement includes customary equity cure rights that will enable BKV Upstream Midstream to cure certain breaches of the minimum current ratio covenant or the maximum net leverage ratio covenant.

The RBL Credit Agreement generally includes customary events of default for a reserve-based credit facility, some of which allow for an opportunity to cure. 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. The RBL Credit Agreement is secured by substantially all of BKV Upstream Midstream's assets and those of the guarantors, and upon an event of default the agent under the RBL Credit Agreement could commence foreclosure proceedings.

On June 11, 2024, BKV Upstream Midstream drew down $425.0 million of revolving borrowings and on June 13, 2024, was issued $9.0 of letters of credit under the RBL Credit Agreement. Proceeds from the RBL Credit Agreement and cash on hand were used to repay outstanding balances of $456.0 million on the Term Loan Credit Agreement, $71.0 million on the Revolving Credit Agreement, and $35.0 million on the SCB Facility, all which were terminated concurrently with the repayment of these outstanding borrowings and the related interest. The Company expects to record a loss on the extinguishment of debt associated with the early termination of the Term Loan Credit Agreement and the Revolving Credit Agreement in the second quarter of 2024.

On June 27, 2024, the Company paid $65.0 million, including interest on the RBL Credit Agreement, leaving $231.0 million of available capacity thereunder for future borrowings and letters of credit as of July 5, 2024.

Subordinated Intercompany Loan Agreement

On June 18, 2024, the Company also paid down $25.0 million of the $75.0 million outstanding on the $75 Million Loan Agreement with BNAC, including interest.

Note 3 — Natural Gas Properties & Other Property and Equipment

Accumulated depreciation, depletion, and amortization for developed natural gas properties as of March 31, 2024 and December 31, 2023 was $605.3 million and $560.0 million, respectively. Depreciation, depletion, and amortization expense for developed natural gas properties was $45.1 million and $30.3 million for the three months ended March 31, 2024 and 2023, respectively.

Accumulated depreciation for midstream assets as of March 31, 2024 and December 31, 2023 was $21.2 million and $19.4 million, respectively. Depreciation expense on midstream assets was $1.9 million for both the three months ended March 31, 2024 and 2023.

Other property and equipment consisted of the following:

(in thousands)	March 31, 2024	December 31, 2023
Carbon capture, utilization, and sequestration	$ 63,746	$ 59,142
Buildings	15,707	15,707
Furniture, fixtures, equipment, and vehicles	15,497	15,101
Computer software	4,844	4,844
Land	3,090	3,090
Leasehold improvements	1,685	1,685
Construction in process	76	76
Total	104,645	99,645
Accumulated depreciation	(17,065)	(15,710)
Other property and equipment, net	$ 87,580	$ 83,935

Depreciation expense for other property and equipment was $1.4 million for both the three months ended March 31, 2024 and 2023.

Sales of BKV Chaffee Corners, LLC and BKV Chelsea, LLC

On June 14, 2024, the Company sold its wholly owned subsidiary, Chaffee, representing a non-operated interest in approximately 9,800 net acres and 116 gross (24.2 net) wells and 122 Bcfe of proved reserves in NEPA, as well as our interest in the Repsol Oil & Gas operated midstream system, for $106.7 million, subject to adjustment, and on June 28, 2024, the Company sold its non-operated upstream assets in Chelsea,

representing 6,800 net acres and 214 gross (15.4 net) wells and 35 Bcfe of proved reserves in NEPA, for $25.0 million, subject to adjustment. Following the consummation of such sales, the Company holds approximately 19,400 net acres in NEPA, approximately 98% of which is held by production. The Company expects to record a gain on the sale of its non-operated interests in Chaffee and Chelsea in the second quarter of 2024.

Note 4 — Fair Value Measurements

As the Company uses the market approach to determine the fair value of its derivative instruments, these fair values are also 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. The Company factors its own non-performance risk into the valuation of derivatives using current published credit default swap rates. As of March 31, 2024 and December 31, 2023, the impact of the non-performance risk adjustment to the Company's fair value of commodity derivative liabilities was $3.1 million and $1.0 million, respectively.

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 using Level 3 valuation techniques. There were no transfers between fair value levels during the three months ended March 31, 2024 and 2023.

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 March 31, 2024		
	Fair Value Measurements Using:		
(in thousands)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets			
Derivative instruments	$ 64,462	$ —	$ 64,462
Financial liabilities			
Derivative instruments	25,560	—	25,560
Contingent consideration	—	23,082	23,082
Mezzanine equity			
Minority ownership puttable shares	—	61,536	61,536
Equity-based compensation	—	128,534	128,534

	As of December 31, 2023		
	Fair Value Measurements Using:		
(in thousands)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Financial assets			
Derivative instruments	$ 102,547	$ —	$102,547
Financial liabilities			
Contingent consideration	—	29,676	29,676
Mezzanine equity			
Minority ownership puttable shares	—	59,988	59,988
Equity-based compensation	—	126,966	126,966

The contingent consideration was generated from the 2019 acquisition of interest in proved reserves and related upstream assets in the Barnett formation from Devon Energy Corporation (the "Devon Barnett Acquisition") and the Exxon Barnett Acquisition. The fair value of the contingent consideration as of

March 31, 2024 and December 31, 2023 represents management's best estimate if a third party were paid to assume the contingency. The fair values were determined using Monte Carlo simulations, which use observable (Level 2) inputs based on forecasted monthly Henry Hub Prices and West Texas Intermediate ("WTI") prices, as applicable, and unobservable (Level 3) inputs. The Exxon Barnett Acquisition and Devon Barnett Acquisition contingencies are described further in *Note 10 — Commitments and Contingencies.*

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 initial carrying value and redemption value of the minority ownership puttable shares in mezzanine equity on the condensed consolidated balance sheets as of March 31, 2024, and December 31, 2023. 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 8 — Stockholders' Equity.*

Equity-based compensation is recorded at fair market value on the grant date. 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. As of March 31, 2024 and December 31, 2023, the fair market values of the Company's market condition and common stock were used to determine the redemption value or fair market value of equity-based compensation in mezzanine equity on the condensed consolidated balance sheets. Equity-based compensation is further described in *Note 8 — Stockholders' Equity.*

All per share amounts for common stock and equity-based compensation have been retrospectively restated to reflect the effect of the reverse stock split. 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 December 31, 2023[1]	$ 28.25	Enterprise value	Discount rate	11.5% – 12.5%
Contingent consideration, as of December 31, 2023	$ 29,676	Monte Carlo Simulation	Risk free rate[2]	5.2%
			Credit spread	4.7%
			Discount rate	9.9%
Common stock – per share value, as of March 31, 2024[1]	$ 28.98	Enterprise value	Discount rate	11.5% – 12.5%
Contingent consideration, as of March 31, 2024	$ 23,082	Monte Carlo Simulation	Risk free rate[2]	5.4%
			Credit spread	4.8%
			Discount rate	10.2%

(1) The Company uses the midpoint of valuation results when estimating the fair value of common stock.

(2) Represents an observable input.

The table below sets forth the changes in the Company's Level 3 fair value measurements:

(in thousands)	2024	2023
Balance, beginning of period	$216,630	$239,934
Grant date fair value of equity-based compensation	1,073	536
Change in fair market value *(all instruments)*	(4,551)	(40,112)
Balance, end of period	$213,152	$200,358

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 derivative contracts outstanding as of March 31, 2024 consisted of commodity swaps, basis swaps, call options, and producer collar agreements, subject to master netting agreements with each individual counterparty. The following table presents gross commodity derivative balances prior to applying netting adjustments recorded in the condensed consolidated balance sheets:

		As of March 31, 2024		
(in thousands)	Balance Sheet Location	Gross Amounts of Assets and Liabilities	Offset Adjustments	Net Amounts of Assets and Liabilities
Current derivative assets	Commodity derivative assets, current	$ 79,960	$ (17,355)	$ 62,605
Noncurrent derivative assets	Commodity derivative assets	4,736	(2,879)	1,857
Current derivative liabilities	Other current liabilities	18,134	(17,355)	779
Noncurrent derivative liabilities	Other noncurrent liabilities	27,660	(2,879)	24,781

		As of December 31, 2023		
(in thousands)	Balance Sheet Location	Gross Amounts of Assets and Liabilities	Offset Adjustments	Net Amounts of Assets and Liabilities
Current derivative assets	Commodity derivative assets, current	$ 90,540	$ (6,501)	$ 84,039
Noncurrent derivative assets	Commodity derivative assets	18,615	(107)	18,508
Current derivative liabilities	Other current liabilities	6,501	(6,501)	—
Noncurrent derivative liabilities	Other noncurrent liabilities	107	(107)	—

Collar, Commodity Swap, and Basis Swap Contracts

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 two different specified delivery points over a specified period. The fair value of open 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.

Derivative Contracts

The following tables set forth the derivative gains (losses), net on the condensed consolidated statements of operations:

	Three Months Ended March 31,	
(in thousands)	2024	2023
Total gains on settled derivatives	$ 36,464	$18,021
Total gains (losses) on unsettled derivatives	(40,143)	79,347
Total gains (losses) on derivatives, net	$ (3,679)	$97,368

Settled derivative gains (losses), net for the three months ended March 31, 2024 includes gains of $13.3 million related to the termination of certain natural gas commodity derivative swap contracts prior to

their contractual settlement dates. $8.4 million of such gains is attributable to early-terminated natural gas commodity derivative swap contracts covering production during the three months ended March 31, 2024. Settled derivative gains (losses), net for the three months ended March 31, 2023 did not include gains or losses related to the termination of natural gas commodity derivatives prior to their contractual settlement dates.

On January 29, 2024, the Company entered into an agreement to sell a call option and subsequently received a net premium of $23.5 million for contracts that settle in 2026 and 2027. The call option has an established ceiling price. If at the time of settlement the contracted settlement price exceeds the ceiling price, the Company pays the counterparty an amount equal to the difference between the contracted settlement price and the ceiling price multiplied by the contract volumes. The premium received was recorded as a liability and is subsequently adjusted to the current fair value of the option written.

Volume of Derivative Activities

As of March 31, 2024, 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 Floor	Weighted Average Price Ceiling	Fair Value as of March 31, 2024 (in thousands)
2024					
Swap	72,887,500	$3.52			$ 73,898
2025					
Swap	26,125,000	$3.55			$ 2,610
Collars	14,600,000		$ 3.71	$ 4.11	$ 5,211
2026					
Swap	8,550,000	$3.55			$ (4,099)
Call options	36,500,000			$ 5.00	$ (11,187)
2027					
Call options	36,500,000			$ 5.00	$ (12,993)

The following table represents natural gas basis derivatives based on the applicable basis reference price listed below:

Instrument	Basis Reference Price	MMBtu	Weighted Average Basis Differential	Fair Value as of March 31, 2024 (in thousands)
2024				
Swap	NGPL TXOK Basis	21,400,000	$ (0.54)	$ (5,297)
Swap	Transco Leidy Basis	24,750,000	$ (0.89)	$ (4,421)

The following table represents natural gas liquids commodity derivatives for contracts, by contract type, expiring through March 31, 2026 based on the applicable index listed below:

Instrument	Commodity Reference Price	Gallons	Weighted Average Price (USD)	Fair Value as of March 31, 2024 (in thousands)
2024				
Swap	OPIS Purity Ethane Mont Belvieu	144,375,000	$0.23	$ 4,693
Swap	OPIS IsoButane Mont Belvieu Non-TET	9,817,500	$0.93	$ (1,172)

Instrument	Commodity Reference Price	Gallons	Weighted Average Price (USD)	Fair Value as of March 31, 2024 (in thousands)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	14,437,500	$0.90	$ (958)
Swap	OPIS Pentane Mont Belvieu Non-TET	23,100,000	$1.47	$ (2,623)
Swap	OPIS Propane Mont Belvieu Non-TET	54,862,500	$0.80	$ (1,834)
2025				
Swap	OPIS Purity Ethane Mont Belvieu	92,767,500	$0.25	$ 265
Swap	OPIS IsoButane Mont Belvieu Non-TET	6,599,250	$0.87	$ (337)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	9,082,500	$0.84	$ (364)
Swap	OPIS Pentane Mont Belvieu Non-TET	13,387,500	$1.39	$ (1,315)
Swap	OPIS Propane Mont Belvieu Non-TET	35,385,000	$0.74	$ (797)
2026				
Swap	OPIS Purity Ethane Mont Belvieu	6,615,000	$0.25	$ (226)
Swap	OPIS IsoButane Mont Belvieu Non-TET	472,500	$0.83	$ (13)
Swap	OPIS Normal Butane Mont Belvieu Non-TET	472,500	$0.80	$ (18)
Swap	OPIS Pentane Mont Belvieu Non-TET	945,000	$1.40	$ (27)
Swap	OPIS Propane Mont Belvieu Non-TET	2,835,000	$0.69	$ (94)

Note 6 — Revenue from Contracts with Customers

All of the Company's revenues are generated in the states of Pennsylvania and Texas. Revenues consist of the following:

	Three Months Ended March 31, 2024		
(in thousands)	Pennsylvania	Texas	Total
Natural gas	$ 12,493	$ 83,843	$ 96,336
NGLs	—	43,417	43,417
Oil	—	1,934	1,934
Total natural gas, NGL, and oil sales	12,493	129,194	141,687
Marketing revenues	—	4,921	4,921
Midstream revenues	1,243	2,885	4,128
Related party and other	—	4,157	4,157
Total	$ 13,736	$141,157	$154,893

	Three Months Ended March 31, 2023		
(in thousands)	Pennsylvania	Texas	Total
Natural gas	$ 27,271	$130,497	$157,768
NGLs	—	50,040	50,040
Oil	—	2,597	2,597
Total natural gas, NGL, and oil sales	27,271	183,134	210,405
Marketing revenues	—	2,635	2,635
Midstream revenues	1,346	2,576	3,922
Related party and other	—	1,774	1,774
Total	$ 28,617	$190,119	$218,736

Accounts receivable and revenue from contracts with customers

As of March 31, 2024 and December 31, 2023, the Company's receivables from contracts with customers were $19.3 million and $32.8 million, respectively. Also, as of March 31, 2024 and December 31,

2023, one purchaser accounted for more than 10% of accounts receivables, and for the three months ended March 31, 2024 and 2023, the same purchaser's revenues were $92.3 million and $142.8 million, respectively, of the Company's revenues. Another purchaser's revenues, that also accounted for more than 10% of the Company's revenues during the three months ended March 31, 2024 and 2023, amounted to $39.1 million and $46.0 million, respectively. The Company does not believe that the loss of these customers would have a material adverse effect on the condensed consolidated financial statements because alternative customers are readily available.

Note 7 — Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities included in current liabilities consist of the following:

(in thousands)	March 31, 2024	December 31, 2023
Accounts payable	$ 61,026	$ 47,504
Accrued payroll	8,504	18,189
Oil and gas production and other taxes payable	8,302	48,857
Revenues payable	21,907	21,765
Other accrued liabilities	26,758	12,858
Total	$ 126,497	$ 149,173

Note 8 — Stockholders' Equity

Reverse Stock Split

On October 30, 2023, the Company completed a one-for-two reverse stock split. As a result of the reverse stock split, every two shares of outstanding common stock were combined and now represent one share of common stock and fractional shares were paid out in cash to the common stockholders, which amounted to an immaterial amount. No fractional shares were issued in connection with the reverse stock split.

Following the reverse stock split, the Company's authorized capital stock consisted of 300,000,000 shares of common stock, $0.01 par value per share, of which 66,275,866 shares were issued and outstanding and 80,000,000 shares of preferred stock, $0.01 par value per share, of which no shares were issued and outstanding. All shares of common stock issuable upon exercise and equity awards, as well as applicable exercisable prices, weighted average fair value of the equity awards, and per share amounts contained throughout this prospective have been retroactively adjusted for all past and current periods presented. On an as adjusted basis to give effect to the reverse stock split, the number of shares of common stock issued and outstanding as of March 31, 2024 and December 31, 2023 was 66,344,672 and 66,275,866, respectively.

Equity-Based Compensation

As of March 31, 2024, 7,724,499 restricted stock units ("RSUs") were considered to have been granted under Accounting Standards Codification ("ASC") 718 — Compensation — Stock Compensation ("ASC 718") from the Company's stock compensation plan (the "Plan") since January 1, 2021, the Plan's inception, when taking into consideration performance RSUs at the maximum performance level and time-based RSUs anticipated to be legally granted in the three years following inception. As of March 31, 2024, the awards granted under ASC 718 since inception equaled the number of RSUs legally granted.

Performance-Based Restricted Stock Units

PRSUs cliff vest and were subject to a vesting or performance period beginning January 1, 2021 and ending on December 31, 2023 (the "Performance Period"). As of December 31, 2023, or the Performance Period, the Company achieved its goals as follows: TSR met its threshold at 136%, ROCE met its threshold at 131%, and IPO readiness met its threshold at 200%. In February 2024, the Plan's committee approved

the Company's goals and the PRSUs outstanding as of December 31, 2023 vested with some being forfeited prior to the Plan's approval.

(in thousands, except per share amounts)	Shares	Weighted-Average Grant Date Fair Value
Unvested PRSUs as of December 31, 2023	3,967	$ 19.02
Vested	(3,963)	$ 19.02
Forfeited	(4)	$ 19.02
Unvested PRSUs as of March 31, 2024	—	$ —

Due to the PRSU cliff vest, there was no equity-based compensation for the three months ended March 31, 2024. For the three months ended March 31, 2023, equity-based compensation related to the PRSUs was $3.5 million. These costs were included in general and administrative expenses in the condensed consolidated statements of income.

Time-Based Restricted Stock Units

The following table summarizes the TRSU activity for the three months ended March 31, 2024:

(in thousands, except per share amounts)	Shares	Weighted-Average Grant Date Fair Value
Unvested TRSUs as of December 31, 2023	727	$ 22.37
Vested[(1)]	(258)	$ 22.12
Forfeited	(12)	$ 22.12
Unvested TRSUs as of March 31, 2024	457	$ 22.37

(1) For the three months ended March 31, 2024, the total fair value of the shares vested was $28.98.

As of March 31, 2024, there was $12.2 million of unrecognized compensation expense related to the TRSU awards, which will be amortized over a weighted average period of 2.9 years.

For the three months ended March 31, 2024 and 2023, equity-based compensation expense related to the TRSUs was $1.1 million and $0.3 million, respectively. These costs are included in general and administrative expenses in the condensed consolidated statements of operations.

Note 9 — 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. On July 10, 2023, the Joint Venture acquired CXA Temple 2, LLC, the owner of 100% of the interests in Temple II, a combined cycle gas turbine and steam turbine power plant located on the same site as Temple I in the Electric Reliability Council of Texas North Zone in Temple, Texas for an aggregate purchase price of $460.0 million. Temple I and Temple II deliver power to customers on the ERCOT power network in Texas.

The Joint Venture has a term loan from its affiliates, BNAC and Banpu Power US Corporation ("BPPUS"), each in the amount of $141.0 million, which mature on November 1, 2026.

During the three months ended March 31, 2024 and 2023, the Company recognized, based on its 50% ownership interest in the Joint Venture, losses of $7.7 million and $5.4 million, respectively.

The table below sets forth the summarized financial information of the Joint Venture:

Income Statement

(in thousands)	Three Months Ended March 31, 2024	2023
	(unaudited)	
Total revenues, net	$ 84,969	$ 34,450
Operating expenses	83,203	38,876
Income (loss) from operations	1,766	(4,426)
Interest expense	(18,182)	(6,460)
Other income	1,002	89
Net loss	$(15,414)	$(10,797)

Note 10 — 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, for the periods presented in the condensed consolidated financial statements, 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 has volume commitments in the form of gathering, processing, and transportation agreements with various third parties that require delivery of 704,570,172 dekatherms of natural gas. The majority of the agreements terminate by 2029, with one agreement extending through 2036. As of March 31, 2024, the aggregate undiscounted future payments required under these contracts total $193.5 million. The Company expects to fulfill the commitments from existing productive wells. On April 30, 2024, the Company entered into an amendment to two existing transportation agreements to deliver an additional 683,575,000 dekatherms of natural gas through August 2029. The undiscounted future payments under these contracts are $11.5 million in 2024, $34.8 million in 2025, $35.0 million in 2026, $35.2 million in 2027, $35.4 million in 2028, and $23.6 million in 2029.

As a part of the consideration paid for the Devon Barnett Acquisition, additional cash consideration will be required to be paid by the Company if certain thresholds are met for average Henry Hub natural gas and WTI crude oil prices for each of the calendar years during the period beginning January 2021 through December 31, 2024 (the "Devon Barnett Earnout"). Average Henry Hub payouts and threshold are as follows: $2.75/MMBtu $20.0 million, $3.00/MMBtu $25.0 million, $3.25/MMBtu $35.0 million, and $3.50/MMBtu $45.0 million; average WTI payouts and thresholds are as follows for these periods: $50.00/Bbl $10.0 million, $55.00/Bbl $12.5 million, $60.00/Bbl $15.0 million, and $65.00/Bbl $20.0 million. The maximum remaining amount payable under the arrangement is $65.0 million for the year ending December 31, 2024. Payments are due in the month following the end of the respective measurement period for which the hurdle rates are set. On January 12, 2024, the Company paid the 2023 contingent consideration of $20.0 million. As described in *Note 4 — Fair Value Measurements*, management uses NYMEX forward pricing estimates for both Henry Hub and WTI hurdle rates and Monte Carlo simulations to determine the fair value of the contingent consideration. As of March 31, 2024 and December 31, 2023, the Company's estimate of the fair value of the unsettled contingent consideration was $22.9 million and $47.5 million, respectively. The change in the fair value of the contingent consideration for the three months ended March 31, 2024 and 2023 was a gain of $4.6 million and a gain of $15.0 million, respectively. These changes in the fair value during these periods

impacted the associated liability on the condensed consolidated balance sheets and recognition of the gain was recognized in the gains on contingent consideration liabilities on the condensed consolidated statements of operations.

In conjunction with the Exxon Barnett Acquisition, additional cash consideration will be required to be paid by the Company if certain thresholds for future Henry Hub natural gas prices are met for the year ended December 31, 2024. 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 by January 31 of the calendar year following the applicable threshold measurement periods. The fair value of the contingent consideration as of March 31, 2024 and December 31, 2023 was $0.2 million and $2.2 million, respectively. The change in the fair value of the contingent consideration for the three months ended March 31, 2024 and 2023 was a gain of $2.0 million and a gain of $7.9 million, respectively. These changes in the fair value during these periods reduced the associated liability on the condensed consolidated balance sheets and recognition of the gain was recognized in the gains on contingent consideration liabilities on the condensed consolidated statements of operations. Refer to *Note 4 — Fair Value Measurements* for the valuation methodology and associated inputs.

A summary of the Company's commitments, excluding contingent consideration, as of March 31, 2024, is provided in the following table:

(in thousands)	2024	2025	2026	2027	2028	Thereafter	Total
Term loan payments	$114,000	$114,000	$114,000	$114,000	$ —	$ —	$456,000
Credit facilities	126,000	—	—	—	—	—	126,000
Interest payable	12,548	—	—	—	—	—	12,548
Notes payable to related party	—	—	—	75,000	—	—	75,000
Interest on related party notes	13,367	—	—	—	—	—	13,367
Operating lease payments	830	1,082	961	908	924	4,608	9,313
Volume commitments	37,961	33,430	31,376	23,477	17,704	49,566	193,514
Total	$304,706	$148,512	$146,337	$213,385	$18,628	$ 54,174	$885,742

Note 11 — Income Taxes

The effective tax rates for the three months ended March 31, 2024 and 2023 were (25.2)% and 23.4%, respectively. For the three months ended March 31, 2024, the difference in the effective tax rate from the U.S. statutory federal income tax rate of 21.0% was due to the Company benefiting from the monetization of certain tax credits under the Internal Revenue Code Section 45I Marginal Well Credit from marginal production. For the three months ended March 31, 2023, the difference in the effective tax rate from the U.S. statutory federal income tax rate of 21.0% was primarily due to state taxes.

Note 12 — Earnings Per Share

Basic net income (loss) per common share for each period is calculated by dividing net income (loss) by the basic weighted average number of common shares outstanding during the period. Diluted net income (loss) per common share is calculated by dividing net income (loss) 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. The Company includes potential shares of common stock for PRSUs and TRSUs 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 March 31,	
(in thousands)	2024	2023
Basic weighted average common shares outstanding	66,287	58,783
Add: dilutive effect of TRSUs	—	182
Add: dilutive effect of PRSUs	—	3,770
Diluted weighted average of common shares outstanding	66,287	62,735
Weighted average number of outstanding securities excluded from the calculation of diluted loss per share:		
TRSUs	281	—
PRSUs	3,899	—

Events Subsequent to Original Issuance of Financial Statements

In connection with the reissuance of the Consolidated Financial Statements, the Company has evaluated the subsequent events occurring after March 31, 2024 through July 5, 2024, which represents the date the condensed consolidated financial statements were available to be issued. All such subsequent events are outlined below.

On April 30, 2024, the Company entered into an amendment to two existing transportation agreements to deliver an additional 683,575,000 dekatherms of natural gas through August 2029. The undiscounted future payments under these contracts are $11.5 million in 2024, $34.8 million in 2025, $35.0 million in 2026, $35.2 million in 2027, $35.4 million in 2028, and $23.6 million in 2029.

On April 30, 2024, the Company entered into the Fifth Amendment to the Term Loan Credit Agreement and the Fifth Amendment to the Revolving Credit Agreement with the respective lenders thereunder, pursuant to which such credit agreements were amended to (i) allow the Company to dispose all or a portion of the assets of BKV Chaffee Corners, LLC and all or a portion of the equity interests of BKV Chelsea, LLC to be made within 120 days after the effective date of the Fifth Amendment and (ii) require the ratable prepayment on the Term Loan Credit Agreement within three business days after net proceeds have been received from the disposal of stated properties, without a prepayment penalty.

On May 8, 2024, the Company drew down $14.0 million on the Revolving Credit Agreement, which was due on June 10, 2024.

On June 14, 2024, the Company sold its wholly owned subsidiary, BKV Chaffee Corners, LLC, which owned a non-operated interest in approximately 9,800 net acres and 116 gross (24.2 net) wells and 122 Bcfe of proved reserves in NEPA, as well as our interest in the Repsol Oil & Gas operated midstream system, for a purchase price of $106.7 million, subject to adjustment.

On June 28, 2024, the Company's wholly owned subsidiary, BKV Chelsea, LLC, sold certain of its non-operated upstream assets, including its interest in approximately 6,800 net acres and 214 gross (15.4 net) wells and 35 Bcfe of proved reserves in NEPA for a purchase price of $25.0 million, subject to adjustment.

On June 10, 2024, the Company repaid $14.0 million, including interest on the Revolving Credit Agreement.

On June 11, 2024, the Company entered into a four-year secured reserve-based lending agreement, which includes an elected commitment of $600.0 million. On June 11, 2024, BKV Upstream Midstream drew down $425.0 million of revolving borrowings and on June 13, 2024, was issued $9.0 of letters of credit under the RBL Credit Agreement. Proceeds from the RBL Credit Agreement and cash on hand were used to repay outstanding balances of $456.0 million on the Term Loan Credit Agreement, $71.0 million on the Revolving Credit Agreement, and $35.0 million on the SCB Facility, all which were terminated concurrently with the repayment of these outstanding borrowings.

On June 18, 2024, the Company paid down $25.0 million of the $75.0 million outstanding on the $75 Million Loan Agreement with BNAC, including interest.

On June 27, 2024, the Company paid $65.0 million, including interest on the RBL Credit Agreement.


BKV®

PART II

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	*
Engineering 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 (without adjusting to give effect to our one-for-two reverse stock split completed on October 30, 2023, unless otherwise indicated).

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 Oil and Gas Capital Partners, L.P. ("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

Share data in this paragraph is presented on an as-adjusted basis to effect to the one-for-two reverse stock split completed on October 30, 2023. From January 1, 2021 through December 31, 2021, performance restricted stock units (PRSUs) were legally granted under the 2021 Plan, which were scored in February 2024 and resulted in the vesting of 3,815,420 shares of the Company's common stock, and 328,235 time restricted stock units (TRSUs) were legally granted, of which 82,038 TRSUs were vested at the time of grant and 223,339 TRSUs have since vested. From January 1, 2022 through December 31, 2022, additional

PRSUs were legally granted, which were scored in February 2024 and resulted in the vesting of 146,326 shares of the Company's common stock, and 322,801 TRSUs were legally granted, of which 231,335 TRSUs were vested as of the date of this registration statement. From January 1, 2023 through December 31, 2023, no additional PRSUs were legally granted, and 316,558 TRSUs were legally granted, of which 150,650 TRSUs were vested as of the date of this registration statement. From January 1, 2024 through the date of this registration statement, 260,089 TRSUs were legally granted, of which 64,998 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.

2023 BNAC Equity Investment and Preemptive Rights Offering

In order to fund the Debt Service Reserve Account in the amount of $138.3 million pursuant to the requirements of a financial covenant in the Term Loan Credit Agreement, on September 27, 2023, the Company issued 15,000,000 shares of its common stock to an existing investor, BNAC, for $150.0 million, pursuant to the requirements of the existing stockholders' agreement. Subsequently, on September 29, 2023, pursuant to the preemptive rights provision contained in Article VI, Section 5 of the Company's existing bylaws, as amended and restated, the Company issued 521 shares of its common stock for $5,210, in the aggregate, to certain existing stockholders that qualified as an "accredited investor" within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act. The foregoing issuances were made under an exemption from registration provided by Rule 506(b) of Regulation D promulgated under the Securities Act, and no underwriters were involved in these transactions.

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
2.4+‡	Agreement of Sale and Purchase of Membership Interests, dated May 13, 2024, between BKV Corporation and Sabre Energy Development LLC
3.1**	Amended and Restated Certificate of Incorporation of BKV Corporation, as currently in effect
3.2**	Amended and Restated 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 Second Amended and Restated Bylaws of BKV Corporation, to be in effect upon completion of this offering
3.5**	First Amendment to Amended and Restated Certificate of Incorporation of BKV Corporation, as currently in effect
4.1**	Form of Common Stock Certificate
5.1**	Form of 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

Exhibit Number	Description
10.13**†	Second Amendment to the BKV Corporation 2020 Employee Stock Purchase Plan, dated April 21, 2022
10.14**†	Form of 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)
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
10.31**†	Letter Agreement, dated November 14, 2022, between Kalnin Ventures, LLC and Barry Turcotte
10.32**	Amendment Letter, dated February 1, 2023, to 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
10.33**	Second Amendment, dated June 16, 2023, to Credit Agreement, dated June 16, 2022 and as amended on November 11, 2022, among BKV Corporation, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch
10.34**	Second Amendment, dated June 16, 2023, to Revolving Credit Agreement, dated August 24, 2022 and as amended on November 11, 2022, among BKV Corporation, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch

Exhibit Number	Description
10.35**	Letter Agreement Regarding Limited Waivers to Credit Agreement, dated as of June 16, 2023, among BKV Corporation, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch
10.36**	Letter Agreement Regarding Limited Waivers to Revolving Credit Agreement, dated as of June 16, 2023, among BKV Corporation, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch
10.37**	Letter Agreement Regarding Limited Waivers to Revolving Credit Agreement, dated as of July 6, 2023, among BKV Corporation, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch
10.38**	Third Amendment, dated July 18, 2023, to Credit Agreement, dated June 16, 2022 and as amended on November 11, 2022 and June 16, 2023, among BKV Corporation, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch
10.39**	Third Amendment, dated July 18, 2023, to Revolving Credit Agreement, dated August 24, 2022 and as amended on November 11, 2022 and June 16, 2023, among BKV Corporation, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch
10.40**	Fourth Amendment, dated September 29, 2023, to Credit Agreement, dated June 16, 2022 and as amended on November 11, 2022, June 16, 2023 and July 18, 2023, among BKV Corporation, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch
10.41**	Fourth Amendment, dated September 29, 2023, to Revolving Credit Agreement, dated August 24, 2022 and as amended on November 11, 2022, June 16, 2023 and July 18, 2023, among BKV Corporation, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch
10.42**†	Employment Agreement, effective October 9, 2023, between BKV Corporation and Mary Rita Valois
10.43**	Letter Agreement Regarding Limited Waivers to Revolving Credit Agreement, dated as of December 26, 2023, among BKV Corporation, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch
10.44+	Credit Agreement dated as of June 11, 2024 among BKV Corporation, BKV Upstream Midstream, LLC, Citibank, N.A., and the Lenders party thereto
21.1	List of Subsidiaries of BKV Corporation
23.1	Consent of PricewaterhouseCoopers LLP (BKV Corporation)
23.2	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)
24.2**	Power of Attorney for Barry S. Turcotte
24.3**	Power of Attorney for Kirana Limpaphayom
99.5**	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2021 (SEC Pricing) (Barnett Assets)
99.6**	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2021 (SEC Pricing) (Chaffee Corners Assets)
99.7**	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2021 (SEC Pricing) (Chelsea Assets)
99.8**	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2021 (SEC Pricing) (BKV Assets)

Exhibit Number	Description
99.9**	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2022 (SEC Pricing) (Barnett Assets)
99.10**	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2022 (SEC Pricing) (Chaffee Corners Assets)
99.11**	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2022 (SEC Pricing) (Chelsea Assets)
99.12**	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2022 (SEC Pricing) (BKV Assets)
99.13**	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2022 (SEC Pricing) (North Texas Assets)
99.14	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2023 (SEC Pricing) (Total Company Assets)
99.15	Ryder Scott Company, L.P., Summary of Reserves at December 31, 2023 (NYMEX Strip Pricing) (Total Company Assets)
107**	Calculation of Filing Fee Table

* To be filed by amendment.

** Previously filed.

† 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 5th day of July, 2024.

BKV CORPORATION

By: /s/ Christopher P. Kalnin
Christopher P. Kalnin
Chief Executive Officer

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)	July 5, 2024
* John T. Jimenez	Chief Financial Officer (Principal Financial Officer)	July 5, 2024
* Barry S. Turcotte	Chief Accounting Officer (Principal Accounting Officer)	July 5, 2024
* Chanin Vongkusolkit	Chairman of the Board	July 5, 2024
* Somruedee Chaimongkol	Director	July 5, 2024
* Joseph R. Davis	Director	July 5, 2024
* Akaraphong Dayananda	Director	July 5, 2024
* Kirana Limpaphayom	Director	July 5, 2024
* Carla S. Mashinski	Director	July 5, 2024
* Thiti Mekavichai	Director	July 5, 2024
* Charles C. Miller III	Director	July 5, 2024

Name	Title	Date
*	Director	July 5, 2024
Sunit S. Patel		
*	Director	July 5, 2024
Anon Sirisaengtaksin		
*	Director	July 5, 2024
Sinon Vongkusolkit		

*By: /s/ Christopher P. Kalnin
Christopher P. Kalnin
Attorney-in-fact

Exhibit 2.4

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

Agreement of Sale and Purchase of Membership Interests

BKV Corporation

as Seller

and

Sabre Energy Development LLC

as Buyer

Dated May 13, 2024

Table of Contents

AGREEMENT OF SALE AND PURCHASE

This Agreement of Sale and Purchase ("**Agreement**") dated May 13, 2024 is by and among BKV Corporation, a Delaware corporation ("**Seller**"), and Sabre Energy Development LLC, a Delaware limited liability company ("**Buyer**").

RECITALS

WHEREAS, Seller owns 100% of the issued and outstanding membership interests (the "**Interests**") of BKV Chaffee Corners, LLC, a Delaware limited liability company (the "**Company**");

WHEREAS, the Company owns the Properties (as defined herein), which include certain properties located in Bradford and Susquehanna Counties, Pennsylvania; and

WHEREAS, Buyer desires to purchase and Seller desires to sell the Interests pursuant and subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, the benefits to be derived by each party hereunder and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller (each, a "**Party**" and collectively, the "**Parties**") **agree as follows:**

W I T N E S S E T H:

1. **Membership Interests to be Sold and Purchased**. Seller agrees to sell and Buyer agrees to purchase, for the consideration hereinafter set forth, and subject to the terms, conditions and provisions herein contained, the Interests.

2. **Purchase Price**.

(a) **Purchase Price to be Paid for the Interests**. The purchase price for the Interests shall consist of One Hundred and Five Million U.S. Dollars (U.S. $105,000,000.00) in cash (such amount, unadjusted by any adjustments provided for in this Agreement or agreed to by the Parties, being herein called the "**Initial Purchase Price**"). The Initial Purchase Price shall be adjusted as provided in **Section 11** hereof (the Initial Purchase Price, as so adjusted, and as the same may otherwise be adjusted by mutual agreement of the parties, being herein called the "**Purchase Price**"). The Purchase Price shall be paid as hereinafter provided.

(b) **Deposit**.

(i) Contemporaneously with the execution and delivery of this Agreement, Buyer shall deliver via wire transfer of immediately available funds to the account designated by the Escrow Agreement cash equal to ten percent (10%) of the Initial Purchase Price as a deposit (such amount, together with any and all interest and earnings accrued thereon under the Escrow Agreement after the date of this Agreement, the "**Deposit**").

(ii) The Deposit shall be retained by the Escrow Agent to be held and distributed by the Escrow Agent in accordance with the terms of this Agreement and the Escrow Agreement, including, that, in the event of a termination of this Agreement, the Deposit shall be disbursed to Seller or Buyer as provided in **Section 13(b)**. Buyer shall be responsible for the fees of the Escrow Agent in connection with the Escrow Agreement.

(c) **Payments Made at Closing**. In the event that Closing occurs, at the Closing Buyer shall pay to Seller (or its designees as set forth in the Preliminary Settlement Statement) cash equal to the remainder of (A) the Purchase Price as determined pursuant to **Section 11(b)** *minus* (B) the Deposit (the "**Closing Payment**"). All cash payments by Buyer pursuant to this **Section 2** shall be made in immediately available funds by confirmed wire transfer to a bank account or accounts designated by Seller in the Preliminary Settlement Statement.

(d) **Withholding.** Seller, Buyer, and any other Person that has any withholding obligation with respect to any payment made pursuant to this Agreement (each, a "**Withholding Agent**") shall be entitled to deduct and withhold from any amounts payable or deliverable pursuant to this Agreement such amounts as are required to be withheld and paid over to the applicable Governmental Authority under the Code, or any other applicable provision of Tax law; *provided,* that other than with respect to withholding Taxes owed as a result of the failure of Seller to deliver the IRS Form W-9 described in **Section 10(a)(viii),** the applicable Withholding Agent shall, prior to any deduction or withholding, use commercially reasonable efforts to notify the applicable payee of any anticipated deduction or withholding, and reasonably cooperate with the applicable payee to minimize the amount of any applicable deduction or withholding to such affected Person. To the extent that amounts are so deducted and withheld and paid over to the applicable Governmental Authority, such deducted and withheld amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction or withholding was made.

3. **Representations of Seller**.

(a) **Representations.** Seller represents and warrants to Buyer that, as of the date hereof and as of the Closing Date, the following statements are and shall be true

and correct:

(i) Organization and Qualification.

(1) Seller is duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company is duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company is qualified to own the Properties with all applicable Governmental Authorities having jurisdiction over the Properties or the Company, to the extent such qualification is necessary or appropriate to carry on the Company's business as now being conducted (including, without limitation, meeting all bonding requirements of any applicable Governmental Authorities).

(2) The Company was formed as a Delaware limited liability company on February 11, 2016 for the sole purpose of acquiring and owning the Oil and Gas Properties described on **Exhibit A-1, Exhibit A-2** and **Exhibit A-3** and the Midstream Assets described and depicted on **Exhibit A-4,** together with any other ancillary or associated assets or properties, and except as set forth on **Schedule 3(a)(i)** of the Disclosure Schedule (herein called the "**Disclosure Schedule**") attached hereto as **Schedule I,** since such date the Company has not engaged in any other material business or operations.

(ii) Due Authorization. Seller has full power and authority to enter into, deliver and perform its obligations under this Agreement and each of the other Transaction Documents to which it is or will be at the Closing a party and to consummate the transactions contemplated hereby and thereby. Seller has taken all proper and necessary action to authorize the execution and delivery of this Agreement and each of the other Transaction Documents to which it is or will be at the Closing a party and the consummation of the transactions contemplated hereby and thereby. The Company has full power and authority to enter into, deliver and perform its obligations under each of the Transaction Documents to which it will be at the Closing a party and to consummate the transactions contemplated thereby. The Company has taken all proper and necessary action to authorize the execution and delivery of each of the Transaction Documents to which it will be at the Closing a party and the consummation of the transactions contemplated thereby.

(iii) Valid, Binding and Enforceable. This Agreement constitutes (and the other Transaction Documents provided for herein to be delivered by Seller and the Company at Closing will, when executed and delivered, constitute) the legal, valid and binding obligation of Seller and the Company, as applicable, enforceable in accordance with their respective terms, except as limited by bankruptcy or other Applicable Laws governing creditor's rights or as limited by general equity principles (regardless of whether that enforceability is considered in a Proceeding at law or in equity) (the "**Enforceability Exceptions**").

(iv) Litigation. Except as set forth in **Schedule 3(a)(iv),** (1) there are no pending, or to Seller's Knowledge, threatened, Proceedings (A) against Seller that would prevent or materially impair or delay, or would reasonably be expected to prevent or materially impair or delay, the consummation of the transactions contemplated hereby or by the other Transaction Documents to which Seller is, or will be at Closing, a party, (B) in which the Company is a party or (C) in which any of Seller or its Affiliates (including the Company) is a party that affect the Properties (including, without limitation, any actions challenging or pertaining to the Company's title to any of the Properties), and (2) there are no Orders (I) binding on Seller that would prevent or materially impair or delay, or would reasonably be expected to prevent or materially impair or delay, the consummation of the transactions contemplated hereby or by the other Transaction Documents to which Seller is, or will be at Closing, a party or (II) binding on the Company or, to Seller's Knowledge, any of the Properties.

(v) Capitalization of the Company. The Interests constitute all of the issued and outstanding equity interests of the Company. All of the Interests have been validly issued, fully paid and nonassessable, and have not been issued in violation of any Applicable Law or preemptive or similar rights. No preemptive rights or rights of first refusal exist with respect to the Interests, and no such rights arise by virtue of or in connection with the transactions contemplated hereby. There are no outstanding or authorized rights, options, warrants, convertible securities, subscription rights, conversion rights, exchange rights, preemptive rights, repurchase rights, rights of first refusal or offer, tag along or drag along rights or other agreements or commitments of any kind that could require the Company to issue or sell any ownership interest or entitle any Person to purchase or otherwise acquire any equity interest of the Company. There are no proxies, voting rights, member agreements, voting trusts or other agreements or understandings with respect to any of the Interests. There are no Contracts obligating the Company to issue, deliver, sell, purchase, redeem or acquire, cause to be issued, delivered, sold, purchased, redeemed or acquired, any limited liability company interests or obligating the Company to grant, extend, or enter into any option, warrant, call, right, commitment or agreement of any kind to acquire any limited liability company interests. The Company has no, and never has had any, Subsidiaries, and owns no, and never has owned any, equity interest in any other entity. Prior to the date of this Agreement, Seller has made available to Buyer true and complete copies of each Governing Document of the Company and all amendments or modifications thereto.

(vi) No Conflicts.

(A) The execution and delivery of this Agreement by Seller does not, and the execution and delivery by Seller and the Company of each of the other Transaction Documents to which such Person is or will be at the Closing a party and consummation of the transactions contemplated hereby and thereby by such Person will not, (I) violate or be in conflict with, or require the consent of any Person which has not been obtained under, any provision of Seller's Governing Documents, (II) conflict with, result in a breach of, constitute a default under, or give rise (or an event that with the lapse of time or notice, or both would constitute a default or give rise) to any right of termination, cancellation, or acceleration under, any bond, debenture, note, guaranty, mortgage or indenture, or any Contract to which Seller is a party or by which Seller may be bound, or (III) violate any provision of, or require any consent, authorization or approval under, any judgment, decree, judicial or administrative order, award, writ, injunction, statute, rule or regulation (an "**Order**") applicable to Seller or any Applicable Law, except in the cases of clauses (II) and (III), where the violation, breach, conflict, default, acceleration or failure to give notice or obtain consent would not have a Material Adverse Effect.

(B) The execution and delivery of this Agreement by Seller does not, and the execution and delivery by Seller and the Company of each of the other Transaction Documents to which such Person is or will be at the Closing a party and consummation of the transactions contemplated hereby and thereby by such Person will not, (I) violate or be in conflict with, or require the consent of any Person under, any provision of the Company's Governing Documents, (II) conflict with in any material respect, result in a material breach of, constitute a default under, or give rise (or an event that with the lapse of time or notice, or both would constitute a default or give rise) to any right of termination, cancellation, or acceleration under, any bond, debenture, note, guaranty, mortgage or indenture, or any Contract to which the Company is a party or by which the Company may be bound or by which the Interests or the Properties are bound, (III) violate in any material respect any provision of, or require any consent, authorization or approval under, any Order applicable to the Company or any Applicable Law, or (IV) result in the creation of any Lien on any of the Interests or, to Seller's Knowledge, any material Lien (other than Permitted Encumbrances) on any of the Properties.

(C) Seller has delivered to Buyer true, correct and complete copies of each of the consents described on **Schedule 3(a)(vi)(C)** prior to the date hereof, and each of such consents is in full force and effect.

(vii) Contracts. Part 1 of **Schedule 3(a)(vii)** of the Disclosure Schedule sets forth a complete and accurate list of all Material Contracts as of the date of this Agreement; provided that with respect to any Material Contract entered into by a Third Party operator of the Properties on behalf of the Company, this representation and warranty is limited to such Material Contracts of Seller's Knowledge. Prior to the date of this Agreement, Seller has made available to Buyer true and complete copies of each Material Contract and all amendments or modifications thereto; provided that with respect to any Material Contract entered into by a Third Party operator of the Properties on behalf of the Company, this representation and warranty is limited to such Material Contracts of Seller's Knowledge. Except as disclosed on Part 2 of **Schedule 3(a)(vii)** of the Disclosure Schedule, (A) each Material Contract is in full force and effect and enforceable in accordance with its terms against the Company and, to Seller's Knowledge, the other parties thereto, except as such enforceability may be limited by the Enforceability Exceptions, (B) the Company is not in material breach or material default under any Material Contract, (C) no written notice of material breach or material default has been received or delivered by the Company or its Affiliates under any Material Contract, (D) there are no current notices that have been received by the Company or its Affiliates of the exercise of any premature termination, price redetermination, market-out, or curtailment of any Material Contract, and (E) solely during the period of Seller's indirect ownership of the Properties, no event has occurred nor has any party to a Material Contract taken or failed to take any action that, with the giving of notice or the passage of time or both, would constitute a material breach or material default by the Company or, to Seller's Knowledge, any other party to such Material Contract.

(viii) Preferential Rights; Consents.

(A) Except as set forth in **Schedule 3(a)(viii)** of the Disclosure Schedule, there are no preferential rights to purchase, rights of purchase, rights of first refusal or rights of first offer (I) affecting any of the Interests, (II) affecting any of the Properties that, individually or in the aggregate, have Allocated Amounts in excess of twenty-five percent (25%) of the Initial Purchase Price, or (III) to Seller's Knowledge, other than any Preferential Rights described in clause (II), affecting any of the Properties, in any case of the foregoing clauses (I), (II) and (III), that could be or have been invoked in connection with the sale and purchase of the Interests ("**Preferential Rights**").

(B) Except as set forth in **Schedule 3(a)(viii)** of the Disclosure Schedule, there are no Required Consents necessary for the consummation of the transactions contemplated hereunder at Closing, including the assignment of the Interests from Seller to Buyer.

(ix) Permits. To Seller's Knowledge, the applicable Third Party operator of the Properties has obtained, and is and has been in material compliance with, all material federal, state and local governmental licenses, authorizations, consents, certificates, registrations, approvals and permits (collectively, "**Permits**") necessary or appropriate to operate the Properties and operate its business and, to Seller's Knowledge, such Permits are in full force and effect.

(x) Wells. Except for Wells listed on **Schedule 3(a)(x)** of the Disclosure Schedule, to Seller's Knowledge, (A) there are no dry holes, or shut in or otherwise inactive Wells, located on the Oil and Gas Properties or on lands pooled or unitized therewith, except for Wells that have been properly plugged and abandoned in accordance with all Applicable Laws, (B) no Well is subject to penalties on allowable production after the Effective Date because of any overproduction, and (C) there is no Well included in the Oil and Gas Properties that has been drilled and completed in a manner that is not within the limits permitted by all Applicable Laws, Permits, Leases and Contracts.

(xi) Payment of Expenses. To Seller's Knowledge, all expenses of $100,000 or more (including all bills for labor, materials and supplies used or furnished for use in connection with the Properties, but excluding Taxes) relating to the ownership of the Properties, have been, and are being, paid (timely, and before the same become delinquent) by the Company in a manner consistent with the Company's customary practices and procedures, except such expenses as are disputed in good faith by the Company and for which adequate accounting reserves have been established by the Company, which are set forth in **Schedule 3(a)(xi)** of the Disclosure Schedule.

(xii) Compliance with Laws. Except as disclosed on **Schedule 3(a)(xii)** of the Disclosure Schedule, the Company and, to Seller's Knowledge, the Properties have been and currently are in compliance in all material respects with the provisions and requirements of all Applicable Laws. Except as disclosed on **Schedule 3(a)(xii)** of the Disclosure Schedule, neither Seller, the Company nor any Affiliates of Seller or the Company have received any written notice from any Governmental Authority or any other Person that Seller, the Company, any Affiliates of Seller, or, to Seller's Knowledge, the Properties are in violation of, or has violated, any Applicable Laws. None of the representations and warranties contained in this **Section 3(a)(xii)** shall be deemed to relate to environmental matters (which are governed by **Section 3(a)(xxiii)**) or Tax matters (which are governed by **Section 3(a)(xv)**).

(xiii) Financial Statements. Seller has delivered to Buyer complete and accurate copies of the unaudited financial statements of the Company, which comprise the balance sheets of the Company for the fiscal years ended 2023 and 2022 and as of March 31, 2024, and the related statement of income and members' equity for each of the applicable years or period then ended (collectively, the "**Financial Statements**"). The Financial Statements fairly present in all material respects the financial condition and results of operations and members' equity of the Company as of the dates and for the periods indicated and have been prepared in accordance with GAAP, consistently applied (except with respect to the pro forma adjustment to eliminate receivables from the parent and that the unaudited financial statements included in the Financial Statements have been presented without any notes thereto, and do not include normal, recurring year-end adjustments, none of which, if made, would be material). The balance sheet of the Company as of March 31, 2024 is referred to herein as the "**Balance Sheet**" and the date thereof as the "**Balance Sheet Date**."

(xiv) Absence of Undisclosed Liabilities. Except for (a) Liabilities reflected or reserved against in the Financial Statements, (b) Liabilities disclosed on **Schedule 3(a)(xiv)** of the Disclosure Schedule, and (c) Liabilities incurred in the Ordinary Course of Business since the Balance Sheet Date (other than such Liabilities that relate to or arise from any tortious conduct or the breach or violation of any Contract, Permit or Applicable Law), the Company has no Liabilities that are of a type required to be reflected on a balance sheet in accordance with GAAP, other than Liabilities which are not, individually or in the aggregate, material to the Company.

(xv) Taxes. Except as disclosed on **Schedule 3(a)(xv)** of the Disclosure Schedule:

(A) All Tax Returns required to have been filed by the Company or with respect to the Properties, in each case, have been duly and timely filed with the appropriate Taxing Authority in all jurisdictions in which such Tax Returns are required to be filed (after taking into account any valid extension of time in which to make such filings), and all such Tax Returns are true, complete and correct in all material respects. All Taxes that are required to have been paid by or with respect to the Company or the Properties (whether or not shown on any Tax Return), in each case, have been duly and timely paid.

(B) The Company has complied with all Applicable Laws relating to the payment and withholding of Taxes and has duly and timely withheld and paid over to the appropriate Taxing Authority all amounts required to be so withheld and paid under all Applicable Laws.

(C) No claim has been made by a Taxing Authority in a jurisdiction where the Company does not file Tax Returns that the Company is or may be subject to

taxation in that jurisdiction.

(D) All deficiencies asserted or assessments made as a result of any examinations (or otherwise) by any Taxing Authority with respect to the Tax Returns or Taxes of the Company or the Properties have been fully paid, and there are no audits, investigations, examinations or other proceedings conducted by any Taxing Authority currently in progress or pending, and neither Seller nor the Company has received any written notice from any Taxing Authority that it intends to conduct such an audit, investigation, examination or proceeding.

(E) Seller is not a foreign person within the meaning of Section 1445 of the Code.

(F) The Company is not a party to or bound by any tax sharing, allocation, indemnity or similar agreement or arrangement (whether or not written) (other than, in each case, commercial agreements or contracts containing customary provisions and entered into in the Ordinary Course of Business that are not primarily related to Taxes).

(G) The Company does not have any liability for the Taxes of any other Person (I) under Treasury Regulations Section 1.1502-6 (or any similar provision of U.S. state or local or non-U.S. law) or (II) as a transferee or successor, by contract or otherwise (other than, in each case, with respect to any commercial agreements or contracts containing customary provisions and entered into in the Ordinary Course of Business that are not primarily related to Taxes).

(H) There are no outstanding Liens or other encumbrances on the Interests or any of the Properties (other than Liens for Taxes not yet due and payable), in each case, that arose in connection with any failure (or alleged failure) to pay any Tax.

(I)The Company has not made an election to be treated as a corporation for U.S. federal income tax purposes, and at all times since its formation, the Company has been owned entirely by Seller and classified for U.S. federal income tax purposes as an entity disregarded as separate from Seller, as described in Treasury Regulation Section 301.7701-2(c)(2).

(J) None of the Properties are subject to any tax partnership agreement or are 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.

(K) Neither the Company nor any Person on its behalf has (i) executed or entered into any closing agreement with any Taxing Authority, (ii) granted any extensions or waivers of any statute of limitations of any jurisdiction for the assessment or collection of any Taxes of the Company or Taxes imposed on the Properties, which Taxes have not since been paid, or (iii) granted to any Person any power of attorney that is currently in force with respect to any Tax matter.

(L) Neither the Company nor any predecessor of the Company has participated (within the meaning of Treasury Regulations Section 1.6011-4(c)(3)) in any "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b)(2) (and all predecessor regulations) or under any similar provision of state, local or non-U.S. law.

(M) The Company has not conducted any business, owned any property, or established nexus for Tax purposes, in any state other than Pennsylvania.

Notwithstanding any other provision in this Agreement, the representations and warranties in this **Section 3(a)(xv)** and **Section 3(a)(xvii)** are the only representations and warranties in this Agreement with respect to the Tax matters of the Seller and the Company.

(xvi) Lease Provisions. To Seller's Knowledge, all material Royalties and other payments due under the Leases described in **Exhibit A-1** and **Exhibit A-3** have been promptly and fully paid to the proper Person or Governmental Authority, except amounts that are being properly held in suspense or contested in good faith (1) attributable to overriding royalty interests which are subject to pending litigation, or (2) as a result of title issues and that do not provide any third party a right to cancel any such Lease as disclosed on **Schedule 3(a)(iv)** of the Disclosure Schedule.

(xvii) Employee Matters.

(A) The Company does not employ nor has it at any time employed any Person. The Company is not and has never been a party or subject to any labor union or collective bargaining Contract or obligations under any such Contract. There is no pending, and there has not been any, or, to the Seller's Knowledge, threatened strike, lockout, boycott, picketing, work stoppage, unfair labor practice charge, or other labor dispute affecting the Company. The Company is and has been in compliance with all Applicable Laws relating to terms or conditions of employment or labor or employment practices, including as it relates to hiring, worker classification as exempt or non-exempt under the Fair Labor Standards Act or similar state law, worker classification as employee or independent contractor, compensation, training, wage and hour, immigration, employment eligibility verification, privacy, occupational health and safety, accommodations, equal employment opportunity, pay equity, harassment, discrimination, retaliation, whistleblower, record retention, notice, wage payment and deduction, unemployment, collective bargaining, Taxes, discipline and termination. The Company has properly classified each of its current and former independent contractors as independent contractors and not employees for all purposes, and has paid each such independent contractor all compensation due and payable.

(B) The Company does not sponsor, maintain, contribute to or have any Liability with respect to, nor has it at any time sponsored, maintained, contributed to or had any Liability with respect to (nor is it or has it ever been obligated to contribute to) any Benefit Plan. The Company does not owe, nor is it obligated to pay any time after the Effective Date, any payments or other compensation to, nor has it at any time paid or compensated, any officers, managers or directors of the Company, and the Company after Closing shall owe no obligations to any officers, managers or directors of the Company.

(xviii) Insurance. Part 1 of **Schedule 3(a)(xviii)** of the Disclosure Schedule sets forth all insurance policies maintained by the Company (or maintained by Seller or any Affiliate of Seller or the Company with respect to the business of the Company) (collectively, "**Insurance Policies**"). Except as set forth on Part 2 of **Schedule 3(a)(xviii)** of the Disclosure Schedule, all Insurance Policies are in full force and effect on the date of this Agreement and there is no material claim pending under any such policies as to which coverage has been denied by the insurer other than customary indications as to reservation of rights. The Company is not in material default under any provisions of any such Insurance Policy, nor the Company or any of its Affiliates received written notice of cancellation of any Insurance Policy, nor has the Company failed to timely report any material claim or reportable incident under such Insurance Policies.

(xix) Production Sales Contracts. To Seller's Knowledge, the Third Party operator of the Oil and Gas Properties is presently receiving a price for all production from (or attributable to) each Well covered by a production sales contract or other arrangement computed in accordance with the terms of such Contract, and deliveries of gas from any Oil and Gas Property subject to such a Contract are not being curtailed substantially below such Property's delivery capacity except as noted in **Schedule 3(a)(xix)** of the Disclosure Schedule and except to the extent of temporary and occasional operational curtailments. To Seller's Knowledge, the Third Party operator of the Properties is not

withholding from, or failing to remit to, the Company any material amounts required under applicable Contracts to be remitted to the Company.

(xx) AFE's. To Seller's Knowledge, (A) except as set forth on Part 1 of **Schedule 3(a)(xx)** of the Disclosure Schedule, as of the date of this Agreement, there is no individual outstanding drilling proposal, call for payment under an authority for expenditures or budgeted capital expenditure under any Contract relating to the Company's interest in the Oil and Gas Properties or the Midstream Systems which exceeds $100,000 (net to the Company's interest in the Oil and Gas Properties or the Midstream Systems, as applicable); and (B) Part 2 of **Schedule 3(a)(xx)** sets forth, as of the date of this Agreement, the aggregate amount of all Property Costs actually paid by or on behalf of Seller or any of its Affiliates (including the Company) or for which there is an outstanding drilling proposal, call for payment under an authority for expenditure or similar request or invoice for funding, in each case, in connection with the operations described on **Schedule 3(a)(xx)**.

(xxi) Payout Balances. To Seller's Knowledge, **Schedule 3(a)(xxi)** sets forth the payout balances (net to the Working Interest of the Company) as of the date set forth on such schedule, for each Well listed on **Exhibit A-2** that is subject to a Working Interest or Net Revenue Interest reversion or other Working Interest or Net Revenue Interest adjustment at some level of cost recovery or payout.

(xxii) Title to the Interests. Seller is the record and beneficial owner of all of the Interests, free and clear of all Liens, other than (a) as of the date hereof only, Liens securing the obligations of the Seller or the Company under the Credit Agreement or any hedge agreement that may be secured by the same collateral as the Credit Agreement, in each case, that will be released at or prior to the Closing or (b) as of the date hereof and as of Closing, restrictions on transfer that may be imposed by federal or state securities laws. At the Closing, the delivery by Seller to Buyer of the Assignment will vest Buyer with good and valid title to, all of the Interests, free and clear of all Liens, other than restrictions on transfer that may be imposed by federal or state securities laws.

(xxiii) Environmental Laws. Except as provided in **Sections 6** and **7,** this **Section 3(a)(xxiii)** shall be the sole and exclusive representation or warranty that shall apply to all matters relating to Applicable Environmental Laws.

(A) To Seller's Knowledge, the Properties and Company's and its Affiliate's ownership and (any Third Party operator's) operation of Properties are in compliance in all material respects with the requirements of all Applicable Environmental Laws;

(B) Neither Seller nor its Affiliates has caused, nor to Seller's Knowledge, have any applicable Third Parties operating the Properties caused, the generation, use, treatment, manufacture, storage or disposal of any Hazardous Substance at, on or from the Properties, except in accordance in all material respects with all Applicable Environmental Laws;

(C) All material permits, licenses, approvals, consents, certificates and other authorizations required by Applicable Environmental Laws with respect to the ownership or, to Seller's Knowledge, the operation of the Properties by applicable Third Parties, or for the generation, use or disposal of Hazardous Substances arising from operations on the Properties (the "**Environmental Permits**") have been properly obtained and are valid and in full force and effect, to Seller's Knowledge, are not subject to challenge that would result in any adverse modification or termination, and the Properties and Seller's or any Affiliates of Seller ownership of the Properties, and to Seller's Knowledge, the operation of the Properties by applicable Third Parties, are in compliance in all material respects with the Environmental Permits;

(D) (i) To Seller's Knowledge, there are no facts, conditions, or circumstances in connection with, related to or associated with the Properties, or otherwise associated with operation on the Properties, in violation or potential violation of Applicable Environmental Laws, and (ii) to Seller's Knowledge, there are no Proceedings or claims by any Person alleging noncompliance with or violation of any Applicable Environmental Law or otherwise asserting that Seller, any Affiliate of Seller, any Third Party operator or the ownership or operation of any thereof, gives rise to any liability under or in connection with any Applicable Environmental Law, Environmental Permit or authorization issued pursuant to Applicable Environmental Laws; and

(E) To Seller's Knowledge, there are no (i) Hazardous Substances that have been disposed of or released on, in, from or under the Properties that could reasonably be expected to result in noncompliance with or a violation of any Applicable Environmental Law, (ii) claims of exposure to or damage from any Hazardous Substances or any other material arising from the Properties or operations on the Properties, or (iii) liabilities or obligations under any Applicable Environmental Law or Environmental Permits to perform remediation, removal, response, restoration, abatement, investigation or monitoring.

(xxiv) Absence of Changes. Since the Balance Sheet Date, except as set forth on **Schedule 3(a)(xxiv)** of the Disclosure Schedule, (A) the business of the Company has been conducted in all material respects in the Ordinary Course of Business and (B) there has not been an event, occurrence or development that has had a Material Adverse Effect.

(xxv) Bank Accounts; Officers; Powers of Attorney. **Schedule 3(a)(xxv)** of the Disclosure Schedule sets forth (A) the names and locations of all banks and other financial institutions and depositories at which the Company maintains accounts of any type or safe deposit boxes, and also lists the account number of each such account, the number of each such safe deposit box and the current authorized signatory or signatories on each such account or safe deposit box, (B) an accurate and complete list of all officers, directors and managers of the Company and (C) a complete list of all Persons holding powers of attorney issued by the Company that will remain in effect as of the Closing Date.

(xxvi) Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller for which Buyer or any of its Affiliates (or, after the Effective Date, the Company) will be responsible.

(xxvii) Credit Support Obligations. Except as set forth on **Schedule 3(a)(xxvii)**, there are no cash deposits, guarantees, letters of credit, surety bonds, and other forms of credit assurance or credit support provided by the Company, or by Seller or any of its Affiliates (other than the Company) on behalf of the Company, in support of the obligations of the Company to any Governmental Authority, Contract counterparty, or other Person related to the ownership of the Properties.

(xxviii) Suspense Funds. Neither the Company, Seller nor any Affiliate of Seller is holding in suspense any share of Hydrocarbon proceeds attributable to the Company's interests in the Oil and Gas Properties. To Seller's Knowledge, as of the date of this Agreement and except as set forth on **Schedule 3(a)(xxviii),** no share of Hydrocarbon proceeds attributable to the Company's interests in the Oil and Gas Properties to which the Company is entitled is currently being held in suspense by the applicable Third Party operator or payor thereof.

(xxix) Imbalances. To Seller's Knowledge, except as set forth in **Schedule 3(a)(xxix),** the Properties are not subject to any material Imbalances as of the date set forth on such Schedule.

(xxx) Payments for Production. To Seller's Knowledge, except for Imbalances, which are addressed in **Section 3(a)(xxix),** the Company is not obligated by virtue of a take-or-pay payment, advance payment or other similar payment (other than gas balancing agreements) to deliver Hydrocarbons, or proceeds from the sale thereof, attributable to the Company's interest in the Properties at some future time without receiving full payment therefor at or after the time of delivery.

(xxxi) Leases. (A) Neither the Company nor any Affiliate of the Company has received any unresolved written notices alleging any material default or breach under any Lease by the Company or, to Seller's Knowledge, the Company's predecessor in interest; and (B) neither the Company nor any Affiliate of the Company has received any unresolved written notice seeking to terminate or materially amend any of the Leases. To the Seller's Knowledge, no event has occurred which (with notice or lapse of time, or both) would constitute a material default under any Lease or give the Company or any other party to any Lease the right to terminate or modify any Lease, in each case, that remains unresolved.

(xxxii) Non-Consent Elections. Except as set forth on **Schedule 3(a)(xxxii)**, the Company and its Affiliates have not elected (and were not deemed to have elected) not to participate in any operation or activity proposed with respect to the Properties and with respect to which the Company or its Affiliates have not yet recovered its full participation.

(xxxiii) Condemnation. As of the date of this Agreement, to Seller's Knowledge, there is no actual or threatened taking (whether permanent, temporary, whole or partial) of any part of the Properties by reason of condemnation.

(xxxiv) Books and Records. The Company maintains all books of account and other business records (including the Records) required by (and in accordance with) Applicable Law and necessary to conduct the business of the Company in accordance with its past practices, consistently applied, and in compliance with all Applicable Laws.

(xxxv) Indebtedness. Except for any Indebtedness under the Credit Agreements, as of the date of this Agreement, the Company has no outstanding Indebtedness. As of the Closing, the Company has no outstanding Indebtedness.

(xxxvi) Bankruptcy. There are no bankruptcy, reorganization, or receivership Proceedings pending against, being contemplated by, or, to Seller's Knowledge, threatened in writing against, the Company. The Company (A) is not insolvent, (B) is not in receivership or dissolution, (C) has not made any assignment for the benefit of creditors, (D) has not admitted in writing its inability to pay its debts as they mature, (E) has not been adjudicated bankrupt and (F) has not filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy laws or any other similar laws, nor has any such petition been filed against the Company. In completing the transactions contemplated by this Agreement, Seller does not intend to hinder, delay or defraud any present or future creditors of the Company.

(xxxvii) Sufficiency of Assets. The Properties (including the Midstream Assets) currently owned by the Company are sufficient for the continued conduct of the Company's business after the Closing in substantially the same manner as conducted in the twelve month period prior to the Closing, and the Company owns no other material assets or properties other than the Properties.

(xxxviii) Midstream Assets.

(A) The Company has good and valid right, title and interest in and to (i) the Midstream Assets and (ii) the Surface Rights and Rights of Way appurtenant to and used or held for use in connection with the ownership or operation of the Midstream Assets, in each case described in subsections (i) and (ii), free and clear of all Liens except for Permitted Encumbrances. The Company has not transferred, conveyed or sold to any Person any interest in any Midstream Asset or in any other asset that is included in the definition of "Midstream Assets" under and subject to that certain Agreement for the Construction, Ownership and Operation of Midstream Assets in Northern Pennsylvania, between Talisman Energy USA, Inc., Range Resources-Appalachia, LLC and Abarta Oil & Gas Co., Inc., dated October 1, 2010.

(B) To Seller's Knowledge, (i) the tangible Midstream Assets are in good condition and repair taken as a whole (ordinary wear and tear excepted and taking into account the age, history, and use) and (ii) maintenance has not been deferred on any such assets in contemplation of the transaction contemplated hereby.

(C) Except as set forth on **Schedule 3(a)(xxxviii)(C)**, (i) neither the Company nor any of its Affiliates has received any unresolved written notices alleging any material default or material breach under any Surface Rights and Rights of Way by the Company or any of its Affiliates, or, to Seller's Knowledge, their predecessors in interest, (ii) neither the Company nor any of its Affiliates has received any unresolved written notice seeking to terminate any of the Surface Rights and Rights of Way except where such termination would not reasonably be expected to have a material and adverse impact on the business of the Company as currently conducted, and (iii) to Seller's Knowledge, none of the Surface Rights and Rights of Way contain express provisions that materially impede or restrict operations as currently conducted on the lands underlying the Leases.

(xxxix) Special Warranty. The Company holds Defensible Title to each of the Oil and Gas Properties, in each case, free and clear of any claims against any Person whatsoever lawfully claims or purports to claim title to the same or any part thereof, solely to the extent arising by, through or under the company or its Affiliates (including, prior to Closing, Seller or its Affiliates), but not otherwise, subject, however to Permitted Encumbrances (the representation and warranty set forth in this **Section 3(a)(xxxix)** is referred to as the "**Special Warranty of Title**").

(xl) Certain Real Property Interests. The Company owns no, and has never owned any, Owned Real Property or Leased Real Property.

(xli) Anti-Corruption Matters. (A) Seller, the Company and, to Seller's knowledge (as defined in the FCPA), their respective officers, directors and employees, are currently, and for the past five (5) years have been, in compliance with all Anti-Corruption Laws applicable to Seller or the Company, and (B) neither Seller, the Company nor, to Seller's knowledge (as defined in the FCPA), any of their respective officers, directors, employees, or any other Person working on behalf of the Seller or Company have, directly or indirectly, corruptly offered, paid, given, promised to pay or give, or authorized the payment or giving of any money or anything of value (including any facilitation payment) to: (i) any Government Official; (ii) any person acting for or on behalf of any Government Official; or (iii) any other Person, for the purpose of securing any improper business advantage or otherwise in violation of any Anti-Corruption Laws applicable to Seller or the Company.

(xlii) Trade Control Laws. None of the Seller, the Company, nor any of their respective directors, officers, or employees, nor, to Seller's Knowledge, any other Person working on behalf of the Company (A) has directly or, to Seller's Knowledge, indirectly, during the past five (5) years violated any export, reexport, import, antiboycott, or economic sanctions applicable to Seller or the Company ("**Trade Control Laws**"); (B) is targeted, blocked, or otherwise the subject of sanctions prohibitions or restrictions under any applicable Trade Control Laws (including but not limited to being, or being owned 50% or more by one or more Specially Designated Nationals or other U.S. sanctions targets); (C) is located, organized, or resident in any country or territory subject to a comprehensive economic sanctions embargo under applicable Trade Control Laws (currently, Cuba, Iran, North Korea, Syria, and the Crimea, so-called Donetsk People's Republic, and so-called Luhansk People's Republic regions of Ukraine); or (D) has during the past five (5) years been the subject or target of any enforcement, administrative, civil or criminal action, disclosure, or, to Seller's Knowledge, investigation,

relating to applicable Trade Control Laws.

(b) **Disclaimers**. THE EXPRESS REPRESENTATIONS AND WARRANTIES OF SELLER CONTAINED IN **SECTION 3(a)** ABOVE AND SET FORTH IN THE OTHER TRANSACTION DOCUMENTS ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE WITH RESPECT TO THE PROPERTIES, THE COMPANY AND THE INTERESTS, AND SELLER EXPRESSLY DISCLAIMS ANY AND ALL SUCH OTHER REPRESENTATIONS AND WARRANTIES. WITHOUT LIMITATION OF THE FOREGOING, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE OTHER TRANSACTION DOCUMENTS, SELLER MAKES NO WARRANTY OR REPRESENTATION WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, RELATING TO THE CONDITION, QUANTITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, CONFORMITY TO THE MODELS OR SAMPLES OF MATERIALS OR MERCHANTABILITY OF ANY EQUIPMENT OR ITS FITNESS FOR ANY PURPOSE, AND, EXCEPT AS PROVIDED OTHERWISE IN THE FIRST SENTENCE OF THIS PARAGRAPH, SELLER MAKES NO OTHER EXPRESS, IMPLIED, STATUTORY OR OTHER WARRANTY OR REPRESENTATION WHATSOEVER. AT CLOSING (ASSUMING COMPLIANCE BY SELLER WITH ITS OBLIGATIONS UNDER THIS AGREEMENT) BUYER SHALL HAVE INSPECTED OR WAIVED ITS RIGHT TO INSPECT THE PROPERTIES FOR ALL PURPOSES AND SATISFIED ITSELF AS TO THEIR PHYSICAL AND ENVIRONMENTAL CONDITION, BOTH SURFACE AND SUBSURFACE, INCLUDING BUT NOT LIMITED TO CONDITIONS SPECIFICALLY RELATED TO THE PRESENCE, RELEASE OR DISPOSAL OF HAZARDOUS SUBSTANCES, SOLID WASTES, ASBESTOS AND OTHER MAN MADE FIBERS, OR NATURALLY OCCURRING RADIOACTIVE MATERIA LS ("**NORM**"). ALSO WITHOUT LIMITATION OF THE FOREGOING, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN THE OTHER TRANSACTION DOCUMENTS, SELLER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AS TO THE ACCURACY OR COMPLETENESS OF ANY DATA, REPORTS, RECORDS, PROJECTIONS, INFORMATION OR MATERIALS NOW, HERETOFORE OR HEREAFTER FURNISHED OR MADE AVAILABLE TO BUYER IN CONNECTION WITH THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, RELATIVE TO PRICING ASSUMPTIONS, OR QUALITY OR QUANTITY OF HYDROCARBON RESERVES (IF ANY) ATTRIBUTABLE TO THE PROPERTIES OR THE ABILITY OR POTENTIAL OF THE PROPERTIES TO PRODUCE HYDROCARBONS OR THE ENVIRONMENTAL CONDITION OF THE PROPERTIES OR ANY OTHER MATTERS CONTAINED IN ANY MATERIALS FURNISHED OR MADE AVAILABLE TO BUYER BY SELLER OR BY SELLER'S AGENTS OR REPRESENTATIVES (INCLUDING THE CONFIDENTIAL INFORMATION MEMORANDUM PREPARED BY EVERCORE GROUP L.L.P. DATED DECEMBER 14, 2023 AND ANY INFORMATION, DOCUMENTS OR MATERIAL MADE AVAILABLE TO BUYER IN THE DATA ROOM). EXCEPT AS EXPRESSLY REPRESENTED OR WARRANTED HEREIN, ANY AND ALL SUCH DATA, RECORDS, REPORTS, PROJECTIONS, INFORMATION AND OTHER MATERIALS (WRITTEN OR ORAL) FURNISHED BY SELLER OR OTHERWISE MADE AVAILABLE OR DISCLOSED TO BUYER ARE PROVIDED TO BUYER AS A CONVENIENCE AND SHALL NOT CREATE OR GIVE RISE TO ANY LIABILITY OF OR AGAINST SELLER AND ANY RELIANCE ON OR USE OF THE SAME SHALL BE AT BUYER'S SOLE RISK TO THE MAXIMUM EXTENT PERMITTED BY LAW.

(c) **Disclosures**. The matters set forth on the Disclosure Schedule are not necessarily matters that Seller is required to disclose or matters that would constitute a breach of any representation or warranty had such matters not been disclosed. Each disclosure in the Disclosure Schedule shall be deemed to qualify the other representations and warranties of Seller notwithstanding the lack of a specific cross-reference where the applicability of such disclosure to such other representation or warranty is readily apparent on the face of such disclosure.

4. **Representations of Buyer**. Buyer represents and warrants to Seller that, as of the date hereof and as of the Closing Date, the following statements are and shall be true and correct:

(a) **Organization and Qualification**. Buyer is a limited liability company duly organized and legally existing and in good standing under the laws of the State of Delaware.

(b) **Due Authorization**. Buyer has full power to enter into and perform its obligations under this Agreement and has taken all proper action to authorize entering into this Agreement and the performance of its obligations hereunder.

(c) **Valid, Binding and Enforceable**. This Agreement constitutes (and the other Transaction Documents provided for herein to be delivered by Buyer at Closing will, when executed and delivered, constitute) the legal, valid and binding obligation of Buyer, enforceable in accordance with its terms, except as limited by bankruptcy or other laws applicable generally to creditor's rights and as limited by Enforceability Exceptions.

(d) **No Conflicts**. The execution and delivery of this Agreement by Buyer does not, and the consummation of the transactions contemplated by this Agreement will not, (i) violate or be in conflict with, or require the consent of any Person under, any provision of Buyer's Governing Documents, (ii) conflict with, result in a breach of, constitute a default under, or give rise (or an event that with the lapse of time or notice, or both would constitute a default or give rise) to any right of termination, cancellation, or acceleration under, any bond, debenture, note, guaranty, mortgage or indenture, or any Contract to which Buyer is a party or by which Buyer may be bound or (iii) violate any provision of or require any consent, authorization or approval under any Order applicable to Buyer, except in the cases of clauses (ii) and (iii), where the violation, breach, conflict, default, acceleration or failure to give notice or obtain consent would not have a material adverse effect on Buyer's ability to consummate the transactions contemplated by this Agreement.

(e) **No Litigation**. There are no pending Proceedings in which Buyer is a party (or, to Buyer's Knowledge, which have been threatened to be instituted against Buyer) which would be reasonably likely to prevent or materially delay the execution and delivery of this Agreement by Buyer or the ability of Buyer to consummate of the transactions contemplated hereby or perform its obligations hereunder.

(f) **No Distribution**. Buyer is acquiring the Interests for its own account and not with the intent to make a distribution in violation of the Securities Act of 1933 as amended (the "**Securities Act**") (and the rules and regulations pertaining thereto), or in violation of any other applicable securities laws, rules or regulations.

(g) **Knowledge and Experience**. Buyer has (and had prior to negotiations regarding the Interests) such knowledge and experience in the ownership and the operation of oil and gas properties and financial and business matters as to be able to evaluate the merits and risks of an investment in the Interests. Buyer is able to bear the risks of the acquisition of the Interests, and assumption of the obligations, in accordance with and as set forth in this Agreement. Buyer acknowledges that the Interests are not registered under the Securities Act of 1933, as amended, or any state securities laws, and that the Interests may not be transferred or sold except pursuant to the registration provisions of the Securities Act of 1933, as amended or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable.

(h) **Merits and Risks of an Investment in the Properties**. Buyer understands and acknowledges that: (i) an investment in the Interests involves certain risks; (ii) neither the United States Securities and Exchange Commission nor any federal, state or foreign agency has passed upon the Interests or made any findings or determination as to the fairness of an investment in the Interests or the accuracy or adequacy of the disclosures made to Buyer, and (iii) except as expressly set forth in **Section 13** of this Agreement, Buyer shall not be entitled to cancel, terminate or revoke this Agreement.

(i) **Funds**. Buyer has or will have at Closing sufficient cash, available lines of credit or other sources of immediately available funds (in United States dollars) to

pay the amounts due at Closing.

(j) **Independent Investigation**. Buyer has conducted its own independent investigation, review and analysis of the business, results of operations, prospects, condition (financial or otherwise) or assets of the Company, and acknowledges that at Closing (assuming compliance by Seller with its obligations under this Agreement) it will have been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of Seller and the Company for such purpose. Buyer acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, Buyer has relied solely upon its own investigation and the express representations and warranties of Seller set forth in **Section 3** of this Agreement (including the related portions of the Disclosure Schedule); and (b) none of Seller, the Company or any other Person has made any representation or warranty as to Seller, the Company or this Agreement, or to the accuracy or completeness of any information regarding Seller or the Company furnished or made available to Buyer and its Representatives, except as expressly set forth in **Section 3** of this Agreement (including the related portions of the Disclosure Schedule) or the other Transaction Documents.

(k) **Brokers**. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer for which Seller or any of its Affiliates will be responsible.

(l) **Bankruptcy**. There are no bankruptcy, reorganization, or receivership Proceedings pending against, being contemplated by or threatened in writing against, Buyer. Buyer (A) is not insolvent, (B) is not in receivership or dissolution, (C) has not made any assignment for the benefit of creditors, (D) has not admitted in writing its inability to pay its debts as they mature, (E) has not been adjudicated bankrupt and (F) has not filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy laws or any other similar laws, nor has any such petition been filed against the Buyer.

5. **Certain Covenants of Seller and Buyer Pending Closing**. Between the date of this Agreement and the Closing Date:

(a) **Access by Buyer**.

(i) Access. From the date hereof until the Closing Date, Seller will or will cause the Company to (A) give Buyer, or Buyer's authorized representatives, at all reasonable times before the Closing Date, access to personnel of Seller or its Affiliates who are familiar with the Properties and all Records pertaining to the Company or the ownership of the Properties (including, without limitation, title files, division order files, and Tax records) in the possession or control of Seller or the Company, for the purpose of conducting a customary due diligence review of the Properties and the Company and (B) reasonably cooperate and assist Buyer in obtaining permission from the Third Party operator(s) of the Properties for Buyer and its Representatives to have reasonable access to the Properties, but in each case (x) only to the extent that Seller may do so without violating any obligations to any Third Party or Applicable Laws and (y) only to the extent that Seller has authority to grant such access or assist without breaching any restriction legally or contractually binding on Seller, and provided that Seller shall not be required to bear any costs payable to third Persons as part of such cooperation or assistance (and, subject to such limitations, so long as Seller and its Affiliates have reasonably cooperated and assisted in accordance with this **Section 5(a)(i)**), Seller shall have no liability to Buyer for failure to obtain any such other Person's permission; and provided further, however, that any access or cooperation requested by Buyer shall be conducted during normal business hours upon reasonable advance notice to Seller, under the supervision of Seller's personnel and in such a manner as not to interfere with the normal operations of the Company or Seller or its Affiliates. Buyer acknowledges that any access to the Properties operated by a Third Party may be subject to any required consent of such Third Party operator (including, for the avoidance of doubt, any such consent required in connection with Buyer's exercise of its inspection rights under **Section 5(a)(ii)**), which consent Buyer shall be solely responsible for obtaining at its own cost and expense (other than Seller's commercially reasonable cooperation and assistance to facilitate negotiations between Buyer and any such Third Party as described above); Buyer further acknowledges that such Third Party may require Buyer to agree to certain terms and conditions (e.g., indemnification) to obtain its consent, and that Buyer shall be solely responsible for negotiating any such terms and conditions at its sole cost and expense. Buyer may make copies of such Records, at its expense, but shall, if Seller so requests, promptly return all copies so made if the Closing does not occur; and all costs of copying such items shall be borne by Buyer. Seller shall not be obligated to provide Buyer with access to any Records or data that constitute corporate, financial, Tax, or legal data and Records that relate primarily to the businesses of Seller or any Affiliate of Seller other than the Company or the Properties or that Seller reasonably expects it cannot provide to Buyer without, in its opinion, breaching, or risking a breach of, agreements with Third Parties or waiving or risking waiving legal privilege (and other than the disclosure of title opinions); provided, that Seller shall, if requested by Buyer, use commercially reasonable efforts (without an obligation to pay money) to seek a consent or waiver to permit disclosure of Records or data without breach of any applicable Third Party agreement. **WITHOUT LIMITING THE REPRESENTATIONS AND WARRANTIES OF SELLER SET FORTH IN SECTION 3(A) OR IN ANY OTHER TRANSACTION DOCUMENT, BUYER RECOGNIZES AND AGREES THAT ALL MATERIALS MADE AVAILABLE TO IT IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY, WHETHER MADE AVAILABLE PURSUANT TO THIS SECTION OR OTHERWISE, ARE MADE AVAILABLE TO IT AS AN ACCOMMODATION, AND WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND AS TO THE ACCURACY AND COMPLETENESS OF SUCH MATERIALS EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY OTHER TRANSACTION DOCUMENT. EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY OTHER TRANSACTION DOCUMENT, NO WARRANTY OF ANY KIND IS MADE BY SELLER AS TO THE INFORMATION SUPPLIED TO BUYER OR WITH RESPECT TO PROPERTIES TO WHICH THE INFORMATION RELATES, AND BUYER EXPRESSLY AGREES THAT ANY CONCLUSIONS DRAWN THEREFROM SHALL BE THE RESULT OF ITS OWN INDEPENDENT REVIEW AND JUDGMENT**.

(ii) Buyer's Environmental Assessment. Buyer's inspection right with respect to the environmental condition of the Properties shall be limited to conducting a Phase I Environmental Site Assessment in accordance with the ASTM International Standard Practice Environmental Site Assessments: Phase I Environmental Site Assessment Process (Publication Designation: E1527 or E2247) or a similar non-invasive assessment that does not include sampling or testing of any environmental media ("**Phase I**") but, with prior written notice to Seller and subject to the Third Party operator's consent, may include the use of infrared cameras, drones, electromagnetic sensors and other non-invasive equipment. No Buyer Representative shall be entitled to conduct any sampling or testing of any environmental media in a manner similar to ASTM International Practice Environmental Site Assessments: Phase II Environmental Site Assessment Process (Publication Designation: E1903), or any other invasive or intrusive testing, or sampling on or relating to the Properties ("**Phase II**"), without submitting notice to Seller and obtaining the prior written consent of Seller, which consent may not be unreasonably withheld, conditioned or delayed; *provided, however,* it shall be reasonable for Seller to withhold its consent if consent for the testing or sampling is required from a Third Party operator of the Properties and Buyer is unable to obtain such consent in accordance with **Section 5(a)(i).** Buyer shall be responsible for obtaining from any applicable Governmental Authorities all permits necessary or required to conduct any approved invasive activities permitted by Seller and such Third Party operator; *provided* that, upon request, Seller shall provide Buyer with assistance (at no cost or liability to Seller) as reasonably requested by Buyer that may be necessary to secure such permits. If this Agreement is terminated pursuant to **Section 13** (and except solely as necessary to support or enforce its rights under this Agreement), Buyer shall promptly return to Seller or destroy all copies of the Records, reports, summaries, evaluations, due diligence memos, and derivative materials related thereto in the possession or control of Buyer or any of Buyer's Representatives and shall keep and shall cause each of Buyer's Representatives to keep, any and all information obtained by or on behalf of Buyer confidential in accordance with the terms of the Confidentiality Agreement.

(iii) Exculpation and Indemnification. To the extent Buyer is permitted to do so by the Third Party operator, if Buyer exercises rights of access to the Properties under this **Section 5,** then (A) such access shall be at Buyer's sole risk, cost and expense and Buyer waives and releases all claims against the Seller Indemnified Parties arising in any way therefrom or in any way connected therewith or arising in connection with the conduct of Buyer's directors, officers, employees, attorneys, contractors and agents in connection therewith and (B) Buyer shall indemnify, defend and hold harmless the Seller Indemnified Parties from any and all Losses, or Liens for labor or materials, arising out of or in

any way connected with such matters, but in each case of clauses (A) and (B), only to the extent any such claims or Losses, or Liens for labor or materials claims are not attributable to (I) the gross negligence or willful misconduct of the Seller Indemnified Parties or their respective directors, officers, employees, attorneys, contractors or agents or (II) the mere discovery (but not the exacerbation) of any environmental condition, including any Environmental Defects or Environmental Liabilities. **THE FOREGOING RELEASE AND INDEMNIFICATION SHALL APPLY WHETHER OR NOT SUCH CLAIMS, ACTIONS, CAUSES OF ACTION, LIABILITIES, DAMAGES, LOSSES, COSTS OR EXPENSES ARISE OUT OF NEGLIGENCE (INCLUDING SOLE NEGLIGENCE, SINGLE NEGLIGENCE, CONCURRENT NEGLIGENCE, ACTIVE OR PASSIVE NEGLIGENCE BUT IN EACH CASE EXCLUDING THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT) OF THE SELLER INDEMNIFIED PARTIES OR THEIR RESPECTIVE DIRECTORS, OFFICERS, EMPLOYEES, ATTORNEYS, CONTRACTORS OR AGENTS**.

(iv) Upon the termination of this Agreement, Buyer shall, at its sole cost and expense and without any cost or expense to Seller or an of its Affiliates, (A) repair all damage done to the Properties in connection with Buyer's or Buyer's Representative's due diligence, and (B) remove all equipment, tools or other property brought onto the Properties in connection with Buyer's or Buyer's Representative's due diligence.

(v) During all periods that Buyer or any of Buyer's Representatives are on the Properties pursuant to this **Section 5(a)**, Buyer shall maintain, at its sole expense, policies of insurance of the types and in the amounts reasonably sufficient to cover the obligations of Buyer's obligations under this **Section 5(a)**. Buyer shall provide reasonable evidence of such insurance to Seller upon Seller's request prior to entering the Properties.

(b) **Interim Operation**. Except as set forth on **Schedule 5(b)**, or as consented to in writing by Buyer (which consent (I) in the case of the following clauses (ii), (iv), (vii), (viii), and (xxi) shall not be unreasonably withheld, delayed or conditioned and (II) in all other instances, may be granted or withheld in Buyer's sole discretion) or otherwise expressly required under this Agreement, from the date of this Agreement until the Closing, Seller shall cause the Company to:

(i) use commercially reasonable efforts to carry on its business in the Ordinary Course of Business in all material respects;

(ii) use commercially reasonable efforts to maintain and preserve the Company's business organization intact, retain its present officers, managers and directors and maintain its relationships with independent contractors, suppliers, vendors, customers, creditors and others having business relations with it;

(iii) not incur any new Indebtedness;

(iv) not propose, make or commit to make any capital expenditures in excess of $250,000 (provided that any Title Defect that arises solely by reason of Buyer's failure to consent to an operation covered by this clause (iv) may not be asserted in a Defect Notice or give rise to any other remedy under this Agreement);

(v) not transfer, sell, hypothecate, encumber, novate or otherwise dispose of any of the Properties, except for (A) sales and dispositions of Hydrocarbons in the Ordinary Course of Business, or (B) sales and dispositions of equipment and materials that are no longer necessary in the operation of the Properties or for which replacement equipment has been obtained;

(vi) not mortgage or pledge any of the Interests or Properties or create any Lien thereupon (other than, in the case of the Properties, Permitted Encumbrances);

(vii) except for operations for which Buyer's consent is required under **Section 5(b)(iv)** and such consent has not been granted by Buyer, not elect to be a non-consenting party as to any operation proposed by a Third Party on the Properties;

(viii) not enter into, execute, terminate (other than terminations based on the expiration without any affirmative action by the Company), novate, materially amend, or extend any Material Contract (or any other Contract, that if executed prior to the date of this Agreement, would be a Material Contract) or affirmatively waive, assign or release any material rights or material claims under any Material Contract (or other Contract, that if executed prior to the date of this Agreement, would be a Material Contract); for the avoidance of doubt, this **Section 5(b)(viii)** shall not apply to any such Contract entered into by a Third Party operator of the Properties on behalf of the Company where such Third Party operator has the right to enter into such Contract pursuant to a Contract in effect as of the date hereof between a Third Party operator and the Company;

(ix) not issue any equity interests or split, combine or reclassify any of the Company's outstanding equity interests;

(x) not make any investment in the equity interests of any other Person or form any Subsidiary;

(xi) not grant or create any preferential purchase or similar right with respect to the Properties;

(xii) not acquire by merger or consolidation with, or merge or consolidate with, or purchase substantially all of the assets of or otherwise acquire any business of, or acquire any equity interests in any Person;

(xiii) not change in any material respect the material accounting principles, practices or methods of the Company, except as required by the Accounting Principles;

(xiv) not adopt a plan or agreement of complete or partial liquidation, dissolution or wind-up of the Company;

(xv) not hire any employees or engage any independent contractors and not adopt, enter into, or incur any Liability with respect to any Benefit Plan;

(xvi) maintain the books of accounts and Records of the Company in the Ordinary Course of Business;

(xvii) use commercially reasonable efforts to maintain the current Insurance Policies of the Company and not voluntarily reduce or terminate any existing insurance of the Company;

(xviii) use commercially reasonable efforts to keep Buyer apprised of any drilling, re-drilling or completion operations proposed or conducted by the Third Party operator with respect to the Properties during the period between the date of this Agreement and the Closing;

(xix) give written notice to Buyer as soon as practicable of any written notice received or given by the Company or its Affiliates with respect to any (A) alleged breach by the Company, its Affiliates or any Third Party of any Material Contract, Lease or any of the Surface Rights and Rights of Way, (B) alleged material violation of Applicable Law by the Company, any of its Affiliates or a Third Party operator with respect to any of the Properties or (C) material Proceeding with respect to any Property;

(xx) except to the extent required under any Material Contract, not (A) enter into or consummate any transaction to acquire oil and gas leases or mineral interests via trade,

swap or acreage exchange or (B) otherwise acquire (whether directly or indirectly, through asset purchase, merger, consolidation, share exchange, business combination or otherwise) any material assets or properties, except for (1) inventory in the ordinary course of business, or (2) acquisitions of assets or properties for which the consideration does not exceed $250,000;

(xxi) not institute any Proceeding, or enter into, or offer to enter into, any compromise, release or settlement of any Proceeding pertaining to the Properties or the Company, or waive or release any material right of the Company, for which the amount in controversy is reasonably expected to be in excess of $250,000 other than any settlement, release or compromise that involves only a payment from Seller to a Third Party and does not pertain to the Company or the Properties; and

(xxii) not commit to do any activity or matter that is prohibited by the foregoing.

(c) **Consents**.

(i) To the extent either Party discovers any Required Consent between the date hereof and the date of Closing, Seller shall promptly thereafter prepare and send, or cause the Company to prepare and send, as applicable, notices to the holders of such Required Consents requesting consent to the transactions contemplated by this Agreement. Seller shall, and shall cause the Company to, use commercially reasonable efforts to cause such consents to assignment to be obtained and delivered prior to Closing, provided that neither Seller nor the Company shall be required to make payments or undertake obligations to or for the benefit of the holders of such rights in order to obtain the Required Consents. Seller shall not permit the Company to make any payments or undertake any obligation to or for the benefit of the holders of such rights in order to obtain the Required Consents, in any case, without the prior written consent of Buyer. The Parties shall cooperate in good faith in seeking to obtain such Required Consents; provided that neither Party shall be obligated to make payments or undertake obligations to or for the benefit of the holders of such rights in order to obtain the Required Consents.

(ii) In cases in which a Property is subject to a Required Consent which is not obtained on or prior to Closing and which Required Consent applies as a result of the transactions contemplated by this Agreement, the Initial Purchase Price shall be reduced at the Closing by an amount equal to the Allocated Amount of all such affected Properties. If an unsatisfied Required Consent with respect to which an adjustment to the Initial Purchase Price is made pursuant to the preceding sentence is subsequently satisfied prior to the date of the final adjustment to the Purchase Price under **Section 11(c),** Seller shall be reimbursed in that final adjustment for the amount of any previous deduction from the Purchase Price with respect to such Required Consent.

(iii) Nothing in this **Section 5(c)** shall limit Buyer's Closing conditions set forth in **Section 8** or Buyer's rights and remedies set forth in **Section 13** and **Section 14** (provided that, for the avoidance of doubt, in no event shall Buyer be entitled to any duplicative recovery for the same underlying Loss).

(d) **Preferential Rights**.

(i) Subject to **Section 5(d)(ii)**, to the extent either Party discovers any Preferential Rights between the date hereof and the date of Closing, Seller shall promptly thereafter prepare and send, or cause the Company to prepare and send, as applicable, notices to the holders (and in accordance with the documents creating such rights) requesting waivers of Preferential Rights so identified.

(ii) If the Third Party operator of the Properties takes any action to enforce a claim (or purported claim) with respect to a Preferential Right affecting any Properties, then the Parties shall meet to discuss in good faith appropriate actions to be taken by the Parties with respect to such Preferential Right (or purported Preferential Right). If the Parties mutually agree, then Seller shall promptly thereafter prepare and send, or cause the Company to prepare and send, as applicable, notices to the holders (and in accordance with the documents creating such rights) requesting waivers of such Preferential Rights.

(iii) Other than a Preferential Right described in **Section 5(d)(ii)**, if a party that has a Preferential Right exercises such Preferential Right prior to the Closing, the affected Properties will be assigned from the Company to Seller or an Affiliate of Seller prior to Closing, the Initial Purchase Price shall be reduced by the Allocated Amount of the affected Properties and Seller (and not Buyer or the Company) shall thereafter be responsible for (and Seller shall indemnify, defend and hold harmless the Buyer Indemnified Parties in connection with any claims or Losses related to) compliance with such Preferential Right.

(iv) Other than a Preferential Right described in **Section 5(d)(ii)**, if a Property affected by such Preferential Right is not excluded from the transaction contemplated hereby (including because the time period for exercising a Preferential Right has not expired and no notice of waiver or exercise of such Preferential Right has been received from the holder of such Preferential Right prior to the Closing), then, upon the exercise of any Preferential Right after the Closing, the Company will tender the required interest in the Properties affected by such unwaived Preferential Right to the holder thereof, at the Allocated Amount for such affected Property (or portion thereof) to the holder, or holders, of such right. In return for tendering the Property to such holder(s), Buyer shall collect and retain such amount from such purchaser.

(v) The consideration payable under this Agreement for any particular Property for purposes of Preferential Rights notices shall be the Allocated Amount for such Property unless a different amount shall be otherwise required by the terms of such Preferential Right. Any Preferential Right must be exercised subject to all terms and conditions set forth in this Agreement, including the successful Closing of this Agreement.

(vi) Nothing in this **Section 5(c)** shall limit Buyer's Closing conditions set forth in **Section 8** or Buyer's rights and remedies set forth in **Section 13** and **Section 14** (provided that, for the avoidance of doubt, in no event shall Buyer be entitled to any duplicative recovery for the same underlying Loss).

(e) **Schedule II. Schedule II** attached hereto, as prepared by Buyer and agreed to by Seller, sets forth the Allocated Amount of the Properties.

(f) **Public Announcements**. Except (i) as otherwise required by Applicable Law (based upon the reasonable advice of counsel) or the applicable rules of any stock exchange having jurisdiction over a Party or (ii) consistent with prior press releases or other public announcements made in compliance with this **Section 5(f),** no Party to this Agreement shall make any public announcements or otherwise communicate with any news media in respect of this Agreement or the transactions contemplated hereby without the prior written consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed, except that Buyer and Seller may each withhold its consent in its sole discretion to any public announcement that includes the identity of such Party or its Affiliates or the Purchase Price), and the Parties shall cooperate as to the timing and contents of any such announcement.

(g) **Confidentiality**.

(i) The Confidentiality Agreement will terminate on the Closing Date and will thereafter be of no further force or effect.

(ii) Each Party will keep confidential, and cause its Affiliates, Representatives, lenders, and equity providers, to keep confidential, all terms and provisions of this Agreement, except (A) as required by Applicable Law or any standards or rules of any stock exchange to which such Party or any of its Affiliates is subject; (B) for information that is available to the public on the Closing Date or thereafter becomes available to the public other than as a result of a breach of this **Section 5(g)**; (C) to the extent required to be disclosed in connection with complying with or obtaining a waiver of any Preferential Right or Required Consent or other rights that may be applicable to the transactions contemplated by this Agreement, as reasonably necessary to provide notices, seek waivers, amendments, or terminations of such rights, or seek such consents; (D) to a prospective assignee or transferee of an interest in the Company or the Properties from Buyer, its Affiliates or their respective successors and permitted assigns after Closing; (E) to the extent that such Party must disclose the same in any Proceeding brought by it to enforce its rights under this Agreement and/or (F) to its Affiliates, Representatives and existing or prospective lenders (including by Buyer in connection with the Financing), and/or equity providers.

(iii) From and after Closing, Seller will keep confidential and not use or disclose, and cause its Affiliates, Representatives, lenders, and equity providers, to keep confidential, all Records, except (A) as required by Applicable Law or any standards or rules of any stock exchange to which such Party or any of its Affiliates is subject; (B) for information that is available to the public on the Closing Date or thereafter becomes available to the public other than as a result of a breach of this **Section 5(g);** (C) to the extent required to be disclosed in connection with complying with or obtaining a waiver of any Preferential Right or Required Consent, or other rights that may be applicable to the transactions contemplated by this Agreement, as reasonably necessary to provide notices, seek waivers, amendments, or terminations of such rights, or seek such consents; and (D) to the extent that such Party must disclose the same in any Proceeding brought by it to enforce its rights under this Agreement.

(iv) This **Section 5(g)** will not prevent either Party from complying with any disclosure requirements of Governmental Authorities that are applicable to the transfer of the Interests. The covenant set forth in this **Section 5(g)** will terminate two (2) years after the Closing Date. For the avoidance of doubt, in the event the Closing does not occur, the Confidentiality Agreement will continue in full effect pursuant to its terms.

(h) **Termination of Affiliate Contracts**.Unless otherwise mutually agreed by the Parties in writing, prior to or at the Closing, pursuant to the Mutual Release and Termination Agreement, Seller shall, and shall cause the Company to, (i) cause all Affiliate Contracts to be terminated without any further force or effect and in a manner such that the Company has no liability or obligation with respect to an Affiliate or under any Affiliate Contract at or following the Closing, and (ii) cause any Liabilities under any intercompany accounts between Seller or any of its Affiliates (other than the Company), on the one hand, and any of the Company, on the other hand, to be settled, canceled, forgiven or released.

(i) **Insurance**. Seller (at the Company's sole cost and expense) shall reasonably cooperate with Buyer and the Company on any claim for coverage by Buyer or the Company under the Insurance Policies with respect to claims arising from events that occurred or were alleged to have occurred prior to the Closing ("**Pre-Closing Occurrences**"). Seller and its Affiliates shall take no action to exclude or remove the Company from coverage that may be available under any such Insurance Policy with respect to Pre-Closing Occurrences. Seller and its Affiliates (at the Company's sole cost and expense) shall reasonably cooperate with Buyer and the Company in, and use their commercially reasonable efforts to pursue, the collection of all insurance proceeds in respect of claims made by Buyer or the Company with respect to Pre-Closing Occurrences.

(j) **Financing Cooperation**.

(i) Seller acknowledges that Buyer may obtain debt financing (the "**Financing**") to finance a portion of the Purchase Price, which may include, among other forms, bank or other indebtedness of any kind (and commitments in respect thereof); *provided, however,* that Buyer confirms that it is not a condition to Closing or any of its obligations under this Agreement that Buyer obtain the Financing (or any other financing) for or in connection with the transactions contemplated by this Agreement.

(ii) Prior to the Closing (or until the earlier termination of this Agreement in accordance with the terms hereof), Seller shall use its commercially reasonable efforts to, and to cause its Affiliates and its Affiliates' Representatives to, provide Buyer with such cooperation as may be reasonably requested by Buyer with respect to the Financing, in all cases at Buyer's sole expense, which cooperation may include the following:

(A) provide monthly production reports based on estimated volume allocations promptly after the receipt of such reports provided by the Third Party operator;

(B) providing lease operating statements in respect of the Properties prior to the Closing Date only to the extent such statements are prepared by Seller promptly after they are prepared; and

(C) facilitating Buyer's preparation of the customary documentation necessary to pledge and mortgage the Properties that will be collateral under the Financing; *provided,* that (1) none of such documents shall be executed and/or delivered except in connection with, or contingent upon, the Closing, (2) the effectiveness thereof shall be conditioned upon, or become operative after, the occurrence of the Closing, and (3) no liability shall be imposed on Seller or any Affiliate thereof or any of their respective Representatives involved;

provided, that, in each case, such requested cooperation does not unreasonably interfere with the ongoing operations of any of Seller or its Affiliates or the Properties and that any information requested by Buyer is reasonably available without undue cost or burden to Seller or any of its Affiliates or its or their Representatives.

(iii)Notwithstanding anything in this Agreement to the contrary (including this **Section 5(j)**), none of Seller or any of its Affiliates or any of their respective Representatives shall: (A) be required to pay any commitment or other fee or pay or reimburse any expenses in connection with the Financing prior to the Closing; (B) be required to incur any liability or give any indemnity in connection with the Financing; (C) be required to take any action that would require any director, manager, officer or employee of any of Seller or any of its Affiliates (including the Company) or any of their respective Representatives to execute, or be required to enter into, any document, agreement, certificate or instrument in connection with the Financing; **(D)** be required to take or refrain from taking any action to the extent, in the Seller's reasonable judgment, it could result in Seller or any of its Affiliates or any of their respective Representatives incurring any liability with respect to the matters relating to the Financing or cause any director, manager, officer or employee or other Representative of Seller or any of its Affiliates to incur any personal liability in connection with the Financing; (E) be required to provide any information if (I) doing so could reasonably be expected to violate any Applicable Law, (II) doing so could reasonably be expected to violate any binding agreement with a Third Party or (III) doing so would reasonably be expected to result in the loss of the ability to successfully assert attorney-client, work product or similar privileges; *provided,* that the Seller or the applicable Affiliate shall, in the case of clauses (I), (II) and (III), notify the Buyer of the nature of the information that is not being provided on the basis of such law, binding agreement, legal privilege or attorney-client privilege solely to the extent the Seller is able to do so without violating the applicable obligation or privilege); or (F) take any corporate or other similar actions which will violate any Applicable Law or any Governing Documents, or that would become effective prior to the Closing to permit the consummation of the Financing. Buyer shall be responsible for all fees and expenses related to any Financing, including the compensation of any contractor or advisor of Buyer or Seller directly related to actions taken pursuant to this **Section 5(j)**. Accordingly, notwithstanding anything to the contrary herein, Buyer

shall promptly, upon written request by the Seller, reimburse the Seller for all reasonable and documented out-of-pocket costs and expenses incurred in connection with the Financing incurred by Seller and its Affiliates and their respective Representatives in connection with the Financing, including the cooperation of the Seller and the Affiliates thereof contemplated by this **Section 5(j)**, and shall indemnify and hold harmless the Seller Indemnified Parties from and against any and all Losses suffered or incurred by any of them in connection with this **Section 5(j)**, the arrangement of the Financing or any information used in connection therewith, in each case, except to the extent suffered or incurred as a result of the gross negligence, bad faith or willful misconduct by the Seller Indemnified Parties, as determined by a court of competent jurisdiction by final and non-appealable judgement.

(iv)All non-public or otherwise confidential information regarding Seller, the Company or the Properties obtained by Buyer or any of its Representatives pursuant to this **Section 5(j)** shall be kept confidential in accordance with this Agreement;*provided* that Buyer may disclose confidential information regarding Seller, the Company or the Properties obtained by Buyer or its Representatives pursuant to this **Section 5(j)** to potential lenders and investors (including, without limitation, the providers of the Financing) in connection with the marketing and syndication of the Financing; *provided,* that (1) each of the foregoing are informed by Buyer that such information is being disclosed on a confidential basis and have agreed to confidentiality arrangements applicable to such information that are no less restrictive than the terms and conditions of the Confidentiality Agreement and (2) the Parties acknowledge and agree that the disclosure of such information shall be subject to the terms and conditions of the Confidentiality Agreement, including that Buyer and its Affiliates shall assume responsibility for any disclosure of such information by the recipients thereof in contravention of the Confidentiality Agreement.

(k) **Non-Negotiation**. From and after the date of this Agreement until the Closing (or earlier termination of this Agreement in accordance with its terms), Seller shall not, and Seller shall cause its Affiliates (including the Company) and each such Person's respective directors, officers, employees or owners (and will instruct its advisors and representatives), not to, (i) directly or indirectly solicit, entertain or encourage inquiries or proposals or participate or engage in any negotiations or discussions with Third Parties concerning an acquisition or purchase of all or substantially all of the Interests or all or substantially all of the Properties (including through the sale of any equity interests, a merger transaction or other business combination that would effectively transfer the Interests or the Properties to a Third Party, in whole or in part) (an "**Alternate Transaction**"), or (ii) enter into any agreement, letter of intent, memorandum of understanding, agreement in principle or other agreement constituting or directly related to, or which is reasonably likely to lead to, an Alternate Transaction or any proposal for an Alternate Transaction.

(l) **Amendment to Disclosure Schedule**. At any time prior to 11:59 PM Central Time on the day immediately preceding the Closing Date, Seller shall have the right but not the obligation to supplement the Disclosure Schedule relating to the representations and warranties set forth in **Section 3(a)** with respect to any matters occurring subsequent to the date of this Agreement by delivering to the Buyer an updated or supplemental Disclosure Schedule. However, all such supplements shall be disregarded for all purposes of this Agreement, including determining whether the condition to Buyer's obligation to close the transaction pursuant to **Section 8** has been satisfied; *provided, however,* that if, based solely on the matters relating to such supplements, Buyer's obligation to Close the transaction pursuant to**Section 8** has not been satisfied, as certified in writing by Seller to Buyer prior to Closing, but Buyer nevertheless elects to Close, Buyer will be deemed to have waived the matters relating to such supplements in regard to Buyer's obligation to Close and shall not be entitled to make an indemnity claim under this Agreement with respect to any such matter.

(m) **Audit Cooperation**. From and after Closing until the two (2) year anniversary of the Closing Date, Buyer shall, and shall cause its Affiliates, including on and after the Closing Date, the Company, to use their respective commercially reasonable efforts to provide Seller and its Affiliates with such cooperation as may be reasonably requested by Seller with respect to the audits described on **Schedule 5(m)** for all periods on or prior to the Effective Date (such audits, the '**Pre-Effective Date Audits**"), in all cases at Seller's sole cost and expense, including causing the Company to exercise the Company's rights under the Contracts described on **Schedule 5(m)** to complete such Pre-Effective Date Audits; *provided,* that, in providing such cooperation, Buyer and its Affiliates (including the Company) shall not be required to take any action or incur any obligation or liability, or agree to any enter into or amend any Contract or settlement of the audit, that in any such case would (i) adversely impact the Company's entitlement to any revenues or (ii) impose any obligation or liability upon the Company, in each case, with respect to the Properties that is attributable to any period from and after the Effective Date (or modify the interpretation of any of the foregoing) or that would otherwise result in a different treatment of Post-Effective Date revenues and expenses of the Company as compared to Pre-Effective Date revenues and expenses of the Company. Seller shall promptly, upon written request by Buyer, reimburse Buyer for all reasonable and documented out-of-pocket costs and expenses incurred by Buyer and its Affiliates in connection with the cooperation contemplated by this **Section 5(m)**.

6. **Defects**.

(a) **Notice of Defects**. Buyer may conduct, at its sole cost, such title examination or investigation, and other examinations and investigations, as it may in its sole discretion choose to conduct with respect to the Properties in order to determine whether Defects (as below defined) exist. Should, as a result of such examinations and investigations, or otherwise, one or more matters come to Buyer's attention which would constitute a Defect (as below defined), Buyer shall notify Seller in writing (a "**Defect Notice**") of any matters that Buyer intends to assert as Defects (such Defects of which Buyer so provides notice are herein called "**Asserted Defects**") after the discovery thereof by Buyer, but in no event later than 5:00 p.m. Central Standard Time on June 10, 2024 ("**Defect Date**"). Such notification shall include, for each Asserted Defect, (i) a description of the Asserted Defect and the Properties to which it relates and all supporting documentation in Buyer's possession or control reasonably necessary to describe the basis for the Asserted Defect, (ii) with respect to any alleged Title Defect, for each applicable Well or Unit, the size of any variance from "Net Revenue Interest" or "Working Interest" which does or could result from such Asserted Defect, (iii) with respect to any alleged Title Defect, for each Undeveloped Lease, the size of any variance from the Net Leasehold Acres shown on **Exhibit A-3** for such Undeveloped Lease which does or could result from such Asserted Defect, (iv) the amount by which Buyer would propose to adjust the Purchase Price, and (v) with respect to any alleged Environmental Defect, if applicable, reference to the Applicable Environmental Laws, if known, that have been violated or that require Remediation with respect to the applicable Properties and a reasonably detailed description of and the assumptions made in determining the Lowest Cost Response proposed for the matter or condition that gives rise to the asserted Environmental Defect. To give Seller an opportunity to commence reviewing and curing Defects, Buyer agrees to use commercially reasonable efforts to give Seller, on a bi-weekly basis prior to the Defect Date, written notice of all alleged Defects discovered by Buyer during the preceding two weeks; provided, however, that Buyer's failure to provide such preliminary notice with respect to any Defect) shall not prejudice or restrict in any respect Buyer's right to subsequently assert such Defect in a Defect Notice on or before the Defect Date, nor shall such failure be deemed a breach of this Agreement. Without limitation of Buyer's closing conditions set forth in **Section 8** and Buyer's rights and remedies set forth in **Section 13** and **Section 14,** all Defects with respect to which Buyer fails to validly give Seller a Defect Notice thereof by the Defect Date will be deemed waived for all purposes. All access to Seller's and the Company's Records and the Properties in connection with such due diligence shall be subject to **Section 5(a)** (including, without limitation, the exculpation and indemnification provisions contained in **Section 5(a)(iii))**.

(b) **Nature of Title Defects**. For all purposes of this **Section 6** and **Section 7,** for determination of the Company's ownership of the Oil and Gas Properties, "**Defensible Title**" to such Oil and Gas Properties shall be the title held by the Company in and to the Wells and Units listed on**Exhibit A-2** and the Undeveloped Leases listed on **Exhibit A-3** that, in each case, as of the Effective Date and the Closing Date and is (x) deducible of record according to the official land records of the counties of Bradford and Susquehanna, Pennsylvania where such Properties are located or in the federal lease file and/or (y) beneficial title evidenced by unrecorded assignments, written elections, pooling authority (either under Applicable Law or evidenced in writing pursuant to applicable Contracts) in each case, made or delivered pursuant to Applicable Laws, communitization agreements, joint operating agreements, pooling agreements, or unitization agreements provided by the Company, and that:

(i) with respect to the Wells and Units listed on **Exhibit A-2** hereto, (A) entitles the Company to receive, as to any period or periods during the duration of the productive

life of such Wells and Units, a Net Revenue Interest of Hydrocarbons produced from each such Well or Unit that is no less than the Net Revenue Interest set forth on **Exhibit A-2** for such Well or Unit, as applicable, except for decreases in connection with those operations in which the Company or its successors or assigns may from and after the date hereof elect to be a non-consenting co-owner in compliance with this Agreement, and (B) causes the Company to be obligated to bear, as to any period or periods during the duration of the productive life of such Wells and Units, a Working Interest as to each such Well or Unit that is no greater than the Working Interest set forth on **Exhibit A-2** for such Well or Unit, as applicable, in the column headed "Working Interest" (without at least a proportionate increase in the Net Revenue Interest to which the Company is entitled to receive from such Well or Unit), except for increases resulting from contribution requirements arising after the date hereof with respect to defaulting co-owners under applicable agreements;

(ii) with respect to an "Undeveloped Lease" identified as such on **Exhibit A-3,** (A) entitles the Company to receive, as to any period or periods during the duration of the term of such Lease, a number of Net Leasehold Acres (defined below) for each such Undeveloped Lease no less than that shown on **Exhibit A-3** for such Undeveloped Lease, and (B) entitles the Company to receive, as to any period or periods during the duration of the term of such Undeveloped Lease, a Net Revenue Interest of the Hydrocarbons produced from each such Undeveloped Lease that is no less than the Net Revenue Interest set forth on **Exhibit A-3** with respect to such Undeveloped Lease; and

(iii) is free and clear of all Liens other than Permitted Encumbrances.

Notwithstanding any other provision in this Agreement to the contrary, the following matters shall not constitute, and shall not be asserted as, a Title Defect (collectively referred to herein as "**Permitted Encumbrances**"):

(1) defects or irregularities arising out of lack of corporate authorization, unless Buyer provides affirmative evidence that such corporate action was not authorized and results in another Person's competing claim of title to the relevant Property;

(2) defects or irregularities that have been cured or remedied by the passage of time, including, without limitation, applicable statutes of limitation or statutes for prescription;

(3) conventional rights of reassignment normally actuated by an intent to abandon or release a lease and requiring notice to the holders of such rights (excepting circumstances where such rights have already been triggered);

(4) normal and customary liens of co-owners under joint operating agreements, unitization agreements, and pooling orders relating to the Oil and Gas Properties, which obligations are not yet due and pursuant to which the Company is not in default;

(5) all approvals required to be obtained from Governmental Authorities that are lessors under the Leases (or who administer such Leases on behalf of such lessors), which are customarily obtained post-Closing;

(6) easements, rights of way, servitudes, permits, surface leases and other rights in respect of surface operations, pipelines, grazing, logging, canals, ditches, reservoirs or the like, and easements for streets, alleys, highways, pipelines, telephone lines, power lines, railways and other easements and rights of way, on, over or in respect of any of the Oil and Gas Properties to the extent such matters do not, individually or in the aggregate, (A) materially interfere with the current or future operations on the Oil and Gas Properties, (B) operate to reduce the Company's Net Revenue Interest in any Well, Unit or Undeveloped Lease below that set forth, as applicable, on **Exhibit A-2** or **Exhibit A-3**, (C) operate to reduce the Company's Net Leasehold Acres in any Undeveloped Lease below that set forth, as applicable, on **Exhibit A-3** or (E) operate to increase the Company's Working Interest in any Well or Unit above that set forth, as applicable, on **Exhibit A-2**, without at least a proportionate increase to the Company's Net Revenue Interest in such Well or Unit, as applicable;

(7) defects or irregularities in the chain of title consisting of the failure to recite marital status in documents or omissions of heirship Proceedings unless Buyer provides affirmative evidence of a competing chain of title exists as to the Properties subject to such Defect;

(8) defects or irregularities resulting from or related to probate Proceedings or the lack thereof, which defects or irregularities have been outstanding for seven (7) years or more unless Buyer provides affirmative evidence of a competing chain of title exists as to the Properties subject to such Defect;

(9) Customary post-closing consents and Required Consents of leases and other agreements;

(10) Preferential Rights;

(11) defects Buyer has waived in writing;

(12) defects arising out of lack of survey or lack of metes and bounds description unless a survey or metes and bounds description is expressly required by Applicable Laws;

(13) defects based solely on a gap in Seller's chain of title in the applicable records of any relevant Governmental Authority, unless (i) such gap is affirmatively shown to exist in such records by an abstract of title, title opinion or landman's title chain or (ii) Buyer otherwise provides affirmative evidence that such gap is less than 50 years old;

(14) defects arising from prior oil and gas leases (other than, for the avoidance of doubt, the Leases) relating to the lands covered by a Lease that are terminated, expired or invalid but not surrendered of record;

(15) in the case of any wells to be drilled after the Effective Date, any permits, easements (other than subsurface easements), rights-of-way, unit designations or production and drilling units or consents to the location of such wells, in each case, not required to be obtained, formed or created as of the Effective Date;

(16) any defect that affects only which Person has the right to receive Royalty payments (rather than the amount of such Royalty) and that does not affect the validity of the underlying Lease; and to the extent the same does not, (A) operate to reduce the Company's Net Revenue Interest in any Well, Unit or Undeveloped Lease below that set forth, as applicable, on **Exhibit A-2** or **Exhibit A-3**, (B) operate to reduce the Company's Net Leasehold Acres in any Undeveloped Lease below that set forth, as applicable, on **Exhibit A-3** or (C) operate to increase the Company's Working Interest in any Well or Unit above that set forth, as applicable, on **Exhibit A-2,** without at least a proportionate increase to the Company's Net Revenue Interest in such Well or Unit, as applicable; and

(17) ownership of only coal rights severed from the remainder of the surface rights or the oil and gas estate relating to an of the Leases, unless Buyer provides affirmative evidence that any such severance has resulted in another Person's competing claim to title to the relevant Oil and Gas Properties and to the extent the such matters do not, individually or in the aggregate, (A) materially interfere with the current or future operations on the Oil and Gas Properties, (B) operate to reduce the Company's Net Revenue Interest in any Well, Unit or Undeveloped Lease below that set forth, as applicable, on **Exhibit A-2** or **Exhibit A-3,** (C) operate to reduce the Company's Net Leasehold Acres in any Undeveloped Lease below that set forth, as applicable, on **Exhibit A-3** or (E) operate to increase the Company's Working Interest in any Well or Unit above that set forth, as applicable, on **Exhibit A-2,** without at least a proportionate increase to the Company's Net Revenue Interest in such Well or Unit, as applicable.

(c) **Seller's Response.** In the event that Buyer notifies Seller of Asserted Defects, Seller shall have the right (but shall have no obligation to) attempt, or cause the Company to attempt, to cure, prior to Closing, one or more Asserted Defects. Notwithstanding anything herein to the contrary, in the event that Seller cures any Asserted Defect, (A) Seller shall not, without the prior written consent of Buyer, permit the Company to pay, incur or assume any liabilities or obligations in connection with the cure or attempted cure of any Asserted Defects, except for liabilities or obligations with respect to the payment of liquidated amounts and (B) to the extent that the Company pays, incurs or assumes any liabilities or obligations for the payment of liquidated amounts in connection with the cure or attempted cure of any Asserted Defects, then the Initial Purchase Price shall be reduced by an amount equal to such liquidated amount.

7. **Certain Price Adjustments**.

(a) **Procedures.** In the event that, as a part of the due diligence reviews provided for in **Sections 5** and **6** above, any Asserted Defect is presented to Seller and Seller does not cure such Asserted Defect prior to Closing, then:

(i) Purchase Price Adjustments. Subject to **Section 7(d)** and Seller's rights under **Section 7(e),** the Initial Purchase Price shall be decreased by the sum of the aggregate Defect Amounts attributable to all such Defects; or

(ii) Exclude Property. In lieu of the remedy for a Defect set forth in **Section 7(a)(i)** (on a Defect-by-Defect basis), if and only if (A) the Defect Amount of any Asserted Defect exceeds the Allocated Amount of the affected Property and either Seller or Buyer elects this remedy by providing written notice to the other Party thereof prior to the Closing Date, or (B) the Parties otherwise mutually agree in writing to this remedy, then, in either case, the Properties affected by any such Asserted Defect will be excluded from the transaction contemplated hereby and, prior to the Closing, Seller shall cause any such Property to be assigned from the Company to Seller or an Affiliate of Seller, prior to Closing, effective as of the Effective Date (and pursuant to a mutually agreeable form of assignment), and the Initial Purchase Price will be reduced by the Allocated Amount attributed on **Schedule II** to all such excluded Properties (or, in the case of a Property which is an interest in an Undeveloped Lease described in **Exhibit A-3,** the Initial Purchase Price will be reduced by the Net Acre Defect Amount (as calculated pursuant to **Section 7(b)(ii)** below)). For clarity, if an oil and gas lease constitutes part of both an Undeveloped Lease and part of a Unit, but the Asserted Defect resulting in an exclusion of an Oil and Gas Property under this **Section 7(a)(ii)** affects only the Undeveloped Lease, then only the Undeveloped Lease (and not any portion of the oil and gas lease in the Unit) shall be excluded from the transactions contemplated by this Agreement, and vice versa. Notwithstanding anything to the contrary herein, adjustments to the Initial Purchase Price pursuant to this **Section 7(a)(ii)** shall not be subject to the Title Defect Deductible or Environmental Defect Deductible (as applicable), nor shall the Defect Amounts attributable to any Properties excluded from the Company pursuant to this **Section 7(a)(ii)** count towards the Title Defect Deductible or Environmental Defect Deductible (as applicable). Notwithstanding the foregoing, (I) Seller shall not have the right pursuant to this **Section 7(a)(ii)** to exclude any Midstream Assets from the transaction contemplated by this Agreement and (II) no Party shall have the right to exclude a Property from the Company as contemplated in this **Section 7(a)(ii)** to the extent the same would be reasonably likely to cause the Company to be in material breach of or otherwise violate any Contract, Permit or Applicable Law.

(b) **Certain Adjustments**. Subject to the remainder of this **Section 7**, the amount of the adverse economic effect of any Asserted Defect that burdens a Property (such amount, the "**Defect Amount**") shall be determined as follows:

(i) NRI Variance/Proportionate Price Reductions. If the Asserted Defect is a Title Defect affecting any Well or Unit that represents a negative discrepancy between (x) the actual Net Revenue Interest for the applicable Well or Unit and (y) the Net Revenue Interest stated on **Exhibit A-2** for such Well or Unit, as applicable, and in such case there is a proportionate decrease in the actual Working Interest with respect to such Well or Unit, the Defect Amount in respect thereof shall be equal to the amount determined by multiplying the Allocated Amount for such Well or Unit (as applicable) by a fraction (A) the numerator of which is an amount equal to the "Net Revenue Interest" shown on **Exhibit A-2** for such Well or Unit less the actual Net Revenue Interest that the Company is actually entitled to as to such Well or Unit after giving effect to such Defect and (B) the denominator of which is the "Net Revenue Interest" shown for such Well or Unit on **Exhibit A-2;** provided that if the Defect does not affect such Property throughout entire productive life of such Property, the Defect Amount determined shall be reduced to take into account the applicable time period only;

(ii) Net Leasehold Acre Variation/Proportionate Price Reduction. If the Asserted Defect is a Title Defect affecting any Undeveloped Lease that represents a negative discrepancy between (x) the actual Net Leasehold Acres for the applicable Undeveloped Lease and (y) the Net Leasehold Acres stated on **Exhibit A-3** for such Undeveloped Lease, the Defect Amount in respect thereof shall be equal to the amount determined by multiplying the Allocated Amount for such Undeveloped Lease by an amount equal to the difference between (A) the Net Leasehold Acres as shown on **Exhibit A-3** for such Undeveloped Lease and (B) the total number of Net Leasehold Acres that the Company is actually entitled to for such Undeveloped Lease after giving effect to such Defect; provided that if the Asserted Defect does not affect such Property throughout the entire term of such Property, the Defect Amount determined shall be reduced to take into account the applicable time period only (such adjustment referred to as the "**Net Acre Defect Amount**");

(iii) NRI Undeveloped Lease Variance/Proportionate Price Reduction. If the Asserted Defect is a Title Defect affecting any Undeveloped Lease that represents a negative discrepancy between (x) the actual Net Revenue Interest for the applicable Undeveloped Lease and (y) the Net Revenue Interest stated on **Exhibit A-3** for such Undeveloped Lease, and in such case there is a proportionate decrease in the actual Working Interest with respect to such Undeveloped Lease, the Defect Amount in respect thereof shall be equal to the amount determined by multiplying the Allocated Amount (less the amount of any Net Acre Defect Amount as to such Undeveloped Lease) for such Undeveloped Lease by a fraction (A) the numerator of which is the "Net Revenue Interest" shown on **Exhibit A-3** for such Undeveloped Lease less the actual Net Revenue Interest that the Company is actually entitled to as to such Undeveloped Lease after giving effect to such Defect and (B) the denominator of which is the Net Revenue Interest shown for such Undeveloped Lease on **Exhibit A-3;** provided that if the Defect does not affect such Property throughout the term of such Property, the Defect Amount determined shall be

reduced to take into account the applicable time period only;

(iv) Liens/Payoff Amount. If the Asserted Defect is a Title Defect that represents a Lien that is liquidated in amount, the Defect Amount in respect thereof shall be equal to the amount required to be paid to remove or release such Lien (for the avoidance of doubt, excluding Permitted Encumbrances);

(v) Other Title Defects. If the Asserted Defect is a Title Defect that represents an obligation, Lien, encumbrance, burden or charge upon or other defect in title to the affected Property of a type not described in **subsections (i)**, **(ii)**, **(iii)** or **(iv)** above (but, for the avoidance of doubt, not including any Permitted Encumbrances), the Defect Amount in respect thereof shall be determined by taking into account the Allocated Amount of the Property so affected, the portion of Company's interest in such Property, the legal effect of the Title Defect, the potential economic effect of the Title Defect over the life of the affected Property, the asserted Defect Amount placed upon the Defect by Buyer and Seller and such other factors as are necessary to make a proper evaluation; and

(vi) Environmental Defects. If the Asserted Defect is an Environmental Defect, the Defect Amount shall be equal to the costs and expenses chargeable to the Company's Working Interest or other interest (as of the Closing Date) to Remediate the Property subject to such Environmental Defect (or group of Properties subject to the same Environmental Defect) using the Lowest Cost Response; *provided, however,* such Defect Amount shall expressly exclude (A) the overhead costs of Buyer or its Affiliates, and (B) any Remediation costs, fees or expenses charged or chargeable to the Working Interest of any other Working Interest owner or co-tenant or joint owner of the underlying Properties burdened by such Environmental Defect.

Anything to the contrary in this **Section 7(b)** notwithstanding, if a Defect is reasonably susceptible of being cured, the Defect Amount in respect thereof determined under **subsections (i)**, **(ii)**, **(iii)** or **(v)** above shall not be greater than the amount that can reasonably be shown to be the reasonable cost and expense of curing such Defect. Notwithstanding anything herein to the contrary, the Defect Amount with respect to a Defect shall be determined without duplication of any other costs or losses included in another Defect Amount hereunder, or for which Buyer otherwise receives credit in the calculation of the Purchase Price with respect to any such Defect.

(c) **Title Benefits**. Should Seller discover any right, circumstance or condition that causes (i) the Company's ownership of any Well or Unit to entitle the Company to a Net Revenue Interest of Hydrocarbons produced from a Well or Unit listed on **Exhibit A-2** greater than the Net Revenue Interest shown for such Well or Unit under the column headed "Net Revenue Interest" on such **Exhibit A-2** (to the extent the same does not cause a greater than proportionate increase in the Company's Working Interest for such Well or Unit above that shown in **Exhibit A-2),** or (ii) the ownership by the Company of an Undeveloped Lease to entitle the Company to a number of Net Leasehold Acres (calculated as provided in **Section 7** above) for such Undeveloped Lease which is greater than that shown for the Undeveloped Lease on **Exhibit A-3,** or (iii) the ownership of the Company of an Undeveloped Lease listed on **Exhibit A-3** to entitle the Company to a Net Revenue Interest of Hydrocarbons produced from such Undeveloped Lease that is greater than the Net Revenue Interest shown for such Undeveloped Lease under the column entitled "Net Revenue Interest" on **Exhibit A-3** (to the extent the same does not cause a greater than proportionate increase in the Company's Working Interest for such Undeveloped Lease above that shown in **Exhibit A-3**) (each, a "**Title Benefit**"), then Seller shall provide written notice to Buyer prior to the Defect Date a written notice of such Title Benefit that sets forth the same manner of information with respect thereto as required under **Section 6(a)** with respect to Asserted Defects, *mutatis mutandis.* Subject to **Section 7(e),** the amount by which a Title Benefit increases the value of an affected Oil and Gas Property (as determined applying the same principles as provided in **Sections 7(a)** and **Section 7(b)** above with respect to adjustments for Asserted Defects, *mutatis mutandis)* (the "**Title Benefit Amount**") shall (i) *first* be applied to offset any Defect Amounts of Title Defects that individually exceed the Individual Defect Threshold, including in respect of all Defect Amounts of Title Defects that do not exceed the Title Defect Deductible and (ii) *thereafter,* once all such Defect Amounts of Title Defects have been offset, the excess of any such Title Benefit Amounts shall be applied to increase the Initial Purchase Price. If any increase in Seller's title to any Properties does not affect such Property throughout the duration of the productive life of such Property or, as applicable, the entirety of the term of any Undeveloped Lease, the adjustment to the Initial Purchase Price attributable to such Title Benefit shall be reduced to take into account the applicable time period only. The Individual Defect Threshold shall apply in the same manner to any Title Benefits pursuant to this **Section 7(c),** *mutatis mutandis.* All Title Benefits with respect to which Seller fails to validly give Buyer notice thereof by the Defect Date in accordance with this **Section 7(c)** will be deemed waived for all purposes. Notwithstanding anything herein to the contrary, in no event shall there be any increase to the Initial Purchase Price under this **Section 7(c)** with respect to any additional interests in Oil and Gas Properties or properties that are acquired by the Company on or after the date hereof.

(d) **Limitations on Adjustments**. If the Defect Amount with respect to a particular Asserted Defect does not exceed $[***] (the "**Individual Defect Threshold**"), then no adjustment to the Purchase Price shall be made pursuant to this **Section 7** for such Asserted Defect.

(i) With respect to all valid Environmental Defects (where the individual Defect Amount thereof exceeds the Individual Defect Threshold), there shall be no adjustment to the Initial Purchase Price under **Section 7(a)(i)** with respect to any and all such Environmental Defects unless and until the aggregate Environmental Defect Amounts exceed [***] percent ([***]%) of the Initial Purchase Price (the "**Environmental Defect Deductible**") and then only to the extent such aggregate Defect Amounts exceeds the Environmental Defect Deductible (it being the intention of the Parties that the Environmental Defect Deductible represents a deductible and not a threshold). Buyer is permitted to aggregate the Defect Amounts of individual Environmental Defects for the purpose of meeting the Individual Defect Threshold if the individual Environmental Defects affecting multiple assets arise from the same facts, circumstances, or conditions and are not a physical condition (e.g., failure to obtain the same type of permit required under Applicable Environmental Laws or preparation and filing of the same type of plan (for example, spill, prevention, control and countermeasure plans and reports) as required by Applicable Environmental Laws).

(ii) With respect to all valid Title Defects (where the individual Defect Amount thereof exceeds the Individual Defect Threshold), there shall be no adjustment to the Initial Purchase Price under **Section 7(a)(i)** with respect to any and all such Title Defects unless and until the aggregate Title Defect Amounts exceed [***] percent ([***]%) of the Initial Purchase Price (the "**Title Defect Deductible**") and then only to the extent such aggregate Defect Amounts exceeds the Title Defect Deductible (it being the intention of the Parties that the Title Defect Deductible represents a deductible and not a threshold). For purposes of determining whether any Title Defect meets the Individual Defect Threshold, the Defect Amount for the applicable Title Defect shall be considered to be, to the extent a single Title Defect relates to more than Property, the aggregate of the Defect Amount(s) attributable to such Properties affected by such Defect.

(iii) Notwithstanding anything herein to the contrary, the Individual Defect Threshold and Title Defect Deductible shall not apply and shall be disregarded for purposes of calculating any adjustments to the Initial Purchase Price with respect to any Title Defects asserted prior to the Defect Date that Seller does not cure prior to the Closing and that, if asserted after the Closing, would constitute a breach of the Special Warranty of Title.

(e) **Defect Disputes.**

(i) Seller and Buyer shall each use their good faith efforts to attempt to agree on the interpretation and effect of **Section 6** and this **Section 7** and the validity and determination of all Title Benefits, Title Benefit Amounts, Defects and Defect Amounts (or the cure thereof) by the Closing Date. If Seller and Buyer fail to agree on the existence, cure, or amount of (A) any disputed Title Benefits, Title Benefit Amounts, Title Defects, or Defect Amounts associated with Title Defects, and any other disputes as to the interpretation and effect of **Section 6** or this **Section 7** on any of the foregoing matters in this clause (each, a "**Title Disputed Matter**"), or (B) any disputed Environmental Defects or Defect Amounts associated with Environmental Defects, and any other disputes as to the interpretation and effect of **Section 6** or this **Section 7** on any of the foregoing matters in this clause (each, an "**Environmental Disputed Matter**", and together with the Title Disputed Matters, the "**Disputed Defect Matters**") by that date, then subject to **Section 7(b),** the Allocated Amount shall be used to determine the Purchase Price paid at Closing in respect of the Disputed Defect Matter, and the Defect Amounts in dispute shall be exclusively and finally resolved by arbitration pursuant to this **Section 7(e)**.

(ii) During the 30-day period following the Closing Date, (I) either Party may submit any Title Disputed Matters to a title attorney with at least 10 years of experience in oil and gas titles in the state in which the Properties in question are located as selected by mutual agreement of Buyer and Seller or absent such agreement during the 20-day period, by the Houston office of the American Arbitration Association (the "**Title Arbitrator**"), and (II) either Party may submit any Environmental Disputed Matters to a nationally recognized independent environmental consulting firm or environmental attorney with at least 10 years of experience in resolving Environmental Liabilities as selected by mutual agreement of Buyer and Seller or absent such agreement during the 20-day period, by the Houston office of the American Arbitration Association (the "**Environmental Arbitrator**", and each of the Title Arbitrator and Environmental Arbitrator, a "**Defect Arbitrator**"). The Defect Arbitrator shall not have worked as a consultant, employee, outside counsel or in any other capacity for either Party or its Affiliates during the ten (10) year period preceding the arbitration or have any financial interest in the dispute and agree in writing to keep strictly confidential the specifics and existence of the dispute as well as all proprietary records of the Parties reviewed by the Defect Arbitrator in the process of resolving such dispute. The arbitration Proceeding shall be held in Houston, Texas and shall be conducted in accordance with (but not under the auspices of or administered by) the Commercial Arbitration Rules of the American Arbitration Association, to the extent such rules do not conflict with the terms of this **Section 7(e).** Neither Buyer nor Seller may have any *ex parte* communications with the applicable Defect Arbitrator's determination of the applicable Disputed Defect Matters. The Defect Arbitrator's determination shall be made within thirty (30) days after submission of the matters in dispute and shall be final and binding upon the Parties, without right of appeal. Notwithstanding anything herein to the contrary, the Defect Arbitrator shall have exclusive, final and binding authority with respect to the scope of the Defect Arbitrator's authority regarding any Title Disputed Matter (with respect to the Title Arbitrator) or Environmental Disputed Matter (with respect to the Environmental Arbitrator), as applicable, and in no event shall any dispute as to the authority of the Defect Arbitrator to determine any such disputes be subject to resolution or the provisions of **Section 20(g)**. In making his determination, the Defect Arbitrator shall be bound by the rules set forth in **Section 7(b)** and may consider such other matters as in the opinion of the Defect Arbitrator are necessary or helpful to make a proper determination. The Defect Arbitrator shall act as an expert for the limited purpose of determining the specific disputed Defect Amounts submitted by any Party and may not award damages, interest or penalties to any Party with respect to any matter. Seller and Buyer shall each bear its own legal fees and other costs of presenting its case. Buyer shall bear one-half of the costs and expenses of the Defect Arbitrator, and Seller shall be responsible for the remaining one-half of the costs and expenses.

8. **Conditions Precedent to the Obligations of Buyer**. The obligations of Buyer to consummate the transaction contemplated by this Agreement (except for the obligations of Buyer to be performed prior to the Closing and obligations that survive termination of this Agreement), including the obligations of Buyer to consummate the Closing, are subject to each of the following conditions being met, unless waived in writing by Buyer:

(a) **Representations True and Correct**. The (i) Fundamental Representations of Seller set forth herein shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except, in each case, for such representations and warranties that are made as of a specific date, which shall be true and correct as of such specific date), and (ii) the other representations and warranties of Seller set forth herein shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except, in each case, for such representations and warranties that are made as of a specific date, which shall be true and correct as of such specific date) without regard to any Material Adverse Effect or other materiality qualifier set forth therein, except to the extent the failure of any such representations or warranties to be so true and correct would not have, individually or in the aggregate, a Material Adverse Effect.

(b) **Compliance with Covenants and Agreements**. Seller shall have performed and complied in all material respects with (or compliance therewith shall have been waived in writing by Buyer or failure to comply therewith shall have been cured by Seller prior to Closing at Seller's sole cost and expense) each and every covenant and agreement required by this Agreement to be performed or complied with by Seller prior to the Closing.

(c) **Certain Claims; No Injunction**. No Proceeding initiated by or on behalf of the Third Party operator of the Properties and seeking to enforce a claim (or purported claim) with respect to a Preferential Right affecting any Properties shall be pending (excluding any such matter initiated or instigated by or on behalf of Buyer or any of its Affiliates) before any Governmental Authority. No Applicable Law or Order (whether such Order is temporary, preliminary or permanent) shall, on the Closing Date, be in effect restraining, enjoining, or prohibiting the consummation of the transactions contemplated by this Agreement. No Preferential Right described in **Section 5(d)(ii)** shall have been exercised by the holder thereof prior to Closing.

(d) **Price Adjustment Limitations**. The aggregate downward adjustment (if any) of the Initial Purchase Price which results from the procedures set forth in **Section 5(c), Section 5(d), Section 7** and **Section 16** does not exceed an amount equal to twenty-five percent (25%) of the Initial Purchase Price.

(e) **Closing Deliverables**. Seller shall (i) have delivered to Buyer the certificate described in **Section 10(a)(i)** and (ii) be ready, willing and able to (A) deliver to Buyer at the Closing the other documents and items required to be delivered by Seller under **Section 10** and (B) consummate the transactions contemplated by this Agreement to occur at the Closing.

9. **Conditions Precedent to the Obligations of Seller**. The obligations of Seller to consummate the transaction contemplated by this Agreement (except for the obligations of such Seller to be performed prior to the Closing and obligations that survive termination of this Agreement), including the obligations of Seller to consummate the Closing, are subject to each of the following conditions being met, unless waived in writing by Seller:

(a) **Representations True and Correct**. The (i) Fundamental Representations of Buyer set forth herein shall be true and correct in all respects as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except, in each case, for such representations and warranties that are made as of a specific date, which shall be true and correct as of such specific date), and (ii) the other representations and warranties of Buyer set forth herein shall be true and correct in all material respects (other than any representation that is subject to a materiality qualifier, which shall be true and accurate in all respects after giving effect to such materiality qualification) as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except, in each case, for such representations and warranties that are made as of a specific date, which shall be true and correct as of such specific date).

(b) **Compliance With Covenants and Agreements**. Buyer shall have performed and complied in all material respects with (or compliance therewith shall have been waived in writing by Seller or failure to comply therewith shall have been cured by Buyer prior to Closing at Buyer's sole cost and expense) each and every covenant and

agreement required by this Agreement to be performed or complied with by Buyer prior to the Closing.

(c) **No Injunction**. No Applicable Law or Order (whether such Order is temporary, preliminary or permanent) shall, on the Closing Date, be in effect restraining, enjoining, or prohibiting the consummation of the transactions contemplated by this Agreement.

(d) **Price Adjustment Limitations**. The aggregate downward adjustment (if any) of the Initial Purchase Price which results from the procedures set forth in **Section 5(c), Section 5(d), Section 7** and **Section 16** does not exceed an amount equal to twenty-five percent (25%) of the Initial Purchase Price.

(e) **Closing Deliverables**. Buyer shall (i) have delivered to Seller the certificate described in **Section 10(a)(ii)** and (ii) be ready, willing and able to (A) deliver to Seller at the Closing the other documents and items required to be delivered by Buyer under **Section 10** and (B) consummate the transactions contemplated by this Agreement to occur at the Closing.

10. **Closing**.

(a) **Actions At Closing**. The closing (herein called the "**Closing**") of the transaction contemplated hereby shall take place in the offices of Baker Botts L.L.P. at 910 Louisiana St, Houston, TX 77002, on June 14, 2024, at 10:00 a.m. Central Time, or if all conditions in **Section 8 and Section 9** to be satisfied prior to Closing have not yet been satisfied or waived, as soon thereafter as such conditions have been satisfied or waived, subject to the provisions of **Section 13** (the date on which the Closing actually occurs, being herein called the "**Closing Date**"). At the Closing, upon the terms and subject to the conditions of this Agreement:

(i) Seller's Officers Certificate. Seller shall deliver to Buyer a certificate of Seller dated as of the Closing Date signed by an executive officer of Seller stating that the conditions specified in **Sections 8(a)** and **8(b)** have been satisfied.

(ii) Buyer's Officers Certificate. Buyer shall deliver to Seller a certificate of Buyer dated as of the Closing Date signed by an executive officer of Buyer stating that the conditions specified in **Sections 9(a)** and **9(b)** have been satisfied.

(iii) Assignment of Membership Interests. Seller shall deliver to Buyer a counterpart to an assignment of the Interests in the form attached hereto as **Schedule III** (the "**Assignment**"), duly executed by Seller.

(iv) Assignment of Membership Interests. Buyer shall deliver to Seller a counterpart to the Assignment, duly executed by Buyer.

(v) Company Records. Seller shall deliver to Buyer the originals of all minute books, membership interest transfer ledgers (if any), seals (if any) and limited liability company records of the Company.

(vi) Resignation of Officers and Managers. Seller shall deliver to Buyer the resignation of each of the present managers, officers and directors of the Company, in the form attached hereto as **Schedule IV**, duly executed by each such individual.

(vii) Payment of Purchase Price to Seller. Buyer shall deliver to Seller, by wire transfer of immediately available funds to the account(s) designated by Seller in a bank located in the United States pursuant to the Preliminary Settlement Statement, an amount equal to the Closing Payment.

(viii) IRS Form W-9. Seller shall deliver to Buyer a duly completed and executed IRS Form W-9 of Seller dated as of the Closing Date.

(ix) Releases, Consents. Seller shall deliver to Buyer all releases and all other evidence of termination, from such Persons and each in such form as are reasonably required by Buyer, of (A) all deeds of trust, mortgages and all other Liens under any Credit Agreement or any hedging agreement, in each case, burdening any of the Interests, the Properties or the Company, including authorizations to file UCC-3 termination statements releases in all applicable jurisdictions to evidence the release of all such Liens, if applicable, and (B) the Company as a Loan Party and as a Subsidiary Guarantor under each Credit Agreement and all other obligations of the Company under any Credit Agreement, in each case, concurrently with the payment of the Purchase Price.

(x) Secretary's Certificate. Seller shall deliver to Buyer a certificate of Buyer dated as of the Closing Date signed by an executive officer of Seller certifying (A) the resolutions of the Board of Managers of Seller approving the execution of this Agreement and consummation of the transactions contemplated hereunder, (B) the certificates of formation of Seller and the Company, (C) the limited liability company agreement of the Company and (D) all other documents evidencing other necessary corporate action, if any, with respect to the execution of this Agreement and consummation of the transactions contemplated hereunder.

(xi) Preliminary Settlement Statement. Seller shall deliver to Buyer a counterpart to the Preliminary Settlement Statement, duly and validly executed by Seller.

(xii) Preliminary Settlement Statement. Buyer shall deliver to Seller a counterpart to the Preliminary Settlement Statement, duly and validly executed by Buyer.

(xiii) Bank Account Authorizations. Seller shall deliver to Buyer evidence of terminations of the powers of attorney and bank authorizations listed on **Schedule 3(a)(xxv)**.

(xiv) Joint Written Instructions. Seller shall deliver to the Escrow Agent a counterpart of joint written instructions pursuant to the Escrow Agreement authorizing the release of the Deposit to Seller, duly executed by Seller.

(xv) Joint Written Instructions. Buyer shall deliver to the Escrow Agent a counterpart of joint written instructions pursuant to the Escrow Agreement authorizing the release of the Deposit to Seller, duly executed by Buyer.

(xvi) Mutual Release and Termination Agreement. Seller shall deliver to Buyer a counterpart to a mutual release and termination agreement (the "**Mutual Release and Termination Agreement**"), in the form attached hereto as **Schedule V**.

11. **Adjustments to the Purchase Price**.

(a) **Adjustments to the Initial Purchase Price**. The Initial Purchase Price shall be adjusted, without duplication, as follows:

(i) increased or decreased with respect to income, revenues, proceeds and Property Costs with respect to the Properties as follows:

(A) decreased, by an amount equal to the aggregate revenues received by Seller or any of its Affiliates (including, prior to the Closing, the Company) and (I) earned from the sale of Hydrocarbons produced from or attributable to the Oil and Gas Properties during any period from and after the Effective Date (net of any (x) Royalties paid or paid on behalf of Seller or any of its Affiliates (including, prior to the Closing, the Company), (y) gathering, processing, and transportation costs paid in connection with sales of Hydrocarbons, and (z) Property Costs that are deducted by the applicable purchasers of production) or (II) otherwise with respect to the Midstream Assets or the other Properties that is attributable any period from and after the Effective Date;

(B) increased, by an amount equal to the aggregate revenues received by Buyer or any of its Affiliates following the Closing (and in each case to the extent not remitted to Seller or its Affiliates) and (I) earned from the sale of Hydrocarbons produced from or attributable to the Oil and Gas Properties during any period prior to the Effective Date (net of any (x) Royalties paid or paid on behalf of Buyer or any of its Affiliates (including, after the Closing, the Company), (y) gathering, processing, and transportation costs paid in connection with sales of Hydrocarbons (including Post-Production Cost Sales Taxes but excluding Company Taxes and Income Taxes), and (z) Property Costs that are deducted by the applicable purchasers of production) or (II) otherwise with respect to the Midstream Assets or the other Properties that is attributable any period prior to the Effective Date;

(C) increased, by an amount equal to the amount of all Property Costs actually paid by or on behalf of Seller or any of its Affiliates (including, prior to the Closing, the Company) in connection with the ownership and operation of any Properties from and after the Effective Date, except in each case any costs already deducted in the determination of proceeds in **Section 11(a)(i)(A)**;

(D) decreased, by an amount equal to the amount of all Property Costs (I) actually paid by or on behalf of Buyer or any of its Affiliates following the Closing or (II) incurred by the Company and unpaid as of immediately prior to the Closing, in each case, in connection with the ownership and operation of any Properties prior to the Effective Date, except in each case any costs already deducted in the determination of proceeds in **Section 11(a)(i)(B)** and any costs that are paid by or on behalf of Seller or any of its Affiliates (including, prior to the Closing, the Company) or that are incurred by the Company and unpaid as of immediately prior to the Closing relating to the operations described on **Schedule 11(a)(i)(E)**; and

(E) increased by the amount of all Property Costs actually paid by or on behalf of Seller or any of its Affiliates (including, prior to the Closing, the Company) in connection with the operations described on **Schedule 11(a)(i)(E)**;

(ii) adjusted for Imbalances, Hydrocarbon inventory and Hydrocarbons in storage, in each case, as of the Effective Date as follows:

(A) decreased by the aggregate amount owed by the Company to Third Parties for Imbalances attributable to periods prior to the Effective Date (on the basis of the applicable Settlement Price);

(B) increased by the aggregate amount owed to the Company by Third Parties for Imbalances attributable to periods prior to the Effective Date (on the basis of the applicable Settlement Price); and

(C) increased by the aggregate amount equal to the Company's share of any Hydrocarbons in tanks or storage facilities produced from or credited to the Oil and Gas Properties as of the Effective Date based upon the quantities in tanks or storage facilities as of the Effective Date *multiplied by* the applicable Settlement Price, except to the extent the proceeds thereof are received by Seller or any of its Affiliates (including, prior to the Closing, the Company);

(iii) decreased with respect to Defects in accordance with **Section 7(a)(i)** and **Section 7(a)(ii)**;

(iv) decreased, by an amount equal to the aggregate amount, if any, of Indebtedness of the Company as of immediately prior to the Closing;

(v) decreased, by an amount equal to the aggregate amount, if any, of any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller that are payable by the Company (whether before, on or after the Closing Date) and unpaid as of immediately prior to the Closing or paid by the Company prior to the Closing (excluding any such fees or commissions that are satisfied out of the proceeds of the Closing Payment);

(vi) adjusted in accordance with **Section 16,** as applicable;

(vii) decreased by an amount equal to the aggregate amount, if any, of all (I) Excluded Costs incurred by the Company but unpaid as of immediately prior to the Closing or (II) costs or expenses incurred by the Company but unpaid as of immediately prior to the Closing unrelated to the Properties or the business of the Company;

(viii) increased or decreased, as applicable, with respect to certain Taxes as follows:

(A) increased, by the amount of all Post-Effective Date Company Taxes that are paid or otherwise economically borne by Seller or its Affiliates (including, prior to the Closing, the Company);

(B) decreased, by the amount of all Pre-Effective Date Company Taxes that are paid, payable or otherwise economically borne by Buyer or its Affiliates (including, after the Closing, the Company); and

(ix) increased, or decreased, as applicable, by any other amounts provided for elsewhere in this Agreement or otherwise agreed upon in writing by Seller and Buyer.

(b) **Initial Adjustment at Closing**. At least five (5) days before the Closing Date, Seller shall provide to Buyer a draft statement (the "**Preliminary Settlement Statement**") showing (i) Seller's good faith estimate of the Purchase Price as of the Closing Date after giving effect to the adjustments provided for in **Section 11(a)** above, including Seller's computations upon which such estimate is based, (ii) the accounts and amounts of disbursements that Seller designates and nominates to receive the portions of the Closing Payment, if other than Seller, and (iii) the wiring instructions for all such payments and disbursements. Seller shall supply to Buyer reasonable documentation in the possession of Seller or any of its Affiliates to support the items for which adjustments are proposed or made in the Preliminary Settlement Statement delivered by Seller and a brief explanation of any such adjustments and the reasons therefor. Seller shall cause its Representatives to be available upon reasonable advance notice and during normal business hours to answer any reasonable questions that Buyer may have with respect to the Preliminary Settlement Statement delivered by Seller and any adjustments set forth therein. Within three (3) Business Days after receipt of Seller's draft Preliminary Settlement Statement, Buyer may deliver to Seller a written report containing all changes that Buyer proposes to be made to the Preliminary Settlement Statement, if any, together with a brief explanation of any such changes. Buyer and Seller shall attempt in good faith to agree upon such adjustments prior to Closing. The Preliminary Settlement Statement, as agreed upon by the Parties, will be used to adjust the Initial Purchase Price at Closing; provided that if agreement is not reached, Seller's computation with respect to any such unagreed matters shall be used at Closing, absent manifest error, subject to further

adjustment under **subsection (c)** below.

(c) **Adjustment Post Closing**. On or before one hundred twenty (120) days after Closing, but no earlier than ninety (90) days after the Closing, Buyer shall prepare and deliver to Seller a draft final settlement statement (the "**Final Settlement Statement**") setting forth the final calculation of the Purchase Price and showing the calculation of each adjustment under **Section 11(a)**, based on the most recent actual figures for each adjustment. Seller shall reasonably assist Buyer in preparation of the Final Settlement Statement by furnishing invoices, receipts, reasonable access to personnel, and such other assistance as may be reasonably requested by Buyer to facilitate such process post-Closing. Buyer shall, at Seller's request, make reasonable documentation in Buyer's possession available to Seller to support the final figures. Buyer shall cause its Representatives to be available upon reasonable advance notice and during normal business hours to answer any questions that Seller may have with respect to the Final Settlement Statement delivered by Buyer and any adjustments set forth therein. As soon as reasonably practicable, but not later than the thirtieth (30th) day following receipt of the Final Settlement Statement, Seller shall deliver to Buyer a written report containing any changes that Seller proposes be made in such statement. Any changes not so specified in such written report shall be deemed waived and Buyer's determinations with respect to all such elements of the Final Settlement Statement that are not addressed specifically in such report shall prevail. If Seller fails to timely deliver a written report to Buyer containing changes Seller proposes to be made to the Final Settlement Statement, the Final Settlement Statement as delivered by Buyer will be deemed to be correct and mutually agreed upon by the Parties and, without limiting the application of **Section 19(a)(iii)** or Buyer's right to indemnity under **Section 14(a)(iii)** for Seller Taxes, will be final and binding on the Parties and not subject to further audit or arbitration. The Parties shall undertake to agree on the final statement of the Purchase Price no later than thirty (30) days following Seller's receipt of Buyer's Final Settlement Statement delivered hereunder. In the event that the Parties cannot reach agreement as to the Final Settlement Statement of the Purchase Price within such period of time, either Party may refer the items of adjustment which are in dispute or the interpretation or effect of this **Section 11(c)** to a nationally recognized independent accounting firm or consulting firm mutually acceptable to both Buyer and Seller (the "**Accounting Arbitrator**") for review and final determination by arbitration. The Accounting Arbitrator shall conduct the arbitration proceedings in Houston, Texas in accordance with the Commercial Arbitration Rules of the AAA, to the extent such rules do not conflict with the terms of this **Section 11(d)**. The Accounting Arbitrator's determination shall be made as soon as reasonably practicable after submission of the matters in dispute and, without limiting the application of **Section 19(a)(iii)** or Buyer's right to indemnity under **Section 14(a)(iii)** for Seller Taxes, shall be final and binding on all Parties, without right of appeal. In determining the amount of any adjustment to the Purchase Price, the Accounting Arbitrator shall be bound by the terms of **Section 11** and may not increase the Purchase Price more than the increase proposed by Seller nor decrease the Purchase Price more than the decrease proposed by Buyer, as applicable. The Accounting Arbitrator shall act as an expert for the limited purpose of determining the specific disputed aspects of Purchase Price adjustments submitted by any Party and may not award damages, interest (except to the extent expressly provided for in this **Section 11(c)**), or penalties to any Party with respect to any matter. Seller, on the one hand, and Buyer, on the other hand, shall each bear its own legal fees and other costs of presenting its case. Seller shall bear one half and Buyer shall bear one-half of the fees, costs, and expenses of the Accounting Arbitrator. Within five (5) Business Days after the earlier of (x) the expiration of Seller's thirty (30) day review period without delivery of any written report or (y) the date on which the Parties or the Accounting Arbitrator finally determines the Purchase Price, (i) if the adjusted Purchase Price exceeds the sum of the Closing Payment *plus* the Deposit, Buyer shall pay to the Persons as directed by Seller by wire transfer of immediately available funds to an account(s) designated by Seller in writing an amount in cash equal to such excess or (ii) if the sum of the Closing Payment *plus* the Deposit exceeds the adjusted Purchase Price, Seller shall pay to Buyer by wire transfer of immediately available funds to an account(s) designated by Buyer in writing an amount in cash equal to such excess. The post-Closing adjustment of the Purchase Price pursuant to the Final Settlement Statement is not intended to permit the introduction of different accounting principles, methods, policies, practices, procedures, classifications, conventions, categorizations, definitions, judgments, assumptions, techniques or estimation methods with respect to financial statements from the Accounting Principles.

All adjustments to the Initial Purchase Price shall be made (i) in accordance with the terms of this Agreement and, to the extent not inconsistent with this Agreement and otherwise applicable, in accordance with GAAP and COPAS *(provided, however,* in the event of any conflict between GAAP and COPAS, GAAP shall control), as consistently applied by the Company and Seller prior to Closing (the "**Accounting Principles**"), except that the Accounting Principles shall not apply to any adjustments under **Section 11(a)(viii)** to the extent inconsistent with the provisions of **Section 19(a)**, and (ii) without duplication. When available, actual figures will be used for the adjustments to the Initial Purchase Price at Closing. To the extent actual figures are unavailable at Closing, Seller's good faith estimates will be used subject to final adjustments in accordance with the terms hereof.

For purposes of allocating Hydrocarbon production (and accounts receivable with respect thereto), (i) liquid Hydrocarbons shall be deemed to be **from or attributable to"** the Oil and Gas Properties when they are produced into the tank batteries related to each Well and (ii) gaseous Hydrocarbons shall be deemed to be **from or attributable to**" the Oil and Gas Properties when they pass through the delivery point sales meters or similar meters at the point of entry into the pipelines through which they are transported. The Parties shall use reasonable interpolative procedures to arrive at an allocation of Hydrocarbon production when exact meter readings, gauging or strapping data are not available. Surface use or damage fees and other Property Costs that are paid periodically shall be prorated based on the number of days in the applicable period falling on or before, or after, the Effective Date. The terms "**earned**" and "**incurred**," as used in this **Section 11**, shall be interpreted in accordance with accounting recognition guidance under the Accounting Principles. Subject to the foregoing and except for amounts for which the Purchase Price is adjusted hereunder and without limiting the other provisions of this Agreement: (A) Seller shall remain entitled to all of the rights of ownership (including the right to all production, proceeds of production and other proceeds, if any) and shall remain responsible for all Property Costs, in each case attributable to the Properties for the period of time prior to the Effective Date and all assets or properties excluded from the transactions contemplated by this Agreement, and (B) subject to the occurrence of the Closing, Buyer (via the Company) shall be entitled to all of the rights of ownership (including the right to all production, proceeds of production and other proceeds) attributable to the Properties for the period of time from and after the Effective Date, and shall be responsible for all Property Costs attributable to the Properties for the period of time from and after the Effective Date. From and after the date of the Final Settlement Statement for a period of twenty-four (24) months after the Closing, (1) Buyer shall cause the Company to fully disclose, account for and remit to Seller any revenues to which Seller is entitled pursuant to this **Section 11(e)** (including any amounts that may result from Pre-Effective Date Audits) reasonably promptly after Company's or its Affiliates' receipt of same, (2) Seller shall fully disclose, account for and remit to Buyer (for the benefit of the Company) any revenues to which Buyer and the Company is entitled pursuant to this **Section 11(e)** reasonably promptly after Seller's or its Affiliates' receipt of same, (3) should Buyer, or any Affiliate of Buyer (including the Company), pay or receive any invoice or claim for any Property Costs for which Seller is responsible pursuant to this **Section 11(e)** (including any amounts that may result from Pre-Effective Date Audits), then Buyer shall promptly forward such invoice or claim or proof of payment thereof to Seller, and Seller shall promptly thereafter reimburse or pay Buyer such Property Costs, and (4) should Seller, or any Affiliate of Seller, after Closing pay or receive any invoice or claim for any Property Costs for which Buyer is responsible pursuant to this **Section 11(e)**, then Seller shall promptly forward such invoice or claim or proof of payment thereof to Buyer, and Buyer shall promptly thereafter reimburse or pay Seller such Property Costs.

12. **Change of Company Name**. Buyer agrees that (a) within one hundred and twenty (120) days after the Closing Date, it will cause the Company to take all necessary steps to change the Company's names so as not to include, and cease doing business under any name that includes, the word "BKV," or any derivative thereof, (b) at any time after the Closing Date, Seller and any of Seller's Affiliates may engage in business in the oil and gas industry or any other activity using a name that includes the word "BKV," and (c) after the Closing Date, Buyer will and will cause the Company, at the expense of Seller or any of Seller's Affiliates, as applicable, to take all necessary steps to consent

to the formation by Seller or any of Seller's Affiliates of any entity under a name, and the use of a name by that entity, that includes the word "BKV" in any jurisdiction, to the extent contemplated by clause (b) of this Section.

13. **Termination**.

(a) **Termination**. This Agreement may be terminated at any time prior to Closing:

(i) by the mutual prior written consent of Seller and Buyer;

(ii) by either Seller or Buyer upon written notice to the other Party, if Closing has not occurred on or before June 21, 2024 (the "**Outside Date**"); *provided, however,* that if the Closing has not occurred prior to such date solely as a result of the Third Party operator of the Properties seeking to enforce a claim (or purported claim) with respect to a Preferential Right affecting any Properties prior to such date, then, without any further action by the Parties, the Outside Date shall automatically be extended to the date that is five (5) Business Days after the earlier of (A) the date on which the time period for exercising such Preferential Right (or purported Preferential Right) expires without exercise by such Third Party operator and (B) such Preferential Right (or purported Preferential Right) is waived in writing or exercised by such Third Party operator; or

(iii) by either Seller or Buyer upon notice to the other Party, if a final non-appealable Order has been entered restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by this Agreement;

provided, however, that no Party shall be entitled to terminate this Agreement under **Section 13(a)(ii)** if (A) the Closing has failed to occur as a result of such Party's material breach of its representations, warranties, covenants or agreements hereunder that would give rise to a failure of any of the conditions specified in **Section 8** or **Section 9**, as applicable, or (B) Buyer is entitled to and is enforcing its right to specific performance of this Agreement under **Section 13(b)(ii)** below.

(b) **Effect of Termination**.

(i) If this Agreement is terminated pursuant to **Section 13,** this Agreement shall become void and of no further force or effect (except for the provisions of **Sections 5(a)(iii)**, **13**, **15**, **17**, **20(c)** through **20(k)**, **20(m)** through **20(r)**, all of which shall survive and continue in full force and effect indefinitely).

(ii) In the event that (A) Buyer is entitled to terminate this Agreement under **Section 13(a)(ii)** and (B) the Closing has not occurred as a result of Seller's material breach of any representation, warranty, covenant or agreement of Seller contained in this Agreement (including Seller's failure to consummate the transactions contemplated by this Agreement at the Closing upon satisfaction of the conditions set forth in **Section 9** herein) and (C) all conditions precedent of Seller set forth in **Section 9** have been satisfied or waived in writing by Seller (or would have been satisfied except for the breach or failure of any of Seller's representations, warranties, covenants or agreements hereunder), then Buyer, at its sole option, may elect to (1) be entitled to specific performance of the terms of this Agreement (plus the recovery from Seller of all costs and expenses, including reasonable attorney's fees, incurred by Buyer in enforcing such right of specific performance) or (2) if Buyer does not seek and successfully enforce specific performance, terminate this Agreement, in which case (y) Buyer shall be entitled to receive the entirety of the Deposit, and (z) Buyer shall be entitled to all other remedies to which Buyer is legally entitled at law or in equity by virtue of such material breach or failure by Seller, provided that Buyer may not recover any amounts in excess of an amount equal to ten percent (10%) of the Initial Purchase Price (it being understood by the Parties that such limitation is in addition to, and not in lieu of, the obligation of Seller to return the entirety of the Deposit to Buyer as required hereunder). If Buyer delivers to Seller written notice of termination of this Agreement pursuant to **Section 13(a)(ii)** and is entitled to receive the Deposit pursuant to this **Section 13(b)(ii)**, then the Parties shall, within two (2) Business Days after Buyer's termination election, execute and deliver to the Escrow Agent a joint instruction letter directing the Escrow Agent to release the Deposit to Buyer.

(iii) In the event that (A) Seller is entitled to terminate this Agreement under **Section 13(a)(ii)**, (B) the Closing has not occurred as a result of Buyer's material breach of any representation, warranty, covenant or agreement of Buyer contained in this Agreement (including Buyer's failure to consummate the transactions contemplated by this Agreement at the Closing upon satisfaction of the conditions set forth in **Section 8** herein), and (C) all conditions precedent of Buyer set forth in **Section 8** have been satisfied or waived in writing by Buyer (or would have been satisfied except for the breach or failure of any of Buyer's representations, warranties, covenants or agreements hereunder), then Seller shall be entitled to terminate this Agreement and thereupon receive the entirety of the Deposit, it being understood and agreed by the Parties that Seller's receipt of the Deposit shall constitute liquidated damages hereunder, and Seller's right to terminate this Agreement under **Section 13(a)(ii)** and receive the Deposit as liquidated damages shall be the sole and exclusive remedy available to Seller for any breach or failure of any representation, warranty, covenant or agreement of Buyer contained in this Agreement if the Closing does not occur (including any Buyer's failure to consummate the transactions contemplated by this Agreement upon satisfaction of the conditions set forth herein). THE PARTIES HEREBY ACKNOWLEDGE THAT THE EXTENT OF DAMAGES TO SELLER OCCASIONED BY THE FAILURE OF THIS TRANSACTION TO BE CONSUMMATED WOULD BE IMPOSSIBLE OR EXTREMELY DIFFICULT TO ASCERTAIN AND THAT THE AMOUNT OF THE DEPOSIT IS A FAIR AND REASONABLE ESTIMATE OF SUCH DAMAGES UNDER THE CIRCUMSTANCES AND DOES NOT CONSTITUTE A PENALTY. If Seller delivers to Buyer written notice of termination of this Agreement pursuant to **Section 13(a)(ii)** and is entitled to receive the Deposit pursuant to this **Section 13(b)(iii)**, then the Parties shall, within two (2) Business Days after Seller's termination election, execute and deliver to the Escrow Agent a joint instruction letter directing the Escrow Agent to release the Deposit to Seller.

(iv) In the event that this Agreement is terminated for any reason and Seller is not entitled to the Deposit under **Section 13(b)(iii)** above, then the Parties shall, within two (2) Business Days after said termination, execute and deliver to the Escrow Agent a joint instruction letter directing the Escrow Agent to release the Deposit to Buyer.

(v) Seller acknowledges that as express consideration for Buyer entering into this Agreement and Seller's representations, warranties and covenants set forth herein, Seller covenants and agrees that solely with respect to Buyer's rights under **Section 13(b)(ii)**, (i) the rights of Buyer to consummate the transactions contemplated hereby are special, unique and of extraordinary character and that, if Seller violates or fails or refuses to perform any covenant or agreement made by it herein, Buyer may be without an adequate remedy at law, (ii) Buyer would be irreparably harmed by any breaches by Seller of its respective obligations to consummate the transactions hereunder as and when required by Seller hereunder, (iii) monetary damages would not be a sufficient remedy for any violation of the terms of this Agreement with respect to Buyer's rights under **Section 13(b)(ii)**, (iv) Buyer shall be entitled to equitable relief, including injunction (without the posting of any bond and without proof of actual damages) and specific performance, in the event of any breach of the provisions of this Agreement with respect to Buyer's rights under **Section 13(b)(ii)**, including all other remedies available at law or in equity, including monetary damages, (v) no Seller nor any of its Affiliates, nor their respective Representatives, shall oppose the granting of specific performance or any such relief as a remedy with respect to Buyer's rights under **Section 13(b)(ii)** and (vi) Seller agrees to waive any requirement for the security or posting of any bond in connection with the remedies described in **Section 13(b)(ii)**. Nothing herein shall be construed to prohibit Buyer from first seeking specific performance, but thereafter terminating this Agreement pursuant to **Section 13(a)**.

14. **Indemnification**.

(a) **Seller Indemnification**. Subject to the limitations set forth in **Section 14(d)** hereof, from and after the Closing, Seller hereby agrees to be responsible for, pay

and indemnify, defend and hold harmless Buyer and its Affiliates (including the Company), and the respective shareholders, members, equityholders, officers, directors, employees, attorneys, contractors and agents thereof (the "**Buyer Indemnified Parties**"), from and against any and all claims, judgments, awards, causes of action, liabilities, obligations, Taxes, guarantees, damages, losses, deficiencies, costs, penalties, fines, interest and expenses of any kind or character, including without limitation, cost of investigation, monitoring, settlement and defense, and reasonable attorneys' fees and expenses (collectively, "**Losses**"), arising out of, based upon, attributable to or resulting from (i) any breach of any representation or warranty on the part of Seller contained in this Agreement; (ii) any breach of any covenant of Seller contained in or pursuant to this Agreement or (iii) any of the Specified Liabilities.

(b) **Buyer Indemnification**. Subject to the limitations set forth in **Section 14(d)** hereof, from and after Closing, Buyer hereby agrees to be responsible for, pay indemnify, defend and hold Seller and its Affiliates, and the respective shareholders, members, equityholders, officers, directors, employees, attorneys, contractors and agents thereof (the "**Seller Indemnified Parties**"), harmless from and against any and all Losses arising out of, based upon, attributable to or resulting from any breach of any representation, warranty, agreement or covenant on the part of Buyer contained in this Agreement.

(c) **Indemnification Procedures**.

(i) If a Party is entitled to indemnification under this **Section 14** (the "**Indemnified Party**"), it shall give notice of such claim ("**Claim**") to the Party from whom it intends to seek indemnification (the "**Indemnifying Party**") and the Indemnifying Party shall have the right to assume the defense and, subject to **Section 14(d)(ii)**, settlement of such Claim at its expense by Representatives of its own choosing acceptable to the Indemnified Party (which acceptance shall not be unreasonably withheld). The failure of the Indemnified Party to notify the Indemnifying Party of such claim shall not relieve the Indemnifying Party of any liability that the Indemnifying Party may have with respect to such claim, except to the extent that the defense of such Claim is materially prejudiced by such failure. The Indemnified Party shall have the right to participate in the defense of such Claim at its expense (which expense shall not be deemed to be a Loss), in which case the Indemnifying Party shall cooperate in providing information to and consulting with the Indemnified Party about the Claim. If the Indemnifying Party fails or does not assume the defense of any such Claim within fifteen (15) days after written notice of such Claim has been given by the Indemnified Party to the Indemnifying Party, the Indemnified Party may defend against or, subject to **Section 14(d)(ii)**, settle such Claim with counsel of its own choosing at the expense (to the extent reasonable under the circumstances) of the Indemnifying Party.

(ii) If the Indemnifying Party does not assume the defense of a Claim involving the asserted liability of the Indemnified Party under this **Section 14,** no settlement of such Claim shall be made by the Indemnified Party without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed. If the Indemnifying Party assumes the defense of such a Claim, (i) no settlement thereof may be effected by the Indemnifying Party without the Indemnified Party's consent unless (A) there is no finding or admission of any violation of Applicable Law or any violation of the rights of any Person and no effect on any other Claim that may be made against the Indemnified Party, (B) the sole relief provided is monetary damages that have been paid in full by the Indemnifying Party, and (C) the settlement includes, as an unconditional term thereof, the giving by the claimant or the plaintiff to the Indemnified Party of a release in form and substance reasonably satisfactory to the Indemnified Party, from all liability in respect of such Claim, and (ii) the Indemnified Party shall have no liability with respect to any compromise or settlement thereof effected without its consent.

(iii) In calculating any amount to be paid by an Indemnifying Party by reason of the provisions of this Agreement, the amount shall be reduced by all insurance proceeds actually received by the Indemnified Party related to the applicable Losses less the reasonable out of pocket costs incurred by the Indemnified Party in pursuing and obtaining any such insurance proceeds. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses the subject of indemnification under this Agreement.

(iv) With respect to any Title Defect that also constitutes a breach or inaccuracy of the Special Warranty of Title, Seller shall not be obligated to provide indemnification for any Losses pursuant to **Section 14(a)(i)** with respect to such breach or inaccuracy of the Special Warranty of Title in duplication of any amounts by which the Purchase Price is adjusted downward in respect of such Title Defect pursuant to **Section 11(a)(iii**).

(v) To the extent the provisions of this **Section 14(c)** are inconsistent with **Section 19(f), Section 19(f)** shall control with respect to such matter.

(d) **Limits on Indemnification**. Notwithstanding anything to the contrary contained in this Agreement:

(i) Seller shall not have any obligation to provide indemnification pursuant to **Section 14(a)(i)** for any individual Loss (i) unless the amount of such Loss exceeds two hundred and fifty thousand dollars ($250,000.00) and (ii) until and unless the aggregate amount of all such Losses exceeds [***] percent ([***]%) of the Purchase Price (the "**Deductible**"), after which point Seller shall only be liable for such indemnification to the extent such Losses exceed the Deductible.

(ii) Seller shall not be obligated to indemnify or hold Buyer harmless pursuant to **Section 14(a)(i)** for an aggregate amount in excess of the twenty (20%) percent of the Purchase Price.

(iii) Seller shall not be obligated to indemnify or hold Buyer harmless pursuant to this Agreement for an aggregate amount in excess of the Purchase Price.

(iv) The limitations set forth in **Section 14(d)(i)** and **Section 14(d)(ii)** shall not apply to or otherwise limit any Losses arising out of, or based upon, any breach or inaccuracy of any of Seller's Fundamental Representations, the Special Warranty of Title, or the representations and warranties in **Section 3(a)(xv)** (or any of Seller's indemnity obligations related thereto).

(v) (A) the Fundamental Representations of each Party shall survive the Closing until the date which is six (6) years after the Closing Date, (B) the Special Warranty of Title shall survive the Closing Date until the date that is eighteen (18) calendar months after the Closing Date, (C) the representations and warranties of Seller set forth in **Section 3(a)(xv)** shall survive the Closing until the date which is thirty (30) days after the expiration of the statutes of limitations applicable to such matters, (D) the other representations and warranties of any Party contained in this Agreement that are not described in the foregoing clauses (A) through (C) shall survive the Closing until the date which is twelve (12) calendar months after the Closing Date, and, in each case, thereafter neither Seller, Buyer, nor any officer, director, employee, Affiliate or of Seller or Buyer (as applicable) shall have any liability whatsoever (whether pursuant to this Agreement or otherwise) with respect to such representations and warranties. The covenants and agreements of each Party that contemplate performance on or prior to Closing shall survive the Closing until the date which is twelve (12) calendar months after the Closing Date. The covenants and agreements of Seller under **Section 14(a)(iii)** shall survive the Closing until (I) with respect to the "Specified Liabilities" set forth in subparts (c) of the definition thereof, the date that is twelve (12) months after the Closing Date, (II) with respect to the "Specified Liabilities" set forth in subpart (a) of the definition thereof, the date that is four (4) years after the Closing Date, (III) with respect to the "Specified Liabilities" set forth in subpart (e) of the definition thereof, the date that is thirty (30) days after the expiration of the statutes of limitations applicable to such matters, (IV) with respect to the "Specified Liabilities" set forth in subpart (b) of the definition thereof, until resolved, and (V) with respect to the "Specified Liabilities" set forth in subpart (d) of the definition thereof, indefinitely. Notwithstanding the foregoing, a representation, warranty, covenant or agreement shall not expire with respect to any Claim for indemnification timely made with respect to such representation, warranty, covenant or agreement prior to the expiration of the applicable survival period, until such Claim is finally resolved. The other covenants and agreements of each Party that

contemplate performance after Closing shall survive the Closing for the period contemplated by its terms, or if no such period is contemplated, until the expiration of the statute of limitations period applicable thereto.

(vi) Each Indemnified Party shall use its commercially reasonable efforts to take, and cause its Affiliates to use their respective commercially reasonable efforts to take, all reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto; *provided, however,* that nothing in this **Section 14(d)(iv)** regarding such mitigation efforts shall require any Indemnified Party to expend any material amount of money or incur any material obligation, nor shall anything in this **Section 14(d)(iv)** regarding such mitigation efforts require Buyer or the Company to own the Properties in a manner that is not in the Ordinary Course of Business or that is inconsistent with the Company's ownership of the Properties in any material respect.

(vii) Any payments made to Seller or Buyer pursuant to this **Section 14** shall constitute an adjustment of the Purchase Price for U.S. federal and applicable state income Tax purposes, unless otherwise required by Applicable Law.

(viii) Losses for which an Indemnifying Party is obligated to indemnify an Indemnified Party under this **Section 14** with respect to breaches of such Party's representations, warranties or covenants shall be calculated without giving effect to any qualifiers as to materiality or Material Adverse Effect set forth in any such representations or warranties. For the avoidance of doubt, this **Section 14(d)(viii)** shall not be deemed to disregard any dollar amounts or monetary thresholds set forth in any representation or warranty in **Article 3** or **Article 4** (and, for the avoidance of doubt, in no event shall "Material Contract" be read to mean "Contract" nor shall "Material Adverse Effect" in **Section 3(a)(xxiv)(B)** be disregarded).

(e) **EXPRESS NEGLIGENCE. THE INDEMNIFICATION PROVISIONS PROVIDED FOR IN THIS SECTION SHALL BE APPLICABLE WHETHER OR NOT THE LOSSES, COSTS, EXPENSES AND DAMAGES IN QUESTION AROSE SOLELY OR IN PART FROM THE ACTIVE, PASSIVE OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT OF ANY INDEMNIFIED PARTY. SELLER AND BUYER ACKNOWLEDGE THAT THIS STATEMENT COMPLIES WITH THE EXPRESS NEGLIGENCE RULE AND IS CONSPICUOUS.**

15. **Commissions**. Notwithstanding anything herein to the contrary, including any limitations set forth in **Section 14,** Seller agrees to be responsible for, pay and indemnify, defend and hold harmless the Buyer Indemnified Parties from and against any and all Losses arising out of or resulting from any agreement, arrangement or understanding made or alleged to have been made by, or on behalf of, Seller, the Company or any Affiliate of either Seller or the Company or any of their respective members or shareholders with any advisor, broker or finder in connection with this Agreement or the transaction contemplated hereby. Notwithstanding anything herein to the contrary, including any limitations set forth in **Section 14,** Buyer agrees to be responsible for, pay and indemnify, defend and hold harmless the Seller Indemnified Parties from and against any and all Losses arising out of or resulting from any agreement, arrangement or understanding made or alleged to have been made by, or on behalf of, Buyer or any Affiliate of Buyer (other than the Company), with any advisor, broker or finder in connection with this Agreement or the transaction contemplated hereby.

16. **Casualty Loss**. If prior to the Closing, any Properties are subject to damage by fire or other casualty event or any Properties are expropriated or taken in condemnation or under right of eminent domain (a "**Casualty Event**"), this Agreement shall remain in full force and effect. In the event that the amount of the aggregate adverse economic effect (including the costs and expenses of repair or restoration) associated with any Casualty Event with respect to any Properties exceeds individually or in the aggregate one million Dollars ($1,000,000), then the Purchase Price shall be reduced by an amount equal to the remainder of (a) aggregate adverse economic effect (including the costs and expenses of repair or restoration) associated with any Casualty Event minus (b) the aggregate amount of insurance proceeds, claims and recoveries that the Company would reasonably be likely to receive from any Person (other than Buyer or any Affiliate of Buyer) with respect to such Casualty Event. In the event that the amount of the aggregate adverse economic effect (including the costs and expenses of repair or restoration) associated with any Casualty Event with respect to any Properties does not exceed individually or in the aggregate one million Dollars ($1,000,000), then the Purchase Price shall not be reduced on account of such Casualty Event, and Seller shall pay or cause to be paid to the Company all sums received by Seller or any of its Affiliates as of the Closing from Third Parties by reason of such Casualty Event and assign to the Company all of the right, title and interest of Seller or any of its Affiliates, if any, in and to any claims against or unpaid proceeds or other payments from Third Parties arising out of such Casualty Event, including, insurance proceeds with respect to such Casualty Event.

17. **Notices**. All notices and other communications required under this Agreement shall (unless otherwise specifically provided herein) be in writing and be delivered personally, by recognized commercial courier or delivery service which provides a receipt, by electronic mail ("email"), or by registered or certified mail (postage prepaid), at the following addresses:

If to Buyer:
Sabre Energy Development LLC
1400 Post Oak Blvd Suite 1000
Houston, Texas 77056
Phone: (713) 217-2725
Email: [***]
Attention: Stephanie Divin

If to Seller:
BKV Corporation
1200 17th Street, Suite 2100
Denver, Colorado 80202
Telephone: (720) 375-9680
Email: [***]
Attention: Lindsay Larrick

With copies to:
Baker Botts L.L.P.
910 Louisiana Street
Houston, TX 77002

Telephone: (713) 229-1227
Email: [***]
Attention: Scott Looper

and shall be considered delivered on the date of receipt except if not delivered on a Business Day, in which case notice shall be considered delivered on the next Business Day after the date of receipt. Either Buyer or Seller may specify as its proper address any other post office address within the continental limits of the United States by giving notice to the other Party, in the manner provided in this **Section 17,** at least ten (10) days prior to the effective date of such change of address.

18. **Records.** Within ten (10) days after the Closing Date, Seller shall deliver, or cause to be delivered to Buyer, any and all Records that are in the possession or control of Seller or any Affiliate of Seller and that are not already in the possession of the Company as of the Closing Date. Notwithstanding the foregoing but subject to **Section 5(g)(iii)**, upon reasonable prior notice, Seller shall have the right, at the sole cost and expense of Seller, to make copies of such Records delivered to Buyer and, upon request and during normal business hours, Seller shall have the right to inspect or make copies of such Records in Buyer's possession from and after the Closing Date until the date twelve (12) months after the Closing Date.

19. **Tax Matters**.

(a) **Company Taxes**.

(i) Seller shall be allocated and bear all Pre-Effective Date Company Taxes, and Buyer shall be allocated and bear all Post-Effective Date Company Taxes.

(ii) For purposes of determining the amounts of any Pre-Effective Date Company Taxes and any Post-Effective Date Company Taxes: (A) Company Taxes that are attributable to the severance or production of Hydrocarbons (other than such Company Taxes that are Income Taxes, that are Pennsylvania impact fees or that are ad valorem, property or similar Company Taxes imposed on a periodic basis) shall be allocated to the Tax period (or portion of any Straddle Period) in which the severance or production giving rise to such Company Taxes occurred; (B) Company Taxes that are based upon or related to payments, sales or receipts or imposed on a transactional basis (other than such Company Taxes that are Income Taxes, are Pennsylvania impact fees, are ad valorem, property or similar Company Taxes imposed on a periodic basis, or described in clause (A)), shall be allocated to the Tax period (or portion of any Straddle Period) in which the transaction giving rise to such Company Taxes occurred; (C) Company Taxes that are ad valorem, property or other similar Company Taxes imposed on a periodic basis, including Pennsylvania impact fees, pertaining to a Straddle Period shall be allocated between the portion of such Straddle Period ending immediately prior to the Effective Date and the portion of such Straddle Period beginning at the Effective Date by prorating each such Company Tax based on the number of days in the portion of the Straddle Period that occur before the date on which the Effective Date occurs, on the one hand, and the number of days in the portion of the Straddle Period that occur on or after the date on which the Effective Date occurs, on the other hand; and (D) Company Taxes that are Income Taxes payable with respect to any Straddle Period shall be allocated between the portion of such Straddle Period ending immediately prior to the Effective Date and the portion of such Straddle Period beginning at the Effective Date by determining (I) the amount of such Company Taxes that would be payable if the Straddle Period ended on the date immediately preceding the date on which the Effective Date occurs, which amount shall be a Pre-Effective Date Company Tax, and (II) the amount of such Company Taxes that would be payable if the Straddle Period began on the date on which the Effective Date occurs, which amount shall be a Post-Effective Date Company Tax. For purposes of applying this **Section 19(a)(ii)** with respect to Company Taxes that consist of Pennsylvania impact fees, each Tax period shall begin on January 1st and end on December 31st of the year for which such Pennsylvania impact fees are assessed.

(iii)To the extent the actual amount of a Company Tax is not known at the time an adjustment is to be made with respect to such Company Tax pursuant to **Section 11(b)** or **Section 11(c)**, as applicable, the Parties shall utilize the most recent information available in estimating the amount of such Company Tax for purposes of such adjustment. To the extent the actual amount of a Company 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 11(c),** timely payments will be made from one Party to the other Party to the extent necessary to cause each Party to bear the amount of such Company Tax that is allocable to such Party under this **Section 19(a**).

(b) **Tax Returns**. After the Closing Date, excluding any Tax Returns and Company Taxes required to be filed and/or paid by a Third Party operator, Buyer shall prepare or cause to be prepared all Tax Returns with respect to Company Taxes for all Pre-Effective Date Periods and Straddle Periods, in each case, that are required to be filed after the Closing Date ("**Buyer-Prepared Returns**") and shall pay or cause to be paid all Taxes shown thereon. Each such Buyer Prepared Return shall be prepared on a basis consistent with past practice except to the extent otherwise required by Applicable Law. Buyer shall, reasonably in advance of the due date of each Buyer Prepared Return (taking into account any applicable extensions), deliver a draft of any such Buyer Prepared Return (together with all supporting documentation and workpapers) to Seller for its review and comment and Buyer will cause such Buyer Prepared Return (as revised to incorporate Seller's reasonable comments) to be timely filed and provide a copy thereof to Seller. The Parties acknowledge and agree that (i) this **Section 19(b)** is intended to solely address the timing and manner in which certain Tax Returns and Company Taxes shown thereon are paid to the applicable Governmental Authority, and (ii) nothing in this **Section 19(b)** shall be interpreted as altering the manner in which Company Taxes are allocated to and economically borne by the Parties.

(c) **Cooperation**. 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 imposed on or with respect to the assets, operations or activities of the Company or the Properties. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information that are reasonably 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 hereunder.

(d) **Tax Refunds**. Seller shall be entitled to any and all refunds and credits attributable to Company Taxes economically borne (directly or indirectly) by Seller, and Buyer shall be entitled to any and all refunds and credits attributable to Company Taxes economically borne (directly or indirectly) by Buyer. If a Party or its Affiliate (i) receives a refund of Company Taxes or (ii) receives or realizes a Tax benefit attributable to any credit, in each case, to which another Party is entitled pursuant to this **Section 19(d),** such recipient Party shall forward to the entitled Party the amount of such refund or Tax benefit within thirty (30) days after such refund is received or such Tax benefit is received or realized, as applicable, net of any reasonable costs or expenses incurred by such recipient Party in procuring such refund or Tax benefit.

(e) **Intended U.S. Federal Income Tax Treatment; Purchase Price Allocation**. Each of Seller and Buyer intend for the transactions contemplated in this Agreement to be treated as a sale of the Properties by Seller to Buyer for U.S. federal, and applicable state and local, income tax purposes. Seller and Buyer shall use commercially reasonable efforts to agree on an allocation of the Purchase Price among the six categories of assets specified in Part II of IRS Form 8594 (Asset Acquisition Statement Under Section 1060) within thirty (30) days after the date on which the Purchase Price is finally determined pursuant to **Section 11** (the "**Purchase Price Allocation**"). The Purchase Price Allocation shall be prepared in accordance with Section 1060 of the Code and the Treasury Regulations promulgated thereunder. To the extent allowed under applicable U.S. federal income tax law, the Purchase Price Allocation shall be consistent with the Allocated Amounts (as ultimately adjusted hereunder). If the Parties reach an agreement with respect to the Purchase Price Allocation: (i) the Parties shall, and shall cause their respective Affiliates to, report consistently with the Purchase Price Allocation on Internal Revenue Service Form 8594 (Asset Acquisition Statement Under Section 1060), which Buyer and Seller shall timely file with the Internal Revenue Service unless otherwise required by a change in Applicable Law occurring after the date the Parties agree to the Purchase Price Allocation; (ii) the Parties shall use commercially reasonable efforts to update the Purchase Price Allocation in accordance with Section 1060 of the Code following any adjustment to the purchase consideration for

Tax purposes pursuant to this Agreement; (iii) the Parties shall not assert, and cause their respective Affiliates not to assert, in connection with any audit or Proceeding with respect to Taxes, any asset values or other items inconsistent with the amounts set forth in the Purchase Price Allocation; and (iv) if the Purchase Price Allocation is disputed by any Taxing Authority, the Party receiving notice of such dispute will promptly notify and consult the other Party and keep such other Party apprised of material developments concerning the resolution of such dispute; provided, however, that neither Party shall be unreasonably impeded in its ability and discretion to negotiate, compromise and/or settle any Tax audit, claim or similar proceedings in connection with the Purchase Price Allocation. If Buyer and Seller cannot mutually agree on the Purchase Price Allocation, each Party shall be entitled to determine its own allocation and file its IRS Form 8594 consistent therewith.

(f) **Tax Contests.** If, after the Closing Date, a Party or its Affiliate receives notice of an audit or administrative or judicial proceeding with respect to any Company Tax or Tax Return with respect to Company Taxes related to a Pre-Effective Date Period (a " **Pre-Effective Date Tax Contest**"), such Party shall notify the other Party within ten (10) days of receipt of such notice; *provided,* that the failure to provide such notice by such Party shall not relieve the other Party of its obligations under this Agreement, except to the extent such failure materially prejudices such other Party's ability to defend against such Pre-Effective Date Tax Contest. Seller shall have the option, at Seller's sole cost and expense, to control any such Pre-Effective Date Tax Contest and may exercise such option by providing written notice to Buyer within ten (10) days of receiving notice of such Pre-Effective Date Tax Contest. Buyer shall control, at Seller's sole cost and expense, any Pre-Effective Date Tax Contest that Seller does not elect (or does not timely elect) to control pursuant to the preceding sentence. The Party that controls a Pre-Effective Date Tax Contest shall (i) keep the other Party reasonably informed of the progress of such Pre-Effective Date Tax Contest, (ii) permit the other Party (and its counsel) to participate, at the other Party's sole cost and expense, in such Pre-Effective Date Tax Contest, including in meetings with the applicable Governmental Authority and (iii) not settle, compromise and/or concede any portion of such Pre-Effective Date Tax Contest without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. If, after the Closing Date, a Party or its Affiliate receives notice of an audit or administrative or judicial proceeding with respect to any Company Tax or Tax Return with respect to Company Taxes related to a Straddle Period (a "**Straddle Period Tax Contest**"), such Party shall notify the other Party within ten (10) days of receipt of such notice. Buyer shall control any Straddle Period Tax Contest; *provided,* that Buyer shall (x) keep Seller reasonably informed of the progress of such Straddle Period Tax Contest, (y) permit Seller (or Seller's counsel) to participate, at Seller's sole cost and expense, in such Straddle Period Tax Contest, including in meetings with the applicable Governmental Authority, and (z) not settle, compromise and/or concede any portion of such Straddle Period Tax Contest without the prior written consent of Seller, which consent shall not be unreasonably withheld, conditioned or delayed.

(g) **Tax-Deferred Exchange**. Each Party shall have the right to elect to use the acquisition contemplated herein to complete a tax-deferred exchange under Section 1031 of the Code (a "**Tax Deferred Exchange**"), provided, that the Closing shall not be delayed by reason of a Tax Deferred Exchange. If a Party (**Exchanging Party**") elects to effect a Tax Deferred Exchange, the other Party agrees to reasonably cooperate with the Exchanging Party to effect the transaction as a Tax Deferred Exchange. The Exchanging Party may assign any of its rights and delegate performance of any of its duties under this Agreement in whole or in part to a third party in order to effect such an exchange; provided, that the Exchanging Party shall remain responsible to the other Party for the full and prompt performance of its delegated duties. The Parties acknowledge and agree that, notwithstanding any other provision in this **Section 19(g)** to the contrary, neither any assignment of this Agreement to a Qualified Intermediary (as that term is defined in Treasury Regulation Section 1.1031 (k)-1(g)(4)(iii)) nor any other actions taken by a Party in connection with a Tax Deferred Exchange shall release the Exchanging Party from any of its respective liabilities and obligations to the other Party under this Agreement. No Party makes any representation or warranty with respect to the qualification of any of the transactions contemplated by this Agreement, including this **Section 19(g),** as qualifying as a "like-kind exchange" under Section 1031 of the Code. In consideration for the cooperation of the other Party, the Exchanging Party shall agree to pay all reasonable additional costs of the other Party associated with the Exchanging Party's election to engage in a Tax Deferred Exchange and shall indemnify and hold the other Party, its Affiliates and their respective shareholders, members, equityholders, officers, directors, employees, attorneys, contractors and agents harmless from and against all Losses resulting from its participation in any Tax Deferred Exchange undertaken pursuant to this **Section 19(g)** pursuant to the request of the Exchanging Party.

(h) **Transfer Taxes**. If any sales, transfer, document recording or similar Taxes are incurred or imposed with respect to the transactions described in this Agreement ("**Transfer Taxes**") for any reason, Buyer, on the one hand, and Seller, on the other hand, shall each bear 50% of any such Transfer Taxes. Without limiting the foregoing provisions of this Section 19(h), the entity primarily responsible under Applicable Law for the filing of any Tax Return in respect of Transfer Taxes shall be responsible for the timely filing of all such Tax Returns and payment of such Transfer Taxes. If such entity is Buyer or an Affiliate of Buyer (including the Company), then Seller will reimburse Buyer for 50% of such Transfer Taxes, and if such entity is Seller or an Affiliate of Seller, then Buyer will reimburse Seller for 50% of such Transfer Taxes, in each case, at least three (3) Business Days prior to the date (including any extensions that have been obtained) that such Transfer Taxes would become delinquent if not paid by such date; *provided* that (i) the entity seeking reimbursement shall submit a reimbursement request to the Party from whom reimbursement is sought at least ten (10) days prior to the date such reimbursement is required pursuant to this sentence, which request shall set forth the calculation of such Transfer Taxes to be paid, and (ii) any such reimbursement request must be submitted within three (3) years of the Closing Date, notwithstanding anything to the contrary in **Article 14** or elsewhere herein. The Parties shall cooperate in good faith to minimize, to the extent permissible under Applicable Law, the amount of any such Transfer Taxes.

20. **Miscellaneous Matters**.

(a) **Further Assurances**. After the Closing, Seller shall execute and deliver, and shall otherwise cause to be executed and delivered, from time to time, such further instruments, notices and other documents, and do such other and further acts and things, as may be reasonably necessary to more fully and effectively grant, convey and assign the Interests to Buyer or to fully vest title to the Properties in the Company.

(b) **Regulatory Approvals**. Each Party shall cooperate and use its commercially reasonable efforts to promptly prepare and file all necessary documentation to effect all necessary applications, notices, petitions, filings and other documents, and use all commercially reasonable efforts to obtain (and will cooperate with each other in obtaining) any consent, acquiescence, authorization, order or approval of, and any exemption or nonopposition by, any Governmental Authority required to be obtained or made by Seller or Buyer or any of their respective Affiliates in connection with the transactions contemplated hereby or the taking of any action contemplated thereby or by this Agreement.

(c) **Parties Bear Own Expenses/No Special Damages**. Except as otherwise provided herein, each Party shall bear and pay all expenses (including, without limitation, legal fees) incurred by it in connection with the transaction contemplated by this Agreement (including that Seller shall bear and pay all such expenses incurred by the Company prior to or at the Closing). **NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, NONE OF BUYER, SELLER OR ANY OF THEIR RESPECTIVE AFFILIATES SHALL BE ENTITLED TO LOST PROFITS, INDIRECT, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY AND EACH OF BUYER AND SELLER, FOR ITSELF AND ON BEHALF OF THEIR RESPECTIVE AFFILIATES, HEREBY EXPRESSLY WAIVES ANY RIGHT TO LOST PROFITS, INDIRECT, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY (other than lost profits, indirect, consequential, special or punitive damages (i) suffered by third Persons for which responsibility is allocated between the Parties under this Agreement or (ii) that constitute direct damages under Applicable Law**).

(d) **Entire Agreement**. This Agreement, the Confidentiality Agreement (subject to the terms hereof), the Assignment, the Mutual Release and Termination Agreement, the Escrow Agreement and the other documents, certificates and instruments to be executed and delivered to Buyer and Seller pursuant to the terms hereof (collectively, the "**Transaction Documents**") constitute the entire understanding of the Parties with respect to subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, both oral and written, among the Parties with respect to such subject matter. IN THE EVENT OF A CONFLICT BETWEEN THE TERMS AND PROVISIONS OF THIS AGREEMENT AND THE TERMS AND PROVISIONS OF ANY SCHEDULE OR EXHIBIT HERETO, THE TERMS AND PROVISIONS OF THIS AGREEMENT SHALL GOVERN AND CONTROL; *PROVIDED, HOWEVER,* THAT THE INCLUSION IN ANY OF THE SCHEDULES AND EXHIBITS HERETO 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 20(d**).

(e) **Amendments, Waivers**. This Agreement may be amended, modified, supplemented, restated or discharged (and provisions hereof may be waived) only by an instrument in writing signed by the party against whom enforcement of the amendment, modification, supplement, restatement or discharge (or waiver) is sought. No waiver of, or consent to a change in or modification of, any of the provisions of this Agreement shall be deemed or shall constitute a waiver of, or consent to a change in or modification, other provisions hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

(f) **Choice of Law**. Without regard to principles of conflicts of law, this Agreement shall be construed and enforced in accordance with and governed by the laws of the State of Delaware (without regard to principles of conflicts of laws that would direct the application of the laws of another jurisdiction), except that, as to matters relating to title to and conveyancing of the Properties, the laws of the State of Pennsylvania shall apply as to the property located in (or otherwise subject to the laws of) such state.

(g) **Venue; Jurisdiction; Waiver of Jury Trial**.

(i) Except as to any dispute, controversy, matter or claim arising out of or in relation to or in connection with (A) the calculation or determination of the Purchase Price pursuant to **Section 11** (which shall be resolved exclusively in accordance with **Section 11(c))** or (ii) any Disputed Defect Matters (which shall be resolved exclusively in accordance with **Section 7(e))**, any dispute, controversy, matter or claim between the Parties (each, subject to such exceptions, a "**Dispute**"), that cannot be resolved between the Parties, will be instituted exclusively in the Delaware Court of Chancery and if the Delaware Court of Chancery shall be unavailable, any other court of the State of Delaware or, in the case of claims to which the federal courts have exclusive subject matter jurisdiction, any federal court of the United States of America sitting in the State of Delaware, and each Party hereby irrevocably consents to the exclusive jurisdiction of such court in connection with any Dispute or Proceeding arising out of this Agreement or any of the transactions contemplated thereby. All Disputes between the Parties to this Agreement and the transactions contemplated hereby shall have exclusive jurisdiction and venue only in the Delaware Court of Chancery and if the Delaware Court of Chancery shall be unavailable, any other court of the State of Delaware or, in the case of claims to which the federal courts have exclusive subject matter jurisdiction, any federal court of the United States of America sitting in the State of Delaware.

(ii) To the extent that any Party or any of its Affiliates has acquired, or hereafter may acquire, immunity from jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, such Party (on its own behalf and on behalf of its Affiliates) hereby irrevocably (A) waives such immunity in respect of its obligations with respect to this Agreement and (B) submits to the personal jurisdiction of any court described in **Section 20(g)(i)**. Further, each of the Parties agrees that service of any process, summons, notice or document hand delivered or sent by U.S. registered mail to such Party's respective address set forth in **Section 17** shall be effective service of process for any Proceeding in Delaware with respect to any matters to which it has submitted to jurisdiction as set forth in this **Section 20(g**).

(iii) The Parties agree that a Dispute under this Agreement may raise issues that are common with one or more of the other Transaction Documents or other documents executed by the Parties in connection herewith or which are substantially the same or interdependent and interrelated or connected with issues raised in a related dispute, controversy or claim between or among the Parties and their Affiliates. Accordingly, any Party to a new Dispute under this Agreement may elect in writing within fifteen (15) days after the initiation of a new Dispute to refer such new Dispute for resolution by the applicable court together with any existing Dispute arising under this Agreement, other Transaction Documents or other documents executed by the Parties in connection herewith or which are substantially the same or interdependent and interrelated or connected. If the applicable court does not determine to consolidate such new Dispute with the existing Dispute within thirty (30) days of receipt of written request, then the new Dispute shall not be consolidated, and the resolution of the new Dispute shall proceed separately.

(iv) EACH OF THE PARTIES HEREBY VOLUNTARILY AND IRREVOCABLY WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY LITIGATION, ACTION OR OTHER PROCEEDING BROUGHT IN CONNECTION WITH THIS AGREEMENT (WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE).

(h) **Headings**, **Time of Essence**, **Etc**. The descriptive headings contained in this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement. Within this Agreement words of any gender shall be held and construed to cover any other gender, and words in the singular shall be held and construed to cover the plural, unless the context otherwise requires. Time is of the essence in this Agreement.

(i) **No Assignment**. Except as provided in **Section 19(g)**, no Party shall have the right to assign its rights or obligations under this Agreement, without the prior written consent of the other Party first having been obtained and any transfer or delegation made without such consent shall be void; *provided* that Buyer shall have the right to assign this Agreement to any Affiliate. Unless otherwise agreed in writing by the non-assigning Party, no assignment of this Agreement shall relieve the assigning Party of any obligations and responsibilities hereunder, including obligations and responsibilities arising following such assignment.

(j) **Successors and Assigns**. Subject to the limitation on assignment contained in **Section 20(i)** above, the Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

(k) **Counterpart Execution**. This Agreement may be executed in counterparts, all of which are identical and all of which constitute one and the same instrument. It shall not be necessary for Buyer and Seller to sign the same counterpart. Facsimile or other electronic copies of signatures shall constitute original signatures for all purposes of this Agreement and any enforcement hereof.

(l) **Exclusive Remedy; Waiver**. If the Closing occurs, the sole and exclusive remedies of each of Buyer and Seller for any (i) claim relating to any representations, warranties, covenants and agreements contained in this Agreement that survives the Closing (other than for Fraud of Seller or Buyer, as applicable), (ii) other claim pursuant to or in connection with this Agreement (other than for Fraud of Seller or Buyer, as applicable) and (iii) other claim relating to the Interests or the purchase and sale thereof (other than for Fraud of Seller or Buyer, as applicable), shall be (A) any right to indemnification for such claim that is expressly provided in this Agreement, (B) the rights set forth in **Section 7(e)** with respect to Disputed Defect Matters, (C) the rights set forth in **Section 11** with respect to Purchase Price adjustments post-Closing, (D) the

right to seek specific performance for the breach or failure of Seller or Buyer to perform any covenants under this Agreement required to be performed by Seller or Buyer, respectively, after Closing or (E) as otherwise set forth in any other Transaction Document. If no such right of indemnification for such claim is expressly provided in this Agreement or in any other Transaction Document, then (other than for Fraud of Seller or Buyer, as applicable) as of the Closing, any such claim is hereby waived and released to the fullest extent permitted by Applicable Law, and if the Closing occurs, Buyer shall also be deemed to have waived and released, to the fullest extent permitted under Applicable Law, any right to contribution against Seller (including, without limitation, any contribution claim arising under the Comprehensive Environmental Response, Compensation and Liability Act or corresponding or comparable state law) and any and all other rights, claims and causes of action it may have against Seller arising under or based on any Applicable Law or otherwise (other than any claims arising out or attributable to Fraud or the willful misconduct of Seller), in each case, relating to the claims described in this **Section 20(l)**.

(m) **No Third-Person Beneficiaries** . Nothing in this Agreement shall entitle any Person other than Buyer and Seller to any claim, cause of action, remedy or right of any kind, except the rights expressly provided herein (including, without limitation, rights to indemnity expressly granted herein to the Seller Indemnified Parties and Buyer Indemnified Parties); *provided* that only a Party and its successors and 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).

(n) **Severability**. If any provision of this Agreement or the application of any such provision to any Person or circumstance shall be declared by any court of competent jurisdiction to be invalid, illegal, void or unenforceable in any respect, all other provisions of this Agreement, or the application of such provision to Persons or circumstances other than those as to which it has been held invalid, illegal, void or unenforceable, shall nevertheless remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination that any provision, or the application of any such provision, is invalid, illegal, void or unenforceable, 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 to the fullest extent permitted by Applicable Law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible. Notwithstanding anything contained herein, under no circumstance shall the obligation of Seller to deliver the Interests be enforceable absent enforceability of the obligation of Buyer to pay the Purchase Price as provided herein, and vice versa.

(o) **No Recourse**. Notwithstanding anything that may be expressed or implied in this Agreement or any Transaction Document, and notwithstanding the fact that Buyer may be a partnership or limited liability company, Seller, by its acceptance of the benefits of this Agreement, covenants, agrees and acknowledges that, except as otherwise expressly provided in this Agreement or any Transaction Document, no Persons other than Buyer or any Affiliate of Buyer to whom this Agreement is validly assigned pursuant to **Section 20(i)** (and their respective permitted successors and assigns, collectively, the "**Buyer Recourse Parties**") shall have any obligation hereunder and that they have no rights of recovery hereunder against, and no recourse hereunder or under any Transaction Document or in respect of any oral representations made or alleged to be made in connection herewith or therewith against (i) any former, current or future director, officer, agent, Affiliate, manager, incorporator, controlling Person, fiduciary, representative or employee of Buyer (or any of the foregoing Persons successors or permitted assignees), (ii) any former, current, or future general or limited partner, owner, manager, stockholder or member of Buyer (or any of the foregoing Persons successors or permitted assignees) or any Affiliate thereof or (iii) any former, current or future director, owner, officer, agent, employee, Affiliate, manager, incorporator, controlling Person, fiduciary, representative, general or limited partner, stockholder, manager or member of any of the foregoing, but in each case not including Buyer or any Affiliate of Buyer to whom this Agreement is validly assigned pursuant to **Section 20(i)** (each, but excluding for the avoidance of doubt, the Buyer Recourse Parties, a "**Buyer Party Affiliate**"), whether by or through attempted piercing of the corporate veil, by or through a claim (whether in tort, contract or otherwise) by or on behalf of Buyer or any Affiliate of Buyer to whom this Agreement is validly assigned pursuant to **Section 20(i)** against the Buyer Party Affiliates, by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other Applicable Law, or otherwise; it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on, or otherwise be incurred by any Buyer Party Affiliate, as such, for any obligations of Buyer (or any Affiliate of Buyer to whom this Agreement is validly assigned pursuant to **Section 20(i)**) under this Agreement or the transactions contemplated hereby, under any Transaction Document, in respect of any oral representations made or alleged to be made in connection herewith or therewith, or for any claim (whether in tort, contract or otherwise) based on, in respect of, or by reason of, such obligations or their creation.

(p) **Retention of Counsel**. The Parties acknowledge that Baker Botts L.L.P. has represented Seller in connection with this Agreement and the transactions contemplated hereby. Buyer, for itself and its successors and assigns, hereby irrevocably waives, and agrees to cause the Company after the Closing Date to irrevocably waive, any actual or potential conflict arising from any representation by Baker Botts L.L.P. of Seller against Buyer in connection with any dispute or proceeding arising under or in connection with this Agreement after the Closing Date to the extent such actual or potential conflict arises solely on the basis that Baker Botts L.L.P. also represented the Company in connection with the preparation of this Agreement prior to the Closing, even in the event of any adversity between the interests of Seller, on the one hand, and Buyer and/or the Company or any of their respective Affiliates, on the other hand, in any such matter. Buyer also agrees that, as to all communications among Baker Botts L.L.P. and Seller prior to Closing that relate in any way to the transactions contemplated by this Agreement, the attorney-client privilege and the expectation of client confidence belongs to Seller and may be controlled by Seller and shall not pass to or be claimed by Buyer or the Company. Notwithstanding the foregoing, in the event that a dispute arises between Buyer or the Company, on the one hand, and a third party other than a Party to this Agreement, on the other hand, after the Closing, Buyer may cause the Company to assert the attorney-client privilege to prevent disclosure of confidential communications by Baker Botts L.L.P. to such third party; *provided, however,* that Buyer may not cause the Company to waive such privilege without the prior written consent of Seller.

(q) **Definitions**.

(i) Certain Defined Terms. When used in this Agreement the following terms shall have the respective meanings assigned to them in this **Section 20(q)**:

"**Affiliate**" means, as to any Person, any other Person which, directly or indirectly, controls, is controlled by, or is under common control with such Person, with control in such context meaning the ability to direct the management or policies of a Person through ownership of voting securities, pursuant to a written agreement, or otherwise; *provided, however,* the Company shall be deemed to be an Affiliate of Seller (and not of Buyer or its Affiliates) for all periods prior to the Closing, and the Company shall be deemed to be an Affiliate of Buyer (and not of Seller or its Affiliates) for all periods after the Closing.

"**Affiliate Contract**" means any Contract between Seller or any of its Affiliates, on the one hand, and the Company, on the other hand.

"**Allocated Amount**" means the amount of the Purchase Price allocated to each Oil and Gas Property on **Schedule II**.

"**Anti-Corruption Laws**" shall mean all Applicable Laws relating to domestic or foreign corruption or bribery, political contributions, or money laundering, including without limitation the FCPA and the UK Bribery Act 2010.

"**Applicable Environmental Laws**" means any law, common law, ordinance, or regulation of any Governmental Authority, as well as any order, decree, permit, judgment or injunction issued, promulgated, approved or entered thereunder, relating to the environment, health and safety, Hazardous Substances (including the use, handling, transportation, production, disposal, discharge or storage thereof), the environmental conditions on, under, or about any real property including soil, groundwater, and indoor and ambient air conditions or the reporting or remediation of environmental contamination.

"**Applicable Law**" means any domestic or foreign, federal, state or local statute, law, ordinance, rule, code, regulation, requirement, order, judgment or decree of any Governmental Authority or any arbitrator.

"**Business Day**" means each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions in Houston, Texas and Denver, Colorado are authorized or obligated by Applicable Law to close.

"**Buyer's Knowledge**" means the actual knowledge of Buyer's officers or any of its respective management-level employees, without any duty of inquiry.

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

"**Company Taxes**" means any Taxes imposed on or with respect to the Company or the Properties;*provided, however,* that Company Taxes shall not include (a) Flow-Through Income Taxes, (b) Transfer Taxes or (c) Post-Production Cost Sales Taxes.

"**Confidentiality Agreement**" means that certain Confidentiality Agreement, dated as of February 1, 2024, by and between the Company and Sabre Energy Partners LLC.

"**Contract**" means any legally binding agreement, contract, lease, sublease, easement, right-of-way, indenture, mortgage, license, instrument, arrangement or commitment.

"**COPAS**" means the COPAS 2005 Accounting Procedure recommended by the Council of Petroleum Accountants Societies, as interpreted by the Council of Petroleum Accountants Societies of North America under MFI-51 2005 COPAS Accounting Procedure.

"**Credit Agreements**" means, collectively, (a) that certain Credit Agreement, dated June 16, 2022, among BKV Corporation, Bangkok Bank Public Company Limited, as administrative agent, and certain other financial institutions, as lenders, as amended from time to time, and all Loan Documents (as defined in such Credit Agreement) associated therewith, and (b) that certain Credit Agreement, dated August 24, 2022, among BKV Corporation, Bangkok Bank Public Company Limited, as administrative agent, and certain other financial institutions, as lenders, as amended from time to time, and all Loan Documents (as defined in such Credit Agreement) associated therewith.

"**Data Room**" means the electronic documentation site entitled "Project Bronco" established by DFS Venue on behalf of Seller.

"**Defect**" means an Environmental Defect or Title Defect, as the context requires.

"**Effective Date**" means 9:00 a.m., local time at the location of the Properties, on April 1, 2024.

"**Environmental Defect**" means any event occurring or condition with respect to the Properties that represents a violation of, or otherwise gives rise to current liability under, any Applicable Environmental Law, or that presently requires (or if known, would presently require) Remediation under Applicable Environmental Laws, other than (a) any plugging and abandonment obligations associated with the Wells (including surface equipment removal and restoration obligations) or (b) any event or condition to the extent caused by or relating to asbestos, asbestos containing materials or NORM (except in each case of clauses (a)-(b) to the extent any failure to perform such obligations or conditions currently require corrective action under or otherwise represent a current violation of Applicable Environmental Laws).

"**Environmental Liabilities**" means all reasonable costs (including remedial, removal, response, clean-up, investigation or monitoring costs), Losses, expenses, liabilities, obligations, and other responsibilities arising from or under either Applicable Environmental Laws or Third Party claims relating to the environment, and which relate to the Properties or the ownership or operation of the same, including all reasonable costs and expenses of assessment, investigation, remediation, or other corrective action associated with obligations to remediate releases of Hazardous Substances or to correct a condition of noncompliance with Applicable Environmental Laws.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended.

"**Escrow Agent**" means U.S. Bank, National Association.

"**Escrow Agreement**" means that certain Escrow Agreement dated as of the date of this Agreement among Seller, Buyer and the Escrow Agent, as such may be amended, supplemented or replaced from time to time.

"**FCPA**" means the U.S. Foreign Corrupt Practices Act of 1977, as amended.

"**Flow-Through Income Taxes**" means U.S. federal Income Taxes and any similar Income Taxes imposed by any state or local laws on the direct or indirect owners of any entity on a flow-through basis by allocating or attributing to such owners all or certain of such entity's items of income, gain, loss, deduction and other relevant tax attributes.

"**Fraud**" means, with respect to a party, common law fraud involving an actual and intentional misrepresentation of a material fact with respect to the making of any representation or warranty in this Agreement.

"**Fundamental Representations**" means, as applicable (a) with respect to Seller, the representations and warranties set forth in**Sections 3(a)(i), 3(a)(ii), 3(a)(iii), 3(a)(v), 3(a)(vi)(A)(I), 3(a)(vi)(B)(I)-(III), 3(a)(vi)(C), 3(a)(xxii), 3(a)(xxvi), 3(a)(xxxv)** and **3(a)(xxxvi),** and (b) with respect to Buyer, the representations and warranties set forth in **Sections 4(a), 4(b), 4(c), 4(d)(i), 4(i)** and **4(l)**.

"**GAAP**" means generally accepted accounting principles in the United States of America from time to time, consistently applied.

"**Governing Documents**" means, when used with respect to an entity, the documents governing the formation and operation of such entity, including (a) in the instance of a corporation, the articles of incorporation and bylaws of such corporation, (b) in the instance of a partnership, the partnership agreement, and (c) in the instance of a limited liability company, the certificate of formation and limited liability company agreement.

"**Governmental Authority**" means any federal, state, municipal, judicial, legislative or regulatory authority, commission or agency.

"**Government Official**" means any officer or employee of a government, a public international organization, or any department or agency thereof or any Person acting in an official capacity for such government or organization, including (a) a "foreign official" as defined in the FCPA, (b) an officer or employee of a government-owned, controlled, operated enterprise, such as a national oil company, and (c) any non-U.S. political party or party official or any candidate for foreign political office.

"**Hazardous Substances**" means, with the exception of all water and constituted thereof produced from the Oil and Gas Properties, (i) any substance that is designated, defined or classified under any Applicable Environmental Law as a hazardous waste, solid waste, hazardous material, pollutant, contaminant or toxic or hazardous substance, or terms of similar meaning, or that is otherwise regulated under any Applicable Environmental Law, including any hazardous substance as defined under the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, (ii) oil as defined in the Oil Pollution Act of 1990, as amended, including oil, gasoline, natural gas, fuel oil, motor oil, waste oil, diesel fuel, jet fuel and other refined Hydrocarbons and petroleum products and (iii) radioactive materials, asbestos, asbestos-containing materials, per- and poly-fluoroalkyl substances, or polychlorinated biphenyls.

"**Hydrocarbons**" means oil, gas, minerals, and other gaseous and liquid hydrocarbons or any combination of the foregoing.

"**Imbalance**" means any over-production, under-production, over-delivery, under delivery or similar imbalance of Hydrocarbons produced from or allocated to the Properties, regardless of whether such over-production, under-production, over-delivery, under-delivery, or similar imbalance arises at the wellhead, pipeline, gathering system, transportation system, processing plant or other location, including any imbalances under gas balancing or similar agreements, processing agreements and gathering or transportation agreements.

"**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 (but excluding ad valorem, property, excise, severance, production, sales, use, real or personal property transfer or other similar Taxes), or (iii) withholding Taxes measured with reference to or as a substitute for any Tax included in clauses (i) or (ii) above.

"**Indebtedness**" means all obligations of the Company (a) for money borrowed, whether or not evidenced by bonds, debentures, notes or other similar instruments (including any letter of credit, banker's acceptance or related reimbursement agreement, to the extent drawn, and any seller notes issued in connection with any acquisition undertaken by the Company); (b) relating to any lease that is required to be classified as a capital lease in accordance with GAAP; (c) under any interest rate protection agreement or similar agreement (valued on a fair market value basis); (d) all obligations of such Person evidenced by loans, bonds, mortgages, debentures, indentures, notes or debt securities or other debt instrument; (e) to guarantee or be liable for obligations of the types described in clause (a)-(c), of any other Person; and (f) for any accrued interest, prepayment premium or penalty or other costs, fees or expenses related to any of the foregoing; *provided, however,* that the "Indebtedness" of the Company shall not include obligations that were incurred by the Company on ordinary trade terms to vendors, suppliers or other Persons providing goods and services for use by the Company in the Ordinary Course of Business.

"**Leased Real Property**" means all leasehold or subleasehold estates and other similar rights to use or occupy any land, buildings, structures, improvements, fixtures or other interest in real property, in each case, other than any Oil and Gas Properties, Midstream Assets and/or Surface Rights and Rights of Way.

"**Liabilities**" means any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, known or unknown, matured or unmatured or determined or determinable, wherever and whenever asserted, including those arising under any Applicable Law or Proceeding and those arising under any Contract or permit.

"**Lien**" means any lien, encumbrance, security interest, pledge, adverse claim, charge, mortgage, deed of trust, collateral assignment, restriction, option, conditional sales contract, right of first refusal, easement, adverse interest or encumbrance whatsoever and any agreement, option, trust or other preferential arrangement to give effect to, or having the practical effect of, any of the foregoing.

"**Lowest Cost Response**" means the response required or allowed under Applicable Environmental Laws then-in effect that addresses and resolves (for current and future use consistent with currently use) the identified Environmental Defect in the most cost-effective manner (considered as a whole) as compared to any other applicable response that is required or allowed under Applicable Environmental Laws. The Lowest Cost Response may include taking no action, leaving the condition unaddressed, periodic monitoring, or the recording of notices in lieu of remediation, if any such actions are allowed by Applicable Environmental Laws with respect to the applicable Environmental Defect. The Lowest Cost Response shall not include (a) the costs of Buyer's or any of its Affiliate's employees; (b) expenses for matters that would ordinarily be incurred in the day-to-day operations of the Properties, or in connection with permit renewal/amendment activities; (c) overhead costs of Buyer or its Affiliates; (d) costs and expenses that would not have been required under Applicable Environmental Laws as they exist on the Closing Date; and (e) costs or expenses incurred in connection with remedial or corrective action that is designed to achieve standards that are more stringent than those required for similar facilities or that fail to reasonably take advantage of applicable risk reduction or risk assessment principles allowed under Applicable Environmental Laws.

"**Material Adverse Effect**" means any change, circumstance, effect, event or fact that, individually or in the aggregate, has a material and adverse effect on (i) the business, assets, ownership, operation, condition (financial or otherwise) or results of operations of the Company or the Properties, taken as a whole or (ii) prevents or materially impairs or delays, or would reasonably be expected to prevent or materially impair or delay, the consummation of the transactions contemplated hereby or the performance of Seller's obligations and covenants hereunder that are to be performed at Closing; *provided, however,* that for purposes of the foregoing clause (i), no change, circumstance, effect, event or fact shall be deemed (individually or in the aggregate) to constitute, nor shall any of the foregoing be taken into account in determining whether there has been or may be, a Material Adverse Effect, to the extent that such change, circumstance, effect, event or fact results from, arises out of, or relates to (a) a general deterioration in the economy or changes in Hydrocarbon prices or other changes affecting the oil and gas industry generally; (b) the outbreak or escalation of hostilities involving the United States, the declaration by the United States of a national emergency or war or the occurrence of any other calamity or crisis, including acts of terrorism; (c) any change in Applicable Laws, or the interpretation thereof, after the date of this Agreement (except to the extent the same materially and disproportionately affects the Company relative to other participants in the industries in which the Company operates); or (d) the taking of any action expressly required by this Agreement.

"**Material Contracts**" means the following types of Contracts to which the Company is a party or by which the Company, the Interests or any of the Properties are bound (or any of the following types of Contracts to which Seller or any of its Affiliates is a party, to the extent related to the Company, the Interests, or its business or operations with respect to ownership of the Properties); provided that with respect to any Contract entered into by a Third Party operator of the Properties on behalf of the Company, this definition is limited to such Contracts of which Seller has Knowledge:

(a) any (i) Contract that contains or constitutes an existing area of mutual interest agreement or an agreement that includes non-competition or non-solicit restrictions or other similar restrictions on doing business or from hiring or soliciting any employees; and (ii) farmout or farm-in agreement, participation agreement, exploration agreement, development agreement, joint operating agreement, unit agreement, pooling agreement, communitization agreement, joint ownership agreement, or any similar Contract;

(b) all Hydrocarbon or water sales, marketing, transportation, storage, gathering, supply, exchange, processing and similar agreements that are not terminable by the Company without penalty on sixty (60) or fewer days' notice without the payment of money or delivery of other consideration and (ii) any futures, options, swaps or other derivatives with respect to the sale of production that will be binding on the Company, the Interests or the Properties after Closing;

(c) any Contracts between the Company and any Affiliate of the Company that will be binding on the Company, the Interests or the Properties after Closing;

(d) any Contracts related to the Properties under which (i) the Company has received in excess of $200,000 of revenues within one (1) year prior to the date of this Agreement or (ii) the Company would reasonably be expected to receive in excess of $200,000 of revenues during the current or any subsequent one (1) year period;

(e) any Contract to acquire, sell, lease (other than the Leases) or otherwise dispose of (1) assets or properties with a purchase or sales price in excess of $200,000 or (2) any capital stock or other equity interest of the Company or other business or entity, including any acquisition, lease or disposition pursuant to which the Company has any remaining obligation (including obligations in respect of deferred purchase price) or potential Liability;

(f) any partnership, including any tax partnerships, joint venture contract, participation, exploration or development contract, joint operating agreement, salt water or produced water disposal agreement, bottom hole agreement, acreage contribution agreement, unitization, pooling and other communitization agreement, transportation, disposal and water injection agreement or similar Contract with any remaining drilling or development obligations or unexpired acreage or wellbore earning rights;

(g) any Contract providing for forced or voluntary pooling, forced or voluntary unitization, a carry, a backin, earnout, reversionary Working Interests in favor of Third Parties, or other contingent payment or obligation;

(h) any loan agreement, note, mortgage, indenture, security agreement, financing statement or other Lien filing and any other Contract relating to Indebtedness;

(i) any lease (other than a Lease) under which the Company is the lessor or lessee of real or personal property, which lease (i) cannot be terminated by such Person without penalty upon not more than sixty (60) days' notice, and (ii) involves an annual base rental in excess of $200,000;

(j) any employment, independent contractor or consulting Contract for employees, officers, directors, independent contractors or consultants of the Company;

(k) any Contract with a professional employer organization, employee staffing services or leasing agency, or other similar provider of contract labor to the Company;

(l) any Contract for the pending purchase by or sale of real or personal property of the Company (other than sales of Hydrocarbons or items of inventory in the Ordinary Course of Business) for an amount in excess of $200,000;

(m) any Contract containing an acreage dedication, volume commitment or take-or-pay, advance payment, prepayment or similar provision or requiring Hydrocarbons to be gathered, delivered, processed or transported without then or thereafter receiving full payment therefore or similar provision;

(n) any Contract that constitutes a pipeline interconnect, transportation or facility operating agreement;

(o) any Contract providing for any call upon, option to purchase or similar rights with respect to the Properties or to the production therefrom or the processing thereof;

(p) any Contract that can reasonably be expected to involve expenditures by the Company in excess of $200,000 during the current or any subsequent one (1) year period;

(q) any hedging contract; and

(r) any other Contracts with a value in excess of $200,000.

"**Midstream Assets**" has the meaning set forth in the definition of Properties.

"**Midstream Systems**" means each of those certain Midstream Assets that are operated as a single unit as described and depicted on **Exhibit A-4**.

"**Net Leasehold Acres**" shall be computed separately for each Lease which is described in **Exhibit A-3** and shall mean, for each such Lease, (a) the number of acres of lands covered by such Lease (i.e. gross acres), multiplied by (b) the lessor's mineral interests in oil and gas covered by such Lease in such lands, multiplied by (c) the Company's undivided interest in such Lease insofar as it covers such lands (provided that if items (b) or (c) vary as to different areas covered by the Lease, a separate calculation shall be done for each such area).

"**Net Revenue Interest**" means, with respect to any Well or Unit set forth on **Exhibit A-2** or Undeveloped Lease set forth on **Exhibit A-3**, the interest (expressed as a decimal) in and to all Hydrocarbons produced, saved and sold from or allocated to such Well, Unit or Undeveloped Lease (as applicable) after giving effect to all Royalties.

"**Oil and Gas Properties**" means all of the Company's right, title, interest and estate, real or personal, recorded or unrecorded, movable or immovable, tangible or intangible, in and to: (i) oil and gas leases and top leases, oil, gas and mineral leases and top leases, subleases and other leaseholds, royalties, overriding royalties, net profit interests, mineral fee interests, carried interests and other properties and interests, including those described on **Exhibit A-1** and **A-3** (the "**Leases**") and the lands covered thereby ("**Land(s)**") and any and all oil, gas, water or injection wells thereon, including those listed on **Exhibit A-2** (the "**Wells**") and (ii) any pools or units which include all or a part of any Land or include any Well (the "**Units**") and including without limitation all right, title and interest in production from any such Unit, whether such Unit production comes from wells located on or off of the Lands, and all tenements, hereditaments and appurtenances belonging to, used or useful in connection with the Leases, Lands and Units.

"**Ordinary Course of Business**" means the ordinary course of business of Seller and the Company, consistent with their past practices and customs, including, with respect to any category, quantity or dollar amount, term and frequency of payment, delivery, accrual or expense.

"**Owned Real Property**" means real property owned in fee, together with all buildings, structures, improvements and fixtures located thereon, and all easements and other

rights and interests appurtenant thereto, in each case, other than any Oil and Gas Properties, Midstream Assets and/or Surface Rights and Rights of Way.

"**Person**" means an individual, corporation, partnership, limited liability company, association, trust, unincorporated organization, Governmental Authority or other entity.

"**Post-Effective Date Company Taxes**" means all Company Taxes attributable to any Post-Effective Date Period and the portion of any Straddle Period beginning at the Effective Date, as determined in accordance with **Section 19(a)**.

"**Post-Effective Date Period**" means any Tax period beginning at or after the Effective Date.

"**Post-Production Cost Sales Taxes**" means any sales, use or similar Taxes that are imposed on or with respect to gathering, processing, and transportation activities in connection with sales of Hydrocarbons, the costs of which are or were actually taken into account as "gathering, processing, and transportation costs" in the application of **Section 11(a)(i)(B)**.

"**Pre-Effective Date Company Taxes**" means all Company Taxes attributable to any Pre-Effective Date Period and the portion of any Straddle Period ending immediately prior to the Effective Date, as determined in accordance with **Section 19(a)**.

"**Pre-Effective Date Period**" means any Tax period ending before the Effective Date.

"**Proceeding**" means any arbitration, litigation, action, proceeding, investigation, audit or suit (whether civil, criminal or administrative) commenced, brought or conducted by or before, or otherwise involving, any Governmental Authority or arbitrator.

"**Properties**" means all of the Company's assets and properties of every kind, nature, character and description (whether real, personal or mixed, whether tangible or intangible and wherever situated), including (a) all goodwill related thereto and (b) the Company's right, title, and interest in and to the following: (i) the Oil and Gas Properties; (ii) interests under or derived from all Contracts to the extent binding on the Company or the Properties; (iii) easements, permits, licenses, servitudes, rights-of-way, surface leases and other surface rights appurtenant to, and used or held for use in connection with the ownership or operation of the Oil and Gas Properties or the Midstream Assets (the "**Surface Rights and Rights of Way**"); (iv) equipment, machinery, fixtures and other tangible personal property and improvements located on or used in connection with the Oil and Gas Properties; and (v) any gathering, transportation, gas compression and other similar assets used or held for use in connection with the ownership and operation of the Oil and Gas Properties, including such assets described and depicted on **Exhibit A-4** and including the Company's interest in the Midstream Systems (collectively, the "**Midstream Assets**").

"**Property Costs**" means (a) all out-of-pocket operating expenses and capital expenses (including costs of insurance, employees, rentals, shut-in payments, and title examination and curative actions and capital expenditures, and costs of drilling and completing wells, and costs of acquiring equipment) incurred by the Company in the ownership and operation of the Properties, and (b) any COPAS overhead costs charged to the Company by Third Party operators in respect of the Oil and Gas Properties under any applicable Contracts that are consistent with or included in the methodologies and categories set forth in the lease operating statements provided in the Data Room, but in all cases excluding any liabilities, losses, costs, and expenses attributable to: (i) Taxes; (ii) curing and/or Remediating (or attempting to cure and/or Remediate) any Defects asserted by Buyer pursuant to this Agreement; (iii) the cure or attempt to cure any breach of this Agreement or any other Transaction Document; (iv) any amount of general or administrative costs, overhead costs, management costs, fees or expenses or similar amounts that are paid or payable to Seller or any Affiliate of Seller (other than the Company) or charged or chargeable by Seller or any Affiliate of Seller (other than the Company); (v) personal injury or death, property damage, torts, breach of Contract, or violation of or non-compliance with any Applicable Law; (vi) obligations relating to the abandonment or plugging of Wells, dismantling or decommissioning of facilities, closing pits, and restoring the surface around such Wells, facilities, and pits; (vii) obligations with respect to Imbalances; (viii) obligations to pay Royalties or other co-interest owners revenues or proceeds relating to suspense funds (including any escheat payments or related fines or penalties); (ix) repair or replacement of any Properties as a result of any Casualty Event; (x) costs incurred for the acquisition of the Oil and Gas Properties described on **Schedule 5(b)**; (xi) any Losses that constitute Specified Liabilities or, subject to the limitations set forth in **Article 14**, for which Seller has agreed hereunder to indemnify, defend or hold harmless any Buyer Indemnified Parties; or (xii) claims for indemnification or reimbursement from any Third Party with respect to costs of the types described in the preceding clauses (i) through (xi) (the liabilities, costs and expenses described in the foregoing clauses (ii)-(vi) and (x)-(xii) are referred to as the "**Excluded Costs**").

"**Records**" means all books, files, records, corporate records and books, data, information and correspondence of or related to the Company or the Properties, including, to the extent transferable without material restriction (including a material restriction against assignment without prior consent), or payment of a transfer or licensing fee under third party agreements not advanced or reimbursed by Buyer, all studies, surveys, reports, proprietary geologic, geophysical and seismic data (with respect to seismic, whether now existing or acquired by Company, Seller or any of the Affiliates following the date hereof) (including raw data and any interpretative data or information relating to such geologic, geophysical and seismic data) and other proprietary data (in each case whether in written or electronic format) in the actual possession or control of Seller or the Company or an Affiliate of Seller or the Company or which Seller or the Company or an Affiliate of Seller or the Company has the right to obtain (either without the payment of money or delivery of other consideration or unduly burdensome effort or, upon Buyer's written election, at Buyer's expense) and all records, information, data and files relating to the ownership, development and operation of the Properties, including all title records, prospect information, title opinions, title insurance reports/policies, property ownership reports, customer lists, supplier lists, sales materials, promotional materials, operational records, maps, drawings technical records, production and processing records, division order, lease, land and right-of-way files, accounting files and contract.

"**Required Consent**" means, any requirement that a Third Party's consent be obtained in order for Seller to convey the Interests if the failure to obtain such consent could reasonably be expected to (i) render the conveyance of the Interests or any interest in the Properties invalid, void or voidable, or (ii) give rise to the right to terminate, or result in the termination of, a Property under the express terms thereof.

"**Remediate**" means any remedial, removal, response, investigation, monitoring, cure, construction, closure, disposal, testing, integrity testing, or other corrective actions required under Applicable Environmental Laws to cure or remove Hazardous Substances or a violation of or liability under Applicable Environmental Laws. The terms "**Remediation**" and "**Remediated**" shall have correlative meanings.

"**Representative**" means with respect to a particular Person, any director, officer, manager, employee, agent, consultant, advisor, or other representative of such Person, including legal counsel, accountants, and financial advisors.

"**Royalties**" means all royalties, overriding royalties, reversionary interests, net profit interests, production payments, carried interests, non-participating royalty interests, reversionary interests and other royalty burdens and other interests payable out of production of Hydrocarbons from or allocated to the Oil and Gas Properties or the proceeds thereof to Third Parties; *provided, however* that Royalties shall expressly exclude Taxes.

"**Seller Plan**" means any plan, program, policy, practice, Contract or other arrangement providing for compensation, severance, change-in-control, termination pay, deferred compensation, retirement or pension payments, bonuses, performance awards, retention payments, incentive compensation, equity or equity-related awards, fringe benefits or other employee benefits or remuneration of any kind, whether written or unwritten or otherwise, funded or unfunded, including without limitation, each "employee benefit plan," within the meaning of Section 3(3) of ERISA and any plans that would be "employee benefit plans" within the meaning of Section 3(3) of ERISA if they were subject to ERISA (such as foreign plans and plans for directors) (each such plan, program, policy, practice, Contract or other arrangement, a "**Benefit Plan**") which, in each case, is or ever has been sponsored, maintained, contributed to, or required to be contributed to, by Seller or any of its Affiliates for the benefit of any present or former employee or officer, director, consultant, other individual service provider or similar representative of Seller or any of its Affiliates (or their respective beneficiaries or dependents), and with respect to which Seller or any of its Affiliates has or may have any Liability or obligation on behalf of any of such individuals.

"**Seller Taxes**" means (i) any and all Pre-Effective Date Company Taxes, (ii) any and all Taxes (other than Company Taxes and Transfer Taxes) of or imposed on Seller or any of its direct or indirect owners or Affiliates (other than the Company) for any Tax period, (iii) any Taxes imposed on the Company or for which the Company otherwise becomes liable by reason of having been a member of any affiliated, combined, consolidated, unitary or similar group with respect to any Taxes on or prior to the Closing Date, (iv) any and all Taxes imposed on or with respect to the ownership or operation of any assets expressly excluded from the transactions contemplated by this Agreement pursuant to the terms of this Agreement or (v) Taxes of a Person (other than the Company) for which the Company is or becomes liable as a transferee or successor, by contract or other agreement or arrangement, assumption, or operation of law, which Taxes relate to an event or transaction occurring, or a contract or other agreement or arrangement entered into, prior to the Closing Date; *provided, however,* that no such Tax will constitute a Seller Tax to the extent such Tax was economically borne by Seller after taking into account the combined effect of any adjustments made pursuant to **Section 11**, together with any payments made from one Party to another Party with respect to such Tax pursuant to **Section 19(a)(iii)**.

"**Seller's Knowledge**" means the actual knowledge of those persons listed on **Schedule K** of the Disclosure Schedule.

"**Settlement Price**" means the actual price as of the Effective Date under the applicable Hydrocarbon sales or marketing Contract applicable to the relevant Hydrocarbons, or if there is no such Contract, the applicable monthly settlement price published in S&P Global Platt's Inside FERC Gas Market Report for the Tennessee Zone 4 300L Index.

"**Specified Liabilities**" means any Losses related to or arising out of:

(a) (i) the employment or engagement, or termination of employment or engagement, of any employee or independent contractor of Seller or its Affiliates or other individual providing services to the Company during any period on or prior to Closing, including misclassification or failure to pay wages or compensation to any such employee or independent contractor or other individual providing services to the Company, in each case, to the extent incurred or arising on or prior to the Closing Date, or (ii) any Seller Plan and Seller's and its Affiliates' responsibilities under ERISA;

(b) any Proceeding or other matter described on **Schedule 3(a)(iv)** or required to be set forth on **Schedule 3(a)(iv)** in order for the representation and warranty in **Section 3(a)(iv)** to be true and correct when made;

(c) the gross negligence or willful misconduct of the Company or any of its Affiliates with respect to the Company's or its Affiliate's ownership or operation of the Properties prior to the Closing Date;

(d) any assets or properties expressly excluded from the transactions contemplated by this Agreement pursuant to the terms of this Agreement; or

(e) Seller Taxes.

"**Straddle Period**" means any Tax period beginning before and ending after the Effective Date.

"**Subsidiary**" or "**Subsidiaries**" means, with respect to any Person, another Person or Persons in which such first Person owns, directly or indirectly, an amount of the voting securities, other voting ownership or voting partnership interests of which is sufficient to elect at least a majority of its board of directors or other governing body (or, if there are no such voting interests, fifty percent (50%) or more of the equity interests of such Person or Persons).

"**Tax**" or "**Taxes**" means (i) any and all federal, state, local or foreign taxes, charges, fees, imposts, levies, assessments and other governmental charges in the nature of a tax imposed by any Governmental Authority, including all income, gross receipts, capital, sales, use, ad valorem, value added, transfer, franchise, profits, inventory, capital stock, license, withholding, payroll, employment, social security, unemployment, excise, severance, stamp, occupation, property, excise, estimated taxes, customs duties and fees (including the Pennsylvania impact fee), (ii) any and all interest, penalties, fines, additions to tax or additional amounts imposed by any Governmental Authority in connection with any of the items described in the preceding clause (i), and (iii) any liability in respect of any items described in the preceding clauses (i) or (ii) payable by reason of contract, assumption, transferee or successor liability, operation of Applicable Law, Treasury Regulation Section 1.1502-6(a) (or any predecessor or successor thereof of any analogous or similar provision of Applicable Law) or otherwise.

"**Taxing Authority**" means the U.S. Internal Revenue Service and any other Governmental Authority responsible for the administration of any Tax.

"**Tax Return**" means any return, report or statement required to be filed with a Governmental Authority with respect to any Tax (including any schedules and attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated Tax, and including, where permitted or required, combined, consolidated or unitary returns for any group of entities that includes Seller or the Company.

"**Third Party**" means any Person other than Seller, Buyer, the Company or any of their respective Affiliates as of the applicable date of determination.

"**Title Defect**" means any individual Lien, obligation, burden, or defect or other matter, including a discrepancy in Net Leasehold Acres, Net Revenue Interest or Working Interest that results in the failure of the Company to have Defensible Title to any individual Well, Unit or Undeveloped Lease, but shall not include any Permitted Encumbrances.

"**Treasury Regulations**" means the Income Tax Regulations promulgated under the Code.

"**Working Interest**" means, with respect to any Well or Unit, the interest (expressed as a decimal) in and to such Well or Unit 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 or Unit, but without regard to the effect of any Royalties.

(ii) Additional Definitions. Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
Agreement	Introduction
Accounting Arbitrator	11(c)
Accounting Principles	11(d)
Alternate Transaction	5(k)
Asserted Defects	6(a)
Assignment	10(a)(iii)
Balance Sheet	3(a)(xiii)
Balance Sheet Date	3(a)(xiii)
Buyer	Introduction
Buyer-Prepared Returns	19(b)
Buyer Indemnified Parties	14(a)
Buyer Recourse Parties	20(o)
Buyer Party Affiliate	20(o)
Casualty Event	16
Claim	14(c)(i)
Closing	10(a)
Closing Date	10(a)
Closing Payment	2(c)
Company	Introduction

Deductible	14(d)(i)
Defect Amount	7(b)
Defect Arbitrator	7(e)(ii)
Defect Date	6(a)
Defect Notice	6(a)
Defensible Title	6(b)
Deposit	2(b)(i)
Disclosure Schedule	3(a)(i)(2)
Dispute	20(g)
Disputed Defect Matters	7(e)(i)
Enforceability Exceptions	3(a)(iii)
Environmental Arbitrator	7(e)(ii)
Environmental Defect Deductible	7(d)(i)
Environmental Disputed Matter	7(e)(i)
Environmental Permits	3(a)(xxiii)(C)
Exchanging Party	19(g)
Excluded Costs	20(q)
Final Settlement Statement	11(c)
Financial Statements	3(a)(xiii)
Indemnified Party	14(c)(i)
Indemnifying Party	14(c)(i)
Individual Defect Threshold	7(d)
Initial Purchase Price	2(a)
Insurance Policies	3(a)(xviii)
Interests	Recitals
Land(s)	20(q)
Leases	20(q)
Losses	14(a)
Midstream Assets	20(q)
Mutual Release and Termination Agreement	10(a)(xvi)
Net Acre Defect Amount	7(b)(ii)
NORM	3(b)
Order	3(a)(vi)
Party(ies)	Recitals
Permits	3(a)(ix)
Phase I	5(a)(ii)
Phase II	5(a)(ii)
Permitted Encumbrance	6(b)(iii)
Pre-Closing Occurrences	5(i)
Pre-Effective Date Audits	5(m)
Pre-Effective Date Tax Contest	19(f)
Preferential Rights	3(a)(viii)
Preliminary Settlement Statement	11(b)
Purchase Price	2(a)
Purchase Price Allocation	19(e)
Securities Act	4(f)

Seller	Introduction
Seller Indemnified Parties	14(b)
Special Warranty of Title	3(a)(xxxix)
Straddle Period Tax Contest	19(f)
Surface Rights and Rights of Way	20(q)
Tax Deferred Exchange	19(g)
Transfer Taxes	19(h)
Title Arbitrator	7(e)(ii)
Title Benefit	7(c)
Title Benefit Amount	7(c)
Title Defect Deductible	7(d)(ii)
Title Disputed Matter	7(e)(i)
Trade Control Laws	3(a)(xlii)
Transaction Documents	20(d)
Undeveloped Lease	6(b)(ii)
Units	20(q)
Wells	20(q)
Withholding Agent	2(d)

(r) **Interpretation**. In this Agreement, unless a clear contrary intention appears:

(i) the singular number includes the plural number and vice versa;

(ii) reference to any Person includes such Person's successors and assigns but only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(iii) reference to any gender includes each other gender;

(iv) except for in the Disclosure Schedule, reference to any agreement (including this Agreement), document or instrument means, unless specifically provided otherwise, such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;

(v) reference to any law means, unless specifically provided otherwise, such law as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder and reference to any section or other provision of any law means, unless specifically provided otherwise, that provision of such law from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;

(vi) reference in this Agreement to any Section, Schedule or Exhibit means such Section hereof or Schedule or Exhibit thereto;

(vii) "hereunder", "hereof", "hereto" and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section or other provision thereof;

(viii) "including" (and with correlative meaning "include") and "including, without limitation" means including without limiting the generality of any description preceding such term;

(ix) "or" is not exclusive;

(x) the Schedules and Exhibits attached to this Agreement shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth verbatim herein; provided that in the event a word or phrase defined in this Agreement is expressly given a different meaning in any Schedule or Exhibit, such different definition shall apply only to such Schedule or Exhibit defining such word or phrase independently, and the meaning given such word or phrase in this Agreement shall control for purposes of this Agreement, and such alternative meaning shall have no bearing or effect, on the interpretation of this Agreement;

(xi) except as otherwise provided herein, all actions which any Person may take and all determinations which any Person may make pursuant to this Agreement may be taken and made at the sole and absolute discretion of such Person;

(xii) all references to "$" or "dollars" shall be deemed references to United States Dollars;

(xiii) each accounting term not defined herein will have the meaning given to it under the Accounting Principles as interpreted as of the date of this Agreement;

(xiv) If any period of days referred to in this Agreement shall end on a day that is not a Business Day, then the expiration of such period shall automatically be extended until the end of the first succeeding Business Day.

[Remainder of this Page Intentionally Left Blank]

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement is executed by the parties hereto on the date first set forth above.

SELLER:

BKV CORPORATION

By: /s/ Chris Kalnin
Name: Chris Kalnin
Title: CEO

[Signature Page to Agreement of Sale and Purchase of Membership Interests]

BUYER:

SABRE ENERGY DEVELOPMENT LLC

By: /s/ James Obulaney
Name: James Obulaney
Title: Vice President

[Signature Page to Agreement of Sale and Purchase of Membership Interests]

LIST OF SCHEDULES AND EXHIBITS

Schedule I	Disclosure Schedule
Schedule II	Allocated Amount
Schedule III	Form of Assignment
Schedule IV	Form of Resignation Letter
Schedule V	Form of Mutual Release and Termination Agreement
Schedule K	Seller Knowledge Individuals
Schedule 3(a)(i)	Other Material Business or Operations
Schedule 3(a)(iv)	Pending Litigation
Schedule 3(a)(vi)(C)	No Conflicts
Schedule 3(a)(vii)	Material Contracts
Schedule 3(a)(viii)	Required Consents and Preferential Rights
Schedule 3(a)(x)	Inactive Wells
Schedule 3(a)(xi)	Payment of Expenses
Schedule 3(a)(xii)	Compliance with Laws
Schedule 3(a)(xiii)	Financial Statements
Schedule 3(a)(xiv)	Absence of Undisclosed Liabilities
Schedule 3(a)(xv)	Taxes
Schedule 3(a)(xvi)	Lease Provisions
Schedule 3(a)(xviii)	Insurance
Schedule 3(a)(xix)	Production Sales Contracts
Schedule 3(a)(xx)	AFEs
Schedule 3(a)(xxi)	Payout Balances
Schedule 3(a)(xxiii)	Environmental Laws
Schedule 3(a)(xxiv)	Absence of Changes
Schedule 3(a)(xxv)	Bank Accounts; Officers; Powers of Attorney
Schedule 3(a)(xxvii)	Credit Support Obligations
Schedule 3(a)(xxviii)	Suspense Funds
Schedule 3(a)(xxix)	Imbalances
Schedule 3(a)(xxxii)	Non-Consent Elections
Schedule 3(a)(xxxviii)(C)	Midstream Asset Matters
Schedule 5(b)	Interim Operations
Schedule 5(m)	Pre-Effective Date Audits
Schedule 11(a)(i)(E)	Rockefeller AFE Costs
Exhibit A-1	Leases
Exhibit A-2	Wells and Units with WI and NRI
Exhibit A-3	Undeveloped Lease with Net Leasehold Acres and NRI
Exhibit A-4	Midstream Assets

CREDIT AGREEMENT

dated as of June 11, 2024

among

BKV CORPORATION,
as Holdings,

BKV UPSTREAM MIDSTREAM, LLC,
as the Borrower,

CITIBANK, N.A.,
as Administrative Agent,

and

The Lenders Party Hereto

CITIBANK, N.A.,
BARCLAYS BANK PLC
KEYBANC CAPITAL MARKETS INC.
MIZUHO BANK, LTD.
CITIZENS BANK, N.A.
SUMITOMO MITSUI BANKING CORPORATION
TRUIST SECURITIES, INC.
and
BANGKOK BANK PUBLIC COMPANY LIMITED, NEW YORK BRANCH // BANGKOK BANK PUBLIC COMPANY LIMITED,

as Joint Lead Arrangers and Joint Bookrunners

TABLE OF CONTENTS

THIS CREDIT AGREEMENT dated as of June11, 2024, is among BKV Corporation, a Delaware corporation ("Holdings"), BKV Upstream Midstream, LLC, a Delaware limited liability company (the "Borrower"), each of the Lenders from time to time party hereto and Citibank, N.A. (in its individual capacity, "Citi"), as administrative agent for the Lenders (in such capacity, together with its successors in such capacity, the "Administrative Agent").

R E C I T A L S

A. The Borrower has requested that the Lenders provide certain loans to and extensions of credit on behalf of the Borrower.

B. The Lenders have agreed to make such loans and extensions of credit subject to the terms and conditions of this Agreement.

C.In consideration of the mutual covenants and agreements herein contained and of the loans, extensions of credit and commitments hereinafter referred to, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING MATTERS

Section 1.01 Terms Defined Above. As used in this Agreement, each term defined above has the meaning indicated above.

Section 1.02 Certain Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"ABR", when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

"ABR Term SOFR Determination Day" has the meaning assigned such term in the definition of "Term SOFR".

"Account Control Agreement" means a control agreement, in form and substance reasonably satisfactory to the Administrative Agent, which grants the Administrative Agent "control" as defined in the Uniform Commercial Code in effect in the applicable jurisdiction over any Deposit Account, Securities Account or Commodity Account maintained by the Borrower or any of its Subsidiaries, in each case, among the Administrative Agent, the applicable Borrower or Subsidiary and the applicable financial institution at which such Deposit Account, Securities Account or Commodity Account is maintained.

"Additional Lender" has the meaning assigned to such term in Section 2.06(c)(i).

"Additional Lender Certificate" has the meaning assigned to such term in Section 2.06(c)(ii)(F).

"Additional Mortgaged Property" has the meaning assigned to such term in Section 3.04(c)(ii).

"Adjusted Term SOFR" means, for purposes of any calculation, the rate per annum equal to (a)Term SOFR for such calculation*plus* (b)the Term SOFR Adjustment;

provided that if Adjusted Term SOFR as so determined shall ever be less than the Floor, then Adjusted Term SOFR shall be deemed to be the Floor.

"Administrative Agent" has the meaning set forth in the introductory paragraph hereto.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affected Financial Institution" means any (a) EEA Financial Institution or (b) 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.

"Agents" means, collectively, the Administrative Agent and each other agent appointed hereunder from time to time; and "Agent" shall mean either the Administrative Agent or such other agent, as the context requires.

"Aggregate Elected Commitment Amounts" at any time shall equal the sum of the Elected Commitments, as the same may be increased, reduced or terminated pursuant to Section 2.06(c). As of the Effective Date, the Aggregate Elected Commitment Amounts are $600,000,000.

"Aggregate Maximum Credit Amounts" at any time shall equal the sum of the Maximum Credit Amounts, as the same may be reduced or terminated pursuant to Section 2.06. The Aggregate Maximum Credit Amounts of the Lenders as of the Effective Date is $1,500,000,000.

"Agreement" means this Credit Agreement, as the same may from time to time be amended, modified, supplemented or restated.

"Allocated Taxable Income" has the meaning assigned such term in the definition of "Permitted Tax Distribution".

"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 Federal Funds Rate in effect on such day plus 1/2 of 1% and (c)the Adjusted Term SOFR for a one month Interest Period beginning on such day plus 1.0%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Rate or the Adjusted Term SOFR shall be effective from and including the effective date of such change in the Prime Rate, the Federal Funds Rate or the Adjusted Term SOFR, respectively.

"Ancillary Document" has the meaning assigned such term in Section 12.06(d).

"Anti-Corruption Laws" means all state or federal laws, rules, and regulations applicable to the Borrower or any of its Subsidiaries from time to time concerning or relating to bribery, corruption or anti-money laundering, including the FCPA.

"Applicable Margin" means, for any day, with respect to any ABR Loan or SOFR Loan, or with respect to the commitment fee rate (the "Commitment Fee Rate"), as the case may be, the rate *per annum* set forth in the Borrowing Base Utilization Grid below based upon the Borrowing Base Utilization Percentage then in effect:

Borrowing Base Utilization Grid					
Borrowing Base Utilization Percentage	*<25%*	*≥25% <50%*	*≥50% <75%*	*≥75% <90%*	*≥90%*
SOFR Loans	*2.75%*	*3.00%*	*3.25%*	*3.50%*	*3.75%*
ABR Loans	*1.75%*	*2.00%*	*2.25%*	*2.50%*	*2.75%*
Commitment Fee Rate	*0.500%*	*0.500%*	*0.500%*	*0.500%*	*0.500%*

Each change in the Applicable Margin and the Commitment Fee Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change.

"Applicable Percentage" means, with respect to any Lender, the percentage of the Aggregate Elected Commitment Amounts represented by such Lender's Elected Commitment as such percentage is set forth on Annex I or in an Assignment and Assumption, as the case may be; provided that in the case of Section 2.09 when a Defaulting Lender shall exist, "Applicable Percentage" as used in such Section 2.09 shall mean the percentage of Aggregate Elected Commitment Amounts (disregarding any Defaulting Lender's Elected Commitment) represented by such Lender's Elected Commitment Amount, as applicable. If the Commitments have terminated or expired, the "Applicable Percentage", with respect to each Lender, shall mean the value, expressed as a percentage, of such Lender's Revolving Credit Exposure hereunder divided by the aggregate Revolving Credit Exposure of all Lenders hereunder.

"Applicable Tax Rate" has the meaning assigned such term in the definition of "Permitted Tax Distribution".

"Approved Accountant" means (a)Deloitte, (b)Ernst& Young LLP, (c)KPMG LLP, (d)PricewaterhouseCoopers LLP and any other independent certified public accounting firm of nationally recognized standing acceptable to the Administrative Agent.

"Approved Counterparty" means (a)any Lender or any Affiliate of a Lender and (b)any other Person if such Person or its credit support provider with respect to its Swap Agreements with the Credit Parties long term senior unsecured debt rating is BBB-/Baa3 by S&P or Moody's (or their equivalent) or higher.

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank 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.

"Approved Petroleum Engineers" means (a)Ryder Scott Company, L.P., (b)Netherland, Sewell& Associates,Inc., (c)DeGolyer and MacNaughton and (d)any other independent petroleum engineers proposed by Borrower and reasonably acceptable to the Administrative Agent.

"Arrangers" means Citibank, N.A., Barclays Bank PLC, KeyBanc Capital Markets Inc., Mizuho Bank,Ltd., Citizens Bank, N.A., Sumitomo Mitsui Banking Corporation, Truist Securities,Inc., and Bangkok Bank Public Company Limited, New York Branch // Bangkok Bank Public Company Limited in their capacities as the joint lead arrangers and joint bookrunners hereunder.

"ASC" means the Financial Accounting Standards Board Accounting Standards Codification, as in effect from time to time.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 12.04(b)), and accepted by the Administrative Agent, in the form ofExhibit G or any other form approved by the Administrative Agent.

"Availability" means, as of any date, the Loan Limit then in effect *less* the total Revolving Credit Exposures.

"Availability Period" means the period from and including the Effective Date to but excluding the Termination Date.

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (a)if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (b)otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark pursuant to this Agreement, in each case, 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 Section 3.03.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of any Affected Financial Institution.

"Bail-In Legislation" means, (a)with respect to any EEA Member Country implementing Article55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, ruleor 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 ruleapplicable 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).

"Bank Price Deck" means the Administrative Agent's internal price deck on a forward curve basis for each of oil, natural gas and other Hydrocarbons, as applicable, furnished to the Borrower by the Administrative Agent from time to time in accordance with the terms of this Agreement.

"Bank Products" means any of the following bank services: (a)commercial and corporate credit cards, merchant card services and purchase or debit cards, (b)stored value cards, (c)treasury management services and cash management agreements (including, without limitation, depository transactions, controlled disbursement, automated clearinghouse transactions, electronic funds transfers, return items, overdrafts and interstate depository network services) and (d)any other demand deposit account or operating account relationships and any other cash management services, including for collections and for operating, payroll and trust accounts of the Borrower or any of the Restricted Subsidiaries.

"Bank Products Provider" means any Lender or Affiliate of a Lender that provides Bank Products to the Borrower, any other Credit Party or any Restricted Subsidiary in its capacity as a provider of such Bank Products.

"Bankruptcy Event" means, with respect to any Person, such Person becomes the subject of a voluntary or involuntary 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, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment or has had any order for relief in such proceeding entered in respect thereof; 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.

"Benchmark" means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate 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 3.03.

"Benchmark Replacement" means, with respect to any Benchmark Transition Event, the sum of: (a)the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower 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 to the then-current Benchmark for dollar-denominated syndicated credit facilities at such time and (b)the related Benchmark Replacement Adjustment; provided that, if such Benchmark Replacement as so determined would be less than the Floor, such 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, 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 giving due consideration to (a)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 or (b)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 dollar-denominated syndicated credit facilities at such time.

"Benchmark Replacement Date" means the earlier to occur of the following events with respect to the then-current Benchmark:

(a)in the case of clause (a)or (b)of the definition of "Benchmark Transition Event," the later of (i)the date of the public statement or publication of information referenced therein and (ii)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

(b)in the case of clause (c)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 non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c)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, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a)or (b)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 the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a)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);

(b)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 NYFRB, 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), 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

(c)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 not, or as of a specified future date will not 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 Transition Start Date" means, in the case of a Benchmark Transition Event, the earlier of (a)the applicable Benchmark Replacement Date and (b)if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than ninety (90) days after such statement or publication, the date of such statement or publication).

"Benchmark Unavailability Period" means, the period (if any) (a)beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.03 and (b)ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 3.03.

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a)an "employee benefit plan" (as defined in Section3(3)of ERISA) that is subject to Title I of ERISA, (b)a "plan" as defined in Section4975 of the Code or (c)any Person whose assets include (for purposes of ERISA Section3(42) or otherwise for purposes of Title I of ERISA or Section4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Board" means the Board of Governors of the Federal Reserve System of the United States of America or any successor Governmental Authority.

"Borrower" has the meaning set forth in the introductory paragraph hereto.

"Borrowing" means Loans of the same Type, made, converted or continued on the same date and, in the case of SOFR Loans, as to which a single Interest Period is in effect.

"Borrowing Base" means at any time an amount equal to the amount determined in accordance withSection 2.07, as the same may be adjusted from time to time pursuant to the Borrowing Base Adjustment Provisions. As of the Effective Date, the Borrowing Base is $800,000,000.

"Borrowing Base Adjustment Provisions" means Section 2.07(e), Section 2.07(f)or Section 2.07(g)and any other provision hereunder which adjusts (as opposed to redetermines) the amount of the Borrowing Base.

"Borrowing Base Asset Disposition" means (a) the sale, assignment, farm-out, conveyance, transfer or other disposition of Borrowing Base Properties, including any of the foregoing to an Unrestricted Subsidiary or due to a Casualty Event, (b)the designation of an Unrestricted Subsidiary that owns Borrowing Base Properties and (c)the sale, assignment, transfer or other disposition of Equity Interests in any Subsidiary that owns any Borrowing Base Properties or any interest in Hydrocarbons produced or to be produced therefrom, provided that no such sale, assignment, farm-out, transfer or other disposition between or among the Credit Parties shall constitute a Borrowing Base Asset Disposition.

"Borrowing Base Deficiency" occurs if at any time the total Revolving Credit Exposures exceeds the Loan Limit then in effectprovided, that, for purposes of determining the existence and amount of any Borrowing Base Deficiency, obligations under any Letter of Credit will not be deemed to be outstanding to the extent such obligations are cash collateralized in the manner set forth in Section 2.08(j).

"Borrowing Base Properties" means (a)the Oil and Gas Properties of the Borrower and the Restricted Subsidiaries included in the most recently delivered Engineering Reports or otherwise evaluated for purposes of determining or adjusting the Borrowing Base then in effect, including in connection with the Borrowing Base Adjustment Provisions and (b)the Midstream Assets of the Borrower and the Restricted Subsidiaries with respect to which Borrowing Base value has been given (by way of, among other things, lease operating expense reductions of the other Oil and Gas Properties of the Credit Parties) in the most recently delivered Engineering Reports or otherwise evaluated for purposes of determining or adjusting the Borrowing Base then in effect, including in connection with the Borrowing Base Adjustment Provisions.

"Borrowing Base Swap Liquidation" means the liquidation, monetization, unwinding, termination or transfer (by novation or otherwise) of any commodity Swap Agreement, or the amendment of any such Swap Agreement in any way that could reasonably be expected to reduce the Borrowing Base value thereof, as determined by the Administrative Agent in its sole discretion, including any sale, assignment, transfer or other disposition of Equity Interests in any Restricted Subsidiary that is a party to any such commodity Swap Agreement to a party that is not a Credit Party; provided that none of the following shall constitute a Borrowing Base Swap Liquidation: (a)any transfer (by novation or otherwise) of a Swap Agreement between or among the Credit Parties, (b)any novation of a Swap Agreement on the same terms from the existing counterparty to an Approved Counterparty, with a Credit Party being the "remaining party" for purposes of such novation, (c)the termination of a Swap Agreement at the end of its stated term and (d)any replacement, in a substantially contemporaneous transaction, of one or more Swap Agreements of any Credit Party with one or more Swap Agreements with any Credit Party covering Hydrocarbons of the type that were hedged pursuant to such replaced Swap Agreement(s)and with notional volumes, prices, tenors and economic effect during such tenors not less favorable to the applicable Credit Party as those set forth in such replaced Swap Agreement(s)and without cash payments or other consideration provided to any Credit Party in connection therewith; provided that if a Swap Agreement shall be partially replaced pursuant to clause (d)of this definition, then only the part of such Swap Agreement that is not so replaced shall be treated as the subject of a Borrowing Base Swap Liquidation.

"Borrowing Base Utilization Percentage" means, as of any day, the fraction expressed as a percentage, the numerator of which is the sum of the Revolving Credit Exposures of the Lenders on such day, and the denominator of which is the Borrowing Base in effect on such day.

"Borrowing Base Value" means (a)with respect to the Borrowing Base Properties that are acquired in a Specified Acquisition or transferred in any Borrowing Base Asset Disposition, the value that the Administrative Agent allocates to such Borrowing Base Properties (which, in the case of Midstream Assets, among other things, is determined by reference to the discounted present value of the net effect of such transfer on the amount of lease operating expenses of the other Oil and Gas Properties of the Credit Parties on a pro forma basis after giving effect to such transfer) in connection with the most recent determination or adjustment of the Borrowing Base hereunder and (b) with respect to the commodity Swap Agreement that is the subject of any Borrowing Base Swap Liquidation, the value that the Administrative Agent, allocates to such Swap Agreement in connection with the Borrowing Base existing at the time of such Borrowing Base Swap Liquidation.

"Borrowing Request" means a request by the Borrower for a Borrowing in accordance withSection 2.03, which shall be substantially in the form ofExhibit B or any other form approved by the Administrative Agent.

"Building" shall have the meaning assigned to such term in the applicable Flood Insurance Regulation.

"Business Day" means any day that is not a Saturday, Sunday or other day that is a legal holiday under the laws of the State of New York or in Thailand or is a day on which banking institutions in New York or Thailand are authorized or required by law to close.

"Cash Equivalents" means:

(a)direct obligations of the United States or any agency thereof, or obligations guaranteed by the United States or any agency thereof, in each case maturing within one year from the date of acquisition thereof;

(b) commercial paper maturing within one year from the date of acquisition thereof rated in the highest grade by S&P or Moody's;

(c)demand deposits, and time deposits maturing within one year from the date of creation thereof, with or 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 at least A2 or P2, as such rating is set forth from time to time, by S&P or Moody's, respectively; and

(d)deposits in money market funds at least 95% of whose assets are cash and Investments described in the preceding clauses (a), (b)and (c)or otherwise complying with Rule 2a-7 of the SEC.

"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 (including any improvements thereon) of any Credit Party or any of their Restricted Subsidiaries.

"CERCLA" has the meaning set forth in the definition of "Environmental Laws."

"CFC" shall mean a "controlled foreign corporation" as defined in Section 957 of the Code.

"Change in Law" means the occurrence after the date of this Agreement of (a)the adoption of 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)compliance by any Lender or an Issuing Bank (or, for purposes of Section 5.01(b), by any lending office of such Lender or by such Lender's or such Issuing Bank's holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided, however, for the purposes of this Agreement, (i)the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith or in the implementation thereof and (ii)all requests, rules, guidelines or 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, are deemed to have gone into effect and to have been adopted after the date of this Agreement.

"Change of Control" shall mean the occurrence of any of the following events:

(a)at any time prior to consummation of a Qualified IPO, the Permitted Holders fail to "beneficially own", directly or indirectly, in the aggregate, more than 60% on a fully diluted basis of the ordinary voting interests in the Equity Interests in Holdings;

(b)at any time on or after consummation of a Qualified IPO, any Person or "group" (within the meaning of Rules13d-3 and 13d-5 under the Exchange Act) other than the Permitted Holders shall have (x)acquired beneficial ownership or control of 35% or more on a fully diluted basis of the voting and/or economic interest in the Equity Interests of Holdings; (y)acquired beneficial ownership or control of voting and/or economic interests in the Equity Interests of Holdings in excess of those interests owned and controlled by the Permitted Holders at such time; or (z)obtained the power (whether or not exercised) to elect a majority of the members of the board of directors (or similar governing body) of Holdings;

(c) Holdings shall cease to beneficially own and control, directly, 100% on a fully diluted basis of each class of voting Equity Interests of the Borrower; or

(d) a "change of control", "change in control" or any other defined term describing a similar concept or having a similar purpose or meaning shall have occurred in respect of any Material Debt.

"Citi" has the meaning set forth in the introductory paragraph hereto.

"Closing Date Financial Statements" means the consolidated financial statement or statements of the Borrower and its Restricted Subsidiaries referred to in Section 7.04(a).

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute, and the regulations promulgated thereunder.

"Collateral" means all Property of the Credit Parties, now owned or hereafter acquired, upon which a Lien is created or purported to be created by any Security Instrument, including without limitation, the Mortgaged Property, but excluding any Excluded Property.

"Commitment" means, with respect to each Lender, the commitment of such Lender to make Loans and to acquire participations in Letters of Credit hereunder, expressed as an amount representing the maximum aggregate amount of such Lender's Revolving Credit Exposure hereunder, as such commitment may be (a)modified from time to time pursuant to Section 2.06, (b)modified from time to time pursuant to assignments by or to such Lender pursuant to Section 12.04(b)or (c)modified by any other amendment or modification of such Commitments permitted under this Agreement; and "Commitments" means the aggregate amount of the Commitments of all Lenders. The amount representing each Lender's Commitment shall at any time be such Lender's Applicable Percentage of the Loan Limit.

"Commitment Fee Rate" has the meaning set forth in the definition of "Applicable Margin".

"Commodity Account" shall have the meaning set forth in Article 9 of the UCC.

"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, and any regulations promulgated thereunder.

"Conforming Changes" means, with respect to either the use or administration of Term SOFR or the use, administration, adoption or implementation of 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" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of Section 5.02 and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and 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 any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"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 Current Assets" means, as of any date of determination, the sum of (a)the consolidated current assets under GAAP of the Borrower and its Consolidated Restricted Subsidiaries as of such date (including the unused amount of the Commitments to the extent that the Borrower is permitted to borrow such amount under the terms of this Agreement, including Section 6.02 hereof, but excluding (i)non-cash assets under ASC 410 and ASC 815 and (ii)deferred tax assets) and (b)to the extent not otherwise constituting current assets under GAAP, any Cash Equivalents of the Borrower and its Consolidated Restricted Subsidiaries as of such date.

"Consolidated Current Liabilities" means, as of any date of determination, the consolidated current liabilities under GAAP of the Borrower and its Consolidated Restricted Subsidiaries as of such date, but excluding (a)non-cash obligations under ASC 410 and ASC 815, (b)current maturities under this Agreement or any other long-term Debt for borrowed money, (c) any deferred tax liabilities and (d) the current portion of interest.

"Consolidated Net Income" means with respect to the Borrower and its Consolidated Restricted Subsidiaries, for any period and without duplication, the aggregate of the net income (or loss) of the Borrower and its Consolidated Restricted Subsidiaries after allowances for Taxes 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 Consolidated Restricted Subsidiary 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 Consolidated Restricted Subsidiaries in accordance with GAAP) or of any Unrestricted Subsidiary, 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 to a Consolidated Restricted Subsidiary, as the case may be; (b)the net income (but not loss) during such period of any Consolidated Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions or transfers or loans by that Consolidated Restricted 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 Consolidated Restricted Subsidiary or is otherwise restricted or prohibited, in each case determined in accordance with GAAP; (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 gains or losses attributable to writeups or writedowns of assets; (e)any non-cash, mark-to-market gains or losses under ASC 815 as the result of changes in the fair market value of derivatives (and any statements replacing, modifying or superseding such statement); (f)any cancellation of indebtedness income; and (g)the net income (or loss) of any Person resulting from asset sales, including Swap Liquidations (solely to the extent such Swap Liquidation is in respect of volumes for calendar years following the year in which the Swap Liquidation is effective) but excluding the sale of Hydrocarbons in the ordinary course of business.

"Consolidated Restricted Subsidiaries" means any Restricted Subsidiaries that are Consolidated Subsidiaries.

"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 Unrestricted Subsidiaries" means any Unrestricted Subsidiaries that are Consolidated Subsidiaries.

"Control" means the possession, directly or indirectly, of 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. For the purposes of this definition, and without limiting the generality of the foregoing, any Person that owns directly

or indirectly 10% or more of the Equity Interests having ordinary voting power for the election of the directors or other governing body of a Person (other than as a limited partner of such other Person) will be deemed to "control" such other Person. "Controlling" and "Controlled" have meanings correlative thereto.

"Covered Entity" means any of the following: (a)a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (b)a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (c)a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Credit Parties" means, collectively, the Borrower and each Guarantor, and "Credit Party" means any one of the foregoing.

"Cure Amount" has the meaning assigned to such term in Section 9.01(c).

"Cure Period" has the meaning assigned to such term in Section 9.01(c).

"Current Ratio" means, as of any date of determination, the ratio of (a)Consolidated Current Assets as of such date to (b)Consolidated Current Liabilities as of such date.

"Debt" means, for any Person, the sum of the following (without duplication):

(a)all obligations of such Person for borrowed money or evidenced by bonds, bankers' acceptances, debentures, notes, loan agreements or other similar instruments;

(b) all obligations of such Person (whether contingent or otherwise) in respect of letters of credit, surety or other bonds and similar instruments;

(c)all accounts payable and all accrued expenses, liabilities or other obligations of such Person to pay the deferred purchase price of Property or services (excluding (i)any earn out obligation until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP and (ii)accounts payable and accrued expenses, liabilities or other obligations to pay the deferred purchase price of Property or services, from time to time incurred in the ordinary course of business which are not greater than ninety (90) days past due or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP);

(d) all obligations under Finance Leases;

(e) all obligations under Synthetic Leases;

(f) all Swap Obligations;

(g)all Debt (as defined in the other clauses of this definition) of others secured by (or for which the holder of such Debt has an existing right, contingent or otherwise, to be secured by) a Lien on any Property of such Person, whether or not such Debt is assumed by such Person, to the extent of the lesser of (i)the amount of such Debt and (ii) the fair market value (as determined by the Borrower in good faith) of the Property of such Person securing such Debt;

(h)all Debt (as defined in the other clauses of this definition) of others guaranteed by such Person or in which such Person otherwise assures a creditor against loss of the Debt (howsoever such assurance shall be made) to the extent of the lesser of the amount of such Debt and the maximum stated amount of such guarantee or assurance against loss;

(i)all obligations or undertakings of such Person to maintain or cause to be maintained the financial position or covenants of others and, to the extent entered into as a means of providing credit support for the obligations of others and not primarily to enable such Person to acquire any such Property, all obligations or undertakings of such Person to purchase the Debt or Property of others;

(j)obligations to deliver commodities, goods or services, including, without limitation, Hydrocarbons, in consideration of one or more advance payments, other than gas balancing arrangements in the ordinary course of business;

(k) obligations to pay for goods or services even if such goods or services are not actually received or utilized by such Person;

(l)any Debt of a partnership for which such Person is liable either by agreement, by operation of law or by a Governmental Requirement but only to the extent of such liability;

(m) Disqualified Capital Stock; and

(n) the undischarged balance of any production payment created by such Person or for the creation of which such Person directly or indirectly received payment;

provided that Debt shall not include any obligations described in clause (k)of this definition to the extent such obligations are in respect of Minimum Volume Contracts, firm transportation agreements, take or pay contracts or other similar arrangements in the ordinary course of business.

Except as explicitly set forth above, the Debt of any Person shall include all obligations of such Person of the character described above to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is not included as a liability of such Person under GAAP.

"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.

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"Defaulting Lender" means any Lender that (a)has failed, within two (2)Business Days of the date required to be funded or paid, to (i)fund any portion of its Loans, (ii)fund any portion of its participations in Letters of Credit or (iii)pay over to the Administrative Agent, any Issuing Bank or any other Lender 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 the Administrative Agent, any Issuing Bank or any other Lender 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 loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit; (c)has failed, within three (3)Business Days after request by the Administrative Agent or a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement; provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Administrative Agent's and such Credit Party's receipt of such certification in form and substance satisfactory to it and the Administrative Agent; or (d)has (or whose parent company has) become the subject of (i)a Bankruptcy Event or (ii)a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender 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 permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

"Deposit Account" shall have the meaning set forth in Article 9 of the UCC.

"Disqualified Capital Stock" means any Equity Interest that (a)by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event, matures or is mandatorily redeemable for any consideration other than other Equity Interests (which would not constitute Disqualified Capital Stock), pursuant to a sinking fund obligation or otherwise (except as a result of any change of control or asset sale so long as any rights of the holders of such Equity Interests upon the change of control or asset sale (including a condemnation or casualty event) shall be subject to the prior occurrence of Payment in Full), or is convertible or exchangeable for Debt or redeemable for any consideration other than other Equity Interests (which would not constitute Disqualified Capital Stock) at the option of the holder thereof (except as a result of any change of control or asset sale so long as any rights of the holders of such Equity Interests upon the change of control or asset sale shall be subject to the prior occurrence of Payment in Full), in whole or in part, on or prior to the date that is one year after the earlier of (i)the Final Maturity Date and (ii)Payment in Full, (b)provides for the scheduled payment of dividends in cash or other Property on or prior to the date that is one year after the earlier of (i)the Final Maturity Date and (ii)Payment in Full or (c)is or becomes convertible or exchangeable for Debt or any other Equity Interest that would constitute Disqualified Capital Stock; provided that any Equity Interests held by any future, present or former employee, director, manager or consultant of Holdings, the Borrower or any of its Restricted Subsidiaries or any other entity in which a Credit Party has an Investment and is designated in good faith as an "affiliate" by the board of directors or managers of the Borrower, in each case pursuant to any equity holders' agreement, management equity plan or stock incentive plan or any other compensation or employee benefit plan or agreement shall not constitute Disqualified Capital Stock solely because it may be repurchased or redeemed by Holdings, the Borrower or one of its Restricted Subsidiaries.

"Distributable Free Cash Flow" means, as of any time of determination following the first fiscal quarter for which financial statements have been delivered to the Administrative Agent following the Effective Date, an amount equal to:

(a)Free Cash Flow for the period starting on the later to occur of (x)the Effective Date and (y)the first day of the most recently ended Test Period and ending on the last day of the most recently ended Test Period, minus

(b) the difference (if positive) of

(i) the aggregate amount of the Free Cash Flow Utilizations that have occurred during such Test Period and through such time of determination minus

(ii)the aggregate amount of any Free Cash Flow Utilizations that occurred during such Test Period and which are attributable to Free Cash Flow generated during the four fiscal quarter period ending immediately prior to such Test Period.

"dollars" or "$" refers to lawful money of the United States of America.

"Domestic Subsidiary" means any Restricted Subsidiary that is organized under the laws of the United States of America or any state thereof or the District of Columbia.

"EBITDAX" means, for any period, the sum of Consolidated Net Income for such period plus the following expenses or charges to the extent deducted from Consolidated Net Income in such period: (a)Interest Expense, depreciation, depletion, amortization and exploration expenses (to the extent the Borrower adopts the successful efforts method of accounting), and all Taxes based on income, profits or capital, franchise and margin Taxes and other similar Taxes, including federal and state and local Taxes, foreign income and withholding Taxes, (b)other noncash charges and losses (provided that if any such noncash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from EBITDAX to such extent), (c)cash receipts (or any netting arrangements resulting in reduced cash expenditures) not representing EBITDAX or Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of EBITDAX or Consolidated Net Income for any previous period and not added back, (d)Transaction Costs with respect to Transactions occurring on the Effective Date, (e)the amount of any extraordinary or non-recurring gains or losses not already governed by clauses (a) through (d) above, minus all noncash income and gains to the extent added to Consolidated Net Income in such period; provided that if the Borrower or any Restricted Subsidiary shall acquire or dispose of any Property having a fair market value equal to 5.0% of the then effective Borrowing Base during such period, then Consolidated Net Income shall be calculated after giving pro forma effect to such acquisition or disposition, as if such acquisition or disposition had occurred on the first day of such period and if during such period a Subsidiary shall be designated as an Unrestricted Subsidiary or redesignated as a Restricted Subsidiary, EBITDAX shall be calculated after giving pro forma effect to such designation or redesignation, as if such designation or redesignation had occurred on the first day of such period. Notwithstanding the foregoing, EBITDAX shall be deemed to be $47,580,000, $72,321,000, $80,925,000 and $56,469,000, for the fiscal quarters ended June30, 2023, September30, 2023, December31, 2023 and March31, 2024, respectively.

"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 clause (a) or clause (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 6.01 are satisfied (or waived in accordance with Section 12.02).

"Elected Commitment" means, as to each Lender, the amount set forth opposite such Lender's name on Annex I under the caption "Elected Commitment", as the same may be increased, reduced or terminated from time to time in connection with an optional increase, reduction or termination of the Aggregate Elected Commitment Amounts pursuant to Section 2.06(c).

"Elected Commitment Increase Certificate" has the meaning given to such term in Section 2.06(c)(ii)(E).

"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.

"Engineering Reports" has the meaning assigned such term in Section 2.07(c)(i).

"Environmental Laws" means any and all Governmental Requirements pertaining to the protection of the environment or human health and safety (to the extent relating to exposure to Hazardous Materials), the preservation or reclamation of natural resources, or the generation, use, treatment, storage, management, transportation, Release or threatened Release of any Hazardous Materials, in effect in any and all jurisdictions in which the Borrower or any Subsidiary is conducting business, or where any Property of the Borrower or any Subsidiary is located, including, without limitation, the Oil Pollution Act of 1990, as amended, the Clean Air Act, as amended, the Comprehensive Environmental, Response, Compensation, and Liability Act of 1980 ("CERCLA"), as amended, the Federal Water Pollution Control Act, as amended, the Occupational Safety and Health Act of 1970, as amended, the Resource Conservation and Recovery Act of 1976 ("RCRA"), as amended, the Safe Drinking Water Act, as amended, the Toxic Substances Control Act, as amended, the Superfund Amendments and Reauthorization Act of 1986, as amended, and the Hazardous Materials Transportation Act, as amended, and any foreign, state, provincial or local counterparts or analogues.

"Environmental Permit" means any permit, registration, license, notice, approval, consent, exemption, waiver, variance, or other authorization required under, or issued to any Credit Party by any Governmental Authority 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 such Equity Interest.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, any successor statute thereto, and the rulesand regulations promulgated thereunder.

"ERISA Affiliate" means each trade or business (whether or not incorporated) which together with the Borrower or a Restricted Subsidiary would be deemed to be a "single employer" within the meaning of sections 414(b)or (c)of the Code or, solely for purposes of section 302 of ERISA or section 412 of the Code, is treated as a single employer under sections 414(m)or (o)of the Code. Any entity that qualified as an ERISA Affiliate on any date prior to the date hereof, shall continue to be an ERISA Affiliate, under this definition, for any period during which any of the Borrower or a Restricted Subsidiary could remain liable under the Code or ERISA on account of such prior ERISA Affiliate status.

"ERISA Event" means (a)the occurrence of a "Reportable Event" described in section 4043(c)of ERISA with respect to a Plan subject to Title IV of ERISA that is a single employer plan as defined in section 4001 of ERISA, other than a Reportable Event as to which the provisions of thirty (30) days' notice to the PBGC is expressly waived under applicable regulations, (b)the filing by the Borrower, a Restricted Subsidiary or any ERISA Affiliate 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, (c)the withdrawal of the Borrower, a Restricted Subsidiary or any ERISA Affiliate from a Plan during a plan year in which it was a "substantial employer" as defined in section 4001(a)(2)of ERISA or the incurrence by the Borrower, a Restricted Subsidiary or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal from any Plan, (d)a determination that a Plan is, or is expected to be, insolvent, or in "endangered" or "critical" status (within the meaning of sections 431 or 432 of the Code), (e)the filing of a notice of intent to terminate a Plan or the treatment of a Plan amendment as a termination under section 4041 of ERISA, (f)the institution of proceedings to terminate a Plan by the PBGC, (g)receipt by the Borrower, a Restricted Subsidiary or any ERISA Affiliate of a notice of withdrawal liability pursuant to section 4202 of ERISA, (h)the occurrence of any other event or condition which would reasonably be expected to constitute grounds under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan or (i)the assessment or imposition of any other liability under Title IV of ERISA.

"Erroneous Payment" has the meaning assigned to it in Section 11.12(a).

"Erroneous Payment Deficiency Assignment" has the meaning assigned to it in Section 11.12(d).

"Erroneous Payment Impacted Class" has the meaning assigned to it in Section 11.12(d).

"Erroneous Payment Return Deficiency" has the meaning assigned to it in Section 11.12(d).

"Erroneous Payment Subrogation Rights" has the meaning assigned to it in Section 11.12(d).

"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 10.01.

"Excepted Liens" means: (a)Liens for Taxes, assessments or other governmental charges or levies which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained on the books of the applicable Person in accordance with GAAP; (b)Liens in connection with workers' compensation, unemployment insurance or other social security, old age pension, public liability, or environmental, health or safety obligations which are not overdue by more than thirty (30) days or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP; (c)statutory landlord's liens, operators', vendors', carriers', warehousemen's, repairmen's, mechanics', suppliers', workers', materialmen's, construction or other like Liens, in each case, arising by operation of law in the ordinary course of business or incident to the exploration, development, operation and maintenance of Oil and Gas Properties each of which is in respect of obligations that are not overdue by more than thirty (30) days or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP; (d)contractual 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, division orders, contracts for the sale, transportation or exchange of oil and natural gas,

unitization and pooling declarations and agreements, area of mutual interest agreements, overriding royalty agreements, marketing agreements, processing agreements, net profits agreements, development 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 and are for claims which are not delinquent or which are being contested in good faith by appropriate action and for which adequate reserves have been maintained in accordance with GAAP, provided that any such Lien referred to in this clause (d)does not materially impair the use of the Property covered by such Lien for the purposes for which such Property is held by the Borrower or any Restricted Subsidiary or materially impair the value of such Property subject thereto; (e)Liens arising solely by virtue of any statutory or common law provision 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 the Borrower or any of its Restricted Subsidiaries to provide collateral to the depository institution; (f)easements, restrictions, servitudes, permits, conditions, covenants, exceptions or reservations in any Property of the Borrower or any Restricted Subsidiary 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 which in the aggregate do not materially impair the use of such Property for the purposes for which such Property is held by the Borrower or any Restricted Subsidiary or materially impair the value of such Property subject thereto; (g)Liens on cash or securities pledged to secure performance of tenders, surety and appeal bonds, government contracts, performance and return of money bonds, bids, trade contracts, leases, statutory obligations, regulatory obligations and other obligations of a like nature incurred in the ordinary course of business; (h)judgment and attachment Liens not giving rise to an Event of Default, provided that any appropriate legal proceedings which may have been duly initiated for the review of such judgment shall not have been finally terminated or the period within which such proceeding may be initiated shall not have expired and no action to enforce such Lien has been commenced; (i)encumbrances consisting of deed restrictions, zoning restrictions, and other similar restrictions on the use of Oil and Gas Properties, none of which, in the aggregate, materially impairs the use of such property by the Borrower or any Restricted Subsidiary in the operation of its business or materially detracts from the value of such properties, and none of which, in the aggregate, is or shall be violated in any material respect by existing proposed operations; (j)purported Liens evidenced by the filing of UCC financing statements solely as a precautionary measure in connection with operating leases of personal property; (k)Immaterial Title Deficiencies; and (1)Liens on cash earnest money deposited pursuant to the terms of an agreement to acquire assets used in, or Persons engaged in, the oil and gas business, as permitted by this Agreement; provided, further, that (i)Liens described in clauses (a) through (e)shall remain "Excepted Liens" only for so long as no action to enforce such Lien has been commenced (or if commenced, has been stayed) and no intention to subordinate the first priority Lien granted in favor of the Administrative Agent and the Secured Parties is to be hereby implied or expressed by the permitted existence of such Excepted Liens and (ii)the term "Excepted Liens" shall not include any Lien securing Debt for borrowed money other than the Obligations.

"Excess Cash" means, as of any date of determination, cash and Cash Equivalents of the Borrower and its Restricted Subsidiaries (other than Excluded Cash) in excess of $75,000,000.

"Excluded Accounts" means (a)Deposit Accounts the balance of which consists exclusively of (i)withheld Taxes and federal, state or local employment Taxes required to be paid to the IRS or state or local government agencies with respect to employees of Holdings, the Borrower or any Restricted Subsidiary and (ii)amounts required to be paid over to a Benefit Plan pursuant to DOL Reg. Sec. 2510.3 102 on behalf of or for the benefit of employees of the Borrower or any Restricted Subsidiary, (b)all segregated Deposit Accounts constituting (and the balance of which consists solely of funds set aside in connection with) payroll accounts, trust accounts, and accounts dedicated to the payment of accrued employee benefits, medical, dental and employee benefits claims to employees of Holdings, the Borrower or any Restricted Subsidiary, (c)trust and suspense accounts of Holdings, the Borrower and any Restricted Subsidiary holding royalty obligations owed to a person other than Holdings, the Borrower or a Restricted Subsidiary and (d) *de minimis* Deposit Accounts the balance of which is equal to or less than $1,000,000 for any individual accounts and $5,000,000 in the aggregate for all such accounts, in each case of the end of each day.

"Excluded Cash" means, at any time, (a)any cash set aside to pay royalty obligations, obligations to non-operating working interest owners, suspense payments, similar payments as are customary in the oil and gas industry, severance and ad valorem taxes, payroll, payroll taxes, other Taxes, and employee wage and benefit payment obligations of the Borrower or any Restricted Subsidiary then due and owing (or to be due and owing within five (5)Business Days) and for which the Borrower or such Restricted Subsidiary has issued checks or has initiated wires or ACH transfers or will issue checks or initiate wires or ACH transfers within five (5)Business Days in order to make such payments, (b)to the extent the payment of such amounts are not prohibited by this Agreement, other amounts in respect of which the Borrower or any Restricted Subsidiary has issued checks or has initiated wires or ACH transfers to Persons that are not Affiliates of a Credit Party but that have not yet been subtracted from the balance in the relevant account of the Borrower or any Restricted Subsidiary, (c)any cash of the Borrower and its Restricted Subsidiaries constituting pledges and/or deposits securing any binding and enforceable purchase and sale agreement with any Persons who are not Affiliates of the Borrower or any Restricted Subsidiary, in each case to the extent permitted by this Agreement, (d) cash or Cash Equivalents of any Credit Party to be used by any Credit Party within five (5) Business Days to pay the purchase price for any acquisition of any assets or property by such Credit Party pursuant to an executed and binding agreement between such Credit Party and a third-party seller that is not an Affiliate of the Borrower or any Restricted Subsidiary, (e)cash deposited with an Issuing Bank to cash collateralize Letters of Credit in accordance with Section2.08(j) and (f)any cash or Cash Equivalents subject to a Lien pursuant to clause (g) of the definition of "Excepted Liens".

"Excluded Property" means (a)any motor vehicles, rolling stock or other assets in which a lien can only be perfected by action with respect to a certificate of title (except to the extent the security interest in such assets can be perfected by the filing of an "all assets" UCC-1 financing statement); (b)any assets to the extent that, and only for so long as, the granting of security interests in such assets would be prohibited by an enforceable contractual obligation binding on the assets that existed at the time of the acquisition thereof and was not created or made binding on the assets in contemplation or in connection with the acquisition of such assets, applicable law or regulation (in each case, except to the extent such prohibition (i)could be waived by the Borrower, any other Credit Party, any Restricted Subsidiary or any Affiliate of any of the foregoing, (ii)is the result of an attempt to circumvent the collateral requirements of the Loan Documents or (iii)is unenforceable after giving effect to all applicable provisions of the UCC or any other applicable Governmental Requirement, other than proceeds thereof, the assignment of which is expressly deemed effective under the UCC notwithstanding such prohibitions) or to the extent that such security interests would require obtaining the consent of any Governmental Authority with jurisdiction over such property or assets; provided that, immediately upon the ineffectiveness, waiver, lapse or termination of any such provision, the Collateral shall include, and such Credit Party shall be deemed to have granted a security interest in, all such rights and interests as if such provision had never been in effect; (c)margin stock and, to the extent prohibited by the terms of any applicable organizational documents, joint venture agreement or shareholders' agreement with an unaffiliated third parties, equity interests in any person other than Wholly-Owned Subsidiaries or Restricted Subsidiaries (but only for so long as such restriction, or any replacement or renewal thereof, is in effect and was not entered into in contemplation of such property becoming Excluded Property); (d)any Trademark application filed in the United States Patent and Trademark Office on the basis of the Borrower or any Restricted Subsidiary's intent-to-use such trademark prior to the filing of a "Statement of Use" pursuant to Section1(d)of the Lanham Act or an "Amendment to Allege Use" pursuant to Section1(c)of the Lanham Act with respect thereto, to the extent, and only for so long as, the granting by the Borrower or any Restricted Subsidiary of a security interest therein would result in the loss by the Borrower or any Restricted Subsidiary of any material rights therein, or impair the validity or enforceability of any registration that issues therefrom under applicable federal law; (e)any contract, license, agreement, instrument or other document (or any items of property, subject thereto) to the extent that, and only for so long as, the grant of a security interest therein is prohibited thereby, or constitutes a default thereunder (other than to the extent that the term in such contract, license, agreement, instrument or other document providing for such termination or default is ineffective under Sections 9-406, 9-407, 9-408 or 9-409 of the UCC or any successor provision or provisions of any relevant jurisdiction or any other applicable law or regulation or principles of equity); provided that, immediately upon the ineffectiveness, waiver, lapse or termination of any such provision, the Collateral shall include, and the Borrower and any Restricted Subsidiary shall be deemed to have granted

a security interest in, all such rights and interests as if such provision had never been in effect; (f)any equipment or other asset owned by the Borrower or any Restricted Subsidiary that is subject to a purchase money lien or a Finance Lease, in each case, as permitted under the Loan Documents, if the contract or other agreement in which such Lien is granted (or the documentation providing for such Finance Lease) prohibits or requires the consent of any Person other than Holdings, the Borrower, the Restricted Subsidiaries or any Affiliate of the foregoing as a condition to the creation of any other security interest on such equipment or asset, such consent has not been obtained, and, in each case, such prohibition or requirement is permitted by the Loan Documents; (g)any Letter-of-Credit Rights (other than to the extent a Lien thereon can be perfected by filing an "all assets" UCC-1 or automatically as a supporting obligation for other collateral required to be perfected under the Loan Documents); (h)those assets as to which the Administrative Agent and the Borrower reasonably determine in writing that the cost of obtaining such a security interest or perfection thereof are excessive in relation to the benefit to the Secured Parties of the security to be afforded thereby; (i)Equity Interests in any CFC or FSHCO representing in excess of 65% of the voting Equity Interests in such CFC or FSHCO; (j)any assets located outside of the United States to the extent that such assets require action under the law of any non-U.S. jurisdiction to create or perfect a security interest in such assets under such non-U.S. jurisdiction, including any intellectual property registered in any non-U.S. jurisdiction; and (k)any Building or Manufactured (Mobile) Home; provided that "Excluded Property" shall, in the case of clauses (b) and (d) of this definition, not be construed to limit, impair or otherwise affect the Administrative Agent's continuing security interests in the Borrower or any Restricted Subsidiary's rights to or interests of the Borrower or any Restricted Subsidiary in (x)monies due or to become due under any such contract, license, agreement, instrument or other document (to the extent not prohibited by such contract, license, agreement, instrument or other document and applicable law), or (y)any proceeds from the sale, license, lease or other disposition of any such contract, license, agreement, instrument or other document, in each case, unless such monies or proceeds would constitute Excluded Property.

Notwithstanding the foregoing, Excluded Property shall not include, and therefore the Collateral shall include (i)any right to receive proceeds from the sale or other disposition of Excluded Property, (ii)any Proceeds, products, substitutes or replacements of any Excluded Property (unless such Proceeds, products, substitutes or replacements independently constitute Excluded Property), (iii)real property, including Hydrocarbon Interests except those assets as to which the Required Lenders and the Borrower reasonably determine that the cost of obtaining such a security interest or perfection thereof are excessive in relation to the benefit to the Lenders of the security to be afforded thereby, (iv)all equity interests in Subsidiaries of Holdings, the Borrower or its Restricted Subsidiaries (other than margin stock), (v)the right to any distributions (whether periodic or in liquidation or dissolution) with respect to any Equity Interests, (vi)Hydrocarbons, (vii)as-extracted collateral, (viii)fixtures and (xi)all rights of the Borrower and its Restricted Subsidiaries under (A) any oil and gas leases or (B) any agreement between such Borrower or its Restricted Subsidiaries and any Affiliate thereof.

"Excluded Swap Obligation" means, with respect to any Credit Party individually determined on a Credit Party by Credit Party basis, any Debt in respect of any Swap Agreement if, and solely to the extent that, all or a portion of the guarantee by such Credit Party of, or the grant by such Credit Party of a security interest or other Lien to secure, such Debt in respect of any Swap Agreement (or any guarantee thereof) is or becomes illegal under, the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the application or official interpretation of any thereof) by virtue of such Credit Party's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act at the time such guarantee or grant of a security interest or other Lien becomes effective with respect to such related Debt in respect of any Swap Agreement. If any Debt in respect of any Swap Agreement arises under a master agreement governing more than one swap, such exclusion shall apply only to the portion of such Debt in respect of any Swap Agreement that is attributable to swaps for which such guarantee or security interest or other Lien is or becomes illegal.

"Excluded Taxes" means, any of the following Taxes imposed on or with respect to the Administrative Agent, any Lender, or any Issuing Bank, as applicable (each, 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, applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii)that are Other Connection Taxes, (b)in the case of a Lender, any U.S. federal withholding Taxes that are imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (1)such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 5.04(b)) or (2)such Lender changes its lending office, except in each case to the extent that, pursuant to Section 5.03, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 5.03(f), and (d) any withholding Taxes imposed by FATCA.

"Existing Credit Facilities" means the Credit Agreement dated as of June16, 2022 among Holdings, as borrower, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch, as administrative agent, as amended, restated or otherwise modified from time to time, the Credit Agreement dated as of August24, 2022, among Holdings, as borrower, the lenders party thereto and Bangkok Bank Public Company Limited, New York Branch, as administrative agent, as amended, restated or otherwise modified from time to time, and the Facility Letter dated as of February7, 2022 among Holdings, as borrower, and Standard Chartered Bank as lender, as amended, restated or otherwise modified from time to time.

"Existing Letters of Credit" means those certain letters of credit set forth on Schedule 1.01 hereto.

"FATCA" means Sections 1471 through 1474 of the Code, as of the Effective Date (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, any agreements entered into pursuant to Section1471(b)(1)of the Code and any fiscal or regulatory legislation, rulesor practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"FCPA" means the Foreign Corrupt Practices Act of 1977, as amended.

"Federal Funds Rate" means, for any day, the greater of (a)the rate calculated by the NYFRB based on such day's federal funds transactions by depositary institutions (as determined in such manner as the NYFRB shall set forth on its public website from time to time) and published on the next succeeding Business Day by the NYFRB as the federal funds effective rate and (b) zero percent (0.00%).

"Fee Letters" means (a)that certain Fee Letter dated as of May20, 2024, by and among the Holdings and Citigroup Global Markets Inc. and (b)any other fee letters that may be entered into from time to time between the Borrower and the Administrative Agent and/or any Arranger.

"Final Maturity Date" means June 12, 2028.

"Finance Leases" means, in respect of any Person, all leases which shall have been, or should have been, in accordance with GAAP, recorded as finance leases on the balance sheet of the Person liable (whether contingent or otherwise) for the payment of rent thereunder.

"Financial Officer" means, for any Person, the president, any vice president, chief financial officer, chief accounting officer, principal accounting officer or treasurer of such Person. Unless otherwise specified, all references herein to a Financial Officer mean a Financial Officer of the Borrower.

"Flood Insurance Regulations" means (a)the National Flood Insurance Act of 1968 as now or hereafter in effect or any successor statute thereto, (b)the Flood Disaster Protection Act of 1973 as now or hereafter in effect or any successor statute thereto, (c)the National Flood Insurance Reform Act of 1994 (amending 42 USC § 4001, et seq.), as the same may be amended or recodified from time to time or any successor statute thereto, (d)the Flood Insurance Reform Act of 2004 as now or hereafter in effect or any successor statute thereto, and (e)the Biggert-Waters Flood Insurance Reform Act of 2012, as now or hereafter in effect or any successor statute thereto, together with all statutory and regulatory provisions consolidating, amending, replacing, supplementing, implementing or interpreting any of the foregoing, as amended or modified from time to time.

"Floor" means a rate of interest equal to 0.00%.

"Foreign Lender" means any Lender that is not a U.S. Person.

"Foreign Subsidiary" means any Restricted Subsidiary that is not a Domestic Subsidiary.

"Free Cash Flow" means, for any Test Period, to the extent generated after the Effective Date, EBITDAX of the Borrower and its Consolidated Restricted Subsidiaries for such Test Period minus the increase (or plus the decrease) in working capital from the previous Test Period as would be shown in the cash flow from operating activities section of the Borrower's statement of cash flows prepared using the indirect method in accordance with GAAP for such Test Period minus the sum, in each case without duplication, of the following amounts for such period:

(a)voluntary, mandatory and scheduled cash prepayments and repayments of any outstanding principal of Debt for borrowed money of the Borrower and the Consolidated Group (other than the Loans) which cannot be reborrowed pursuant to the terms of such Debt (other than any Free Cash Flow Utilization pursuant to clause (c)of the definition of "Free Cash Flow Utilization"), (excluding such payments financed by any issuance or incurrence of Debt, debt securities or other similar debt instruments (in each case other than proceeds of the Loans),

(b)capital expenditures made in cash, (excluding such capital expenditures financed by any issuance or incurrence of Debt, debt securities or other similar debt instruments (in each case other than proceeds of the Loans)),

(c) Interest Expense paid in cash minus cash interest income,

(d) Taxes paid in cash,

(e) exploration expenses or costs paid in cash,

(f) Investments made in cash (other than any Free Cash Flow Utilization pursuant to clause (a) of the definition of "Free Cash Flow Utilization"),

(g) Restricted Payments made in cash (other than any Free Cash Flow Utilization pursuant to clause (b) of the definition of "Free Cash Flow Utilization"), and

(h)to the extent not included in the foregoing and added back in the definition of EBITDAX, any other cash charge that reduces the earnings of the Borrower and its Consolidated Restricted Subsidiaries.

"Free Cash Flow Utilizations" means each of the following: (a)any Investment made pursuant to Section 9.05(g)(i), (b)any Restricted Payment made pursuant to Section 9.04(a)(iv)(A) and (c) any Redemption made pursuant to Section 9.04(b)(i)(D)(1).

"FSHCO" means a Subsidiary that owns (directly or indirectly) no material assets other than Equity Interests (or Equity Interests and debt interests) of one or more CFCs and/or other FSHCOs.

"GAAP" means generally accepted accounting principles in the United States of America as in effect from time to time subject to the terms and conditions set forth in Section 1.05.

"Governmental Authority" means the government of the United States of America, any other nation (including any tribal nation) or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, commission, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supranational 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 and Collateral Agreement" means a Guarantee and Collateral Agreement among each Credit Party and the Administrative Agent in substantially the form of Exhibit F unconditionally guarantying, on a joint and several basis, payment of the Obligations and granting Liens and security interests in the Equity Interests in the Restricted Subsidiaries owned by such Credit Parties and the Credit Parties' other personal property constituting Collateral (as defined therein) in favor of the Administrative Agent for the benefit of the Secured Parties to secure the Obligations.

"Guarantors" means (a)the Borrower, (b)Holdings and (c)each Material Subsidiary or other Domestic Subsidiary that guarantees the Obligations pursuant to Section 8.13(b).

"Hazardous Material" means (a)any chemical, compound, material, product, byproduct, substance or waste defined as or included in the definition or meaning of "hazardous substance," "hazardous material," "hazardous waste," "solid waste," "toxic waste," "extremely hazardous substance," "toxic substance," "contaminant," "pollutant," or words of similar meaning, import or regulatory effect found in, or for which liability or standards of conduct may be imposed pursuant to, any Environmental Law; (b)Hydrocarbons, petroleum products, petroleum substances, natural gas, oil, oil and gas waste, crude oil, and any components, fractions, or derivatives thereof; and (c)radioactive materials, explosives, asbestos or asbestos containing materials, polychlorinated biphenyls, per- and polyfluoroalkyl substances, radon, infectious or regulated medical wastes.

"Highest Lawful Rate" means, with respect to each Lender, the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the Loans or on other Obligations under laws applicable to such Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws allow as of the date hereof.

"Holdings" has the meaning set forth in the introductory paragraph hereto.

"Holdings Intercompany Debt" means the indebtedness, payables or other obligations, incurred by Holdings, pursuant to that certain Amended and Restated Loan Agreement, dated as of June 15, 2022, by and between Banpu North America Corporation, as lender and BKV Corporation, as borrower.

"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, mineral fee interests, overriding royalty and royalty interests, net profit interests and production payment interests, including any reserved or residual interests of whatever nature.

"Hydrocarbons" means oil, gas, casinghead gas, drip gasoline, natural gasoline, condensate, distillate, liquid hydrocarbons, gaseous hydrocarbons and all products refined or separated therefrom.

"Immaterial Subsidiary" shall mean any Subsidiary that is not a Material Subsidiary.

"Immaterial Title Deficiencies" shall mean, with respect to Oil and Gas Properties, defects or clouds on title, discrepancies in reported net revenue and working interest ownership percentage and other Liens, defects, discrepancies and similar matters which do not, individually or in the aggregate, affect Oil and Gas Properties with a present value greater than five percent (5.0%) of the present value of all Oil and Gas Properties.

"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 Credit Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitee" shall have the meaning assigned to such term in Section 12.03(b).

"Information" shall have the meaning assigned to such term in Section 12.11.

"Initial Reserve Report" means the Reserve Report prepared by Ryder Scott Company, L.P. as of January 1, 2024.

"Interest Election Request" means a request by the Borrower to convert or continue a Borrowing in accordance withSection 2.04, which shall be substantially in the form of Exhibit C or any other form approved by the Administrative Agent.

"Interest Expense" means, for any period, the sum (determined without duplication) of the aggregate gross interest expense of the Borrower and its Consolidated Restricted Subsidiaries for such period, including to the extent included in interest expense under GAAP: (a)amortization of debt discount, (b)capitalized interest and (c)the portion of any payments or accruals under Finance Leases allocable to interest expense, plus the portion of any payments or accruals under Synthetic Leases allocable to interest expense whether or not the same constitutes interest expense under GAAP.

"Interest Payment Date" means (a)with respect to any ABR Loan, the last day of each March, June, Septemberand Decemberand the Termination Date and (b)with respect to any SOFR Loan, the last day of each Interest Period therefor and, in the case of any Interest Period of more than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period and the Termination Date.

"Interest Period" means, as to any SOFR Loan or Borrowing, the period commencing on the date of such Loan or Borrowing and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter (in each case, subject to the availability thereof), as specified in the applicable Borrowing Request or Interest Election Request; provided that (a)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, (b)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, (c)no Interest Period shall extend beyond the Maturity Date and (d)no tenor that has been removed from this definition pursuant to Section 3.03 shall be available for specification in such Borrowing Request or Interest Election Request. For purposes hereof, the date of a Loan or Borrowing initially shall be the date on which such Loan or Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Loan or Borrowing.

"Interim Redetermination" has the meaning assigned such term in Section 2.07(b).

"Interim Redetermination Date" means the date on which a Borrowing Base that has been redetermined pursuant to an Interim Redetermination becomes effective as provided in Section 2.07(d).

"Internal Petroleum Engineer" means the Corporate Reserves Lead of the Borrower or another officer of the Borrower reasonably acceptable to the Administrative Agent.

"Investment" means, for any Person: (a)the acquisition (whether for cash, Property, services or securities or otherwise) of Equity Interests in any other Person (including, without limitation, any "short sale" or any sale of any securities at a time when such securities are not owned by the Person entering into such short sale); (b)the making of any deposit with, or advance, loan or capital contribution to, assumption of Debt of, purchase or other acquisition of any other Debt or equity participation or interest in, or other extension of credit to, any other Person (including the purchase of Property from another Person subject to an understanding or agreement, contingent or otherwise, to resell such Property to such Person, but excluding any such advance, loan or extension of credit having a term not exceeding ninety (90) days representing the purchase price of inventory or supplies sold by such Person in the ordinary course of business); (c)the purchase or acquisition (in one or a series of transactions) of Property (other than Equity Interests) of another Person that constitutes a business unit; or (d)the entering into of any guarantee of, or other contingent obligation (including the deposit of any Equity Interests to be sold) with respect to, any Debt or other liability of any other Person and (without duplication) any amount committed to be advanced, lent or extended to such Person.

"IRS" means the United States Internal Revenue Service.

"Issuing Banks" means each of Citi, Barclays Bank PLC and any other Lender that agrees in writing with the Borrower and the Administrative Agent to issue Letters of Credit under this Agreement, in each case in their capacity as the issuer of Letters of Credit hereunder, and any successors in such capacity as provided in Section 2.08(i). Any Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"LC Commitment" means, at any time, the lesser of (a) the Loan Limit in effect at such time and (b) $50,000,000.

"LC Disbursement" means a payment made by an Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a)the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b)the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

"LC Issuance Limit" means, with respect to each Issuing Bank, the amount set forth on Annex II opposite such Issuing Bank's name.

"Lender Parent" means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

"Lender-Related Person" has the meaning assigned such term in Section 12.03(d).

"Lenders" means the Persons listed on Annex I, any Person that shall have become a party hereto pursuant to an Assignment and Assumption or any amendment or modification to this Agreement and any Person that shall have become a party hereto as an Additional Lender pursuant to Section 2.06(c), in each case other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"Letter of Credit" means any standby letter of credit issued pursuant to this Agreement.

"Letter of Credit Agreements" means all letter of credit applications and other agreements (including any amendments, modifications or supplements thereto) submitted by the Borrower, or entered into by the Borrower, with the Issuing Banks relating to any Letter of Credit.

"Liabilities" means any losses, claims (including intraparty claims), demands, damages or liabilities of any kind.

"Lien" means any interest in Property securing an obligation owed to, or a claim by, a Person other than the owner of the Property, whether such interest is based on the common law, statute or contract, and whether such obligation or claim is fixed or contingent, and including but not limited to (a)the lien or security interest arising from a deed of trust, mortgage, encumbrance, pledge, security agreement, conditional sale or trust receipt or a lease, consignment or bailment for security purposes or (b)production payments and the like payable out of Oil and Gas Properties. The term "Lien" shall include easements, restrictions, dedications, servitudes, permits, conditions, covenants, exceptions or reservations. For the purposes of this Agreement, the Borrower and its Restricted Subsidiaries shall be deemed to be the owner of any Property which it has acquired or holds subject to a conditional sale agreement, or leases under a financing lease or other arrangement pursuant to which title to the Property has been retained by or vested in some other Person in a transaction intended to create a financing.

"Liquidity" means, as of any date, Unrestricted Cash *plus* the Loan Limit then in effect *less* the total Revolving Credit Exposures.

"Loan Documents" means this Agreement, the Fee Letters, the Notes, the Letter of Credit Agreements, the Letters of Credit, the Security Instruments and any other agreement or document executed by a Credit Party in favor of the Administrative Agent, Collateral Agent and/or one or more Lenders in connection with any of the foregoing, or which has been designated by the Borrower and the Administrative Agent as a "Loan Document".

"Loan Limit" means the least of (a)the Aggregate Maximum Credit Amount, (b)the then effective Borrowing Base and (c)the Aggregate Elected Commitment Amounts at such time.

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Majority Lenders" means, (a)if there are less than three Lenders at such time, all Lenders, and (b)if there are three or more Lenders at such time, (i)at any time while no Loans or LC Exposure is outstanding, Lenders having greater than fifty percent (50%) of the Aggregate Maximum Credit Amounts; and (ii)at any time while any Loans or LC Exposure is outstanding, Lenders holding greater than fifty percent (50%) of the Revolving Credit Exposure (without regard to any sale by a Lender of a participation in any Loan under Section 12.04(c)); provided that the Maximum Credit Amounts and the Revolving Credit Exposure of the Defaulting Lenders (if any) shall be excluded from the determination of Majority Lenders; provided further that a Lender and any Affiliates of such Lender that are also Lenders shall be treated as a single Lender for the purposes of clause (a) of this definition.

"Manufactured (Mobile) Home" shall have the meaning assigned to such term in the applicable Flood Insurance Regulation.

"Material Adverse Effect" means an event, circumstance or condition that has had, or would reasonably be expected to have, a material adverse change in, or material adverse effect on (a)the business, operations, assets, Property, liabilities (actual or contingent) or financial condition of the Borrower and the Restricted Subsidiaries taken as a whole, (b)the ability of the Credit Parties, taken as a whole, to perform their payment obligations under any Loan Document, (c)the validity or enforceability of any Loan Document or (d) the rights and remedies of the Administrative Agent, any other Agent, the Issuing Banks or any Lender under any Loan Document.

"Material Debt" means (a)any Specified Additional Debt, (b)the Holdings Intercompany Debt and (c)any other Debt (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of Holdings, the Borrower and its Restricted Subsidiaries in an aggregate principal amount exceeding $25,000,000. For purposes of determining Material Debt, the "principal amount" of the obligations of the Borrower or any Restricted Subsidiary in respect of any Swap Agreement at any time shall be the Swap Termination Value of such Swap Agreement.

"Material Subsidiary" means, as of any date, any Restricted Subsidiary that (a)is a Wholly-Owned Subsidiary or (b)(i)is not a Wholly-Owned Subsidiary and (ii)together with its subsidiaries, owns Property having a fair market value of $5,000,000 or more, (c)becomes a guarantor or an obligor under any Specified Additional Debt, (d)otherwise is or becomes a Guarantor pursuant to Section 8.13 or (e)owns Oil and Gas Properties. In no event shall the aggregate fair market value of all Property owned by all Restricted Subsidiaries that are not Material Subsidiaries exceed $10,000,000.

"Maturity Date" means the Springing Maturity Date unless at any time prior to the Springing Maturity Date, the unpaid principal balance of the Holdings Intercompany Debt has been reduced to an amount equal to or less than $50,000,000, in which event the Maturity Date shall be the Final Maturity Date.

"Maximum Credit Amount" means, as to each Lender, the amount set forth opposite such Lender's name on Annex I under the caption "Maximum Credit Amounts",

as the same may be (a)reduced or terminated from time to time in connection with a reduction or termination of the Aggregate Maximum Credit Amounts pursuant to Section 2.06(b), (b)modified from time to time pursuant to Section 2.06(c)or (c)increased, created or modified from time to time pursuant to any assignment permitted by Section 12.04(b) or amendment or other modification to this Agreement.

"Midstream Assets" means Property used in connection with the following activities: ownership, operation, maintenance, expansion, construction, commissioning and decommissioning of, and acquisition of, natural gas, oil, condensate, and water conditioning, treating, processing, and, as applicable, compression facilities, gathering systems and pipelines, marketing of capacity on such gathering systems and pipelines, buying and selling natural gas, oil, condensate, and water in connection therewith, the provision of compression services in connection therewith, and all other acts or activities incidental or related to any of the foregoing.

"Minimum Volume Contract" means any contract or analogous arrangement containing a "take-or-pay", "ship-or-pay", purchase and sale agreement, advance payment, prepayment or similar provision that (a)contains a commitment by the Borrower or any of the Restricted Subsidiaries to a minimum capacity in a gathering system, pipeline, processing, compression, treatment, disposal or other midstream, downstream, transportation or similar facility or otherwise guarantees a fixed fee or minimum thru-put volume, minimum revenue or minimum return in respect of a marketing or purchase and sale arrangement or a gathering system, pipeline, processing, compression treatment, disposal or other midstream, downstream, transportation or similar facility or arrangement or the capital utilized to construct or acquire any of the foregoing, (b)includes an agreement by such Person to pay for such commitment regardless of whether such capacity or thru-put is actually utilized or otherwise pay for such fixed fee or guaranteed amount irrespective of the utilization of facilities or volumes provided for sale under a purchase and sale arrangement or similar marketing arrangement and (c) is not cancellable or terminable on less than six (6) months' notice.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto that is a nationally recognized rating agency.

"Mortgaged Property" means any Property owned by any Credit Party which is subject to the Liens existing and to exist under the terms of the Mortgages.

"Mortgages" means all mortgages, deeds of trust and similar documents, instruments and agreements creating, evidencing, perfecting or otherwise establishing the Liens on Mortgaged Property to secure payment of the Obligations or any part thereof, in each case, in form and substance reasonably acceptable to the Administrative Agent.

"MVC Obligations" means the obligation of the Borrower or any Restricted Subsidiary to perform and/or pay for services under a Minimum Volume Contract.

"Net Leverage Ratio" means, as of any date of determination, the ratio of (a)(i)Total Debt as of such date minus (ii)Unrestricted Cash as of such date in an amount not to exceed $50,000,000 to (b) EBITDAX for the Rolling Period then ending.

"Net Proceeds" means the aggregate cash proceeds actually received by a the Borrower or a Subsidiary Guarantor in respect of any issuance or sale of Equity Interests, any issuance or incurrence of Debt, debt securities or other instruments, any sale, lease, conveyance, disposition or other transfer of Property (including any cash subsequently received upon the sale or other disposition or collection of any non-cash consideration received in any sale), any Swap Liquidation, or Casualty Event, net of (a)the direct costs relating to such event (including legal, accounting and investment banking fees, and sales commissions paid to unaffiliated third parties), (b)Taxes paid or payable as a result thereof, including Permitted Tax Distributions arising as a result thereof and (c)the principal amount of, and accrued and unpaid interest and premiums on, Debt (other than the Obligations) which is secured by a Lien upon any of the assets being sold and which must mandatorily be repaid as a result of such sale.

"New Borrowing Base Notice" has the meaning assigned such term in Section 2.07(d).

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver, amendment or increase to the Borrowing Base that (a)requires the approval of all affected Lenders or all Lenders in accordance with the terms of Section 12.02 and (b) has been approved by the Required Lenders.

"Notes" means the promissory notes of the Borrower described inSection 2.02(d)and being substantially in the form of Exhibit A, together with all amendments, modifications, replacements, extensions and rearrangements thereof.

"NYFRB" means the Federal Reserve Bank of New York.

"Obligations" means any and all amounts owing or to be owing (including any Erroneous Payment Subrogation Rights) by any Credit Party or any Restricted Subsidiary (whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising): (a)to any Agent, any Issuing Bank or any Lender under any Loan Document, including, without limitation, all interest on any of the Loans (including any interest at the post-default rate pursuant to Section 3.02(c) and any interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of any Credit Party or a Restricted Subsidiary (or could accrue but for the operation of applicable bankruptcy or insolvency laws), whether or not such interest is allowed or allowable as a claim in any such case, proceeding or other action); (b)to any Secured Swap Provider under any Swap Agreement including any Swap Agreement in existence prior to the Effective Date, but excluding any additional transactions or confirmations entered into (i) after such Secured Swap Provider ceases to be a Lender or an Affiliate of a Lender or (ii)after assignment by a Secured Swap Provider to another Person that is not a Lender or an Affiliate of a Lender; (c)to any Bank Products Provider in respect of Bank Products; and (d)all renewals, extensions and/or rearrangements of any of the above; provided that solely with respect to any Credit Party or any Restricted Subsidiary that is not an "eligible contract participant" under the Commodity Exchange Act, Excluded Swap Obligations of such Credit Party or Restricted Subsidiary shall in any event be excluded from "Obligations" owing by such Credit Party or Restricted Subsidiary.

"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 agreements, communitization agreements, pooling agreements and declarations of pooled units and the units created thereby (including without limitation all units created under orders, regulations and rulesof any Governmental Authority) which may affect all or any portion of the Hydrocarbon Interests; (d)all operating agreements, contracts and other agreements, including production sharing contracts and agreements, productions sales agreements, farmout agreements, farm in agreements, area of mutual interest dedications, equipment leases and other agreements, which relate to any of the Hydrocarbon Interests or to the production, sale, purchase, exchange, processing, handling, storage, transporting or marketing of any Hydrocarbons from or attributable to such Hydrocarbon Interests; (e)all Hydrocarbons in and under and which may be produced and saved or attributable to the Hydrocarbon Interests, including all oil in tanks, and all rents, issues, profits, proceeds, products, revenues and other incomes from or attributable to the Hydrocarbon Interests; (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 described or referred to above, including any and all Property, real or personal, immovable or moveable, now owned or hereinafter acquired and situated upon, used, held for use or useful in connection with 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) and including any and all Midstream Assets, wellbores, oil wells, gas wells, injection wells, disposal wells or other wells, structures, fuel separators, liquid extraction plants, plant compressors, pumps, pumping units, pipelines, gathering systems, field gathering systems, sales and flow lines, water disposal systems, 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 by the Borrower and its Restricted Subsidiaries, as the context requires.

"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 Loan or Loan Document).

"Other Taxes" means any and all present or future stamp, court or documentary, intangible, recording, filing or other similar Taxes arising from any payment made hereunder or from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, this Agreement and any other 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 5.04(b)).

"Parent Entity" means any Person, including Holdings, that is a direct or indirect parent company (which may be organized as a partnership) of Holdings or the Borrower, as applicable.

"Participant" has the meaning set forth in Section 12.04(c)(i).

"Participant Register" has the meaning set forth in Section 12.04(c)(i).

"Payment in Full" means (a)the Commitments have expired or been terminated, (b)the principal of and interest on each Loan and all fees payable hereunder and all other amounts payable under the Loan Documents shall have been paid in full in cash (other than contingent indemnification obligations as to which no claim has been made), (c)all Letters of Credit shall have expired or terminated (or are cash collateralized or otherwise arrangements in respect of which have been made to the satisfaction of the applicable Issuing Bank) and all LC Disbursements shall have been reimbursed, (d)all Secured Swap Agreements have expired or terminated and all amounts then due and owing under Secured Swap Agreements shall have been paid in full in cash (or, to the extent that any such Secured Swap Agreement is intended to or would remain outstanding following Payment in Full, such Secured Swap Agreement is cash collateralized or otherwise arrangements in respect of which shall have been made, in each case, to the satisfaction of the applicable Secured Swap Provider) and (e)all amounts then due and owing under Bank Products owing to a Bank Products Provider shall have been paid in full in cash (or otherwise arrangements in respect of which have been made to the satisfaction of the applicable Bank Products Provider).

"Payment Recipient" has the meaning assigned to it in Section 11.12(a).

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereto.

"Permitted Holders" means the Sponsor and its controlled affiliates excluding portfolio and operating companies.

"Permitted Refinancing Debt" means any Debt (for purposes of this definition, "New Debt") issued or incurred for any refinancing or replacement of any other Debt (the "Refinanced Debt") that complies with all of the following requirements:

(a)such New Debt is in an aggregate principal amount not in excess of the sum of (i)the aggregate principal of (or accreted value, if applicable), plus accrued interest on, the amount then outstanding of the Refinanced Debt and (ii)an amount necessary to pay any fees and expenses, including premiums, related to such exchange or refinancing;

(b)such New Debt does not (i)have a stated maturity date prior to the later of (A)the stated maturity date of the Refinanced Debt and (B)one year after the Final Maturity Date, (ii)have a weighted average life to maturity that is shorter than the weighted average life to maturity of the Refinanced Debt, (iii)have any scheduled principal amortization prior to the date that is one year after the Final Maturity Date, or (iv)contain any mandatory prepayment or redemption provisions providing for payments prior to one year after the Final Maturity Date (other than (A)customary change of control offer provisions and (B)asset sale, casualty and condemnation event provisions, to the extent (i)such provisions in this clause (B) first permit, at the option of the Borrower, Payment in Full (or permit at the option of the Borrower the Net Proceeds to be applied first to the prepayment of the Obligations)) prior to the prepayment of any such Debt and only require such prepayments of such Debt to be made to the extent such prepayments are expressly permitted to be made pursuant to the terms of this Agreement;

(c) no Person other than a Guarantor or a Person who becomes a Guarantor in connection therewith is an obligor under such New Debt;

(d)the covenants, guarantees and events of default contained in the documentation governing such New Debt (i)do not include financial maintenance covenants and (ii)are, taken as a whole, not materially more restrictive to the Borrower and the Restricted Subsidiaries than the corresponding terms of this Agreement (as in effect at the time of such issuance or incurrence), unless, in connection with this clause (ii), the Borrower offers to amend this Agreement to incorporate such more restrictive covenants, guarantees and events of default (and executes an amendment giving effect to such terms);

(e) such New Debt (and any guarantees thereof) is subordinated in right of payment and in priority of liens to the Obligations to at least the same extent (if any) as the Refinanced Debt was and shall be unsecured if the Refinanced Debt was; and

(f) the terms of such New Debt do not prohibit the prepayment or repayment of the Obligations.

"Permitted Tax Distribution" means the payment of any dividend or distribution to a Parent Entity (a) in the amount of any franchise Taxes and other Taxes required to maintain its (or any of its direct or indirect parents') corporate existence; and (b)so long as the Borrower is treated as a pass-through or disregarded entity for U.S. federal income tax purposes, (i)on a quarterly basis prior to the due date for federal estimated tax payments under Section6654(c)of the Code, in an amount equal to (A)the estimated taxable income and gain of the Borrower (or, if the Borrower is a disregarded entity, the amount of taxable income included in the taxable income of its regarded owner) for such quarter (taking into account all items of income, gain, deduction, loss and tax credits of the Borrower and such Subsidiaries for such quarter, and any U.S. federal, state, and/or local (as applicable) loss carryforwards of such Parent Entity attributable to its direct or indirect ownership of the Borrower and its subsidiaries for prior taxable periods to the extent such loss is of a character that would allow such loss to be available to reduce taxes in the current taxable period (taking into account any limitations on the utilization of such loss to reduce such taxes and to the extent such loss had not already been utilized) (such income and gain, "Allocated Taxable Income"), multiplied by (B) the highest effective marginal combined U.S. federal, state, local and foreign income tax rate in effect in such taxable year prescribed for an individual, or, if higher, a corporation,

residing in New York City, New York (taking into consideration (a)tax rates imposed on "net investment income" by Section1411 of the Code and (b)the character of such income) (the "Applicable Tax Rate"), and (ii)after the end of any taxable year, in an amount equal to the excess of (A)the Allocated Taxable Income multiplied by the Applicable Tax Rate, over (B) quarterly tax distributions previously made with respect to such taxable year.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan, as defined in section 3(2)of ERISA, that is subject to Title IV of ERISA or Section412 of the Code or Section302 of ERISA and (a)which is (or was at any time during the six calendar years preceding the date hereof) sponsored, maintained or contributed to by the Borrower, a Restricted Subsidiary or an ERISA Affiliate, or (b)in respect of which the Borrower, a Restricted Subsidiary or any ERISA Affiliate is (or was at any time during the six calendar years preceding the date hereof, 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.

"Prime Rate" means the rate of interest*per annum* publicly announced from time to time by Citi as its prime rate in effect at its principal office in New York, New York; each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective. Such rate is set by the Administrative Agent as a general reference rate of interest, taking into account such factors as the Administrative Agent may deem appropriate; it being understood that many of the Administrative Agent's commercial or other loans are priced in relation to such rate, that it is not necessarily the lowest or best rate actually charged to any customer and that the Administrative Agent may make various commercial or other loans at rates of interest having no relationship to such rate.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, including, without limitation, cash, securities, accounts and contract rights.

"Proposed Borrowing Base" has the meaning assigned to such term in Section 2.07(c)(i).

"Proposed Borrowing Base Notice" has the meaning assigned to such term in Section 2.07(c)(ii).

"Proved Developed Producing Reserves" means "proved developed producing oil and gas reserves" as such term is defined by the SEC in its standards and guidelines.

"Proved Reserves" or "Proved" means collectively, "proved oil and gas reserves," "proved developed producing oil and gas reserves," "proved developed non-producing oil and gas reserves" (consisting of proved developed shut-in oil and gas reserves and proved developed behind pipe oil and gas reserves), and "proved undeveloped oil and gas reserves," as such terms are defined by the SEC in its standards and guidelines.

"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.

"Purchase Money Indebtedness" means Debt, the proceeds of which are used to finance the acquisition, construction, or improvement of inventory, equipment or other property in the ordinary course of business.

"PV-9" means, on any date of determination, with respect to any Proved Reserves expected to be produced from any Borrowing Base Properties, the net present value, discounted at 9% *per annum,* of the future net revenues expected to accrue to the Borrower's and the Restricted Subsidiaries' collective interests in such Proved Reserves during the remaining expected economic lives of such reserves, calculated in accordance with the most recent Bank Price Deck provided to the Borrower by the Administrative Agent.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

"Qualified ECP Guarantor" means, in respect of any Swap Agreement, each Credit Party that (a)has total assets exceeding $10,000,000 at the time any guaranty of obligations under such Swap Agreement or grant of the relevant security interest becomes effective or (b)otherwise constitutes an "eligible contract participant" under the Commodity Exchange Act and can cause another Person to qualify as an "eligible contract participant" at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

"Qualified IPO" shall mean the issuance and sale by Holdings of its common Equity Interests (and the contribution of any proceeds of such issuance to the Borrower) in an underwritten primary public offering (other than a public offering pursuant to a registration statement on Form S-8) pursuant to an effective registration statement (whether alone or in connection with a secondary public offering) filed with the SEC in accordance with the Securities Act pursuant to which net proceeds of at least $100,000,000 are received by Holdings and contributed to the Borrower and such Equity Interests are listed on a nationally-recognized stock exchange in the United States of America.

"RCRA" has the meaning set forth in the definition of "Environmental Laws".

"Recipient" has the meaning assigned such term in the definition of "Excluded Taxes".

"Redemption" means with respect to any Debt, the repurchase, redemption, prepayment, repayment, defeasance or any other acquisition or retirement for value (or the segregation of funds with respect to any of the foregoing) of such Debt. "Redeem" has the correlative meaning thereto.

"Redetermination Date" means, with respect to any Scheduled Redetermination or any Interim Redetermination, the date that the redetermined Borrowing Base related thereto becomes effective pursuant to Section 2.07(d).

"Register" has the meaning assigned such term in Section 12.04(b)(iv).

"Regulation D" means Regulation D of the Board, as the same may be amended, supplemented or replaced from time to time.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors (including attorneys, accountants and experts) of such Person and such Person's Affiliates.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, migrating, injecting, escaping, leaching, dumping, or disposing into or through the environment.

"Relevant Governmental Body" means the Board or the NYFRB, or a committee officially endorsed or convened by the Board or the NYFRB, or any successor

thereto.

"Remedial Work" has the meaning assigned such term in Section 8.09(a).

"Required Lenders" means, (a)if there are fewer than three Lenders at such time, all Lenders, and (b)if there are three or more Lenders at such time, (i)at any time while no Loans or LC Exposure is outstanding, Lenders having at least sixty-six and two-thirds percent (66-2/3%) of the Aggregate Maximum Credit Amounts; and (ii)at any time while any Loans or LC Exposure is outstanding, Lenders holding at least sixty-six and two-thirds percent (66-2/3%) of the Revolving Credit Exposure (without regard to any sale by a Lender of a participation in any Loan under Section 12.04(c)); provided that the Maximum Credit Amounts and the Revolving Credit Exposure of the Defaulting Lenders (if any) shall be excluded from the determination of Required Lenders; provided further that a Lender and any Affiliates of such Lender that are also Lenders shall be treated as a single Lender for the purposes of clause (a) of this definition.

"Reserve Report" means a report, in form and substance reasonably satisfactory to the Administrative Agent, setting forth, as of the dates set forth in Section 8.11(a) (or such other date in the event of an Interim Redetermination), the crude oil, natural gas and natural gas liquid reserves attributable to the Oil and Gas Properties constituting Proved Reserves of the Credit Parties, together with a projection of the rate of production and future net income, operating expenses and capital expenditures with respect thereto as of such date, based upon the pricing assumptions set forth in the most recent Bank Price Deck provided to the Borrower by the Administrative Agent.

"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, (a) any president, vice president, chief executive officer, general counsel, chief operating officer, chief financial officer, chief accounting officer, chief technical officer, treasurer and assistant treasurer, (b)any manager, managing member or general partner, in each case, of such Person, (c)any other authorized officer designated as such in writing to the Administrative Agent by such Person and (d)as to any corporate document, any secretary or assistant secretary of such Person. Unless otherwise specified, all references to a Responsible Officer herein shall mean a Responsible Officer of the Borrower.

"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 Restricted Subsidiaries, or 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 such Equity Interests in the Borrower or any of its Restricted Subsidiaries or any option, warrant or other right to acquire any such Equity Interests in the Borrower or any of its Subsidiaries and (b)any payment of management fees, advisory fees or similar fees by the Borrower or any Restricted Subsidiary to the holders of their Equity Interests.

"Restricted Subsidiary" means any Subsidiary of the Borrower that is not an Unrestricted Subsidiary.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Loans and its LC Exposure at such time.

"Rolling Period" means any period of four (4)consecutive fiscal quarters ending on the last day of such applicable fiscal quarter; provided that prior to the fiscal quarter ended June30, 2024, the financial information applicable to the use of the term Rolling Period in this Agreement shall be the deemed to be the historical information provided to Administrative Agent to determine EBITDAX for the fiscal quarters ended June30, 2023, September30, 2023, December31, 2023 and March31, 2024, respectively.

"S&P" means S&P Global Ratings, a division of S&P Global Inc., and any successor thereto that is a nationally recognized rating agency.

"Sanctioned Country" means, at any time, a country, region or territory which is itself the subject or target of any comprehensive Sanctions (as of the Effective Date, the Crimea region of Ukraine, the so-called Donetsk People's Republic, the so-called Luhansk People's Republic, Cuba,Iran, North Korea, Syria Zaporizhzhia and Kherson Regions of Ukraine).

"Sanctioned Person" means, at any time, (a)any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state or, His Majesty's Treasury of the United Kingdom or other applicable 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 the U.S. government, including those administered by (a)the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or (b)the United Nations Security Council, the European Union, any European Union member state or, His Majesty's Treasury of the United Kingdom or other applicable sanctions authority.

"Scheduled Redetermination" has the meaning assigned such term in Section 2.07(b).

"Scheduled Redetermination Date" means the date on which a Borrowing Base that has been redetermined pursuant to a Scheduled Redetermination becomes effective as provided in Section 2.07(d).

"SEC" means the Securities and Exchange Commission or any successor Governmental Authority.

"Secured Parties" means, collectively, the Administrative Agent, the Lenders, each Issuing Bank, the Bank Products Providers and Secured Swap Providers, and "Secured Party" means any of them individually.

"Secured Swap Agreement" means any Swap Agreement (other than any guaranty or Lien that constitutes a Swap Agreement) between Holdings, the Borrower or any of its Restricted Subsidiaries and a Secured Swap Provider to the extent that such Swap Agreement constitutes an Obligation under clause (b) of the definition thereof.

"Secured Swap Provider" means any (a)Person that is a party to a Swap Agreement with the Borrower or any of its Restricted Subsidiaries on the Effective Date and is a Lender or Affiliate of a Lender on the Effective Date, (b) Person that is a party to a Swap Agreement with the Borrower or any of its Restricted Subsidiaries that entered into such Swap Agreement before or while such Person was a Lender or an Affiliate of a Lender, whether or not such Person at any time ceases to be a Lender or an Affiliate of a Lender, as the case may be, or (c)assignee of any Persons described in clauses (a) and (b)above so long as such assignee is a Lender or an Affiliate of a Lender at the time of such assignment.

"Securities Account" shall have the meaning set forth in Article 8 of the UCC.

"Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Securities Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Security Instruments" means the Guarantee and Collateral Agreement, the Mortgages and other agreements, instruments or certificates described or referred to in Exhibit E, the Account Control Agreements and any and all other agreements, instruments, consents or certificates now or hereafter executed and delivered by any Credit Party or any other Person on its behalf (other than Swap Agreements with the Lenders or any Affiliate of a Lender or participation or similar agreements between any Lender and any other lender or creditor with respect to any Obligations pursuant to this Agreement) in connection with, or as security for the payment or performance of the Obligations, the Notes, this Agreement, or reimbursement obligations under the Letters of Credit, as such agreements may be amended, modified, supplemented or restated from time to time.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator. When "SOFR" is used in reference to any Loan or Borrowing, such usage refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to Adjusted Term SOFR, other than pursuant to clause (c) of the definition of "Alternative Base Rate".

"SOFR Administrator" means the NYFRB (or a successor administrator of the secured overnight financing rate).

"Specified Acquisition" means any proposed acquisition by any Credit Party of Proved Oil and Gas Properties (or of 100% of the Equity Interests in a Person that owns Proved Oil and Gas Properties) for which a binding and enforceable purchase and sale agreement has been signed by a Credit Party.

"Specified Additional Debt" means (x)any unsecured senior or unsecured senior subordinated Debt of Holdings, the Borrower and its Restricted Subsidiaries incurred after the Effective Date; provided that:

(a) no Default or Event of Default exists at the time of the incurrence of such Debt or would result therefrom;

(b) such Debt does not require any scheduled amortization of principal or have a stated maturity date in either case prior to one year after the Final Maturity Date;

(c)after giving effect to the incurrence of such Debt (including after giving effect to any automatic reduction in the Borrowing Base pursuant to Section 2.07(f)), the Borrower is in *pro forma* compliance with Section 9.01(a)and no Borrowing Base Deficiency exists (unless the Net Proceeds of such Specified Additional Debt are applied to repay the Borrowing Base Deficiency in full);

(d)the covenants, guarantees and events of default contained in the documentation governing such Debt (i)do not include financial maintenance covenants and (ii) are, in the case of other covenants, guarantees and events of default, taken as a whole, not materially more restrictive to the Borrower and the Restricted Subsidiaries than the corresponding terms of this Agreement and the other Loan Documents (as in effect at the time of such issuance or incurrence), unless, in respect of this clause (ii), the Borrower offers to amend this Agreement to incorporate such more restrictive covenants, guarantees and events of default (and executes an amendment giving effect to such terms to the extent agreed to by the number of Lenders required by Section 12.02);

(e)the terms of such Debt do not contain any mandatory prepayment or redemption provisions providing for payments prior to one year after the Final Maturity Date (other than (i)customary change of control offer provisions and (ii)asset sale, casualty and condemnation event provisions, to the extent such provisions in this clause (ii)first permit, at the option of the Borrower, Payment in Full (or permit at the option of the Borrower the Net Proceeds to be applied first to the prepayment of the Obligations) prior to the prepayment of any such Debt and only require such prepayments of such Debt to be made to the extent such prepayments are expressly permitted to be made pursuant to the terms of this Agreement);

(f) the terms of such Debt do not prohibit the prepayment or repayment of the Obligations;

(g)if such Debt is subordinated Debt in right of payment, the terms of such Debt provide for customary subordination of such Debt to the Obligations and an agent, trustee or representative of the holders of such Debt enter into a Subordination Agreement;

(h) no Person other than a Guarantor or a Person who becomes a Guarantor in connection therewith is an obligor under such Debt; and

(i)the net cash proceeds of such Specified Additional Debt shall be contributed to the Borrower substantially simultaneously and in any event within three (3) Business Days after the incurrence of such Specified Additional Debt; and

(y) any Permitted Refinancing Debt in respect of Specified Additional Debt.

For the avoidance of doubt, any Permitted Refinancing Debt in respect of Specified Additional Debt or in respect of any Permitted Refinancing Debt incurred in respect thereof shall constitute "Specified Additional Debt" for all purposes herein (other than for purposes of determining compliance with Section 9.02(g)(i)).

"Specified Asset Sale Proceeds" means the net cash proceeds of (x)the sale of Equity Interests in BKV Chaffee Corners, LLC and/or (y)the sale of the non-operated working interests owned by BKV Chelsea, LLC.

"Sponsor" means Banpu Public Company Limited.

"Sponsor Fund Affiliate" means (a)each Controlled Affiliate, as applicable, of the Sponsor, that is neither a portfolio company nor a company Controlled by a portfolio company and (b) each general partner or managing member of any such Affiliate.

"Springing Maturity Date" means the date that is 180 days prior to the final maturity date of the Holdings Intercompany Debt.

"Subordination Agreement" means a subordination agreement among the Administrative Agent, the representative on behalf of any holders of unsecured senior or unsecured senior subordinated Debt of the Borrower or a Restricted Subsidiary incurred after the Effective Date, the Borrower, the applicable Restricted Subsidiaries and the other parties party thereto from time to time, in form and substance reasonably acceptable to the Majority Lenders and the Borrower.

"Subsidiary" means, with respect to any Person (the "parent") at any date, any other Person 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 Person (a)of which Equity Interests representing more than 50% of the equity or more than 50% of the ordinary voting power (irrespective of whether or not at the time Equity Interests of any other class or classes of such Person shall have or might have voting power by reason of the happening of any contingency) or, in the case of a partnership, any general partnership interests are, as of such date, owned, controlled or held, or (b)the management decisions of which, as of such date, are otherwise controlled, in each case, directly, indirectly through one or more intermediaries, or both, by the parent. Unless otherwise specified, each reference to "Subsidiary" shall mean a Subsidiary of the Borrower.

"Subsidiary Guarantor" means a Subsidiary of the Borrower that is a Guarantor.

"Swap Agreement" means (a)any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement, whether exchange traded, "over-the-counter" or otherwise, involving, or settled by reference to, one or more rates, currencies, commodities, basis differentials, 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 (including any agreement, contract or transaction that constitutes a "swap" within the meaning of section 1a(47) of the Commodity Exchange Act) and (b)any and all transactions of any kind, and any confirmations or trades, which are subject to the terms and conditions of, or governed by any form of master agreement published by the International Swaps and Derivatives Association,Inc., any International Foreign Exchange Master Agreement or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement; provided that no (x)phantom stock, incentive unit 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 or (y)near term spot market sale of a commodity for actual physical delivery in the ordinary course of business based on a price determined by a rate quoted on an organized exchange for the location of physical delivery, shall be a Swap Agreement.

"Swap Liquidation" means the sale, assignment, novation, liquidation, unwind, cancellation, modification or termination of all or any part of a Swap Agreement in respect of commodities.

"Swap Obligations" means, with respect to any Person, all debt, liabilities and obligations of such Person under Swap Agreements to the counterparties under such Swap Agreements.

"Swap Termination Value" means, in respect of any one or more Swap Agreements, after taking into account the effect of any legally enforceable netting agreement or rights of offset under such Swap Agreements, (a)for any date on or after the date such Swap Agreements have been closed out and termination value(s)determined in accordance therewith, such termination value(s)and (b)for any date prior to the date referenced in clause (a), the amount(s)determined as the mark-to-market value(s)for such Swap Agreements, as determined in good faith and in a commercially reasonable manner by the counterparties to such Swap Agreements.

"Synthetic Leases" means, in respect of any Person, all leases which shall have been, or should have been, in accordance with GAAP, treated as operating leases on the financial statements of the Person liable (whether contingently or otherwise) for the payment of rent thereunder and which were properly treated as indebtedness for borrowed money for purposes of U.S. federal income Taxes, if the lessee in respect thereof is obligated to either purchase for an amount in excess of, or pay upon early termination an amount in excess of, 80% of the residual value of the Property subject to such operating lease upon expiration or early termination of such lease.

"Taxes" means any and 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 SOFR" means,

(a) for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2)U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m.(New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b)for any calculation with respect to an ABR Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the "ABR Term SOFR Determination Day") that is two (2)U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m.(New York City time) on any ABR Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such ABR Term SOFR Determination Day.

"Term SOFR Adjustment" means, for any calculation with respect to an ABR Loan or a SOFR Loan, 0.10% per annum.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"Termination Date" means the earlier of the Maturity Date and the date of termination of the Commitments.

"Test Period" shall mean, prior to June30, 2025, the period beginning on the Effective Date and ending on the last date of the most recently ended fiscal quarter of the Borrower for which financial statements have been delivered to the Administrative Agent pursuant to Sections 8.01(a) or 8.01(b), and on and after June30, 2025, for any date of determination, the latest four (4) consecutive fiscal quarters of the Borrower for which financial statements have been delivered to the Administrative Agent pursuant to Sections 8.01(a) or 8.01(b).

"Total Debt" means, at any date, the sum of (without duplication) the aggregate principal amount of Debt of the Borrower and its Restricted Subsidiaries outstanding on such date in an amount that would be reflected on a consolidated balance sheet (excluding the notes thereto) prepared as of such date on a consolidated basis in accordance

with GAAP, consisting only of Debt (a)of a type described in clauses (a) (including (i)the Loans, (ii)any Specified Additional Debt and (iii)deferred purchase price obligations which should be classified as "debt" on a balance sheet in accordance with GAAP, to the extent such deferred purchase price obligations are then due and payable), (b)(but only to the extent such letters of credit, surety or other bonds and similar agreements have been drawn and have not been reimbursed within two (2)Business Days after the date of such drawing), (d) and (e)of the definition of "Debt", (b)of a type described in clause (g)of the definition of "Debt" to the extent such Liens secures Debt of the type described in clauses (a), (b), (d)and (e)of the definition of "Debt" and (c)of a type described in clauses (h)or (i) of the definition of "Debt" to the extent such guarantees, obligations or undertakings are with respect to Debt of the type described in clauses (a), (b), (d) and (e) of the definition of "Debt".

"Transaction Costs" means, upfront (including original issue discount), legal, professional and advisory fees paid by the Credit Parties (whether or not incurred by the Credit Parties) in connection with the negotiation and execution, delivery and performance of the Credit Parties' obligations under (a)the Transactions (including any amendments, supplements or restatements), (b)any acquisition or Investment permitted under this Agreement, (c)the incurrence, modification or repayment of Debt permitted to be incurred by this Agreement (including a refinancing thereof), (d)any disposition permitted under this Agreement or (e)any issuance of Equity Interests, in each case, whether or not successful.

"Transactions" means, (a)with respect to the Borrower, the execution, delivery and performance by the Borrower of this Agreement and each other Loan Document to which it is a party, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder, and the grant of Liens by the Borrower on Mortgaged Properties pursuant to the Security Instruments and (b)with respect to each Guarantor, the execution, delivery and performance by such Guarantor of each Loan Document to which it is a party, the guaranteeing of the Obligations and the other obligations under the Guarantee and Collateral Agreement by such Guarantor and such Guarantor's grant of Liens on Mortgaged Properties pursuant to the Security Instruments.

"Type", when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Alternate Base Rate or Adjusted Term SOFR.

"UCC" means the Uniform Commercial Code, as in effect from time to time, of the State of New York or of any other state the laws of which are required as a result thereof to be applied in connection with the attachment, perfection or priority of, or remedies with respect to, Administrative Agent's or any Secured Party's Lien pursuant to any Security Instrument.

"UK Financial Institution" 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.

"Uncured Title Defect Notice" has the meaning assigned such term in Section 8.12(c).

"United States" means the United States of America.

"Unrestricted Cash" means unrestricted cash and Cash Equivalents of the Borrower and the Borrower's Consolidated Restricted Subsidiaries that would appear on a consolidated balance sheet prepared on a consolidated basis in accordance with GAAP on such date; provided that (a)cash and Cash Equivalents that would appear as "restricted" on a consolidated balance sheet solely because such cash or Cash Equivalents are subject to an Account Control Agreement in favor of the Administrative Agent shall be deemed to be Unrestricted Cash for purposes hereof, (b)such cash and Cash Equivalents shall be considered Unrestricted Cash only to the extent that such cash and Cash Equivalents are maintained in accounts that are subject to an Account Control Agreement in favor of the Administrative Agent and (c)cash and Cash Equivalents that are maintained in accounts to the extent required under this Agreement to cash collateralize LC Exposure shall not be considered Unrestricted Cash.

"Unrestricted Subsidiary" means any Subsidiary of the Borrower designated as such on Schedule 7.14 or which the Borrower has designated in writing to the Administrative Agent to be an Unrestricted Subsidiary pursuant to Section 9.06.

"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" shall mean any person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning set forth in Section 5.03(f)(ii)(B)(3).

"USA Patriot Act" means the USA PATRIOT ACT (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"Wholly-Owned Subsidiary" means any Restricted Subsidiary of which all of the outstanding Equity Interests (other than any directors' qualifying shares mandated by applicable law), on a fully-diluted basis, are owned by the Borrower or one or more of the Wholly-Owned Subsidiaries or are owned by the Borrower and one or more of the Wholly-Owned Subsidiaries.

"Withholding Agent" means any Credit Party or the Administrative Agent.

"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.

Section 1.03 Types of Loans and Borrowings. For purposes of this Agreement, Loans and Borrowings, respectively, may be classified and referred to by Type *(e.g.,* a "SOFR Loan" or a "SOFR Borrowing").

Section 1.04 Terms Generally; Rulesof Construction . 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" as used in this Agreement shall be deemed to be followed by the phrase "without limitation". The word "will" as used in this Agreement shall be construed to have the same meaning and effect as the word "shall". 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, supplemented, restated or otherwise modified (subject to any restrictions on such amendments, supplements, restatements or modifications set forth in the Loan Documents), (b)any reference herein to any law shall be construed as referring to such law as amended, modified, codified or reenacted, in whole or in part, and in effect from time to time, (c)any reference herein to any Person shall be construed to include such Person's successors and assigns (subject to the restrictions contained in the Loan Documents), (d)the words "herein", "hereof" and "hereunder", and words of similar import as used in this Agreement, 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" as used in this Agreement means "from and including" and the word "to" means "to and including", (f)the term "continuing" means, with respect to a Default or Event of Default, that the Default or Event of Default has not been waived, (g)any reference herein to Articles, Sections, Annexes, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Annexes, Exhibits and Schedules to, this Agreement and (h)the words "pro forma", "pro forma basis", "pro forma effect" and variations thereof as used herein shall mean, unless the context otherwise requires, a calculation or determination made on a pro forma basis in a manner reasonably acceptable to the Administrative Agent and taking into account the transaction to which such pro forma treatment is being applied as well as all other transactions or changes as if they had occurred on the first day of the reference period being measured. No provision of this Agreement or any other Loan Document shall be interpreted or construed against any Person solely because such Person or its legal representative drafted such provision.

Section 1.05 Accounting Terms and Determinations; GAAP. Unless otherwise specified in the relevant Loan Document, all accounting terms used herein and in the other Loan Documents shall be interpreted, all determinations with respect to accounting matters hereunder and thereunder shall be made, and all financial statements and certificates and reports as to financial matters required to be furnished to the Administrative Agent or the Lenders hereunder shall be prepared, in accordance with GAAP, applied on a basis consistent with the Closing Date Financial Statements, except for changes in which the Borrower's independent certified public accountants concur and which are disclosed to Administrative Agent on the next date on which financial statements are required to be delivered to the Lenders pursuant to Section 8.01(a); provided that, unless the Borrower and the Majority Lenders shall otherwise agree in writing, no such change shall modify or affect the manner in which compliance with the covenants contained herein is computed such that all such computations shall be conducted utilizing financial information presented consistently with prior periods; provided, further leases shall continue to be classified and accounted for on a basis consistent with that reflected in the financial statements referred to in Section 7.04(a)(i)for all purposes of this Agreement, notwithstanding any change in accounting principles required by the promulgation of any rule, regulation, pronouncement or opinion by the Financial Accounting Standards Board of the American Institute of Certified Public Accountants or, if applicable, the SEC relating thereto, unless the parties hereto shall enter into a mutually acceptable amendment addressing such changes, as provided for above. Notwithstanding anything herein to the contrary, for the purposes of calculating any of the ratios tested under Section 9.01, and the components of each of such ratios, all Unrestricted Subsidiaries, and their subsidiaries (including their assets, liabilities, income, losses, cash flows, and the elements thereof) shall be excluded, except for any cash dividends or distributions actually paid by any Unrestricted Subsidiary or any of its subsidiaries to the Borrower or any Restricted Subsidiary, which shall be deemed to be income to the Borrower or such Restricted Subsidiary when actually received by it.

Section 1.06 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.

Section 1.07 Rates. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a)the continuation of, administration of, submission of, calculation of or any other matter related to the Alternate Base Rate, the Term SOFR Reference Rate, the Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Alternate Base Rate, the Term SOFR Reference Rate, Adjusted Term SOFR, Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or (b)the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of the Alternate Base Rate, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) 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 Alternate Base Rate, the Term SOFR Reference Rate, Term SOFR, Adjusted Term SOFR or any other Benchmark, 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 1.08 Rounding. Any financial ratios required to be maintained by the Borrower pursuant to this Agreement (or required to be satisfied in order for a specific action to be permitted under this Agreement) shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding up if there is no nearest number).

Section 1.09 Letter of Credit Amounts. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the amount of such Letter of Credit available to be drawn at such time; provided that with respect to any Letter of Credit that, by its terms, provides for one or more automatic increases in the available amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum amount is available to be drawn at such time.

ARTICLE II
THE CREDITS

Section 2.01 Commitments. Subject to the terms and conditions set forth herein, each Lender severally, and not jointly agrees to make Loans in dollars to the Borrower during the Availability Period in an aggregate principal amount that will not result in (a)such Lender's Revolving Credit Exposure exceeding its Commitment or (b)the total Revolving Credit Exposures exceeding the Loan Limit then in effect. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, repay and reborrow the Loans.

Section 2.02 Loans and Borrowings.

(a) Borrowings; Several Obligations. Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Types of Loans. Subject to Section 3.03, each Borrowing shall be comprised entirely of ABR Loans or SOFR Loans as the Borrower may request in accordance herewith. Each Lender at its option may make any SOFR Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) Minimum Amounts; Limitation on Number of Borrowings. At the commencement of each Interest Period for any SOFR Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of $100,000 and not less than $500,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of $100,000 and not less than $500,000; provided that a Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.08(e). Borrowings of more than one Type may be outstanding at the same time, provided that there shall not at any time be more than a total of ten (10)SOFR Borrowings outstanding. Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request, or to elect to convert or continue, any SOFR Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

(d) Notes. If requested by a Lender, the Loans made by each Lender shall be evidenced by a single promissory note of the Borrower in substantially the form of Exhibit A, dated, in the case of (i)any Lender party hereto as of the Effective Date, as of the Effective Date, (ii)any Lender that becomes a party hereto pursuant to an Assignment and Assumption or amendment or other modification to this Agreement, as of the effective date of the Assignment and Assumption, amendment or other modification, as applicable, or (iii)in the case of any Lender that becomes a party hereto in connection with an increase in the Aggregate Elected Commitment Amounts pursuant to Section 2.06(c), as of the effective date of such increase, in each case, payable to such Lender in a principal amount equal to its Maximum Credit Amount as in effect on such date, and otherwise duly completed. In the event that any Lender's Maximum Credit Amount increases or decreases for any reason (whether pursuant to Section 2.06, Section 12.04(b)or otherwise), the Borrower shall, upon request of such Lender, deliver or cause to be delivered, to the extent such Lender is then holding a Note, on the effective date of such increase or decrease, a new Note payable to such Lender in a principal amount equal to its Maximum Credit Amount after giving effect to such increase or decrease, and otherwise duly completed and such Lender shall promptly return to the Borrower the previously issued Note held by such Lender. The date, amount, Type, interest rate and, if applicable,Interest Period of each Loan made by each Lender, and all payments made on account of the principal thereof, shall be recorded by such Lender on its books and/or its Note, if applicable. Failure to make any such recordation shall not affect any Lender's or the Borrower's rights or obligations in respect of Loans by a Lender or affect the validity of any transfer by a Lender of its Note.

Section 2.03 Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by submitting a Borrowing Request in writing (a)in the case of a SOFR Borrowing, not later than 2:00 p.m., New York, New York time, three (3)U.S. Government Securities Business Days (or such shorter period of time as may be acceptable to the Administrative Agent in its sole discretion) before the date of the proposed Borrowing or (b)in the case of an ABR Borrowing, not later than 12:00 noon, New York, New York time, on the Business Day of the proposed Borrowing; provided that no such notice shall be required for any deemed request of an ABR Borrowing to finance the reimbursement of an LC Disbursement as provided in Section 2.08(e). Each such Borrowing Request shall be irrevocable and shall be signed by a Responsible Officer of the Borrower. Each such Borrowing Request shall specify the following information in compliance with Section 2.02:

(i) the aggregate amount of the requested Borrowing;

(ii) the date of such Borrowing, which shall be a Business Day;

(iii) whether such Borrowing is to be an ABR Borrowing or a SOFR Borrowing;

(iv)in the case of a SOFR Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";

(v)the amount of the then effective Borrowing Base, the amount of the then effective Aggregate Elected Commitment Amounts, the current total Revolving Credit Exposures (without regard to the requested Borrowing) and the *pro forma* total Revolving Credit Exposures (giving effect to the requested Borrowing); and

(vi)the location and number of the Borrower's account(s)(or an account designated by the Borrower and approved by the Administrative Agent) to which funds are to be disbursed, which shall comply with the requirements of Section 2.05.

If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested SOFR Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Each Borrowing Request shall constitute a representation by the Borrower that the amount of the requested Borrowing shall not cause the total Revolving Credit Exposures to exceed the Loan Limit.

Promptly following receipt of a Borrowing Request in accordance with thisSection 2.03, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Section 2.04 Interest Elections.

(a) Conversion and Continuance. Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a SOFR Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a SOFR Borrowing, may elect Interest Periods therefor, all as provided in this Section 2.04. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) Interest Election Requests. To make an election pursuant to this Section 2.04, the Borrower shall notify the Administrative Agent of such election by submitting an Interest Election Request in writing by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable and shall be signed by a Responsible Officer of the Borrower.

(c) Information in Interest Election Requests. Each written Interest Election Request shall specify the following information in compliance with Section 2.02:

(i)the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to Section 2.04(c)(iii) and (iv)shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a SOFR Borrowing; and

(iv)if the resulting Borrowing is a SOFR Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a SOFR Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Notice to Lenders by the Administrative Agent. Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) Effect of Failure to Deliver Timely Interest Election Request and Events of Default on Interest Election If the Borrower fails to deliver a timely Interest Election Request with respect to a SOFR Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Majority Lenders, so notifies the Borrower, then, so long as such Event of Default is continuing: (i)no outstanding Borrowing may be converted to or continued as a SOFR Borrowing (and any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a SOFR Borrowing shall be ineffective) and (ii)unless repaid, each SOFR Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

Section 2.05 Funding of Borrowings.

(a) Funding by Lenders. Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 2:00 p.m., New York, New York 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 Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to one or more accounts designated by the Borrower and approved by the Administrative Agent maintained with the Administrative Agent that is subject to an Account Control Agreement or to such other account that is subject to an Account Control Agreement (or otherwise approved by the Administrative Agent) as may be designated by the Borrower in the applicable Borrowing Request; provided that, to the extent such funding is made prior to the Borrower's satisfaction of the covenant set forth inSection 8.19(a), the account receiving such funds shall not be required to be subject to an Account Control Agreement; provided, further, that ABR Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.08(e)shall be remitted by the Administrative Agent to the applicable Issuing Banks. Nothing herein shall be deemed to obligate any Lender to obtain the funds for its Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for its Loan in any particular place or manner.

(b) Presumption of Funding by the Lenders. 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 Section 2.05(a)and may, 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 Rate and a rate determined by the Administrative Agent in accordance with banking industry ruleson interbank compensation or (ii)in the case of the Borrower, the interest rate applicable to ABR Loans. If the Borrower and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Administrative Agent.

Section 2.06 Termination, Revision and Reduction of Commitments and Aggregate Maximum Credit Amounts; Increase, Reduction and Termination of Aggregate Elected Commitment Amounts.

(a) Scheduled Termination of Commitments. Unless previously terminated, the Commitments shall terminate on the Maturity Date. If at any time the Aggregate Maximum Credit Amounts, the Borrowing Base or the Aggregate Elected Commitment Amounts is terminated or reduced to zero, then the Commitments shall terminate on the effective date of such termination or reduction.

(b) Optional Termination and Reduction of Aggregate Maximum Credit Amounts

(i)The Borrower may at any time terminate, or from time to time reduce, the Aggregate Maximum Credit Amounts; provided that (A)each reduction of the Aggregate Maximum Credit Amounts shall be in an amount that is an integral multiple of $5,000,000 and not less than $10,000,000 and (B)the Borrower shall not terminate or reduce the Aggregate Maximum Credit Amounts if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 3.04(c), the total Revolving Credit Exposures would exceed the Loan Limit, and (C) upon any reduction of the Aggregate Maximum Credit Amounts that would otherwise result in the Aggregate Maximum Credit Amounts being less than the Aggregate Elected Commitment Amounts, the Aggregate Elected Commitment Amounts shall be automatically reduced (ratably among the Lenders in accordance with each Lender's Applicable Percentage) so that they equal the Aggregate Maximum Credit Amounts as so reduced.

(ii)The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Aggregate Maximum Credit Amounts under Section 2.06(b)(i)at least three (3)Business Days prior to the effective date of such termination or reduction (or such shorter time period as may be reasonably acceptable to the Administrative Agent), specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section 2.06(b)(ii)shall be irrevocable; provided that a notice of termination of the Aggregate Maximum Credit Amounts delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or a Change of Control or the closing of one or more dispositions, 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 Aggregate Maximum Credit Amounts shall be permanent and may not be reinstated. Each reduction of the Aggregate Maximum Credit Amounts shall be made ratably among the Lenders in accordance with each Lender's Applicable Percentage.

(c) Increases, Reductions and Terminations of Aggregate Elected Commitment Amounts.

(i)Subject to the conditions set forth in Section 2.06(c)(ii), the Borrower may increase the Aggregate Elected Commitment Amounts then in effect by increasing the Elected Commitment of a Lender and/or by causing a Person that is acceptable to the Administrative Agent and the Issuing Banks (with the consent of the Administrative Agent and the Issuing Banks not to be unreasonably withheld, delayed, denied or conditioned) that at such time is not a Lender to become a Lender (any such Person that is not at such time a Lender and becomes a Lender, an "Additional Lender"). Notwithstanding anything to the contrary contained in this Agreement, in no case shall an Additional Lender be a natural person, Holdings, the Borrower or any Affiliate of the Borrower. For the avoidance of doubt, the Borrower may, but shall not be required to, seek commitments in respect of such increase, in its sole discretion, from existing Lenders (each of which shall be entitled to agree or decline to participate in its sole discretion) or from Additional Lenders, or from both existing Lenders and Additional Lenders.

(ii) Any increase in the Aggregate Elected Commitment Amounts shall be subject to the following additional conditions:

(A)such increase shall not be less than $10,000,000 (and in an amount that is an integral multiple of $1,000,000) unless the Administrative Agent otherwise consents, and no such increase shall be permitted if after giving effect thereto the Aggregate Elected Commitment Amounts exceed the Borrowing Base then in effect;

(B)following any Scheduled Redetermination Date, the Borrower may not increase the Aggregate Elected Commitment Amounts more than once before the next Scheduled Redetermination Date (for the sake of clarity, all increases in the Aggregate Elected Commitment Amount effective on a single date shall be deemed a single increase in the Aggregate Elected Commitment Amount for purposes of this Section 2.06(c)(ii)(B)) unless the Administrative Agent otherwise consents;

(C) no Event of Default shall have occurred and be continuing on the effective date of such increase;

(D) no Lender's Elected Commitment may be increased without the consent of such Lender;

(E)if the Borrower elects to increase the Aggregate Elected Commitment Amounts by increasing the Elected Commitment of a Lender, the Borrower and such Lender shall execute and deliver to the Administrative Agent a certificate substantially in the form of Exhibit J (an "Elected Commitment Increase Certificate");

(F)if the Borrower elects to increase the Aggregate Elected Commitment Amounts by causing an Additional Lender to become a party to this Agreement, then the Borrower and such Additional Lender shall execute and deliver to the Administrative Agent a certificate substantially in the form of Exhibit K (an "Additional Lender Certificate"), together with an Administrative Questionnaire and a processing and recordation fee of $3,500 (provided that the Administrative Agent may, in its discretion, elect to waive such processing and recordation fee in connection with any such increase), and the Borrower shall (1) if requested by the Additional Lender, deliver a Note payable to such Additional Lender in a principal amount equal to its Maximum Credit Amount, and otherwise duly completed and (2)pay any applicable fees as may have been agreed to between the Borrower and the Additional Lender, and, to the extent applicable and agreed to by the Borrower, the Administrative Agent;

(G)all of the terms and conditions applicable to such increased Aggregate Elected Commitment Amounts (and the Loans made pursuant thereto), including the maturity date thereof, shall be identical to the terms and conditions applicable to the existing Commitments and Loans under this Agreement (other than with respect to any arrangement, structuring, upfront or other fees or discounts payable in connection with such increased commitment as may have been agreed to between the Borrower and the increasing Lender or Additional Lender, as applicable, and/or the Administrative Agent), provided that if the Applicable Margin of such increased Aggregate Elected Commitment Amounts is higher than that for the then existing Commitments and Loans, then the Applicable Margin shall be increased for all existing Commitments and Loans to be consistent with such increased Applicable Margin;

(H)the representations and warranties of the Credit Parties set forth in this Agreement and in the other Loan Documents shall be true and correct in all material respects on and as of the date of, and after giving effect to, such increase in the Aggregate Elected Commitment Amounts, except to the extent any such representations and warranties (i)are expressly limited to an earlier date, in which case, on and as of the date of such increase in the Aggregate Elected Commitment Amounts, such representations and warranties shall continue to be true and correct in all material respects as of such specified earlier date or (ii)are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case, such representations and warranties shall be true and correct in all respects; and

(I)the Borrower shall deliver or cause to be delivered customary legal opinions or other documents (including, without limitation, a resolution duly adopted by the board of directors (or equivalent governing body) of each Credit Party authorizing such increase in the Aggregate Elected Commitment Amounts) reasonably requested by Administrative Agent.

(iii)Subject to acceptance and recording thereof pursuant to Section 2.06(c)(iv), from and after the effective date specified in the Elected Commitment Increase Certificate or the Additional Lender Certificate: (A)the amount of the Aggregate Elected Commitment Amounts shall be increased as set forth therein, and (B)in the case of an Additional Lender Certificate, any Additional Lender party thereto shall be a party to this Agreement and have the rights and obligations of a Lender under this Agreement and the other Loan Documents. In addition, the Lender or the Additional Lender, as applicable, shall purchase a *pro rata* portion of the outstanding Loans (and participation interests in Letters of Credit) of each of the other Lenders (and such Lenders hereby agree to sell and to take all such further action to effectuate such sale) such that each Lender (including any Additional Lender, if applicable) shall hold its Applicable Percentage of the outstanding Loans (and participation interests) after giving effect to the increase in the Aggregate Elected Commitment Amounts (and the resulting modifications of each Lender's Maximum Credit Amount pursuant to Section 2.06(c)(v)).

(iv)Upon its receipt of a duly completed Elected Commitment Increase Certificate or an Additional Lender Certificate, executed by the Borrower and the Lender or by the Borrower and the Additional Lender party thereto, as applicable, the processing and recording fee referred to in Section 2.06(c)(ii), if applicable, the written consent of the Administrative Agent and the Issuing Banks, if required, the Administrative Questionnaire referred to in Section 2.06(c)(ii)and the break-funding payments from the Borrower, if any, required by Section 5.02, if applicable, the Administrative Agent shall accept such Elected Commitment Increase Certificate or Additional Lender Certificate and record the information contained therein in the Register required to be maintained by the Administrative Agent pursuant to Section 12.04(b)(iv). No increase in the Aggregate Elected Commitment Amounts shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this Section 2.06(c)(iv).

(v)Upon any increase in the Aggregate Elected Commitment Amounts pursuant to Section 2.06(c)(iv), (A)each Lender's Maximum Credit Amount shall be automatically deemed amended to the extent necessary so that each such Lender's Applicable Percentage equals the percentage of the Aggregate Elected Commitment Amounts represented by such Lender's Elected Commitment, in each case after giving effect to such increase, and (B) Annex I to this Agreement shall be deemed amended to reflect the Elected Commitment of each Lender (including any Additional Lender) as thereby increased, any changes in the Lenders' Maximum Credit Amounts pursuant to the foregoing clause (A), and any resulting changes in the Lenders' Applicable Percentages.

(vi)The Borrower may from time to time terminate or reduce the Aggregate Elected Commitment Amounts; provided that (A)each reduction of the Aggregate Elected Commitment Amounts shall be in an amount that is an integral multiple of $5,000,000 and not less than $10,000,000 and (B)the Borrower shall not reduce the Aggregate Elected Commitment Amounts if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 3.04(c), the total Revolving Credit Exposures would exceed the Aggregate Elected Commitment Amounts as reduced.

(vii)The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Aggregate Elected Commitment Amounts under Section 2.06(c)(vi)at least three Business Days prior to the effective date of such termination or reduction (or such lesser period as may be reasonably acceptable to the Administrative Agent), specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section 2.06(c)(vii) shall be irrevocable; provided that a notice of termination of the Aggregate Elected Commitment Amounts delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or the closing of a specified transaction, 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 of such termination) if such condition is not satisfied. Any termination or reduction of the Aggregate Elected Commitment Amounts shall be permanent and may not be reinstated, except pursuant to Section 2.06(c)(i). Each reduction of the Aggregate Elected Commitment Amounts shall be made ratably among the Lenders in accordance with each Lender's Applicable Percentage.

(viii)Upon any redetermination or other adjustment in the Borrowing Base pursuant to this Agreement that would otherwise result in the Borrowing Base becoming less than the Aggregate Elected Commitment Amounts, the Aggregate Elected Commitment Amounts shall be automatically reduced (ratably among the Lenders in accordance with each Lender's Applicable Percentage) so that they equal such redetermined Borrowing Base (and Annex I shall be deemed amended to reflect such amendments to each Lender's Elected Commitment and the Aggregate Elected Commitment Amounts).

(ix)Contemporaneously with any increase in the Borrowing Base pursuant to this Agreement, if (A)the Borrower elects to increase the Aggregate Elected Commitment Amount and (B) each Lender has consented to such increase in its Elected Commitment, then the Aggregate Elected Commitment Amount shall be increased (ratably among the Lenders in accordance with each Lender's Applicable Percentage) by the amount requested by the Borrower without the requirement that any Lender deliver an Elected Commitment Increase Certificate or that the Borrower pay any amounts under Section 5.02, and Annex I shall be deemed amended to reflect such amendments to each Lender's Elected Commitment and the Aggregate Elected Commitment Amount. The Administrative Agent shall record the information regarding such increases in the Register required to be maintained by the Administrative Agent pursuant to Section 12.04(b)(iv).

Section 2.07 Borrowing Base.

(a) Initial Borrowing Base. For the period from and including the Effective Date to but excluding the first Redetermination Date, the amount of the Borrowing Base shall be $800,000,000. Notwithstanding the foregoing, the Borrowing Base may be subject to further adjustments between the Effective Date and the first Scheduled Redetermination and in between subsequent Scheduled Redeterminations from time to time pursuant to Interim Redeterminations and the Borrowing Base Adjustment Provisions.

(b) Scheduled and Interim Redeterminations. The Borrowing Base shall be redetermined semi-annually in accordance with thisSection2.07 (each such scheduled redetermination, a "Scheduled Redetermination"), and, subject to Section 2.07(d), such redetermined Borrowing Base shall become effective and applicable to the Borrower, the Administrative Agent, the Issuing Banks and the Lenders on or about April15 and October15 of each year, commencing on or about October15, 2024 (or, in each case, such date promptly thereafter as reasonably practicable). In addition, the Borrower may, by notifying the Administrative Agent thereof, and the Administrative Agent may, at the direction of the Required Lenders, by notifying the Borrower thereof, each request to cause the Borrowing Base to be redetermined only once in any fiscal year of the Borrower (each, an "Interim Redetermination") in accordance with this Section 2.07; provided that the Borrower may, by notifying the Administrative Agent thereof, at any time following the consummation of an acquisition by any Credit Party (including in connection with the designation of an unrestricted subsidiary as a Restricted Subsidiary) of domestic Oil and Gas Properties with an aggregate value (together with the economic value of any earlier such acquisitions during such period) exceeding 5% of the Borrowing Base in effect prior to such acquisition, elect an Interim Redetermination to be effectuated in accordance with this Section 2.07; provided further, that in connection with an Interim Redetermination requested by the Borrower following a Specified Acquisition, the Borrower shall be permitted, for purposes of providing the Reserve Report pursuant to Section 8.11(b), to set forth only such additional Proved Reserves and related information as are the subject of such Specified Acquisition. For purposes of this Agreement the determination of the Borrowing Base on the Effective Date provided for herein shall be deemed and considered to be a Scheduled Redetermination.

(c) Scheduled and Interim Redetermination Procedure.

(i)Each Scheduled Redetermination and each Interim Redetermination shall be effectuated as follows: upon receipt by the Administrative Agent of (A)the Reserve Report and the certificate required to be delivered by the Borrower to the Administrative Agent, in the case of a Scheduled Redetermination, pursuant to Section 8.11(a)and (c), and, in the case of an Interim Redetermination, pursuant toSection 8.11(b)and (c), and (B)such other reports, data and supplemental information, including, without limitation, the information provided pursuant to Section 8.11(c), as may, from time to time, be reasonably requested by the Required Lenders (the Reserve Report, such certificate and such other reports, data and supplemental information being the "Engineering Reports"), the Administrative Agent shall evaluate the information contained in the Engineering Reports and shall, in good faith and in its sole discretion, propose a new Borrowing Base (the "Proposed Borrowing Base") based upon such information and such other information (including, without limitation, the status of title information with respect to the Oil and Gas Properties as described in the Engineering Reports and the existence of any other Debt or MVC Obligations, the Credit Parties' other assets (including the Midstream Assets), liabilities, fixed charges, cash flow, business, properties, prospects, permit issuances, management and ownership, hedged and unhedged exposure to price, price, production and regulatory scenarios, interest rate and operating cost changes) as the Administrative Agent deems appropriate in good faith and in its sole discretion and consistent with its usual and customary oil and gas lending criteria as it exists at the particular time. For the avoidance of doubt, in the case of an Interim Redetermination (other than an Interim Redetermination requested by the Borrower), the Administrative Agent may utilize the Engineering Reports delivered in connection with the last Scheduled Redetermination, provided, however, the Administrative Agent may in its sole discretion request Borrower-generated supplemental Engineering Reports in connection with such Interim Redetermination.

(ii)The Administrative Agent shall notify the Borrower and the Lenders of the Proposed Borrowing Base (the " Proposed Borrowing Base Notice"):

(A)in the case of a Scheduled Redetermination, (I)if the Administrative Agent shall have received the Engineering Reports required to be delivered by the Borrower pursuant to Sections 8.11(a) and Section 8.11(c), in a timely and complete manner, then on or about March15 or September15 (commencing on or about September15, 2024) (or, in each case, such date promptly thereafter as reasonably practicable), as the case may be, of such year following the date of delivery or (II)if the Administrative Agent shall not have received the Engineering Reports required to be delivered by the Borrower pursuant to Sections 8.11(a) and Section 8.11(c), in a timely and complete manner, then after the Administrative Agent has received complete Engineering Reports from the Borrower and has had a reasonable opportunity to determine the Proposed Borrowing Base in accordance with Section 2.07(c)(i); and

(B)in the case of an Interim Redetermination, such date which the Administrative Agent may determine in its sole discretion or at the direction of the Required Lenders.

(iii)Any Proposed Borrowing Base that would increase the Borrowing Base then in effect must be approved by all of the Lenders (other than any Defaulting Lenders) as provided in this Section 2.07(c)(iii); and any Proposed Borrowing Base that would decrease or maintain the Borrowing Base then in effect must be approved or be deemed to have been approved by the Required Lenders as provided in this Section 2.07(c)(iii). Such decisions will be made by each Lender based upon such information and such other information (including, without limitation, the status of title information with respect to the Oil and Gas Properties as described in the Engineering Reports and the existence of any other Debt or MVC Obligations, the Credit Parties' other assets (including Midstream Assets), liabilities, fixed charges, cash flow, business, properties, prospects, permit issuances, management and ownership, hedged and unhedged exposure to price, price, production and regulatory scenarios, interest rate and operating cost changes) as such Lender deems appropriate in good faith and in its sole discretion and consistent with its usual and customary oil and gas lending criteria as it exists at the particular time. Upon receipt of the Proposed Borrowing Base Notice, each Lender shall have fifteen (15) days to agree with the Proposed Borrowing Base or disagree with the Proposed Borrowing Base by proposing an alternate Borrowing Base. If, in the case of any Proposed Borrowing Base that would decrease or maintain the Borrowing Base then in effect, at the end of such fifteen (15) days, any Lender has not communicated its approval or disapproval in writing to the Administrative Agent, such silence shall be deemed to be an approval of the Proposed Borrowing Base. If, in the case of any Proposed Borrowing Base that would increase the Borrowing Base then in effect, at the end of such fifteen (15) days, any Lender has not communicated its approval or disapproval in writing to the Administrative Agent, such silence shall be deemed to be a disapproval of the Proposed Borrowing Base. If, at or prior to the end of such 15-day period, all of the Lenders (other than any Defaulting Lenders), in the case of a Proposed Borrowing Base that would increase the Borrowing Base then in effect, or the Required Lenders, in the case of a Proposed Borrowing Base that would decrease or maintain the Borrowing Base then in effect, have approved or, in the case of a decrease or reaffirmation, have not been deemed to have approved, as aforesaid, then the Proposed Borrowing Base shall become the new Borrowing Base, effective on the date specified in Section 2.07(d). If, however, at the end of such 15-day period, all of the Lenders (other than any Defaulting Lenders) or the Required Lenders, as applicable, have not approved or, in the case of a decrease or reaffirmation, deemed to have approved, as aforesaid, then the Administrative Agent shall poll the Lenders to ascertain the highest Borrowing Base then acceptable to (A)in the case of a decrease or reaffirmation, a number of Lenders sufficient to constitute the Required Lenders and (B) in the case of an increase, all of the Lenders (other than any Defaulting Lenders), and such amount shall become the new Borrowing Base, effective on the date specified in Section 2.07(d)(it being understood that, if a Lender proposes an alternative Borrowing Base in connection with its disapproval of the Borrowing Base, the Administrative Agent shall not be required to separately poll such Lender).

(d) Effectiveness of a Redetermined Borrowing Base. After a redetermined Borrowing Base is approved or is deemed to have been approved by all of the Lenders or the Required Lenders, as applicable, pursuant to Section 2.07(c)(iii), the Administrative Agent shall notify the Borrower and the Lenders of the amount of the redetermined Borrowing Base (the "New Borrowing Base Notice"), and such amount shall become the new Borrowing Base, effective and applicable to the Borrower, the Administrative Agent, the Issuing Banks and the Lenders on the date specified in such New Borrowing Base Notice. Such amount shall then become the Borrowing Base until the next Scheduled Redetermination Date, the next Interim Redetermination Date or the next adjustment to the Borrowing Base pursuant to the Borrowing Base Adjustment Provisions, whichever occurs first. Notwithstanding the foregoing, no Scheduled Redetermination or Interim Redetermination shall become effective until the New Borrowing Base Notice related thereto is received by the Borrower.

(e) Automatic Reduction of the Borrowing Base on Borrowing Base Asset Dispositions and Borrowing Base Swap Liquidations In addition to the redeterminations and other adjustments of the Borrowing Base provided for herein, to the extent that, in any period since the later of (x)the Effective Date and (y)the most recent redetermination of the Borrowing Base or adjustment of the Borrowing Base pursuant to this Section 2.07(e), Borrowing Base Asset Dispositions and/or Borrowing Base Swap Liquidations occur with an aggregate Borrowing Base Value in excess of five percent (5%) of the Borrowing Base, as established on the Effective Date or the most recent of such Redetermination Dates (or adjustment dates), as applicable, then, unless the Required Lenders make an election to the contrary, the Borrowing Base will be reduced, effective immediately upon the consummation of the Borrowing Base Asset Disposition or Borrowing Base Swap Liquidation that caused such 5% threshold to be exceeded, by the Borrowing Base Value of the Oil and Gas Properties or Swap Agreements subject of such Borrowing Base Asset Disposition or Borrowing Base Swap Liquidation (as proposed by the Administrative Agent and approved by the Required Lenders, which shall take into account any other Swap Agreements executed by the Credit Parties contemporaneously with the Borrowing Base Swap Liquidation) and the Borrower shall make any mandatory prepayment required under Section 3.04(c)(iii)as a result of such reduction; provided that the Borrowing Base Value for purposes of this Section 2.07(e)shall be determined by the Administrative Agent and such amount shall be submitted to the Lenders and shall be deemed approved if the Required Lenders have not objected to such amount within ten (10)Business Days of such submission. Upon any such reduction in the Borrowing Base, the Administrative Agent shall promptly deliver notice thereof to the Borrower and the Lenders.

(f) Automatic Reduction of the Borrowing Base on the Issuance or Incurrence of Specified Additional Debt. In addition to the redeterminations and other adjustments of the Borrowing Base provided for herein, upon the issuance or incurrence of any Specified Additional Debt (and not, for the avoidance of doubt, (x)any Permitted Refinancing Debt in respect of any Specified Additional Debt or (y)any Specified Additional Debt issued prior to the first Scheduled Redetermination in an aggregate principal amount up to $600,000,000), the Borrowing Base then in effect shall be automatically reduced by an amount equal to the product of 0.25 multiplied by the stated principal amount of such Specified Additional Debt (without regard to any initial issue discount), and the Borrowing Base as so reduced shall become the new Borrowing Base immediately upon the date of such issuance and/or incurrence, effective and applicable to the Borrower, the Administrative Agent, any Issuing Bank and the Lenders on such date until the next redetermination or other adjustment of the Borrowing Base pursuant to this Agreement.

(g) Reduction of the Borrowing Base Related to Title. In addition to the redeterminations and other adjustments of the Borrowing Base provided for herein, if the Administrative Agent or Required Lenders have adjusted the Borrowing Base in accordance with Section 8.12(c), so that, after giving effect to such reduction, the Borrower will satisfy the requirements of Section 8.12(c), the Administrative Agent shall promptly notify the Borrower in writing and, upon receipt of such notice, the new Borrowing Base will simultaneously become effective.

Section 2.08 Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of dollar denominated Letters of Credit for its own account or for the account of any of its Restricted Subsidiaries, in a form reasonably acceptable to the Administrative Agent and the Issuing Banks, at any time and from time to time during the Availability Period in an aggregate amount not to exceed the LC Commitment; provided that (x)the aggregate amount of LC Exposures with respect to Letters of Credit issued and outstanding at any time by any Issuing Bank shall not exceed its LC Issuance Limit (unless otherwise agreed to in writing by such Issuing Bank) and (y) the Borrower may not request the issuance, amendment, renewal or extension of Letters of Credit hereunder if a Borrowing Base Deficiency exists at such time or would

exist as a result thereof. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, any Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. Notwithstanding anything herein to the contrary, the Issuing Banks shall have no obligation hereunder to issue, and (in the case of clause (i)) shall not issue, any Letter of Credit (i)the proceeds of which would be made available to any Person (A)to fund any activity or business of or with any Sanctioned Person, or in any Sanctioned Country or (B)in any manner that would result in a violation of any Sanctions by any party to this Agreement (provided that, for the avoidance of doubt, this clause (i)shall not operate to invalidate any Letter of Credit or impose any liability on the applicable Issuing Bank for issuing same if the proceeds of such Letter of Credit are ultimately used in contravention of the representations and warranties made by the Borrower to such Issuing Bank at the time of the issuance, amendment, renewal or extension of such Letter of Credit), (ii)if any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain any Issuing Bank from issuing such Letter of Credit, or any Governmental Requirement relating to any Issuing Bank or any Governmental Authority with jurisdiction over any Issuing Bank shall prohibit, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon any Issuing Bank with respect to such Letter of Credit any restriction, reserve or capital requirement (for which such Issuing Bank is not otherwise compensated hereunder) not in effect on the Effective Date, or shall impose upon any Issuing Bank any unreimbursed loss, cost or expense which was not applicable on the Effective Date and which such Issuing Bank in good faith deems material to it or (iii)if the issuance of such Letter of Credit would violate one or more policies of any Issuing Bank applicable to letters of credit generally; providedthat, notwithstanding anything herein to the contrary, (x)the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements or directives thereunder or issued in connection therewith or in the implementation thereof, and (y)all requests, rules, guidelines, requirements or 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 not to be in effect on the Effective Date for purposes of clause (ii) above, regardless of the date enacted, adopted, issued or implemented.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall transmit by electronic communication to an Issuing Bank and the Administrative Agent (prior to 2:00 p.m.New York, New York time three (3)Business Days in advance of the requested date of issuance, amendment, renewal or extension (or such shorter period agreed to by such Issuing Bank)) a notice:

(i) requesting the issuance of a Letter of Credit or identifying the Letter of Credit to be amended, renewed or extended;

(ii) specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day);

(iii) specifying the date on which such Letter of Credit is to expire (which shall comply withSection 2.08(c));

(iv) specifying the amount of such Letter of Credit;

(v)specifying the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit;

(vi)specifying the amount of the then effective Borrowing Base and the then effective Aggregate Elected Commitment Amounts and whether a Borrowing Base Deficiency exists at such time, the current total Revolving Credit Exposures (without regard to the requested Letter of Credit or the requested amendment, renewal or extension of an outstanding Letter of Credit) and the *pro forma* total Revolving Credit Exposures (giving effect to the requested Letter of Credit or the requested amendment, renewal or extension of an outstanding Letter of Credit); and

(vii)if a Letter of Credit is to be issued for the account of a Restricted Subsidiary, (x)accompanied by information about such Restricted Subsidiary in connection with applicable "know your customer" and anti-money laundering rulesand regulations reasonably requested by such Issuing Bank and (y)naming the Borrower as a joint applicant on the applicable Letter of Credit Agreements.

Each notice shall constitute a representation and warranty by the Borrower that after giving effect to the requested issuance, amendment, renewal or extension, as applicable, (x)the LC Exposure shall not exceed the LC Commitment, (y)the aggregate amount of LC Exposures with respect to Letters of Credit issued and outstanding at any time by any Issuing Bank shall not exceed its LC Issuance Limit (unless such Issuing Bank shall have otherwise agreed in writing) and (z)the total Revolving Credit Exposures shall not exceed the then effective Loan Limit.

If requested by an Issuing Bank, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit; provided that, in the event of any conflict between such application or any Letter of Credit Agreement and the terms of this Agreement, the terms of this Agreement shall control.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i)the date that is one year (or fifteen (15) months if the beneficiary of such Letter of Credit is the Texas Railroad Commission) after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year (or fifteen (15) months if the beneficiary of such Letter of Credit is the Texas Railroad Commission) after such renewal or extension) and (ii)the date that is five (5)Business Days prior to the Maturity Date. If the Borrower so requests in any applicable notice given pursuant to Section 2.08(b)and an Issuing Bank agrees to do so, such Issuing Bank may issue a Letter of Credit that has automatic renewal provisions; provided, however, that any Letter of Credit that has automatic renewal provisions must permit such Issuing Bank to prevent any such renewal at least once in each twelve-month period (or fifteen (15) month period if the beneficiary of such Letter of Credit is the Texas Railroad Commission) (commencing with the date of issuance of such Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day in each such twelve-month (or fifteen month) period to be agreed upon by the Borrower and such Issuing Bank at the time such Letter of Credit is issued and any such Letter of Credit may not have an expiration date later than the date that is five (5)Business Days prior to the Maturity Date (except to the extent cash collateralized or backstopped on or prior to the Maturity Date pursuant to arrangements reasonably acceptable to the applicable Issuing Bank). Once any such Letter of Credit that has automatic renewal provisions has been issued, the Lenders shall be deemed to have authorized (but may not require) such Issuing Bank to permit the renewal of such Letter of Credit at any time to an expiry date not later than thirty (30) days prior to the Maturity Date; provided, further, that (i)such Issuing Bank shall not be obligated to permit any such renewal if such Issuing Bank has determined that it would have no obligation at such time to issue such Letter of Credit in its renewed form under the terms hereof, or (ii)such Issuing Bank shall not permit any such renewal if it has received notice (on or before the day that is two (2)Business Days before the date that such Issuing Bank is permitted to send a notice of non-renewal from the Administrative Agent, any Lender or the Borrower that one or more of the applicable conditions specified in Section 6.02 is not then satisfied.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the Issuing Banks or the Lenders, the Issuing Banks hereby grants to each Lender, and each Lender hereby acquires from the Issuing Banks, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Banks, such Lender's Applicable Percentage of each LC Disbursement made by the Issuing Banks and not reimbursed by the Borrower on the date due as provided in Section 2.08(e), or of any

reimbursement payment required to be refunded to the Borrower for any reason. Each Lender acknowledges, and severally agrees that its obligation to acquire participations pursuant to this Section 2.08(d) in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default, the existence of a Borrowing Base Deficiency or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If any Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to such LC Disbursement not later than 12:00 noon, New York, New York time, on the next Business Day following the day that the Borrower receives such notice; provided that the Borrower shall, subject to the conditions to Borrowing set forth herein (other than the requirement to deliver a Borrowing Request), be deemed to have requested, and the Borrower does hereby request under such circumstances, that such payment be financed with an ABR Borrowing in an amount equal to such LC Disbursement and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Borrowing. If the Borrower fails to make such payment when due, the Administrative Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Applicable Percentage thereof. Promptly following receipt of such notice, each Lender shall pay to the Administrative Agent its Applicable Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.05 with respect to Loans made by such Lender (and Section 2.05 shall apply, *mutatis mutandis,* to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to such Issuing Bank the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this Section 2.08(e), the Administrative Agent shall distribute such payment to such Issuing Bank or, to the extent that Lenders have made payments pursuant to this Section 2.08(e) to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this Section 2.08(e) to reimburse an Issuing Bank for any LC Disbursement (other than the funding of ABR Loans as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in Section 2.08(e) shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, any Letter of Credit Agreement or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the applicable Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit or any Letter of Credit Agreement, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section 2.08(f), constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder or any obligations of a Restricted Subsidiary under the Loan Documents or any other transaction. Neither the Administrative Agent, the Lenders nor any Issuing Bank, nor any of their Related Parties shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of any Issuing Bank; provided that the foregoing shall not be construed to excuse any Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Banks (as finally determined by a court of competent jurisdiction), the Issuing Banks shall be deemed to have exercised all requisite care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the applicable Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. Each Issuing Bank shall, within the period stipulated by terms and condition of Letter of Credit, following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. After such examination and provided that such document(s) are compliant, the applicable Issuing Bank shall promptly notify the Administrative Agent and the Borrower in writing of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If the applicable Issuing Bank shall make any LC Disbursement, then, until the Borrower shall have reimbursed such Issuing Bank for such LC Disbursement (either with its own funds or a Borrowing under Section 2.08(e)), the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate *per annum* then applicable to ABR Loans and such interest shall be due and payable on the date when such reimbursement is payable; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 3.02(c) shall apply. Interest accrued pursuant to this Section 2.08(h) shall be for the account of such Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to Section 2.08(e) to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Removal, Replacement or Resignation of an Issuing Bank.

(i) Any Issuing Bank may be removed at any time by written agreement among the Borrower, the Administrative Agent and the removed Issuing Bank; provided, that if there is only one Issuing Bank, such Issuing Bank may not be removed, but may be replaced. Any Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such removal or replacement of such Issuing Bank. At the time any such removal or replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the removed or replaced Issuing Bank pursuant to Section 3.05(b). From and after the effective date of any such replacement, (A) the successor Issuing Bank shall have all the rights and obligations of such Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (B) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the removal or replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit. Annex II shall be amended upon the written agreement of the Borrower, the Administrative Agent and any successor Issuing Bank to set forth such Issuing Bank's LC Issuance Limit, and no successor Issuing Bank shall be an "Issuing Bank" hereunder until such amendment is effective.

(ii) Subject to the appointment and acceptance of a successor Issuing Bank, any Issuing Bank may resign as an Issuing Bank at any time upon 30 days' prior written notice to the Administrative Agent, the Borrower and the Lenders, in which case, such resigning Issuing Bank shall be replaced in accordance with Section 2.08(i)(i) above.

(j) Cash Collateralization. If (i)any Event of Default shall occur and be continuing and the Borrower receives notice from the Administrative Agent, in its discretion or at the direction of the Required Lenders, demanding the deposit of cash collateral pursuant to this Section2.08(j), (ii)the LC Exposure exceeds the LC Commitment at any time as a result of a reduction in the Borrowing Base or (iii)the Borrower is required to pay to the Administrative Agent the excess attributable to any LC Exposure in connection with any prepayment pursuant to Section 3.04(c), then the Borrower shall deposit, in the case of clause (i)or (ii), on demand, or in the case of clause (iii), by the date specified therefor in Section 3.04(c), in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders, an amount in cash (or, if acceptable to the Administrative Agent, Cash Equivalents) equal to 103% of, (A)in the case of an Event of Default, the LC Exposure, (B)in the case of the LC Exposure exceeding the LC Commitment, the amount of such excess, and (C)in the case of a payment required by Section3.04(c), the amount of such excess as provided in Section 3.04(c), as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower or any Restricted Subsidiary described in Section 10.01(h) or Section 10.01(i). The Borrower hereby grants to the Administrative Agent, for the benefit of the Issuing Banks and the Lenders, an exclusive first priority and continuing perfected security interest in and Lien on such account and all cash, checks, drafts, certificates and instruments, if any, from time to time deposited or held in such account, all deposits or wire transfers made thereto, any and all investments purchased with funds deposited in such account, all interest, dividends, cash, instruments, financial assets and other Property from time to time received, receivable or otherwise payable in respect of, or in exchange for, any or all of the foregoing, and all proceeds, products, accessions, rents, profits, income and benefits therefrom, and any substitutions and replacements therefor. The Borrower's obligation to deposit amounts pursuant to this Section 2.08(j)shall be absolute and unconditional, without regard to whether any beneficiary of any such Letter of Credit has attempted to draw down all or a portion of such amount under the terms of a Letter of Credit, and, to the fullest extent permitted by applicable law, shall not be subject to any defense or be affected by a right of set-off, counterclaim or recoupment which the Borrower or any of its Restricted Subsidiaries may now or hereafter have against any such beneficiary, the Issuing Banks, the Administrative Agent, the Lenders or any other Person for any reason whatsoever. Such deposit shall be held as collateral securing the payment and performance of the Credit Parties' obligations under this Agreement and the other Loan Documents. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Banks for LC Disbursements for which they have not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated, be applied to satisfy other obligations of the Credit Parties under this Agreement or the other Loan Documents. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, and the Borrower is not otherwise required to transfer to the Administrative Agent the excess attributable to any LC Exposure in connection with any prepayment pursuant to Section 3.04(c), then such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three (3) Business Days after all Events of Default have been cured or waived.

(k) LC Exposure Determination. For all purposes of this Agreement, the amount of a Letter of Credit that, by its terms or the terms of any document related thereto, provides for one or more automatic increases in the stated amount thereof shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at the time of determination.

(l) Reports from Issuing Banks. Each Issuing Bank (other than the Administrative Agent or any of its Affiliates) shall, at least once each month, provide the Administrative Agent with a list of all Letters of Credit issued by such Issuing Bank that are outstanding at such time; provided that, upon written request from the Administrative Agent, such Issuing Bank shall thereafter notify the Administrative Agent in writing on each Business Day of all Letters of Credit issued by such Issuing Bank that are outstanding at such time.

Section 2.09 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)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 Section 10.02(c)or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 12.08 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,* to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Bank hereunder; *third,* to cash collateralize the Issuing Banks' LC Exposure with respect to such Defaulting Lender in accordance with this Section 2.09; *fourth,* as the Borrower may request (so long as no Default or Event of Default exists), to the funding of any 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; *fifth,* if so determined by the Administrative Agent and the Borrower, to be held in a Deposit Account and released pro rata in order to (i)satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (ii)cash collateralize the Issuing Banks' future LC Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with this Section 2.09; *sixth,* to the payment of any amounts owing to the Lenders or the Issuing Banks as a result of any judgment of a court of competent jurisdiction obtained by any Lender or the Issuing Banks against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement or under any other Loan Document; *seventh,* 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 or under any other Loan Document; and *eighth,* to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; provided that if (i)such payment is a payment of the principal amount of any Loans or LC Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, and (ii)such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 6.02 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and LC Disbursements owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or LC Disbursements owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure are held by the Lenders pro rata in accordance with the Commitments without giving effect to Section 2.09(c). 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 or to post cash collateral pursuant to this Section 2.09 shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto;

(b)the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether the Majority Lenders or Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section12.02); provided that this clause (b)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 affected thereby;

(c) if any LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i)all or any part of such LC Exposure of such Defaulting Lender shall automatically be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent any non-Defaulting Lender's Revolving Credit Exposure does not exceed its Commitment;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Borrower shall, within one (1) Business Day following notice by the Administrative Agent, cash collateralize such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.08(j) for so long as such LC Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 3.05(b) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 3.05(a) and Section 3.05(b) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; or

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither cash collateralized nor reallocated pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of the Issuing Banks or any Lender hereunder, all commitment fees that otherwise would have been payable to such Defaulting Lender (solely with respect to the portion of such Defaulting Lender's Commitment that was utilized by such LC Exposure) under Section 3.05(a) and letter of credit fees payable under Section 3.05(b) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Banks until such LC Exposure is cash collateralized and/or reallocated; and

(d) so long as such Lender is a Defaulting Lender, no Issuing Bank shall be required to issue, amend, extend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.09(c), and LC Exposure related to any newly issued, extended or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.09(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event or a Bail-In Action with respect to a Lender Parent shall occur following the date hereof and for so long as such event shall continue or (ii) any Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, no Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless the Issuing Banks shall have entered into arrangements with the Borrower or such Lender, satisfactory to such Issuing Bank, as the case may be, to defease any risk to it in respect of such Lender hereunder.

In the event that each of the Administrative Agent, the Borrower and each Issuing Bank agree that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

ARTICLE III
PAYMENTS OF PRINCIPAL AND INTEREST; PREPAYMENTS; FEES

Section 3.01 Repayment of Loans. The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan on the Termination Date.

Section 3.02 Interest.

(a) ABR Loans. The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Margin, but in no event to exceed the Highest Lawful Rate.

(b) SOFR Loans. The Loans comprising each SOFR Borrowing shall bear interest at the Adjusted Term SOFR for the Interest Period in effect for such Borrowing plus the Applicable Margin, but in no event to exceed the Highest Lawful Rate.

(c) Post-Default Rate. Notwithstanding the foregoing, (i) if any Event of Default of the type described in Section 10.01(a), Section 10.01(b), Section 10.01(h), Section 10.01(i) or Section 10.01(j) occurs, then (A) all outstanding principal, fees and other obligations under any Loan Document (other than fees payable pursuant to Section 3.05(b)) shall automatically bear interest at a rate *per annum* of two percent (2%) plus the rate applicable to ABR Loans as provided in Section 3.02(a) (including the Applicable Margin) and (B) all fees payable pursuant to Section 3.05(b) shall increase by two percent (2%) *per annum* over the then-applicable rate, but in no event to exceed the Highest Lawful Rate, and shall be payable on demand by the Administrative Agent and (ii) if any Event of Default occurs (other than an Event of Default described in Section 10.01(a), Section 10.01(b), Section 10.01(h), Section 10.01(i) or Section 10.01(j)), then at the election of the Majority Lenders (or the Administrative Agent at the direction of Majority Lenders), (A) all outstanding principal, fees and other obligations under any Loan Document (other than fees payable pursuant to Section 3.05(b)) shall bear interest at a rate *per annum* of two percent (2%) plus the rate applicable to ABR Loans as provided in Section 3.02(a) (including the Applicable Margin) and (B) all fees payable pursuant to Section 3.05(b) shall increase by two percent (2%) *per annum* over the then-applicable rate, but in no event to exceed the Highest Lawful Rate, and shall be payable on demand by the Administrative Agent.

(d) Interest Payment Dates. Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and on the Termination Date; provided that (i) interest accrued pursuant to Section 3.02(c) shall be payable on demand, or if no demand has been made, on each Interest Payment Date, (ii) in the event of any repayment or prepayment of any Loan (other than an optional prepayment of an ABR Loan prior to the Termination Date), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment, and (iii) in the event of any conversion of any SOFR Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) Interest Rate Computations. All interest hereunder shall be computed on the basis of a year of 360 days, unless such computation would exceed the Highest Lawful Rate, in which case interest shall be computed on the basis of a year of 365 days (or 366 days in a leap year), 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). All interest hereunder on any Loan shall be computed on a daily basis based upon the outstanding principal amount of such Loan as of the applicable date of determination. The applicable Alternate Base Rate or Adjusted Term SOFR shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error, and be binding upon the parties hereto.

(f) Term SOFR Conforming Changes. In connection with the use or administration of Term SOFR, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Administrative Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Term SOFR.

Section 3.03 Benchmark Replacement Setting.

(a) Subject to clauses (b), (c), (d), (e), and (f) of this Section 3.03, if prior to the commencement of any Interest Period for a SOFR Borrowing:

(i) the Administrative Agent determines that Adjusted Term SOFR cannot be determined pursuant to the definition thereof; or

(ii)the Majority Lenders determine that for any reason in connection with any request for a SOFR Loan or a conversion thereto or a continuation thereof that Adjusted Term SOFR for any requested Interest Period with respect to a proposed SOFR Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, and the Majority Lenders have provided notice of such determination to the Administrative Agent;

the Administrative Agent will promptly so notify the Borrower and each Lender.

Upon notice thereof by the Administrative Agent to the Borrower, any obligation of the Lenders to make SOFR Loans, and any right of the Borrower to continue SOFR Loans or to convert ABR Loans to SOFR Loans, shall be suspended (to the extent of the affected SOFR Loans or affected Interest Periods) until the Administrative Agent (with respect to clause (ii), at the instruction of the Majority Lenders) revokes such notice. Upon receipt of such notice, (i)the Borrower may revoke any pending request for a borrowing of, conversion to or continuation of SOFR Loans (to the extent of the affected SOFR Loans or affected Interest Periods) or, failing that, the Borrower will be deemed to have converted any such request into a request for a Borrowing of or conversion to ABR Loans in the amount specified therein and (ii)any outstanding affected SOFR Loans will be deemed to have been converted into ABR Loans at the end of the applicable Interest Period. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to Section 5.02. Subject to clauses (b), (d), (c) and (f) of this Section 3.03, if the Administrative Agent determines (which determination shall be conclusive and binding absent manifest error) that Adjusted Term SOFR cannot be determined pursuant to the definition thereof on any given day, the interest rate on ABR Loans shall be determined by the Administrative Agent without reference to clause (c)of the definition of "Alternate Base Rate" until the Administrative Agent revokes such determination.

(b) Benchmark Replacement.

(i) Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, the Administrative Agent and the Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all affected Lenders and the Borrower so long as the Administrative Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Majority Lenders. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 3.03(b)(i) will occur prior to the applicable Benchmark Transition Start Date.

(ii) No Swap Agreement shall be deemed to be a "Loan Document" for purposes of thisSection 3.03.

(c) Benchmark Replacement Conforming Changes. In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(d) Notices; Standards for Decisions and Determinations. The Administrative Agent will promptly notify the Borrower and the Lenders of (i)the implementation of any Benchmark Replacement and (ii)the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Borrower of (A)the removal or reinstatement of any tenor of a Benchmark pursuant to Section 3.03(e)and (B)the commencement 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 3.03, 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 3.03.

(e) Unavailability of Tenor of Benchmark. 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 Reference 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 not or will not be representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) 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 not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(f) Benchmark Unavailability Period. Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, the Borrower may revoke any pending request for a SOFR Borrowing of, conversion to or continuation of SOFR 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 ABR Loans. During a 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.

Section 3.04 Prepayments.

(a) Optional 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 notice in accordance with Section 3.04(b).

(b) Notice and Terms of Optional Prepayment. The Borrower shall provide written notice to the Administrative Agent by electronic transmission acceptable to the Administrative Agent of any prepayment hereunder (i)in the case of prepayment of a SOFR Borrowing, not later than 2:00 p.m., New York, New York time, three (3)U.S. Government Securities Business Days before the date of prepayment, or (ii)in the case of prepayment of an ABR Borrowing, not later than 12:00 noon, New York, New York time, one Business Day 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, if a notice of prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Sections 2.06(b)or 2.06(c), then such notice of prepayment may be revoked if such notice of termination is revoked in accordance withSections 2.06(b) or 2.06(c). Promptly following receipt of any such notice relating to a Borrowing, the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 3.02.

(c) Mandatory Prepayments; Additional Mortgaged Property.

(i)If, after giving effect to any termination or reduction of the Aggregate Maximum Credit Amounts pursuant to Section 2.06(b)or any termination or reduction of the Aggregate Elected Commitment Amounts pursuant to Section 2.06(c), the total Revolving Credit Exposures exceeds the then effective Loan Limit, then the Borrower shall (A)prepay the Borrowings on the date of such termination or reduction in an aggregate principal amount equal to such excess, and (B)if any excess remains after prepaying all of the Borrowings as a result of any LC Exposure, transfer to the Administrative Agent on behalf of the Lenders an amount equal to such excess to be held as cash collateral as provided in Section 2.08(j).

(ii)Upon any redetermination of the Borrowing Base pursuant to Section 2.07(c)(iii)or reduction of the Borrowing Base in connection with Section 2.07(g), if the total Revolving Credit Exposures exceeds the Loan Limit after giving effect to the redetermined or adjusted Borrowing Base, then the Borrower shall eliminate such excess by either prepaying the Borrowings in an aggregate principal amount equal to such excess (and if any excess remains after prepaying all of the Borrowings as a result of any LC Exposure, transferring to the Administrative Agent an amount equal to such excess to be held as cash collateral as provided in Section 2.08(j)or granting, or causing Restricted Subsidiaries to grant, to the Administrative Agent by instruments reasonably satisfactory in form and substance to the Administrative Agent as security for the Obligations a first-priority Lien interest (provided that Liens permitted by Section 9.03 may exist) on additional Oil and Gas Properties which Oil and Gas Properties are not already subject to a Lien of the Security Instruments and which Oil and Gas Properties were not previously included in a Reserve Report evaluated by the Lenders in connection with the then-existing Borrowing Base, with value and quality satisfactory to the Administrative Agent and the Required Lenders in their respective individual sole discretion sufficient to eliminate such excess (such additional Oil and Gas Properties, "Additional Mortgaged Property")). The Borrower may make such prepayment, at its election, (1)in one lump sum payment on or before the date that is 30 days following the receipt by the Borrower of the New Borrowing Base Notice in accordance with Section 2.07(d) or (2)in six equal payments (the " Borrowing Base Amortization Payments"), the first of which being due on the date that is 30 days following the date of receipt by the Borrower of the New Borrowing Base Notice in accordance with Section 2.07(d)and each subsequent payment being due and payable on the same day in each of the subsequent calendar months (subject to any reductions or increases of the Borrowing Base Deficiency during such six-month period as a result of any other adjustments or redeterminations of the Borrowing Base during such period); provided that all payments required to be made pursuant to thisSection 3.04(c)(ii) must be made on or prior to the Termination Date. Alternatively, the Borrower may grant or cause the granting of such Liens with respect to the Additional Mortgaged Property, within thirty (30) days (or such longer period as may be agreed to by the Administrative Agent in its sole discretion) following the receipt by the Borrower of the New Borrowing Base Notice in accordance with Section2.07(d). All such Liens will be created and perfected by and in accordance with the provisions of deeds of trust, mortgages, security agreements and financing statements or other Security Instruments, all in form and substance reasonably satisfactory to the Administrative Agent and in sufficient executed (and acknowledged where necessary or appropriate) counterparts for recording purposes. In order to comply with the foregoing, if any Restricted Subsidiary places a Lien on its Proved Oil and Gas Properties and such Restricted Subsidiary is not a Guarantor, then it shall become a Guarantor and comply with Section 8.13(b). The Borrower shall notify the Administrative Agent in writing of the Borrower's election in respect of clause (1) or (2)of the preceding sentence, its election to grant Liens in Additional Mortgaged Properties approved by the Administrative Agent and Required Lenders, or any combination of the actions set forth in this sentence, within 10 Business Days following the receipt of the New Borrowing Base Notice in accordance with Section 2.07(d). Failure to provide such notification shall be deemed an election to prepay the Borrowing Base Deficiency pursuant to clause (2)above. Notwithstanding the foregoing, the Credit Parties shall not make any principal payment or other Redemption in respect of the Holdings Intercompany Debt while a Borrowing Base Deficiency or Event of Default exists.

(iii)Upon any adjustment to the amount of the Borrowing Base in accordance with the Borrowing Base Adjustment Provisions (other than Section 2.07(g)), if the total Revolving Credit Exposures exceeds the Borrowing Base as adjusted, then the Borrower shall (A)prepay the Borrowings in an aggregate principal amount equal to such excess and (B)if any excess remains after prepaying all of the Borrowings as a result of any LC Exposure, transfer to the Administrative Agent on behalf of the Lenders an amount equal to such excess to be held as cash collateral as provided in Section 2.08(j). The Borrower shall be obligated to make such prepayment in one lump sum payment on the third Business Day after the consummation of such Borrowing Base Asset Disposition, Borrowing Base Swap Liquidation or incurrence of Specified Additional Debt. Nothing in this paragraph is intended to permit any Credit Party to sell, transfer or otherwise dispose Property other than pursuant to Section 9.12, and any such non-permitted sale, transfer or disposition will constitute a breach of this Agreement.

(iv) Reserved.

(v)Promptly following the incurrence of any Debt by any Credit Party (other than Debt permitted under Section 9.02), the Borrower shall prepay the Loans (and if any excess remains after prepaying all of the Borrowings as a result of any LC Exposure, transferring to the Administrative Agent an amount equal to such excess to be held as cash collateral as provided in Section 2.08(j)) in an aggregate amount equal to the lesser of (A)one hundred percent (100%) of the Net Proceeds received in respect of such Debt and (B)the amount of Loans then outstanding. Nothing in this paragraph is intended to permit any Credit Party to incur Debt other than as permitted under Section 9.02, and any such incurrence of Debt shall be a violation of Section 9.02 and a breach of this Agreement.

(vi)In addition to the foregoing mandatory prepayments set forth in this Section 3.04(c), at any time that Specified Additional Debt (other than Permitted Refinancing Debt in respect thereof) shall be incurred or issued while a Borrowing Base Deficiency exists, the Borrower shall to the extent necessary to cure such Borrowing Base Deficiency (with the Borrowing Base being calculated after giving effect to the Borrowing Base adjustment required pursuant to Section 2.07(f)in connection with such Specified Additional Debt) (A)prepay the Borrowings in an aggregate principal amount equal to such excess and (B)if any excess remains after prepaying all of the Borrowings as a result of any LC Exposure, transfer to the Administrative Agent on behalf of the Lenders an amount equal to such excess to be held as cash collateral as provided in Section 2.08(j). The Borrower shall be obligated to make such prepayment in one lump sum payment on the first Business Day after Holdings, the Borrower or any of its Restricted Subsidiaries receives any Net Proceeds from such incurrence of Specified Additional Debt.

(vii)Each prepayment of Borrowings pursuant to this Section 3.04(c)shall be applied, first, ratably to any ABR Borrowings then outstanding, and, *second,* to any SOFR Borrowings then outstanding, and if more than one SOFR Borrowing is then outstanding, to each such SOFR Borrowing in order of priority beginning with the SOFR Borrowing with the least number of days remaining in the Interest Period applicable thereto and ending with the SOFR Borrowing with the most

number of days remaining in the Interest Period applicable thereto.

(viii)Without limiting any other provision of this Section 3.04(c), if at the time of the receipt of such Net Proceeds a Borrowing Base Deficiency then exists, then promptly following the receipt of Net Proceeds by any Credit Party in respect of any Asset Sale in an amount exceeding $5,000,000, in each case on an individual basis or the basis of a series of related transactions, the Borrower shall prepay the Loans in an aggregate amount equal to the lesser of (A)one hundred percent (100%) of such Net Proceeds and (B)the amount of the Borrowing Base Deficiency, with any such payment that is made when Borrowing Base Amortization Payments are required under Section 3.04(c)(ii), such payment shall be applied in inverse order of maturity to such Borrowing Base Amortization Payments.

(ix)Without limiting any other provision of this Section 3.04(c), if at the time of the receipt of such Net Proceeds a Borrowing Base Deficiency then exists, then promptly following the receipt of Net Proceeds by any Credit Party in respect of any Casualty Event in an amount exceeding $5,000,000, on an individual basis or the basis of a series of related payments in respect of one or more Casualty Events, the Borrower shall prepay the Loans in an aggregate amount equal to the lesser of (A)one hundred percent (100%) of such Net Proceeds and (B)the amount of the Borrowing Base Deficiency, with any such payment that is made when Borrowing Base Amortization Payments are required under Section 3.04(c)(ii), such payment shall be applied in inverse order of maturity to such Borrowing Base Amortization Payments.

(x)Each prepayment of Borrowings pursuant to this Section 3.04(c)shall be applied ratably to the Loans included in the prepaid Borrowings. Prepayments pursuant to this Section 3.04(c) shall be accompanied by accrued interest to the extent required bySection 3.02.

(d) No Premium or Penalty. Prepayments permitted or required under this Section 3.04 shall be without premium or penalty, except as required under Section 5.02.

Section 3.05 Fees.

(a) Commitment Fees. Except as otherwise provided in Section 3.05(d), the Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee, which shall accrue at the applicable Commitment Fee Rate on the average daily amount of the unused amount of the Commitment of such Lender during the Availability Period. For the avoidance of doubt, LC Exposure shall constitute usage of the Commitments for purposes of this Section 3.05(a). Accrued commitment fees shall be payable in arrears on the last day of March, June, Septemberand Decemberof each year and on the Termination Date, commencing on the first such date to occur after the date hereof. All commitment fees shall be computed on the basis of a year of 360 days, unless such computation would exceed the Highest Lawful Rate, in which case such fees shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) Letter of Credit Fees. Except as otherwise provided in Section 3.05(d), the Borrower agrees to pay (i)to the Administrative Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit, which shall accrue at the same Applicable Margin used to determine the interest rate applicable to SOFR Loans on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the date of this Agreement to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, (ii)to each Issuing Bank a fronting fee, which shall accrue at the rate of 0.15% per annum on the average daily amount of the LC Exposure of such Issuing Bank (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the date of this Agreement to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, and (iii)to the Issuing Bank, for its own account, its standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, Septemberand Decemberof each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the date of this Agreement; provided that all such fees shall be payable on the Termination Date and any such fees accruing after the Termination Date shall be payable on demand. Any other fees payable to any Issuing Bank pursuant to this Section 3.05(b)shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days, unless such computation would cause interest hereunder to exceed the Highest Lawful Rate, in which case such participation and fronting fees shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) Administrative Agent and Arranger Fees. The Borrower agrees to pay to the Administrative Agent and/or the Arrangers, as applicable, the fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent and/or such Arrangers in the Fee Letters.

(d) Defaulting Lender Fees. Subject to Section 2.09, the Borrower shall not be obligated to pay the Administrative Agent any Defaulting Lender's ratable share of the fees described in Section 3.05(a) and (b)for the period commencing on the day such Defaulting Lender becomes a Defaulting Lender and continuing for so long as such Lender continues to be a Defaulting Lender.

(e) Borrowing Base Increase Fees. The Borrower agrees to pay to the Administrative Agent, for the account of each Lender then party to this Agreement and whose Commitment, if any, is increasing, a Borrowing Base increase fee in an amount to be set forth in a separate written agreement on the amount of any increase of the Borrowing Base, payable on the effective date of any such increase to the Borrowing Base.

ARTICLE IV
PAYMENTS; PRO RATA TREATMENT; SHARING OF SET-OFFS

Section 4.01 Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) Payments by the Borrower. The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section5.01, Section5.02, Section5.03 or otherwise) prior to 1:00 p.m., New York, New York time, on the date when due, in immediately available funds, without defense, deduction, recoupment, set-off or counterclaim. Fees, once paid, shall be fully earned and shall not be refundable under any circumstances, absent manifest error. 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 at its offices specified in Section 12.01, except payments to be made directly to an Issuing Bank as expressly provided herein and except that payments pursuant to Section 5.01, Section5.02, Section5.03 and Section 12.03 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, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars.

(b) Application of Insufficient Payments. If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all

amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder then, subject to Section10.02(c), such funds shall be applied *(i)first,* towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) *second,* towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) Sharing of Payments by Lenders. 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 Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements; 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 Section 4.01(c)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 (including the application of funds arising from the existence of a Defaulting Lender) or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or Participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this Section 4.01(c)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.

Section 4.02 Presumption of Payment by the Borrower. Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or the Issuing Banks 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, in reliance upon such assumption, distribute to the Lenders or the Issuing Bank, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or the Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank 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 Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

Section 4.03 Certain Deductions by the Administrative Agent. If a Defaulting Lender (or a Lender who would be a Defaulting Lender but for the expiration of the relevant grace period) as a result of the exercise of a set off shall have received a payment in respect of its Revolving Credit Exposure which results in its Revolving Credit Exposure being less than its Applicable Percentage of the aggregate Revolving Credit Exposures, then no payment will be made to such Defaulting Lender until all amounts due and owing to the Lenders have been equalized in accordance with each Lender's respective *pro rata* share of the Obligations. Further, if any Lender shall fail to make any payment required to be made by it pursuant to Section2.05(a), Section2.08(d), Section2.08(e) or Section 4.02, or otherwise hereunder, then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid. If at any time prior to the acceleration or maturity of the Loans, the Administrative Agent shall receive any payment in respect of principal of a Loan or a reimbursement of an LC Disbursement while one or more Defaulting Lenders shall be party to this Agreement, the Administrative Agent shall apply such payment first to the Borrowing(s)for which such Defaulting Lender(s)shall have failed to fund its *pro rata* share until such time as such Borrowing(s)are paid in full or each Lender (including each Defaulting Lender) is owed its Applicable Percentage of the aggregate Revolving Credit Exposure then outstanding. After acceleration or maturity of the Loans, all principal will be paid ratably as provided in Section 10.02(c).

Section 4.04 Disposition of Proceeds. The Mortgages contain an assignment by the Borrower and/or the other Credit Parties unto and in favor of the Administrative Agent for the benefit of the Secured Parties of all of such Credit Party's interest in and to production and all proceeds attributable thereto which may be produced from or allocated to the Mortgaged Property. The Mortgages further provide in general for the application of such proceeds to the satisfaction of the Obligations and other obligations described therein and secured thereby. Notwithstanding the assignment contained in such Mortgages, unless an Event of Default has occurred and is continuing, (a)the Administrative Agent and the Lenders agree that they will neither notify the purchaser or purchasers of such production nor take any other action to cause such proceeds to be remitted to the Administrative Agent or the Lenders, but the Lenders will instead permit such proceeds to be paid to the applicable Credit Party and (b)the Lenders hereby authorize the Administrative Agent to take such actions as may be necessary to cause such proceeds to be paid to the applicable Credit Party.

ARTICLE V
INCREASED COSTS; BREAK FUNDING PAYMENTS; TAXES; ILLEGALITY

Section 5.01 Increased Costs.

(a) Increased Costs Generally. If any Change in Law shall:

(i)impose, modify or deem applicable any reserve (including pursuant to regulations issued from time to time by the Board for determining the maximum reserve requirement (including any emergency, special, supplemental or other marginal reserve requirement) with respect to eurocurrency funding (currently referred to as "Eurocurrency liabilities" in Regulation D)), special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;

(ii)subject any Recipient to any Taxes (other than (A)Indemnified Taxes, (B)Taxes described in clauses (b)through (d)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; or

(iii)impose on any Lender or any Issuing Bank any other condition, cost or expense affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation in any such Loan or Letter of Credit;

and the result of any of the foregoing shall be to increase the cost to such Lender or such Issuing Bank of making, converting to, continuing or maintaining any Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or such Issuing Bank, or to reduce the amount of any sum received or receivable by such Lender or such Issuing Bank, as the case may be, (whether of principal, interest or otherwise), then the Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or Issuing Bank determines that any Change in Law affecting such Lender or Issuing Bank or any lending office of such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company, if any, regarding capital or liquidity requirements has or would have the effect of

reducing the rate of return on such Lender's or Issuing Bank's capital or on the capital of such Lender's or Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by any Issuing Bank, to a level below that which such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy or liquidity), then from time to time, upon receipt of a certificate described in the following subsection (c), the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction suffered.

(c) Certificates. A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank or its holding company, as the case may be, as specified in Section 5.01(a)or (b)shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d) Effect of Failure or Delay in Requesting Compensation. Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section 5.01 shall not constitute a waiver of such Lender's or an Issuing Bank's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender or the Issuing Bank pursuant to this Section 5.01 for any increased costs or reductions incurred more than nine months prior to the date that such Lender or the Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or the Issuing Bank'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 nine month period referred to above shall be extended to include the period of retroactive effect thereof.

Section 5.02 Break Funding Payments. In the event of (a)the payment of any principal of any SOFR Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b)the conversion of any SOFR Loan into an ABR Loan other than on the last day of the Interest Period applicable thereto (including as a result of an Event of Default), (c)the failure to borrow, convert, continue or prepay any SOFR Loan on the date specified in any notice delivered pursuant hereto, or (d)the assignment of any SOFR 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 5.04(b), then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense attributable to such event, including any loss, cost or expense arising from the liquidation or redeployment of funds.

A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section 5.02 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.

Section 5.03 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of any Credit Party under any Loan Document shall be made free and clear of and without deduction or withholding for any Taxes, except as required by applicable law; provided that if any Withholding Agent shall be required to deduct or withhold any Taxes from such payments, then (i)the applicable Withholding Agent shall make such deductions or withholdings, (ii)the applicable Withholding Agent shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law, and (iii)if such Tax is an Indemnified Tax or Other Tax, the sum payable to the applicable Recipient shall be increased as necessary by the applicable Credit Party so that after making all required deductions and withholdings (including deductions and withholdings of Taxes applicable to additional sums payable under this Section 5.03(a)), the applicable Recipient receives an amount equal to the sum it would have received had no such deductions or withholdings 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 the payment of, any Other Taxes.

(c) Indemnification by the Borrower. Without duplication of the amounts paid pursuant to Section 5.03(a)or (b), the Borrower shall indemnify each Recipient, within ten (10)Business Days after written 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 5.03) 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 by a Recipient (with a copy to the Administrative Agent), or by the Administrative Agent, on its own behalf or on behalf of a Recipient, to the Borrower shall be conclusive absent manifest error.

(d) Indemnification by the Lenders. Each Lender shall severally indemnify the Administrative Agent, within thirty (30) days after written demand therefor, for (i)any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii)any Taxes attributable to such Lender's failure to comply with the provisions of Section 12.04(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 (d).

(e) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes by any Credit Party to a Governmental Authority pursuant to this Section 5.03, the Credit 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.

(f) Status of Lenders. (i)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 and 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 5.03(f)(ii)(A), Section5.03(f)(ii)(B) and Section 5.03(f)(ii)(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 copies 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 copies of IRS FormW-8BEN (or IRS FormW-8BEN-E, as applicable) 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, as applicable) 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) executed copies of IRS Form W-8ECI;

(3)in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section881(c)of the Code, (x)a certificate substantially in the form of Exhibit H-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section881(c)(3)(A)of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section881(c)(3)(B)of the Code, or a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN (or IRS Form W-8BEN-E, as applicable); or

(4)to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS FormW-8IMY, accompanied by IRS FormW-8ECI,IRS FormW-8BEN (or IRS FormW-8BEN-E, as applicable), a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-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 H-4 on behalf of each such direct and indirect partner; and

(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 about 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 copies 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.

(D) FATCA. 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 Section1471(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 Section1471(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, if any, to deduct and withhold from such payment. Solely for purposes of this Section 5.03(f)(ii)(D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(iii)On or before the date on which Citibank, N.A. (and any successor or replacement Administrative Agent) becomes the Administrative Agent hereunder, it shall deliver to the Borrower two (2)executed copies of IRS FormW-9 certifying that such Administrative Agent is exempt from U.S. federal backup withholding Tax.

(iv)Each Lender and the Administrative Agent 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 5.03 (including by the payment of additional amounts pursuant to this Section 5.03), 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 5.03 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 5.03 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 5.03, the term "Lender" includes each Issuing Bank and the term "applicable law" includes FATCA.

Section 5.04 Mitigation Obligations; Replacement of Lenders.

(a) Designation of Different Lending Office. If any Lender requests compensation under Section 5.01, or if 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 5.03, or if any Lender's obligation to make or maintain SOFR Loans is suspended pursuant to Section5.01, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its 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 5.01 or Section5.03, as the case may be, in the future or would allow the Lender to make

SOFR Loans 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) Replacement of Lenders. If any Lender requests compensation under Section 5.01, or if 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 Section5.03, or if any Lender's obligation to make or maintain SOFR Loans is suspended pursuant to Section 5.01, or if any Lender becomes a Defaulting Lender or Non-Consenting Lender hereunder, 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 12.04(b)), all its interests, rights and obligations under this Agreement 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 and each Issuing Bank, which consent shall not unreasonably be withheld, (ii)such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, 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), (iii)in the case of any such assignment resulting from a claim for compensation under Section 5.01 or payments required to be made pursuant toSection 5.03, such assignment will result in a reduction in such compensation or payments and (iv)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 the foregoing, a Lender shall not be required to make any such assignment and delegation if such Lender (or its Affiliate) is a Secured Swap Provider with any outstanding Swap Agreements with any Credit Party (to the extent obligations under such Swap Agreements constitute Debt), unless on or prior thereto, all such Swap Agreements have been terminated or novated to another Person and such Lender (or its Affiliate) shall have received payment of all amounts, if any, payable to it in connection with such termination or novation.

Section 5.05 Illegality. If any Lender determines that any Governmental Requirement has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to make, maintain or fund Loans whose interest is determined by reference to SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or to determine or charge interest rates based upon SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, then, upon notice thereof by such Lender to the Borrower (through the Administrative Agent), (a)any obligation of the Lenders to make SOFR Loans, and any right of the Borrower to continue SOFR Loans, or to convert ABR Loans to SOFR Loans, shall be suspended, and (b)the interest rate on which ABR Loans shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to clause (c)of the definition of "Alternate Base Rate", in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, if necessary to avoid such illegality, upon demand from any Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all SOFR Loans to ABR Loans (the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to clause (c)of the definition of "Alternate Base Rate"), on the last day of the Interest Period therefor in the case of SOFR Loans, if all affected Lenders may lawfully continue to maintain such SOFR Loans to such day, or if any Lender may not lawfully continue to maintain such SOFR Loans to such day until the Administrative Agent is advised in writing by each affected Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 5.02.

ARTICLE VI
CONDITIONS PRECEDENT

Section 6.01 Effective Date. The effectiveness of this Agreement and obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 12.02):

(a) The Administrative Agent, the Arrangers and the Lenders shall have received all commitment, facility and agency fees and all other fees and amounts due and payable on or prior to the Effective Date, including, to the extent invoiced, reimbursement or payment of all reasonable and documented out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder (including, to the extent invoiced at least three (3)Business Days prior to the Effective Date, the reasonable and documented fees and expenses of Latham & Watkins LLP, counsel to the Administrative Agent).

(b)The Administrative Agent shall have received a certificate of Responsible Officer, dated as of the Effective Date, of each Credit Party setting forth (i)resolutions of its board of directors (or comparable governing body) with respect to the authorization of such Credit Party to execute and deliver the Loan Documents to which it is a party and to enter into the transactions contemplated in those documents, (ii) the officers of such Credit Party (A) who are authorized to sign the Loan Documents to which such Credit Party is a party and (B)who will, until replaced by another officer or officers duly authorized for that purpose, act as its representative for the purposes of signing documents and giving notices and other communications in connection with this Agreement and the transactions contemplated hereby, (iii)specimen signatures of such authorized officers, and (iv)the bylaws, limited liability company agreements, limited partnership agreements, certificates of incorporation, certificates of formation and certificates of limited partnership, as applicable, of such Credit Party, certified as being true and complete. The Administrative Agent and the Lenders may conclusively rely on such certificate until the Administrative Agent receives notice in writing from the Borrower to the contrary.

(c)The Administrative Agent shall have received certificates of the appropriate State agencies with respect to the existence, qualification and good standing of each Credit Party from its state of incorporation or formation and with respect to foreign qualification in any other jurisdiction in which such Credit Party owns Oil and Gas Properties.

(d)The Administrative Agent shall have received from the Borrower and each other party hereto counterparts (in such number as may be requested by the Administrative Agent) of this Agreement signed on behalf of such party.

(e)The Administrative Agent shall have received duly executed Notes payable to each Lender requesting a Note in a principal amount equal to its Maximum Credit Amount dated as of the date hereof.

(f)The Administrative Agent shall have received from each party thereto duly executed counterparts (in such number as may be requested by the Administrative Agent) of the Security Instruments required as of the Effective Date, including the Guarantee and Collateral Agreement and the other Security Instruments described on Exhibit E. In connection with the execution and delivery of the Security Instruments, the Administrative Agent shall:

(i)have received the Security Instruments which will, when properly recorded (or when the applicable financing statements related thereto are properly filed or such other actions needed to perfect are taken) create first priority, perfected Liens (subject only to Liens permitted by Section 9.03) (A)on at least 90% of the PV-9 of the Borrowing Base Properties of the type set forth in clause (a)of the definition thereof evaluated in the Initial Reserve Report, (B)those Midstream Assets material to the operation of the Borrowing Base Properties to the extent reasonably requested by the Administrative Agent, and (C)on all other Property purported to be pledged as

collateral pursuant to the Security Instruments; and

(ii)have received certificates, together with undated, blank stock or equity powers for each such certificate, representing all of the issued and outstanding Equity Interests in each of the Borrower and the Restricted Subsidiaries that are evidenced by certificates, to the extent such Equity Interests are certificated.

(g)The Administrative Agent shall have received an opinion, dated as of the Effective Date, of Baker& Hostetler LLP, special counsel to the Credit Parties, in form and substance reasonably acceptable to the Administrative Agent and its counsel, addressed to the Administrative Agent, the Lenders and the Issuing Banks.

(h)The Administrative Agent shall have received certificates of insurance coverage of the Credit Parties evidencing that the Credit Parties are carrying insurance in accordance with Section 7.12.

(i)The Administrative Agent shall have received title information setting forth the status of title to at least 85% of the PV-9 of the Borrowing Base Properties of the type set forth in clause (a) of the definition thereof evaluated in the Initial Reserve Report.

(j)The Administrative Agent shall have received a certificate of a Responsible Officer of the Borrower certifying that the Credit Parties have received all consents and approvals required by Section 7.03.

(k)The Administrative Agent shall have received the Initial Reserve Report accompanied by a certificate covering the matters described in Section 8.11(c).

(1)After giving effect to any Borrowing to be made on the Effective Date, Liquidity shall be equal to or greater than the amount that is 25% of the Aggregate Elected Commitment Amount.

(m)The Administrative Agent shall have received appropriate tax, judgment and UCC search certificates and county-level real property record search results reflecting no prior Liens encumbering the Properties of Holdings, the Borrower and its Restricted Subsidiaries for each jurisdiction requested by the Administrative Agent other than those being assigned or released on or prior to the Effective Date or Liens permitted by Section 9.03.

(n) The Administrative Agent shall have received a certificate of a Responsible Officer, dated as of the Effective Date, of the Borrower certifying:

(i)that the representations and warranties set forth in Article VII are true and correct in all material respects on the Effective Date except to the extent any such representations and warranties (A)are expressly limited to an earlier date, in which case, on and as of Effective Date, such representations and warranties shall continue to be true and correct in all material respects as of such specified earlier date or (B)are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case, such representations and warranties shall be true and correct in all respects;

(ii)that, after giving effect to the Transactions on the Effective Date, since December31, 2023, there has been no event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect;

(iii) that, after giving effect to the Transactions on the Effective Date, no Default or Event of Default shall have occurred and be continuing;

(iv)that, after giving effect to the Transactions on the Effective Date, the Borrower is *in pro forma* compliance with Sections 9.01(a) and 9.01(b); and

(v)that after giving effect to the Transactions contemplated hereby to occur on the Effective Date, the Borrower and its Restricted Subsidiaries have no indebtedness outstanding other than (A) the Loans and other extensions of credit hereunder and (B) any other Debt permitted by Section 9.02.

(o) (i)the Administrative Agent and the Lenders shall have received, at least five (5)days prior to the Effective Date, all documentation and other information about the Credit Parties required under applicable "know your customer" and anti-money laundering rulesand regulations, including the USA Patriot Act that has been requested by the Administrative Agent or such Lender in writing at least ten (10)days prior to the Effective Date and (ii)to the extent the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, any Lender that has requested, in a written notice to the Borrower at least ten (10)days prior to the Effective Date, a Beneficial Ownership Certification in relation to the Borrower shall have received such Beneficial Ownership Certification at least five (5) days prior to the Effective Date.

(p)The Administrative Agent shall have received a Borrowing Request in accordance with Section 2.03 and a request for a Letter of Credit in accordance with Section 2.08(b), if applicable.

(q)The Administrative Agent shall have received a solvency certificate from the Chief Financial Officer of the Borrower substantially in the form of Exhibit L.

(r)The Administrative Agent shall have received a payoff letter and/or termination letter in form and substance reasonably satisfactory to the Administrative Agent evidencing that, contemporaneously with the effectiveness of this Agreement and the making of any Loans on the Effective Date, (A)the Existing Credit Facilities have been repaid in full, (B)the commitments under the Existing Credit Facilities have been terminated, and (C)the liens securing the Debt under the Existing Credit Facilities have been released and terminated.

(s)The Administrative Agent shall have received a Subordination Agreement executed by the lenders under the Holdings Intercompany Debt, the Administrative Agent and Holdings in form and substance acceptable to the Administrative Agent.

Without limiting the generality of the provisions of Section 11.04, for purposes of determining compliance with the conditions specified in thisSection 6.01, 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 under this Section 6.01 to be consented to or approved by or reasonably acceptable or reasonably satisfactory to a Lender unless the Administrative Agent shall have received notice from such Lender prior to the Effective Date specifying its objection thereto. All documents executed or submitted pursuant to this Section 6.01 by and on behalf of any of the Credit Parties shall be in form and substance reasonably satisfactory to the Administrative Agent and its counsel. The obligations of the Lenders to make Loans and of any Issuing Bank to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 12.02) at or prior to 4:00 p.m., New York, New York time, on June14, 2024 (and in the event such conditions are not so satisfied or waived, the Commitments shall terminate at such time). The Administrative Agent shall notify the Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding.

Section 6.02 Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing after the initial Borrowing to be made on the Effective Date, and of any Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a)At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as applicable, no Default or Event of Default shall have occurred and be continuing;

(b)The representations and warranties of the Credit Parties set forth in this Agreement and in the other Loan Documents shall be true and correct in all material respects on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, except to the extent any such representations and warranties (i)are expressly limited to an earlier date, in which case, on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, such representations and warranties shall continue to be true and correct in all material respects as of such specified earlier date or (ii)are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case, such representations and warranties shall be true and correct in all respects;

(c)The receipt by the Administrative Agent of a Borrowing Request in accordance with Section 2.03 or a request for a Letter of Credit (or an amendment, extension or renewal of a Letter of Credit) in accordance with Section 2.08(b), as applicable; and

(d) At the time of and immediately after giving effect to any such Borrowing the Borrower and its Restricted Subsidiaries do not have any Excess Cash.

Each request for a Borrowing and each request for the issuance, amendment, renewal or extension of any Letter of Credit shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the matters specified in Section 6.02(a), (b), and (d).

ARTICLE VII
REPRESENTATIONS AND WARRANTIES

In order to induce the Lenders to enter into this Agreement, to make the Loans and issue or participate in Letters of Credit as provided for herein, Holdings, the Borrower and each of its Restricted Subsidiaries makes, on the Effective Date and each date specified in this Agreement and the other Loan Documents for representations and warranties to be made or deemed made, the following representations and warranties, all of which shall survive the execution and delivery of this Agreement and the making of the Loans and the issuance of the Letters of Credit:

Section 7.01 Organization; Powers. Each of Holdings, the Borrower and the Restricted Subsidiaries is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority, and has all governmental licenses, authorizations, consents and approvals necessary, to own its assets and to carry on its business as now conducted, and is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where failure to have such power, authority, licenses, authorizations, consents, approvals and qualifications could not reasonably be expected to have a Material Adverse Effect.

Section 7.02 Authority; Enforceability. The Transactions are within each of Holdings', the Borrower's and each Restricted Subsidiary's corporate, limited liability company or partnership powers and have been duly authorized by all necessary corporate, limited liability company or partnership action and, if required, action by any holders of its Equity Interests (including, without limitation, any action required to be taken by any class of directors, managers or supervisors of the Borrower or any other Person, whether interested or disinterested, in order to ensure the due authorization of the Transactions). Each Loan Document to which Holdings, the Borrower and each Restricted Subsidiary is a party has been duly executed and delivered by Holdings, the Borrower and such Restricted Subsidiary and constitutes a legal, valid and binding obligation of Holdings, the Borrower and such Restricted Subsidiary, as applicable, 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 7.03 Approvals; No Conflicts. The Transactions (a)do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority or any other third Person (including holders of its Equity Interests or any class of directors, managers or supervisors, as applicable, whether interested or disinterested, of the Borrower or any other Person), nor is any such consent, approval, registration, filing or other action necessary for the validity or enforceability of any Loan Document or the consummation of the transactions contemplated thereby, except such as have been obtained or made and are in full force and effect other than (i)the recording and filing of the Security Instruments as required by this Agreement and (ii)those third party approvals or consents which, if not made or obtained, would not cause a Default hereunder, could not reasonably be expected to have a Material Adverse Effect or do not have an adverse effect on the enforceability of the Loan Documents, (b)will not violate any applicable law or regulation or the charter, bylaws or other organizational documents of Holdings, the Borrower or any Restricted Subsidiary or any order of any Governmental Authority, except to the extent such violation could not reasonably be expected to have a Material Adverse Effect, (c)will not violate or result in a default under any indenture, agreement or other instrument evidencing Material Debt binding upon Holdings, the Borrower or any Restricted Subsidiary or any of their Properties, or give rise to a right thereunder to require any payment to be made by Holdings, the Borrower or any Restricted Subsidiary, except for violations that could not individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect and (d)will not result in the creation or imposition of any Lien on any Property of Holdings, the Borrower or any Restricted Subsidiary (other than Liens created by the Loan Documents).

Section 7.04 Financial Condition; No Material Adverse Change.

(a)The Borrower has heretofore furnished to the Administrative Agent (i)the audited financial statements of Holdings for the fiscal year ended December31, 2023 and (ii)the unaudited balance sheet and statements of income, members' equity and cash flow of Holdings as of and for the fiscal quarter ended March31, 2024. Such financial statements, and all financial statements delivered pursuant to Section8.01(a)and Section8.01(b), have been prepared in accordance with GAAP consistently applied throughout the applicable period covered thereby and present fairly and accurately the consolidated financial condition and results of operations and cash flows of Holdings or the Borrower, as applicable, as of the dates and for the periods to which they relate (subject to normal year-end audit adjustments and the absence of footnotes).

(b)The Borrower has heretofore furnished to the Lenders financial projections for the Borrower and its Consolidated Restricted Subsidiaries reasonably satisfactory to the Administrative Agent, with such projections being on a quarterly and annual basis through calendar year 2029. Such projections and financial statements present fairly, in all material respects, the projected financial position and results of operations and cash flows of the Borrower and its Consolidated Restricted Subsidiaries as of such dates and for such periods and such projections were prepared in good faith based upon assumptions believed by the Borrower to be reasonable at the time made available to the Lenders, it being understood that such projections are not to be viewed as facts and that actual results may vary materially from such projections and that the Borrower makes no representation that such projections will be realized.

(c)Since December31, 2023, there has been no event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect.

(d)Except as set forth on Schedule 7.04 or as set forth in the financial statements referred to in thisSection 7.04, other than the Obligations, neither Holdings, the Borrower nor any Restricted Subsidiary has on the date hereof any Material Debt (including Disqualified Capital Stock).

Section 7.05 Litigation.

(a)Except as set forth on Schedule 7.05, there are no actions, suits, investigations or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened in writing against or affecting Holdings, the Borrower or any Restricted Subsidiary (i)not fully covered by insurance (except for normal deductibles) as to which there is a reasonable possibility of an adverse determination that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, or (ii) that involve any Loan Document or the Transactions.

(b)Since the date of this Agreement, there has been no change in the status of the matters disclosed in Schedule 7.05 that, individually or in the aggregate, has resulted in a Material Adverse Effect.

Section 7.06 Environmental Matters. Except for such matters as set forth onSchedule 7.06 or that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect:

(a)Holdings, the Borrower and its Subsidiaries and each of their respective Properties and operations thereon are, and within all applicable statute of limitation periods have been, in compliance with all applicable Environmental Laws;

(b)Holdings, 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 Holdings, the Borrower or its Subsidiaries has received any written notice or otherwise has knowledge that any such existing Environmental Permit will be revoked, rescinded or adversely modified, or that any application for any new Environmental Permit or renewal of any existing Environmental Permit will be denied or unreasonably delayed or conditioned;

(c)there are no claims, demands, suits, orders, inquiries, investigations, or proceedings concerning any violation of, or any liability (including as a potentially responsible party) under, any applicable Environmental Laws that are pending or, to the Borrower's knowledge, threatened against Holdings, the Borrower or its Subsidiaries or any of their respective Properties or as a result of any operations at such Properties;

(d)none of the Properties of Holdings, the Borrower or its Subsidiaries contain or, to the Borrower's knowledge, since December31, 2023, have contained any: (A)underground storage tanks requiring permits under applicable Environmental Law which have not been obtained and from which there have been Releases of Hazardous Materials; (B)asbestos-containing materials present in violation of applicable Environmental Laws and requiring removal pursuant to applicable Environmental Law; (C)landfills or dumps requiring an Environmental Permit pursuant to Environmental Law which have not been obtained or which are in violation of applicable Environmental Laws; (D)hazardous waste management units as defined pursuant to RCRA or any comparable state law which are in violation of applicable Environmental Laws; or (E)sites on, or to the Borrower's knowledge nominated for, the National Priority List promulgated pursuant to CERCLA or any comparable state remedial priority list promulgated or published pursuant to any comparable state law;

(e)there has been no Release or, to the Borrower's knowledge, threatened Release, of Hazardous Materials at, on, under or from any Property currently owned, leased or operated by Holdings, the Borrower or any Subsidiary, there is no investigation (to the Borrower's knowledge), remediation, abatement, removal, or monitoring of Releases of Hazardous Materials required of Holdings, the Borrower or any Subsidiary under applicable Environmental Laws at such Properties and, to the knowledge of the Borrower, none of such Properties are adversely affected by any Release or threatened Release of a Hazardous Material originating or emanating from any other real property;

(f)neither Holdings, the Borrower nor any of its Subsidiaries has received any written notice asserting an alleged liability or obligation under any applicable Environmental Laws with respect to the investigation, remediation, abatement, removal, or monitoring of any Hazardous Materials at, on, under, or Released or threatened to be Released from any real properties offsite Holdings', the Borrower's or any of its Subsidiary's Properties (including any real properties formerly owned, leased, or operated by the Borrower or any Subsidiary) and, to the Borrower's knowledge, there are no conditions or circumstances that would reasonably be expected to result in the receipt of such written notice; and

(g)to the Borrower's knowledge, there has been no exposure of any Person or Property to any Hazardous Materials as a result of or in connection with the operations and businesses of any of Holdings', the Borrower's or its Subsidiaries' Properties that would reasonably be expected to result in a claim for damages or compensation pursuant to applicable Environmental Laws.

Section 7.07 Compliance with Laws and Agreements; No Defaults.

(a)Holdings, the Borrower and each Restricted Subsidiary is in compliance with all Governmental Requirements applicable to it or its Property and all 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 where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. For clarity, the representations and warranties in this Section 7.07(a)do not relate to matters involving Environmental Laws, Environmental Permits or Hazardous Material; the representations and warranties of the Borrower with respect to such matters are set forth in Section 7.06.

(b) No Default has occurred and is continuing.

Section 7.08 Investment Company Act. Neither Holdings, the Borrower nor any of its Subsidiaries is an "investment company" or a company "controlled" by an "investment company," within the meaning of, or subject to regulation under, the Investment Company Act of 1940, as amended.

Section 7.09 Taxes. Each of Holdings, the Borrower and its Restricted Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a)Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which Holdings, the Borrower or such Restricted Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with GAAP or (b)to the extent that the failure to file such Tax returns or pay such Taxes could not reasonably be expected to have a Material Adverse Effect. There is no proposed tax assessment against Holdings, the Borrower or any of their Restricted Subsidiaries that would, if made, have a Material Adverse Effect.

Section 7.10 ERISA. Except, individually or in the aggregate, as could not reasonably be expected to have a Material Adverse Effect:

(a)Each Plan that is a single employer plan as defined in section 4001 of ERISA is, and has been, established and maintained in substantial compliance with its terms, ERISA and, where applicable, the Code;

(b)No ERISA Event has occurred with respect to any Plan within the last six (6)years and no ERISA Event with respect to any Plan is reasonably expected to occur; and

(c)The present value of all accumulated benefit obligations under each underfunded Plan that is a single employer plan as defined in section 4001 of ERISA (based on the assumptions used for purposes of Accounting Standards Codification No. 715) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans that are single employer plans as defined in section 4001 of ERISA (based on the assumptions used for purposes of Accounting Standards Codification No.715) did not, as of the date of the most recent financial statements reflecting such amounts, exceed the fair market value of the assets of all such underfunded Plans; and

(d)Neither the Borrower nor its Restricted Subsidiaries sponsors, maintains, or contributes to a retiree medical plan that may not be terminated by the Borrower or a Restricted Subsidiary in its sole discretion at any time without any liability to the Borrower or a Restricted Subsidiary, other than for benefits accrued or claims incurred on or before such termination.

Section 7.11 Disclosure; No Material Misstatements. None of the written reports, financial statements, certificates or other information, furnished by or on behalf of the Borrower or any Restricted Subsidiary in writing to the Administrative Agent or any Lender or any of their Affiliates in connection with the negotiation of this Agreement or any other Loan Document 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 as of the date such information is dated or certified; provided that (a), with respect to financial projections, prospect information, geological and geophysical data, engineering projections and other forward looking information and information of a general economic or industry specified nature, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time (it being recognized by the Lenders, however, that projections as to future events are not to be viewed as facts and that results during the period(s)covered by such projections may differ from the projected results and that such differences may be material and that, with respect to Reserve Reports, projections concerning volumes attributable to the Oil and Gas Properties and production and cost estimates contained in each Reserve Report are necessarily based upon professional opinions, estimates and projections and that the Borrower makes no representation that such projections will be realized) and (b)as to statements, information and reports supplied by third parties, the Borrower represents only that it is not aware of any material misstatement or omission therein. There are no statements or conclusions in any Reserve Report which are based upon or include materially misleading information or fail to take into account material information known to the Borrower regarding the matters reported therein, provided that (i)with respect to any Reserve Report prepared by one or more Approved Petroleum Engineers, the Borrower represents only that it exercised due care in furnishing information to such Approved Petroleum Engineers so that they could prepare such Reserve Report, and that such information was not misleading and did not fail to take into account material information known to the Borrower regarding the matters reported therein, and (ii)it being understood that projections concerning volumes attributable to the Oil and Gas Properties of the Borrower and the Restricted Subsidiaries and production and cost estimates contained in each Reserve Report are necessarily based upon professional opinions, estimates and projections and that the Borrower and the Restricted Subsidiaries do not warrant that such opinions, estimates and projections will ultimately prove to have been accurate. As of the Effective Date, the information included in the Beneficial Ownership Certification is true and correct in all material respects.

Section 7.12 Insurance. The Borrower has, and has caused all of the Restricted Subsidiaries to have, (a) all insurance policies sufficient for the compliance by each of them with all material Governmental Requirements and all material agreements and (b)insurance coverage in at least amounts and against such risk that are customarily insured against by companies similarly situated and engaged in the same or a similar business for the assets and operations of the Borrower and the Restricted Subsidiaries.

Section 7.13 Restriction on Liens. Neither Holdings, the Borrower nor any Restricted Subsidiary is a party to any material agreement or arrangement (other than such agreements or arrangements permitted by Section 9.16), or subject to any order, judgment, writ or decree, which either restricts or purports to restrict its ability to grant Liens to the Administrative Agent for the benefit of the Secured Parties on or in respect of their Properties to secure the Obligations and the Loan Documents.

Section 7.14 Subsidiaries. Except as set forth onSchedule 7.14 or as disclosed in writing to the Administrative Agent (which shall promptly furnish a copy to the Lenders), which shall be a supplement to Schedule 7.14, neither Holdings nor the Borrower has any Subsidiaries, and the Borrower has no Foreign Subsidiaries.Schedule 7.14, as so supplemented, correctly identifies each Subsidiary as either "Restricted" or "Unrestricted", and each Restricted Subsidiary on such schedule is a Wholly-Owned Subsidiary.

Section 7.15 Location of Business and Offices. Schedule 7.15 sets forth Holdings', the Borrower's and each Restricted Subsidiary's jurisdiction of organization, name as listed in the public records of its jurisdiction of organization, organizational identification number in its jurisdiction of organization, and the location of its principal place of business and chief executive office is stated on Schedule 7.15 (or as set forth in a notice delivered pursuant toSection 8.01(o)).

Section 7.16 Properties; Titles, Etc.

(a)Except as set forth on Schedule 7.16, each of Holdings, the Borrower and the Restricted Subsidiaries has good and defensible title to the Oil and Gas Properties evaluated in the most recently delivered Reserve Report (except for those Oil and Gas 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 good title to all its personal Properties material to its business, in each case, free and clear of all Liens except Liens permitted by Section 9.03. After giving full effect to the Excepted Liens, Holdings, the Borrower or the Restricted Subsidiary specified as the owner owns at least the net interests in production attributable to the Hydrocarbon Interests as reflected in the most recently delivered Reserve Report (except for those Oil and Gas 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 the ownership of such Properties shall not in the aggregate in any material respect obligate Holdings, the Borrower or such Restricted Subsidiary 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 each Property set forth in the most recently delivered Reserve Report that is not offset by a corresponding proportionate increase in the Borrower's or such Restricted Subsidiary's net revenue interest in such Property.

(b)All material leases and agreements necessary for the conduct of the business of Holdings, the Borrower and its Restricted Subsidiaries are valid and subsisting, in full force and effect, and 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 leases or agreements, which could reasonably be expected to have a Material Adverse Effect.

(c)The rights and Properties presently owned, leased or licensed by Holdings, the Borrower and the Restricted Subsidiaries including, without limitation, all easements and rights of way, include all rights and Properties necessary to permit Holdings, the Borrower and the Restricted Subsidiaries to conduct their business in all material respects in the same manner as their business has been conducted prior to the date hereof.

(d)All of the material Properties of Holdings, the Borrower and the Restricted Subsidiaries which are reasonably necessary for the operation of their businesses are in good working condition (ordinary wear and tear excepted) or are maintained in accordance with prudent business standards.

(e)Holdings, the Borrower and each Restricted Subsidiary owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual Property material to its business, and the use thereof by Holdings, the Borrower and such Restricted Subsidiary 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. Holdings, the Borrower and the Restricted Subsidiaries 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.

Section 7.17 Maintenance of Properties. Except for such acts or failures to act as could not be reasonably expected to have a Material Adverse Effect, the Oil and Gas Properties (and Properties unitized therewith) of Holdings, the Borrower and its Restricted Subsidiaries 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 of Holdings, the Borrower and the Restricted Subsidiaries. Specifically in connection with the foregoing, except for those as could not be reasonably expected to have a Material Adverse Effect, (a)no Oil and Gas Property of Holdings, the Borrower or any Restricted Subsidiary 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 (b)none of the wells comprising a part of the Oil and Gas Properties (or Properties unitized therewith) of Holdings, the Borrower or any Restricted Subsidiary is deviated from the vertical more than the maximum permitted by Governmental Requirements, and such wells are, in fact, bottomed under and are producing from, and the well bores are wholly within, the Oil and Gas Properties (or in the case of wells located on Properties unitized therewith, such unitized Properties) of Holdings, the Borrower or such Restricted Subsidiary. All pipelines, wells, gas processing plants, platforms and other material improvements, fixtures and equipment owned in whole or in part by Holdings, the Borrower or any of the Restricted Subsidiaries that are necessary to conduct normal operations are being maintained in a state adequate to conduct normal operations, and with respect to such of the foregoing which are operated by the Borrower or any of the Restricted Subsidiaries, in a manner consistent with the Borrower's or the Restricted Subsidiaries' past practices (other than those the failure of which to maintain in accordance with this Section 7.17 could not reasonably be expected to have a Material Adverse Effect).

Section 7.18 Gas Imbalances, Prepayments. Except as set forth on Schedule 7.18 or on the most recent certificate delivered pursuant to Section 8.11(c), on a net aggregate basis there are no gas imbalances, take or pay or other prepayments which would require Holdings, the Borrower or any of the Restricted Subsidiaries to deliver Hydrocarbons produced from their Oil and Gas Properties at some future time without then or thereafter receiving full payment therefor exceeding two percent (2.0%) of the aggregate volumes of gas (on an mcf equivalent basis) listed in the most recent Reserve Report.

Section 7.19 Marketing of Production. Except for contracts listed and in effect on the date hereof on Schedule 7.19, and thereafter either disclosed in writing to the Administrative Agent or included in the most recent certificate delivered pursuant to Section 8.11(c)(with respect to all of which contracts the Borrower represents that it or the Restricted Subsidiaries are 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 subject Property's delivery capacity), no material agreements exist which are not cancelable on 60 days' notice or less without penalty or detriment for the sale of production from the Borrower's or the Restricted Subsidiaries' Hydrocarbons (including, without limitation, calls on or other rights to purchase, production, whether or not the same are currently being exercised) that (a)pertain to the sale of production at a fixed price and (b)have a maturity or expiry date of longer than six (6) months from the date of such contract.

Section 7.20 Swap Agreements and Qualified ECP Guarantor. Schedule 7.20, as of the date hereof, and after the date hereof, each report required to be delivered by the Borrower pursuant to Section 8.01(e), as of the date thereof, sets forth a true and complete list of all Swap Agreements of Holdings, the Borrower and each Restricted Subsidiary, the material terms thereof (including the type, term, effective date, termination date and notional amounts or volumes), the 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. The Borrower is a Qualified ECP Guarantor. For purposes of this Section 7.20, the net mark to market value shall be calculated as of the "as of" date of the financial statements concurrently delivered pursuant to Section 8.01(a) or 8.01(b), as applicable.

Section 7.21 Use of Loans and Letters of Credit. The proceeds of the Loans and the Letters of Credit shall be used to refinance the amounts outstanding under the Existing Credit Facilities, to provide for the working capital needs of the Borrower and its Subsidiaries, to fund capital expenditures, for the acquisitions, development and exploration of Oil and Gas Properties permitted hereunder, for general company purposes and to pay Transaction Costs. The Borrower and its Subsidiaries are not engaged principally, or as one of its or their important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying margin stock (within the meaning of Regulation T, U or X of the Board). No part of the proceeds of any Loan or Letter of Credit will be used for any purpose which violates the provisions of Regulations T, U or X of the Board.

Section 7.22 Solvency. After giving effect to the Transactions contemplated hereby and thereafter (including at the time of and after giving effect to the making of each Borrowing hereunder and each issuance, amendment, renewal or extension of any Letter of Credit), (a)the fair value of the assets of the Borrower and the Restricted Subsidiaries, on a consolidated basis, exceeds, on a consolidated basis, their debts and liabilities, subordinated, contingent or otherwise, (b)the present fair saleable value of the property of the Borrower and the Restricted Subsidiaries, on a consolidated basis, is greater than the amount that will be required to pay the probable liability, on a consolidated basis, of their debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured, (c)the Borrower and the Restricted Subsidiaries, on a consolidated basis, are able to pay their debts and liabilities, subordinated, contingent or otherwise, as such liabilities become absolute and matured, and (d)the Borrower and the Restricted Subsidiaries, on a consolidated basis, are not engaged in, and are not about to engage in, business for which they have unreasonably small capital.

Section 7.23 Anti-Corruption Laws and Sanctions.

(a)Each of Holdings, the Borrower and the Subsidiaries have implemented and maintain in effect such policies and procedures, if any, as each of them reasonably deems appropriate, in light of its business and international activities (if any), designed to ensure compliance by the Borrower, the Subsidiaries and their respective

directors, officers, employees and agents with applicable Anti-Corruption Laws and applicable Sanctions.

(b)Holdings, the Borrower, the Subsidiaries, their respective officers and employees and, to the knowledge of each of the foregoing after due care and inquiry, its 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 Credit Party being designated as a Sanctioned Person.

(c)None of (i)Holdings, the Borrower, any Subsidiary or any of their respective directors, officers or employees, or (ii)to the knowledge of the Borrower, any agent of Holdings, the Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person or located in a Sanctioned Country. The Borrower will not directly or indirectly use the proceeds from the Loans or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person, to finance the activities of any Person subject to any applicable Sanctions.

(d) None of the proceeds of the Loans or the Letters of Credit shall be used in violation of Anti-Corruption Laws.

Section 7.24 Affected Financial Institutions. No Credit Party is an Affected Financial Institution.

Section 7.25 Security Instruments. The Security Instruments are effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral and proceeds thereof, subject, in the case of enforceability, to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and to general principles of equity and principles of good faith and fair dealing. Each of the Mortgages is effective to create in favor of the Administrative Agent, for the benefit of the Secured Parties, a legal, valid, binding and enforceable Lien on the Mortgaged Properties described therein and proceeds and products thereof, and when the Mortgages are filed in the recording office where such Mortgaged Property is located, each Mortgage shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the applicable Credit Party in the Mortgaged Properties described therein and the proceeds and products thereof, as security for the Obligations.

Section 7.26 Minimum Volume Contracts. Except as set forth on Schedule 7.26 and thereafter either disclosed in writing to the Administrative Agent or included in the most recent certificate delivered pursuant to Section 8.11(c), there are no Minimum Volume Contracts. Schedule 7.26 or the most recent certificate delivered pursuant to Section 8.11(c)sets forth (a)the counterparty(ies) to each such Minimum Volume Contract, (b)the tenor of the contract and related MVC Obligations, (c)the commodity subject to such Minimum Volume Contract, (d)the volume quantum of MVC Obligation for each such Minimum Volume Contract on a quarterly basis through its expiration, (e)current projected volume deficiencies, if any, for each quarter associated with each MVC Obligation through its expiration and (f)the Oil and Gas Properties dedicated to performance of such MVC Obligations.

Section 7.27 Senior Debt Status.The Obligations constitute "Senior Indebtedness", "Designated Senior Indebtedness" or any similar designation under and as defined in any agreement governing any unsecured, senior subordinated or subordinated Debt and the subordination provisions set forth in each such agreement, if any, are legally valid and enforceable against the parties thereto 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 7.28 Accounts. As of the Effective Date, Schedule 7.28 lists all Deposit Accounts, Securities Accounts and Commodity Accounts maintained by or for the benefit of the Borrower or any Restricted Subsidiary together with the deposit bank or securities or commodity intermediary for any such account, the account name, the account type, the account number and whether such account is an Excluded Account (and, if any such account is listed as an Excluded Account, the subcategory in the "Excluded Account" definition to which such account applies).

ARTICLE VIII
AFFIRMATIVE COVENANTS

Until Payment in Full, each of the Borrower and Holdings covenants and agrees with the Lenders that:

Section 8.01 Financial Statements; Other Information. The Borrower will furnish to the Administrative Agent and, except in the case of Section 8.01(g), each Lender:

(a) Annual Financial Statements. As soon as available, but in any event in accordance with then applicable law and not later than the earlier of (i)one hundred twenty (120) days after the end of each fiscal year of the Borrower and (ii)five (5)days after the date on which such financial statements are required to be filed with the SEC (after giving effect to any permitted extensions), beginning with the fiscal year ending December31, 2024, the audited consolidated balance sheet and related statements of operations, members' equity and cash flows of the Borrower as of the end of and for such year, setting forth in each case in comparative form (to the extent available) the figures for the previous fiscal year, all reported on by an Approved Accountant or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception, and without any exception as to the scope of such audit other than a "going concern" or other qualification that results from the Maturity Date or the maturity date of any Debt being scheduled to occur within one year from the time such opinion is delivered) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower and its Consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied. Notwithstanding the foregoing, the obligations set forth in this Section 8.01(a)may be satisfied with respect to the delivery of financial statements of the Borrower and its Consolidated Restricted Subsidiaries by furnishing to the Administrative Agent and each Lender: (A)Holdings' audited consolidated balance sheet and related statements of operations, partners' equity and cash flows as of the end of and for such year, setting forth in each case in comparative form (to the extent available) the figures for the previous fiscal year, all reported on by an Approved Accountant or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception, and without any exception as to the scope of such audit other than a "going concern" or other qualification that results from the Maturity Date or the maturity date of any Debt being scheduled to occur within one year from the time such opinion is delivered) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of Holdings and its Consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied and (B)concurrently with the financial information required by this clause (a), the Borrower's unaudited consolidated balance sheet and related statements of operations, members' equity and cash flows as of the end of and for such fiscal year, setting forth in each case in comparative form (to the extent available) 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 one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its Consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes and accompanied by a letter from the Approved Accountant in form satisfactory to the Administrative Agent indicating that such financials were prepared based on the audited financials described above in connection with agreed upon procedures reasonably acceptable to the Administrative Agent.

(b) Quarterly Financial Statements. As soon as available, but in any event in accordance with then applicable law and not later the earlier of (i)sixty (60) days after the end of each of the first three fiscal quarters of each fiscal year of the Borrower and (ii)five (5)days after the date on which such financial statements are required

to be filed with the SEC (after giving effect to any permitted extensions), commencing with the fiscal quarter ending June30, 2024, the Borrower's consolidated balance sheet and related statements of operations, members' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form (to the extent available) 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 one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its Consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes. Notwithstanding the foregoing, the obligations set forth in this Section 8.01(b)may be satisfied with respect to the delivery of financial statements of the Borrower and its Subsidiaries by furnishing to the Administrative Agent and each Lender: (A)Holdings' consolidated balance sheet and related statements of operations, partners' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form (to the extent available) 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 one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Holdings and its Consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes, and (B)concurrently with the financial information required by this clause (b), the consolidated balance sheet and related statements of operations, partners' equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form (to the extent available) 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 one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Borrower and its Consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal yearend audit adjustments and the absence of footnotes.

(c) Certificate of Financial Officer - Compliance. Concurrently with any delivery of financial statements under Section 8.01(a)or Section 8.01(b), a certificate of a Financial Officer in substantially the form of Exhibit D hereto (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, (ii)setting forth reasonably detailed calculations demonstrating compliance with Section 9.01, (iii)stating whether any change in GAAP or in the application thereof has occurred since the date of the most recent financial statements previously delivered in connection with this Agreement and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate, and (iv)setting forth reasonably detailed calculations of Distributable Free Cash Flow for the most recently ended Test Period.

(d) Certificate of Financial Officer - Consolidating Information. If, at any time, all of the Consolidated Subsidiaries of the Borrower are not Consolidated Restricted Subsidiaries, then concurrently with any delivery of financial statements under Section 8.01(a)or Section 8.01(b), a certificate of a Financial Officer setting forth consolidating spreadsheets that show all Consolidated Unrestricted Subsidiaries and the eliminating entries, in such form as would be presentable to the auditors of the Borrower.

(e) Certificate of Financial Officer - Swap Agreements. Concurrently with any delivery of financial statements under Section 8.01(a) and Section 8.01(b), a certificate of a Financial Officer, in form and substance satisfactory to the Administrative Agent, setting forth (i)as of the last Business Day of the most recently ended fiscal quarter or fiscal year, a true and complete list of all material Swap Agreements of the Borrower and each Restricted Subsidiary, the material terms thereof (including the type, term, effective date, termination date and notional amounts or volumes), the estimated net mark-to-market value therefor, any new credit support agreements relating thereto not listed on Schedule 7.20 or previously disclosed to the Administrative Agent, any margin required or supplied under any credit support document, and the counterparty to each such agreement and (ii)(A)a report setting forth a comparison of (1)the actual volume of crude oil, natural gas and natural gas liquids produced and sold during such fiscal quarter from the Oil and Gas Properties to (2) the notional volumes of crude oil, natural gas and natural gas liquids, as applicable, hedged by the Borrower and the Restricted Subsidiaries under their Swap Agreements for such fiscal quarter, (B)reasonably detailed calculations with respect to Section 8.18 and (C)a report, in detail reasonably satisfactory to the Administrative Agent, setting forth the information, to the extent not previously provided to the Administrative Agent, required pursuant to Section 7.26.

(f) Certificate of Insurer - Insurance Coverage. Annually upon the request of the Administrative Agent, a certificate of insurance coverage from each insurer with respect to the insurance required by Section 8.06, in form and substance satisfactory to the Administrative Agent, and, if requested by the Administrative Agent or any Lender, all copies of the applicable policies.

(g) Other Accounting Reports. Promptly upon receipt thereof, a copy of each other report or letter submitted to Holdings, the Borrower or any of its Subsidiaries by independent accountants in connection with any annual, interim or special audit made by them of the books of Holdings, the Borrower or any such Subsidiary, and a copy of any response by Holdings, the Borrower or any such Subsidiary, or the board of directors (or comparable governing body) of the Borrower or any such Subsidiary, to such letter or report.

(h) SEC and Other Filings; Reports to Shareholders. Promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials filed by Holdings, the Borrower or any Subsidiary with the SEC, or with any national securities exchange, or distributed by Holdings, the Borrower to its public equityholders generally, as the case may be.

(i) Notices Under Material Instruments. Promptly after the furnishing thereof, copies of any financial statement, report or notice furnished to or by any Person pursuant to the terms of any preferred stock designation, indenture, loan or credit or other similar agreement governing Material Debt, and not otherwise required to be furnished to the Lenders pursuant to any other provision of this Section 8.01.

(j) Lists of Purchasers. If requested by the Administrative Agent, concurrently with the delivery of any Reserve Report to the Administrative Agent, a list of all Persons purchasing material quantities of Hydrocarbons from the Borrower or any Restricted Subsidiary, which Persons, in the aggregate, represent purchasers of at least 70% of the aggregate production of the Borrower and the Restricted Subsidiaries.

(k) Notice of Sales of Borrowing Base Asset Dispositions and Borrowing Base Swap Liquidations. In the event that the Borrower or any Restricted Subsidiary since the most recent determination of the Borrowing Base, intends to consummate any Borrowing Base Asset Disposition or Borrowing Base Swap Liquidation, whether in a series of transactions or in a single transaction, in accordance with Section 9.12(d)that will yield Net Proceeds in excess of the dollar amount equal to five percent (5.0%) of the Borrowing Base then in effect (when aggregated with all other Borrowing Base Asset Dispositions or Borrowing Base Swap Liquidations since the later of (x)the Effective Date and (y)the most recent redetermination of the Borrowing Base), determined as of the time of such Borrowing Base Asset Disposition or Borrowing Base Swap Liquidation, reasonable prior written notice of such transaction, the price thereof and the anticipated date of closing and any other details thereof reasonably requested by the Administrative Agent.

(l) Notice of Casualty Events. Prompt written notice, and in any event within five (5) Business Days, of the occurrence of any Casualty Event.

(m) Information Regarding the Borrower and Guarantors. (i) Prompt written notice (and in any event within ten (10) Business Days or such longer time as may be agreed to by the Administrative Agent) of any change (A)in any Credit Party's organizational name, (B)in the location of any Credit Party's chief executive office or

principal place of business and (C)in any Credit Party's identity or organizational structure or in the jurisdiction in which such Person is incorporated or formed and (ii)prompt written notice (and in any event within ten (10)Business Days thereafter or such longer time as may be agreed to by the Administrative Agent) of any change, (A)in any Credit Party's organizational identification number in such jurisdiction of organization, and (B) in any Credit Party's federal taxpayer identification number.

(n) Production Report; Lease Operating Statements. Concurrently with the delivery of any Reserve Report under Section 8.11(a), a report setting forth, for each calendar month during the then current fiscal year to date, on a month by month basis the volume of production and sales attributable to production (and the average prices at which such sales were made and the revenues derived from such sales) for each such calendar quarter 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 such quarter.

(o) Notices of Certain Changes. Promptly, but in any event within ten (10) Business Days (or such longer time as may be agreed to by the Administrative Agent) after the execution thereof, copies of any amendment, modification or supplement to the certificate or articles of incorporation or formation, bylaws, certificate or articles of organization, regulations or limited liability company agreement, any preferred stock designation or any other organizational document of the Borrower or any Restricted Subsidiary, if such amendment, modification or supplement could reasonably be expected to be material to the Lenders or would have a direct impact on provisions set forth in the Loan Documents.

(p) Deposit Accounts, Commodity Accounts and Securities Accounts. Prompt written notice (such notice to include reasonably detailed information regarding the account number, purpose and applicable bank or other institution in respect of such Deposit Account, Commodity Account or Securities Account) of any Deposit Account, Commodity Account or Securities Account intended to be opened or acquired by any Credit Party (other than if any such account will be an Excluded Account).

(q) Incurrence of Specified Additional Debt or Permitted Refinancing Debt. In the event the Borrower or any Restricted Subsidiary intends to incur Specified Additional Debt or Permitted Refinancing Debt in respect thereof, in either case in a face principal amount equal to or greater than $5,000,000, at least five (5) Business Days' prior written notice of such intended incurrence, the intended principal amount thereof and the anticipated date of closing.

(r) 12-Month Cash Flow Forecast. Concurrently with any delivery of a Reserve Report under Section 8.11(a), a forecast of cash flows and capital expenditures of the Borrower and the Restricted Subsidiaries for the immediately succeeding 12-month period, including assumptions used in calculating such projections and such other information as may be reasonably requested by the Administrative Agent, which shall be in a form reasonably satisfactory to the Administrative Agent.

(s) Minimum Volume Contracts. At least five (5)Business Days' (or such later date as may be agreed to by the Administrative Agent in its sole discretion) prior written notice of the entry into any Minimum Volume Contract by the Borrower or any Restricted Subsidiary specifying the commercial terms of such Minimum Volume Contract and whether such Minimum Volume Contract will be associated with a dedication of Oil and Gas Properties.

(t) Holdings Intercompany Debt Information. Promptly, but in any event within five (5)Business Days after the furnishing, receipt or execution thereof, copies of any amendment, waiver, consent or other written modification of any of the Holdings Intercompany Debt_not otherwise required to be furnished to the Administrative Agent or the Lenders pursuant to any other provisions of this Agreement.

(u) Other Requested Information. Promptly following any request therefor, (i)such other information regarding the operations, business affairs and financial condition of the Borrower or any Subsidiary (including, without limitation, any Plan and any reports or other information required to be filed with respect thereto under the Code or under ERISA), and (ii)information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act and the Beneficial Ownership Regulation.

Section 8.02 Notices of Material Events. The Borrower will furnish to the Administrative Agent for distribution to each Lender prompt (and in any event within five (5) Business Days after the Borrower obtains knowledge thereof) written notice of the following:

(a) the occurrence of any Default or Event of Default;

(b)the filing or commencement of, or the threat in writing of, any action, suit, proceeding, investigation or arbitration by or before any arbitrator or Governmental Authority against or affecting Holdings, the Borrower or any of its Subsidiaries thereof not previously disclosed in writing to the Lenders or any material adverse development in any action, suit, proceeding, investigation or arbitration (whether or not previously disclosed to the Lenders) that, in either case, has a reasonable probability of an adverse determination and, if adversely determined, could reasonably be expected to result in liability in excess of $5,000,000, in each case, not fully covered by insurance, subject to normal deductibles;

(c)any action, investigation or inquiry by any Governmental Authority of which a Responsible Officer of the Borrower has knowledge or any written threat, demand or lawsuit by any Person against Holdings, the Borrower or any Subsidiary or their Properties in connection with any Environmental Laws if the Borrower could reasonably anticipate that such action will result in liability (whether individually or in the aggregate) in excess of $5,000,000, in each case, not fully covered by insurance, subject to normal deductibles;

(d) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect; and

(e)to the best of the Borrower's knowledge, any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification.

Each notice delivered under this Section 8.02 shall specify that it is "a notice under Section8.02" of this Agreement, identify the specific clause above and be accompanied by a statement of a Responsible Officer setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 8.03 Existence; Conduct of Business. Holdings and he Borrower will, and will cause each Restricted Subsidiary 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 other jurisdiction in which its Oil and Gas Properties are located or the ownership of its Properties requires such qualification, except where the failure to so qualify could not reasonably be expected to have a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 9.11.

Section 8.04 Payment of Obligations. Holdings and the Borrower will, and will cause each Restricted Subsidiary to, pay all of its Tax liabilities of Holdings, the Borrower and each of the Restricted Subsidiaries as the same shall become due and payable, except where (a)the validity or amount thereof is being contested in good faith by appropriate proceedings diligently conducted and the Borrower or such Restricted Subsidiary has set aside on its books adequate reserves with respect thereto in accordance

with GAAP or (b)the failure to make such payment could not reasonably be expected to result in a Material Adverse Effect. The Borrower will pay the Loans in accordance with the terms hereof, and Holdings and the Borrower will, and will cause each Restricted Subsidiary to, do and perform every act and discharge all of the obligations to be performed and discharged by them under the Loan Documents, including, without limitation, this Agreement, at the time or times and in the manner specified, taking into consideration any grace periods therein.

Section 8.05 Operation and Maintenance of Properties; Subordination of Affiliated Operators' Liens. The Borrower, at its own expense, will, and will cause each Restricted Subsidiary to:

(a)operate its Oil and Gas Properties and other Properties or cause such Oil and Gas Properties and other Properties to be operated in a careful and efficient manner in accordance with the practices of the industry and in compliance with all applicable contracts and agreements and in compliance with all Governmental Requirements, including, without limitation, applicable proration requirements, and all applicable laws, rulesand regulations of every other Governmental Authority from time to time constituted to regulate the development and operation of its Oil and Gas Properties and the production and sale of Hydrocarbons and other minerals therefrom, except, in each case, where the failure to operate in a careful and efficient manner or the failure to comply could not reasonably be expected to have a Material Adverse Effect;

(b)maintain and keep in good repair, working order and efficiency (ordinary wear and tear and obsolescence excepted) all of its Properties, except, in each case, where the failure to do so could not reasonably be expected to have a Material Adverse Effect;

(c)promptly pay and discharge, or make reasonable and customary efforts to cause to be paid and discharged, all delay rentals, royalties, expenses and indebtedness accruing under the leases or other agreements affecting or pertaining to its Oil and Gas Properties and will do all other things necessary 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;

(d)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, except, in each case, where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and

(e)cause each Affiliate of the Borrower which operates any of the Borrower's or its Restricted Subsidiaries' Oil and Gas Properties to subordinate, pursuant to agreements in form and substance satisfactory to the Administrative Agent, any operators' Liens or other Liens in favor of such Affiliate in respect of such Oil and Gas Properties to the Liens in favor of the Administrative Agent for the benefit of the Secured Parties;

provided that to the extent the Borrower is not the operator of any Property, the Borrower shall use commercially reasonable efforts to cause the operator to comply with this Section 8.05 but failure of the operator to so comply will not constitute a Default or Event of Default.

Section 8.06 Insurance. Holdings and the Borrower will, and will cause each Restricted Subsidiary to, maintain, with financially sound and reputable insurance companies, insurance (a)in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations and (b)in accordance with all Governmental Requirements. The loss payable clauses or provisions in said insurance policy or policies insuring any of the Collateral for the Loans shall be endorsed in favor of and made payable to the Administrative Agent as its interests may appear and such policies shall name the Administrative Agent and the Lenders as "additional insureds" (and "mortgagee", if applicable) and the Administrative Agent as lender loss payee and use commercially reasonable efforts to provide that the insurer will endeavor to give at least thirty (30) days' prior notice of any cancellation to the Administrative Agent (or ten (10)days' prior written notice in the event of cancellation for nonpayment of premium).

Section 8.07 Books and Records; Inspection Rights. Holdings and the Borrower will, and will cause each Restricted Subsidiary to, keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities. Holdings and the Borrower will, and will cause each Restricted Subsidiary 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; provided, that, excluding any such visits and inspections during the continuation of an Event of Default, only the Administrative Agent on behalf of the Lenders may exercise rights under this Section 8.07 and the Administrative Agent shall not exercise such rights more often than two times during any calendar year absent the existence of a continuing Event of Default and only one such visit per fiscal year shall be at the Borrower's expense; provided, further that, when an Event of Default exists, the Administrative Agent, any Lender or any respective representatives or independent contractors of the Administrative Agent or any Lender may do any of the foregoing at any time during normal business hours upon reasonable advance notice.

Section 8.08 Compliance with Laws. Holdings and the Borrower will, and will cause each Restricted Subsidiary to, (i)comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its Property (other than Anti-Corruption Laws and applicable Sanctions), except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect and (ii)materially comply with all Anti-Corruption Laws and applicable Sanctions. The Borrower will, and will cause each of its Subsidiaries to, maintain in effect and enforce such policies and procedures, if any, as they reasonably deem appropriate, in light of their businesses and international activities (if any), designed to ensure compliance by Holdings, the Borrower, its Subsidiaries and each of their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

Section 8.09 Environmental Matters.

(a)The Borrower shall at its expense: (i)comply, and shall take reasonable action to cause its Properties and operations and each Subsidiary and each Subsidiary's Properties and operations to comply, with all applicable Environmental Laws, the breach of which would be reasonably expected to have a Material Adverse Effect; (ii)not Release or threaten to Release, and shall take reasonable action to cause each Subsidiary not to Release or threaten to Release, any Hazardous Material on, under, about or from any of the Properties owned, leased, or operated by Borrower or the Subsidiaries or any other property offsite such Property to the extent caused by the Borrower's or any of the Subsidiaries' operations except in compliance with applicable Environmental Laws, the Release or threatened Release of which would reasonably be expected to have a Material Adverse Effect; (iii)timely obtain or file, and shall take reasonable action to cause each Subsidiary to timely obtain or file, all Environmental Permits, if any, required under applicable Environmental Laws to be obtained or filed in connection with the operation or use of the Borrower's or the Subsidiaries' Properties, which failure to obtain or file would reasonably be expected to have a Material Adverse Effect; (iv)reasonably promptly commence and diligently prosecute to completion, and shall take reasonable action to cause each Subsidiary to reasonably 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 any Remedial Work is required of them under applicable Environmental Laws because of or in connection with the actual or suspected past, present or future Release or threatened Release of any Hazardous Material on, under, about or from any of the Borrower's or its Subsidiaries' Properties, which failure to reasonably commence and diligently prosecute to completion would reasonably be expected to have a Material Adverse Effect; and (v) conduct, and take reasonable action to cause its Subsidiaries to conduct, their respective operations and

businesses in a manner that will not unreasonably or unlawfully expose any Person to Hazardous Materials that would reasonably be expected to result in a claim for damages or compensation pursuant to applicable Environmental Laws, the exposure of which would reasonably be expected to have a Material Adverse Effect.

(b)The Borrower will reasonably promptly, but in no event later than five (5)days after the Borrower obtains knowledge thereof, notify the Administrative Agent and the Lenders in writing of any threatened action, investigation or inquiry by any Governmental Authority or any threatened demand or lawsuit by any Person against the Borrower or its Subsidiaries or their Properties of which the Borrower has knowledge in connection with any Environmental Laws if the Borrower reasonably anticipates it would reasonably be expected to have a Material Adverse Effect.

Section 8.10 Further Assurances.

(a)Holdings and the Borrower at its sole expense will, and will cause each Restricted Subsidiary to, promptly execute and deliver to the Administrative Agent all such other documents, agreements and instruments reasonably requested by the Administrative Agent to comply with, cure any defects or accomplish the conditions precedent, covenants and agreements of Holdings, the Borrower or any Restricted Subsidiary, as the case may be, in the Loan Documents, including the Notes, or to further evidence and more fully describe the Collateral intended as security for the Obligations, or to correct any omissions in this Agreement or the Security Instruments, or to state more fully the obligations secured therein, or to perfect, protect or preserve any Liens created pursuant to this Agreement or any of the Security Instruments or the priority thereof, or to make any recordings, file any notices or obtain any consents, all as may be reasonably necessary or appropriate, in connection therewith.

(b)Holdings and the Borrower hereby authorizes the Administrative Agent to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Mortgaged Property without the signature of the Borrower or any other Guarantor where permitted by law. A carbon, photographic or other reproduction of the Security Instruments or any financing statement covering the Mortgaged Property or any part thereof shall be sufficient as a financing statement where permitted by law. The Borrower acknowledges and agrees that any such financing statement may describe the collateral as "all assets" of the applicable Credit Party or words of similar effect as may be required by the Administrative Agent.

Section 8.11 Reserve Reports.

(a)On or before each March1 and September1 of each year, commencing September1, 2024, the Borrower shall furnish to the Administrative Agent and the Lenders a Reserve Report evaluating the Oil and Gas Properties of the Credit Parties as of the immediately preceding January1st and July1st, respectively. The January1 Reserve Report of each year shall be prepared by one or more Approved Petroleum Engineers that have completed an independent engineering evaluation of the reserves attributable to the Credit Parties' Oil and Gas Properties, and the July1 Reserve Report of each year shall be prepared, at the option of the Borrower, either by one or more Approved Petroleum Engineers that have completed an independent engineering evaluation of the reserves attributable to the Credit Parties' Oil and Gas Properties or by or under the supervision of the Internal Petroleum Engineer of the Borrower who shall certify such Reserve Report to be true and accurate in all material respects and, to have been prepared in accordance with the procedures used in the immediately preceding January 1 Reserve Report.

(b) In the event of an Interim Redetermination, the Borrower shall furnish to the Administrative Agent and the Lenders a Reserve Report prepared, at the option of the Borrower, either by one or more Approved Petroleum Engineers that have completed an independent engineering evaluation of the reserves attributable to the Credit Parties' Oil and Gas Properties or by or under the supervision of the Internal Petroleum Engineer of the Borrower who shall certify such Reserve Report to be true and accurate in all material respects and to have been prepared in accordance with the procedures used in the immediately preceding January1 Reserve Report. For any Interim Redetermination requested by the Administrative Agent or the Borrower pursuant to Section 2.07(b), the Borrower shall provide such Reserve Report with an "as of" date as required by the Administrative Agent as soon as possible, but in any event no later than thirty (30) days following the receipt of such request.

(c)With the delivery of each Reserve Report, the Borrower shall provide to the Administrative Agent a certificate from a Responsible Officer to be substantially in the form of Exhibit M (or such other form as the Administrative Agent may agree) certifying that in all material respects: (i)the information contained in the Reserve Report and any other information delivered in connection therewith is true and correct, it being understood that projections concerning volumes and production and cost estimates contained in each Reserve Report are necessarily based upon opinions, estimates and projections and that neither the Borrower nor such Responsible Officer warrants that such opinions, estimates and projections will ultimately prove to have been accurate, (ii)the Borrower or its Restricted Subsidiaries has, or in respect of to-be-acquired assets in connection with a permitted acquisition, will have, prior to the effectiveness of the Scheduled Redetermination or Interim Redetermination, as applicable, good and defensible title to the Oil and Gas Properties evaluated in such Reserve Report (other than those Oil and Gas Properties (A)disposed of in compliance with Section 9.12, and, other than as previously disclosed in writing to the Administrative Agent, set forth on an exhibit to such certificate (other than Hydrocarbons sold in the ordinary course of business) (B)that constitute leases that have expired in accordance with their terms or (C)that have title defects disclosed in writing to the Administrative Agent (including through the provision of title information pursuant to Section 8.11(a)) and such Properties are free of all Liens except for Liens permitted by Section 9.03, (iii)except as previously disclosed in writing to the Administrative Agent or 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 volume specified in Section 7.18 with respect to its Oil and Gas Properties evaluated in such Reserve Report which would require the Borrower or any Restricted Subsidiary 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 their Oil and Gas Properties have been sold since the date of the last Borrowing Base determination except as previously disclosed in writing to the Administrative Agent or as set forth on an exhibit to the certificate, which certificate shall list all of its Oil and Gas Properties sold and in such detail as reasonably required by the Administrative Agent, (v)attached thereto is a list of all marketing agreements entered into 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 7.19 had such agreement been in effect on the Effective Date, (vi)attached thereto is a schedule of the Oil and Gas Properties evaluated by such Reserve Report that are Mortgaged Properties and demonstrating the percentage of the total PV-9 of the Oil and Gas Properties evaluated in such Reserve Report that are Mortgaged Properties and, to the extent that the value of such Mortgaged Properties represent is not in compliance with Section 8.13(a), a reasonably detailed description of the steps that the Borrower will take to come into compliance with Section 8.13(a) in accordance with the terms hereof, and (vii) attached thereto is a list of all Minimum Volume Contracts entered into subsequent to the later of the date hereof or the most recently delivered Reserve Report or the date on which the Borrower disclosed the existence of Minimum Volume Contracts to the Administrative Agent, as applicable, which the Borrower could reasonably be expected to have been obligated to list on Schedule 7.26 had such agreement been in effect on the Effective Date.

Section 8.12 Title Information.

(a)On or before the delivery to the Administrative Agent and the Lenders of each Reserve Report required by Section 8.11(a), the Borrower will deliver title information in form and substance acceptable to the Administrative Agent covering enough of the Borrowing Base Properties of the type set forth in clause (a)of the definition thereof evaluated by such Reserve Report that were not included in the immediately preceding Reserve Report, so that the Administrative Agent shall have received, together with title information previously delivered to the Administrative Agent, reasonably satisfactory title information on at least 85% of the PV-9 of the Borrowing Base Properties of the type set forth in clause (a) of the definition thereof evaluated by such Reserve Report.

(b)If the Borrower has provided title information for additional Properties under Section 8.12(a), the Borrower shall, within thirty (30) days (or such

longer time period as may be agreed to by the Administrative Agent in its sole discretion) after notice from the Administrative Agent that title defects or exceptions exist with respect to such additional Properties, either (i)cure any such title defects or exceptions (including defects or exceptions as to priority) which are not permitted by Section 9.03 raised by such information, (ii)substitute acceptable Mortgaged Properties with no title defects or exceptions except for Excepted Liens having an equivalent value or (iii)deliver title information in form and substance acceptable to the Administrative Agent so that the Administrative Agent shall have received, together with title information previously delivered to the Administrative Agent, reasonably satisfactory title information on at least 85% of the PV-9 of the Borrowing Base Properties of the type set forth in clause (a) of the definition thereof evaluated by such Reserve Report.

(c)If the Borrower is unable to cure any title defect requested by the Administrative Agent or the Lenders to be cured within the period of time required by clause (b)above or the Borrower does not comply with the requirements to provide acceptable title information covering at least 85% of the PV-9 of the Borrowing Base Properties of the type set forth in clause (a)of the definition thereof evaluated in the most recent Reserve Report, such failure shall not be a Default or Event of Default, but instead the Administrative Agent and/or the Required Lenders shall have the right to exercise the following remedy in their sole discretion from time to time, and any failure to so exercise this remedy at any time shall not be a waiver as to future exercise of the remedy by the Administrative Agent or the Lenders. To the extent that the Administrative Agent or the Required Lenders are not satisfied with title to any Mortgaged Property after such period of time has elapsed, such unacceptable Mortgaged Property shall not count towards the 85% requirement, and the Administrative Agent may, or the Required Lenders may direct the Administrative Agent to, send a notice (such notice, an "Uncured Title Defect Notice") to the Borrower and the Lenders that the then outstanding Borrowing Base shall be reduced by an amount as determined by the Required Lenders to cause the Borrower to be in compliance with the requirement to provide acceptable title information covering at least 85% of the PV-9 of the Borrowing Base Properties of the type set forth in clause (a)of the definition thereof evaluated by such Reserve Report. This new Borrowing Base shall become effective in accordance with Section 2.07(g).

Section 8.13 Additional Collateral and Additional Guarantors.

(a)In connection with each redetermination of the Borrowing Base, the Borrower shall review the Reserve Report and the list of current Mortgaged Properties (as described in Section 8.11(c)(vi)) to ascertain whether the Mortgaged Properties represent at least 90% of the PV-9 of the Borrowing Base Properties of the type set forth in clause (a)of the definition thereof evaluated in the most recently delivered Reserve Report after giving effect to exploration and production activities, acquisitions, dispositions and production. In the event that the Mortgaged Properties do not represent at least 90% of the PV-9 of the Borrowing Base Properties of the type set forth in clause (a)of the definition thereof, then the Borrower shall, and shall cause its Restricted Subsidiaries to, grant, within thirty (30) days (or such longer period as may be agreed to by the Administrative Agent in its sole discretion) of delivery of the certificate required under Section 8.11(c), to the Administrative Agent as security for the Obligations a first-priority Lien interest (subject only to Excepted Liens) on additional Oil and Gas Properties of the Credit Parties and which Oil and Gas Properties are not already subject to a Lien of the Security Instruments such that, after giving effect thereto, the Mortgaged Properties will represent at least 90% of the PV-9 of the Borrowing Base Properties of the type set forth in clause (a)of the definition thereof. All such Liens will be created and perfected by and in accordance with the provisions of Mortgages and financing statements or other Security Instruments, all in form and substance reasonably satisfactory to the Administrative Agent and in sufficient executed (and acknowledged where necessary or appropriate) counterparts for recording purposes. In order to comply with the foregoing, if any Restricted Subsidiary places a Lien on its Oil and Gas Properties and such Restricted Subsidiary is not a Guarantor, then it shall become a Guarantor and comply with Section 8.13(b).

(b)In the event that (i)the Borrower determines that any Restricted Subsidiary is a Material Subsidiary, (ii)the Borrower or any Restricted Subsidiary creates, forms or acquires any Material Subsidiary (or any Unrestricted Subsidiary becomes a Restricted Subsidiary or owns Borrowing Base Property), or (iii)any Domestic Subsidiary that is not already a Guarantor incurs or guarantees any Specified Additional Debt, the Borrower shall promptly (and in any event, within thirty (30) days or such longer time period as may be agreed to by the Administrative Agent in its sole discretion) cause such Restricted Subsidiary to guarantee the Obligations pursuant to the Guarantee and Collateral Agreement. In connection with any such guaranty, the Borrower shall, or shall cause such Restricted Subsidiary (and, if the Borrower is not the owner of the Equity Interests in such Restricted Subsidiary, cause the owners of such Equity Interests) to, (A)execute and deliver a supplement to the Guarantee and Collateral Agreement executed by such Restricted Subsidiary, (B)pledge, or cause the owners of the Equity Interests of such Restricted Subsidiary to pledge, all of the Equity Interests in such Restricted Subsidiary (including, without limitation, delivery of original stock certificates evidencing the Equity Interests in such Subsidiary, together with appropriate undated stock powers for each certificate duly executed in blank by the registered owner thereof); and (C)execute and deliver such other additional closing documents, certificates and legal opinions as shall reasonably be requested by the Administrative Agent.

(c)The Borrower shall cause any Person guaranteeing Specified Additional Debt or Permitted Refinancing Debt in respect thereof to contemporaneously become a Guarantor hereunder in accordance with Section 8.13(b).

(d)At the reasonable request of the Administrative Agent, the Borrower shall and shall cause any Credit Party to grant, within thirty (30) days (or such longer period as may be agreed to by the Administrative Agent in its sole discretion), a mortgage over any Midstream Assets owned by such Credit Party to which Borrowing Base Value is attributed which are not then currently the subject of a Mortgage.

(e)Notwithstanding any provision in any of the Loan Documents to the contrary, in no event is any Building (as defined in the applicable Flood Insurance Regulations) or Manufactured (Mobile) Home (as defined in the applicable Flood Insurance Regulations) owned by any Credit Party included in the Mortgaged Property and no Building or Manufactured (Mobile) Home shall be encumbered by any Security Instrument; provided that (A)the applicable Credit Party's interests in all lands and Hydrocarbons situated under any such Building or Manufactured (Mobile) Home shall be included in the Mortgaged Property and shall be encumbered by the Security Instruments and (B)the Borrower shall not permit, and shall not permit any other Credit Party to permit, to exist any Lien on any Building or Manufactured (Mobile) Home except Liens permitted by Section 9.03.

Section 8.14 ERISA Compliance. The Borrower will promptly furnish and will cause the Restricted Subsidiaries and any ERISA Affiliate (to the extent the Borrower has the legal authority to compel an ERISA Affiliate) to promptly furnish to the Administrative Agent (a)upon request thereof by the Administrative Agent, copies of each annual and other report with respect to each Plan or any trust created thereunder required to be filed with the United States Secretary of Labor or the Internal Revenue Service (provided, however, that any such report with respect to a multiemployer plan as defined in section 4001(a)(3)of ERISA shall be provided only to the extent such report is reasonably available to the Borrower), and (b)upon becoming aware of the occurrence of any ERISA Event or any nonexempt "prohibited transaction," as described in section 406 of ERISA or in section 4975 of the Code, in connection with any Plan or any trust created thereunder, that could reasonably be expected to have a Material Adverse Effect, a written notice signed by the President or the principal Financial Officer of the Borrower, the Restricted Subsidiary or the ERISA Affiliate, as the case may be, specifying the nature thereof, what action the Borrower, the Restricted Subsidiary or the ERISA Affiliate is taking or proposes to take with respect thereto, and, when known, any action taken or proposed by the Internal Revenue Service or the Department of Labor with respect thereto.

Section 8.15 Unrestricted Subsidiaries. The Borrower:

(a) will cause the management, business and affairs of each of the Borrower and the Restricted Subsidiaries to be conducted in such a manner (including, without limitation, by keeping separate books of account, furnishing separate financial statements of Unrestricted Subsidiaries to creditors and potential creditors thereof and by

not permitting Properties of the Borrower and the Restricted Subsidiaries to be commingled) so that each Unrestricted Subsidiary will be treated as an entity separate and distinct from the Borrower and the Restricted Subsidiaries;

(b)will not, and will not permit any of the Restricted Subsidiaries to, incur, assume, guarantee or be or become liable for any Debt of any of the Unrestricted Subsidiaries; and

(c)will not permit any Unrestricted Subsidiary to (i)hold any Equity Interest in, or any Debt of, the Borrower or any Restricted Subsidiary or (ii)own any Borrowing Base Property.

Section 8.16 Deposit Accounts; Commodity Accounts and Securities Accounts. Subject to Section 8.19(a), the Borrower will, and will cause each of the Restricted Subsidiaries to, cause each of their respective Deposit Accounts, Commodity Accounts or Securities Accounts (in each case, other than Excluded Accounts for so long as they are Excluded Accounts) to at all times be subject to an Account Control Agreement.

Section 8.17 Commodity Exchange Act Keepwell Provisions. The Borrower hereby guarantees the payment and performance of all Obligations of each Credit Party (other than the Borrower) and absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each Credit Party (other than the Borrower) that is not otherwise an "eligible contract participant" as defined in the Commodity Exchange Act in order for such Credit Party to honor its obligations under the Guarantee and Collateral Agreement including obligations with respect to Swap Agreements (provided, however, that the Borrower shall only be liable under this Section 8.17 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 8.17, or otherwise under this Agreement or any Loan Document, as it relates to such other Credit Parties, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of the Borrower under this Section 8.17 shall remain in full force and effect until Payment in Full. The Borrower intends that this Section 8.17 constitute, and this Section 8.17 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Credit Party for all purposes of Section la(18)(A)(v)(II) of the Commodity Exchange Act.

Section 8.18 Commodity Hedging. Concurrently with the date that financial statements are required to be delivered under Section 8.01(a) or Section 8.01(b), commencing with such required delivery date for the fiscal quarter ending September 30, 2024, the Borrower shall, and shall cause the Restricted Subsidiaries to, enter into and maintain Swap Agreements with Approved Counterparties in the form of swaps, collars (other than "three-way collars"), floors or other types reasonably acceptable to the Administrative Agent pursuant to which the Borrower and the Restricted Subsidiaries shall hedge notional volumes covering 50% of the reasonably anticipated projected production calculated on a quarterly basis (as forecasted based on the then most recently delivered Reserve Report hereunder) from the Borrowing Base Properties constituting Proved Developed Producing Reserves for natural gas and natural gas liquids for the subsequent 24 calendar month period immediately following such required delivery date.

Section 8.19 Post-Closing Covenants.

(a) Notwithstanding the requirements set forth in Section 8.16, with respect to each Deposit Account, Commodity Account and Securities Account of the Credit Parties in existence on the Effective Date (other than Excluded Accounts), the Borrower shall, and shall cause each Restricted Subsidiary to, no later than thirty (30) days after the Effective Date (or such later date as the Administrative Agent may agree to in its sole discretion), deliver to the Administrative Agent duly executed Account Control Agreements in form and substance reasonably acceptable to the Administrative Agent.

(b)On or prior to the date thirty (30) days following the Effective Date (or such later date as the Administrative Agent may agree in its reasonable discretion), the Borrower shall enter into (and shall thereafter maintain) Swap Agreements with Approved Counterparties in the form of swaps, collars (other than "three-way collars"), floors or other types reasonably acceptable to the Administrative Agent pursuant to which the Borrower shall hedge notional volumes covering at least 50% (rounded to the nearest whole percentage point) of the aggregate of the reasonably anticipated projected production of natural gas and natural gas liquids, calculated on a quarterly basis (as forecasted based on the Initial Reserve Report) from the Borrowing Base Properties constituting Proved Developed Producing Reserves for natural gas and natural gas liquids for the period beginning on July1, 2024 and ending June30, 2025. For purposes of this paragraph, if the Borrower becomes party to a Swap Agreement by novation of such Swap Agreement from Holdings to the Borrower as the remaining party, the Borrower shall be deemed to have entered into such Swap Agreement.

(c)On or prior to the date sixty (60) days following the Effective Date (or such later date as the Administrative Agent may agree in its reasonable discretion), the Borrower shall enter into (and shall thereafter maintain) Swap Agreements with Approved Counterparties in the form of swaps, collars (other than "three-way collars"), floors or other types reasonably acceptable to the Administrative Agent pursuant to which the Borrower shall hedge notional volumes covering at least 50% (rounded to the nearest whole percentage point) of the aggregate of the reasonably anticipated projected production of natural gas and natural gas liquids, calculated on a quarterly basis (as forecasted based on the Initial Reserve Report) from the Borrowing Base Properties constituting Proved Developed Producing Reserves for natural gas and natural gas liquids for the period beginning on July1, 2025 and ending June30, 2026. For purposes of this paragraph, if the Borrower becomes party to a Swap Agreement by novation of such Swap Agreement from Holdings to the Borrower as the remaining party, the Borrower shall be deemed to have entered into such Swap Agreement.

ARTICLE IX
NEGATIVE COVENANTS

Until Payment in Full, the Borrower and Holdings (with respect to Section 9.23 only) covenants and agrees with the Lenders that:

Section 9.01 Financial Covenants.

(a) Net Leverage Ratio. The Borrower will not, as of the last day of any fiscal quarter commencing with the fiscal quarter ending September 30, 2024, permit the Net Leverage Ratio to be greater than 3.25 to 1.00.

(b) Current Ratio. The Borrower will not permit, as of the last day of any fiscal quarter commencing with the fiscal quarter ending September 30, 2024, the Current Ratio as of such date to be less than 1.00 to 1.00.

(c) Right to Cure. In the event the Borrower fails to comply with the requirements of Section 9.01(a) and/or Section 9.01(b) during any fiscal quarter,

then during the period beginning on the first day after the subject fiscal quarter until the expiration of the tenth Business Day subsequent to the date the compliance certificate for calculating the Net Leverage Ratio or Current Ratio, as applicable, is required to be delivered pursuant to Section 8.01(c) (the "Cure Period"), the Borrower shall be permitted to cure such failure to comply by requesting that the Net Leverage Ratio and/or Current Ratio, as applicable, be recalculated by increasing the Borrower's EBITDAX and/or Consolidated Current Assets, as the case may be, by an amount equal to the proceeds of equity issued by Holdings to one or more of the holders of the Equity Interests in Holdings or by contributions to the equity of Holdings by one or more of the holders of the Equity Interests in Holdings, and in each case the net cash proceeds of which are contributed to the Borrower, during the Cure Period (such net cash proceeds amount so contributed to the Borrower, the " Cure Amount"); provided that (i)the proceeds of the equity cure shall be used to repay the Loans, (ii) the Borrower shall deliver written notice to the Administrative Agent concurrently with delivery of a timely delivered certificate required by Section 8.01(c)that it has elected to cure the failure to comply and clearly setting forth such equity contribution in the computation required byclause (ii)of such Section 8.01(c); (iii)the amount of the Cure Amount added to EBITDAX and/or Consolidated Current Assets, as the case may be, shall not be greater than the amount required to cause the Borrower to be in compliance with the Net Leverage Ratio and/or the Current Ratio, as applicable (but the amount of such Cure Amount deemed to apply to the applicable financial covenant shall not exceed the minimum amount necessary to cure such financial covenant breach and that, in demonstrating compliance with each financial covenant, only the minimum amount necessary to cure such financial covenant shall be included in the calculation for such financial covenant); and (iv)the Borrower may not cure any default of the Net Leverage Ratio or Current Ratio by an equity cure more than (A)two (2)times in the aggregate for all such cures during any period of four consecutive fiscal quarters, with the simultaneous cure of both the Net Leverage Ratio and the Current Ratio in a single quarter counting as a single cure for purposes of this clause (A) or (B) four (4) times in the aggregate for all such cures prior to the Maturity Date with the simultaneous cure of both the Net Leverage Ratio and the Current Ratio in a single quarter counting as one cure for purposes of this clause (B) (provided that, if the Borrower exercises its cure right prior to the date financial statements are required to be delivered for a relevant fiscal quarter solely with respect to an anticipated Net Leverage Ratio default or Current Ratio default and the cure amount associated therewith is insufficient to cure a Net Leverage Ratio default or Current Ratio default with respect to such quarter, any subsequent exercise of a cure right prior to the cure deadline to 'top-up' such cure amount shall not count as an additional exercise of the cure right). The Borrower may apply a Cure Amount to either increase EBITDAX or increase Consolidated Current Assets in the same fiscal quarter; provided that to both increase EBITDAX and increase Consolidated Current Assets, separate Cure Amounts must be applied to each increase. With respect to a Cure Amount applied to EBITDAX, the resulting increase in the Borrower's EBITDAX, shall be taken into account in calculating the Net Leverage Ratio for any Rolling Period that includes any fiscal quarter with respect to which such cure right was exercised. If after giving effect to the foregoing recalculations, the Borrower would then be in compliance with Section 9.01(a)or Section 9.01(b), as the case may be, the Borrower shall be deemed to have satisfied the requirements of Section 9.01(a)or Section 9.01(b), as applicable, as of the relevant earlier required date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach, Default or Event of Default of any such covenant that had occurred shall be deemed cured for the purpose of this Agreement and the other Loan Documents. After receiving the notice provided above, neither the Administrative Agent nor any Lender shall exercise the right to accelerate the Loans or terminate the Commitments and none of Administrative Agent, any Lender or any Secured Party shall exercise any right to foreclose on or take possession of the Collateral or exercise any other remedy pursuant to Section 10.02, the other Loan Documents or applicable law prior to the end of the applicable Cure Period solely on the basis of an Event of Default having occurred and continuing under Section 9.01 (except to the extent that the Borrower has confirmed in writing that it is not going to receive a Cure Amount). The parties hereby acknowledge and agree that (x)this Section 9.01(c)may not be relied on or used for purposes of determining permitted amounts with respect to covenants in this Agreement other than Section 9.01(a)and Section 9.01(b)and (y)that such deemed increase to EBITDAX or Consolidated Current Assets, in any fiscal quarter shall be applied solely for the purpose of determining the existence of a Default or Event of Default under Section 9.01(a)and Section 9.01(b)with respect to any Rolling Period that includes such fiscal quarter and not for any other purpose under any Loan Document (including any determination *of pro forma* compliance with the Net Leverage Ratio for the purposes of incurring any Specified Additional Debt or making any Restricted Payment or any other purpose (even if the proceeds of any Cure Amount are actually used to reduce Debt or Consolidated Current Liabilities)). For the avoidance of doubt, no Lender or Issuing Bank shall be required to make any extension of credit hereunder during the Cure Period, unless the Borrower shall have received the Cure Amount.

Section 9.02 Debt. The Borrower will not, and will not permit any Restricted Subsidiary to, incur, create, assume or suffer to exist any Debt, except:

(a)the Notes, the Loans or other Obligations, including those arising under the Loan Documents or any guaranty of or suretyship arrangement for the Notes, the Loans or other Obligations, including those arising under the Loan Documents;

(b)Debt of the Borrower and the Restricted Subsidiaries existing on the date hereof that is reflected on Schedule 9.02 and any Permitted Refinancing Debt incurred in respect thereof;

(c) Debt under Finance Leases and Purchase Money Indebtedness not to exceed $25,000,000 in the aggregate at any one time outstanding;

(d)Debt in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations that are (i)required by Governmental Requirements or by Governmental Authorities in connection with the operation of the Oil and Gas Properties and (ii)not incurred in connection with money borrowed, which are provided in the ordinary course of business or consistent with past practice, including those incurred to secure health, safety and environmental obligations in the ordinary course of business or consistent with past practice;

(e)intercompany Debt incurred by (i)the Borrower or any Subsidiary Guarantor owing to the Borrower, any Subsidiary; provided that any such Debt owed by a Credit Party to a Subsidiary or Parent Entity that is not a Guarantor shall be subject to subordination terms substantially identical to the subordination terms in the Guarantee and Collateral Agreement or (ii)any Subsidiary that is not a Guarantor owing to the Borrower or any Subsidiary; provided that such Debt is not held, assigned, transferred, negotiated or pledged to any Person other than the Borrower or one of its Wholly-Owned Subsidiaries; provided further that this clause (e)shall not permit the Borrower or any Restricted Subsidiary to incur the Holdings Intercompany Debt;

(f) endorsements of negotiable instruments for collection in the ordinary course of business;

(g)(i)Specified Additional Debt; provided that on the date of any such incurrence of Debt after the Effective Date, unless such adjustment is waived pursuant to Section 12.02, the Borrowing Base shall be adjusted to the extent required bySection 2.07(f)and prepayment shall be made to the extent required by Section 3.04(c); provided that, after giving effect to the incurrence of such Debt, the Net Leverage Ratio on a*pro forma* basis is less than 3.25 to 1.00, and (ii)any Permitted Refinancing Debt incurred in respect of such Specified Additional Debt or in respect of any Permitted Refinancing Debt incurred in respect thereof;

(h)Debt constituting a guarantee by the Borrower or any Subsidiary Guarantor of any Debt incurred by another Credit Party so long as the incurrence of such Debt by such other Credit Party is otherwise permitted by this Section 9.02;

(i) Debt arising under Swap Agreements permitted by Section 9.18;

(j)Debt owed to any Person providing workers' compensation, health, disability or other employee benefits or property, casualty or liability insurance, pursuant to reimbursement or indemnification obligations to such Person, in each case incurred in the ordinary course of business;

(k)Debt incurred to finance premiums due or to become due on any property, casualty, liability or other insurance policies for the Borrower or any Restricted Subsidiary;

(l) Debt consisting of indemnities or obligations in respect of purchase price adjustments or similar obligations;

(m)other Debt (and Permitted Refinancing Debt incurred in respect thereof) not to exceed, in the aggregate principal amount at any one time outstanding, $10,000,000 plus, in the case of Permitted Refinancing Debt, Additional Amounts, in each case, so long as, to the extent secured, secured solely by Property other than Oil and Gas Properties; and

(n) Debt in respect of the Existing Letters of Credit.

Notwithstanding the foregoing, (x)neither the Borrower nor any Restricted Subsidiary shall incur any obligations in connection with the Holdings Intercompany Debt and (y) the principal amount of the Holdings Intercompany Debt may not be reborrowed or otherwise increased after the Effective Date once repaid.

Notwithstanding anything else in this Agreement to the contrary, none of the Credit Parties nor their Restricted Subsidiaries shall incur or assume any debt that is lent or held by Holdings, any Parent Entity or the Sponsor or any of their respective Affiliates unless such debt is both unsecured and subordinated to the Obligations on terms and conditions reasonable satisfactory to the Administrative Agent.

Section 9.03 Liens. The Borrower will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Lien on any of its Properties (now owned or hereafter acquired), except:

(a) Liens arising under the Loan Documents securing any Obligations;

(b) Excepted Liens; provided that with respect to any dedications entered into in connection with any Minimum Volume Contracts entered into after the Effective Date, such dedications shall be permitted to apply only to property that is Mortgaged Property at the time such dedication is entered into;

(c) Liens securing Debt permitted by Section 9.02(b) and set forth on Schedule 9.03;

(d)Liens securing Finance Leases or Purchase Money Indebtedness permitted by Section 9.02(c)but only on the Property under lease or the Property purchased, constructed or improved with such Purchase Money Indebtedness, as applicable;

(e) pledges or deposits in the ordinary course of business securing liabilities to insurance carriers in respect of insurance policies;

(f)Liens arising under Governmental Requirements securing the obligations of purchasers of Hydrocarbons to secure their sale at the wellhead in the ordinary course of business;

(g) Liens on cash earnest money deposits made in connection with any letter of intent or purchase agreement;

(h)Liens on Property not constituting Oil and Gas Properties and not otherwise permitted by the foregoing clauses of this Section 9.03; provided that the aggregate principal or face amount of all Debt secured under this Section 9.03(h) shall not exceed $10,000,000 in the aggregate at any one time outstanding; and

(i) Liens on cash or Cash Equivalents securing Debt in respect of the Existing Letters of Credit.

This Section 9.03 shall be construed to allow the above Liens to cover and encumber all improvements, fixtures and/or accessions to the Property which are permitted to be subject to such Liens and all proceeds of such Property (including any insurance for such property) as determined in accordance with the Uniform Commercial Code.

Notwithstanding the foregoing, none of the Liens permitted pursuant to this Section 9.03 (other than Excepted Liens, Liens securing the Obligations and Section 9.03(f)) may at any time attach to any Oil and Gas Properties.

Section 9.04 Dividends and Distributions; Redemptions or Amendments in Respect of Specified Additional Debt

(a) Dividends and Distributions. The Borrower will not, and will not permit any Restricted Subsidiary to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, return any capital to its stockholders or make any distribution of its Property to its Equity Interest holders, except:

(i) the Borrower may distribute any Specified Asset Sale Proceeds before September 30, 2024;

(ii) the Restricted Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests;

(iii)as long as no Event of Default exists at the time of such Restricted Payment or would result therefrom, the Borrower may make cash Permitted Tax Distributions;

(iv)the Borrower may make Restricted Payments with respect to its Equity Interests (A)in an amount not to exceed 100% of Distributable Free Cash Flow (after giving *pro forma* effect to such payment and any other Free Cash Flow Utilizations occurring on such date) so long as (1)after giving effect to such payment (and any Borrowings incurred in connection therewith) on *a pro forma* basis, Commitments available to be drawn are greater than or equal to 20% of the Loan Limit in effect at such time and (2)after giving effect to such payment (and any Debt incurred in connection therewith), the Net Leverage Ratio on *a pro forma* basis is less than or equal to 1.75 to 1.00 and (B)without limit so long as (1)after giving effect to such payment (and any Borrowings incurred in connection therewith) on a *pro forma* basis, Commitments available to be drawn are greater than or equal to 25% of the Loan Limit in effect at such time and (2)after giving effect to such payment (and any Borrowings incurred in connection therewith), the Net Leverage Ratio on *a pro forma* basis is less than or equal to 1.50 to 1.00;provided that the Borrower may not make any Restricted Payments in reliance on this clause (iv) if any Default, Event of Default or Borrowing Base Deficiency exists at the time of such Restricted Payment or would result therefrom;

(v) as long as no Event of Default exists at the time of such Restricted Payment or would result therefrom, the Borrower may make cash Restricted Payments to redeem, acquire, retire or repurchase shares of Equity Interests of Holdings or the Borrower held by any present or former officer, manager, consultant, director or employee (or their respective Affiliates, estates, spouses, former spouses, successors, executors, administrators, heirs, legatees, distributees or immediate family

members) of Holdings or the Borrower and its Subsidiaries, upon the death, disability, retirement or termination of employment of any such Person or otherwise in accordance with any equity option or equity appreciation rights plan, any management, director and/or employee equity ownership, benefit or incentive plan or agreement, equity subscription plan, employment termination agreement or any other employment agreements or equity holders' agreement, and to pay taxes in connection with the foregoing (collectively, "LTIP Expenses"); provided that the aggregate amount of all cash paid in respect of all such LTIP Expenses in any calendar year does not exceed the sum of (1)(x)to the extent such LTIP Expenses relate to any agreements or plans in place prior to the Effective Date, $20,000,000 (with unused amounts in any calendar year being carried over to the next succeeding calendar year subject to a maximum of $30,000,000 in any calendar year) and (y)to the extent such LTIP Expenses relate to any agreements or plans in place after the Effective Date, $5,000,000 (with unused amounts in any calendar year being carried over to the next succeeding calendar year subject to a maximum of $7,500,000 in any calendar year) plus (2)all net cash proceeds obtained by or contributed to the Borrower during such calendar year from the sales of Equity Interests (other than Disqualified Capital Stock) to other present or former officers, consultants, employees, directors and managers in connection with any permitted compensation and incentive arrangements in the ordinary course of business, but excluding proceeds constituting a Cure Amount or utilized pursuant to Section 9.04(b)(i)(C), plus (3)all net cash proceeds obtained from any key-man life insurance policies received during such calendar year plus (4)the amount of any cash bonuses otherwise payable to members of management, directors or consultants of Holdings, the Borrower or its Restricted Subsidiaries in connection with any acquisition permitted hereunder that are foregone in return for the receipt of Equity Interests; and provided, further, that cancellation of Debt owing to Holdings, the Borrower or any Restricted Subsidiary from members of management of Holdings, the Borrower or its Restricted Subsidiaries in connection with a repurchase of Equity Interests of Holdings or the Borrower will not be deemed to constitute a Restricted Payment for purposes of this Section 9.04; and

(vi)as long as no Event of Default exists at the time of such Restricted Payment or would result therefrom, Restricted Payments made by the Borrower in cash during such fiscal year to pay Holdings' operating costs and expenses incurred in the ordinary course of business and other corporate overhead costs and expenses (including administrative, legal, accounting and similar expenses provided by third parties) which are reasonable and customary and incurred in the ordinary course of business and attributable to (x) the ownership or operations of the Borrower and its Restricted Subsidiaries and (y) the operations of Holdings and the ownership or operations of its Subsidiaries in an annual amount not to exceed $15,000,000; and

(vii)prior to December31, 2024, and as long as no Event of Default exists at the time of such Restricted Payment or would result therefrom, Restricted Payments made by the Borrower in cash in an aggregate amount not to exceed the lesser of $15,000,000 and the amount of capital expenditures budgeted for Holdings and its Subsidiaries or joint ventures that are not Credit Parties in fiscal year 2024.

(b) Redemptions or Amendments in Respect of Specified Additional Debt.

(i)The Borrower will not, and will not permit any Restricted Subsidiary to, call, make or offer to make any optional or voluntary Redemption of, or otherwise optionally or voluntarily Redeem (whether in whole or in part), any Specified Additional Debt, provided that the Borrower may voluntarily Redeem Specified Additional Debt:

(A) by converting Specified Additional Debt into Equity Interests in Holdings (other than Disqualified Capital Stock);

(B)in the form of cash with Net Proceeds from any incurrence of additional Specified Additional Debt or Permitted Refinancing Debt in respect of existing Specified Additional Debt so long as (I)such Redemption occurs substantially contemporaneously with the receipt of such Net Proceeds and (II)such Redemption is in an amount no greater than the amount of the Net Proceeds of such incurrence of Specified Additional Debt or Permitted Refinancing Debt;

(C)in the form of cash with Net Proceeds from any capital contributions to, or of an issuance or offering of, Equity Interests (other than Disqualified Capital Stock) in Holdings, which are further contributed to the Borrower, so long as (I)no Default or Event of Default has occurred and is continuing both before and after, and no Borrowing Base Deficiency would occur after giving effect to such Redemption and (II)such Redemption occurs substantially contemporaneously with the receipt of such Net Proceeds; and

(D)(1)in an amount not to exceed 100% of Distributable Free Cash Flow after giving *pro forma* effect to such Redemption (and any other Free Cash Flow Utilizations occurring on such date) so long as, (x)after giving effect to such Redemption (and any Debt incurred in connection therewith), Commitments available to be drawn are greater than or equal to 20% of the Loan Limit in effect at such time and (y)after giving effect to such Redemption (and any Debt incurred in connection therewith), the Net Leverage Ratio on *a pro forma* basis is less than or equal to 1.75 to 1.00 and (2)without limit so long as (x)after giving effect to such Redemption (and any Borrowings incurred in connection therewith), Commitments available to be drawn are greater than or equal to 25% of the Loan Limit in effect at such time and (y)after giving effect to such Redemption (and any Borrowings incurred in connection therewith), the Net Leverage Ratio on *a pro forma* basis is less than or equal to 1.50 to 1.00; provided that no such Redemption may be made in reliance on this clause (D)if any Default, Event of Default or Borrowing Base Deficiency exits at the time of such Redemption or would result therefrom.

Notwithstanding the foregoing, the Credit Parties shall not make any principal payment or other Redemption in respect of the Holdings Intercompany Debt while a Borrowing Base Deficiency or Event of Default exists.

(ii)The Borrower will not, and will not permit any Restricted Subsidiary to amend or modify, or consent or agree to any amendment or modification to, any of the terms governing any Specified Additional Debt, if the effect of such amendment or modification is (A)that the Borrower would not be able to incur such Specified Additional Debt in accordance with Section 9.02(g)if such Debt were being incurred in the first instance and (B)(I)to cause such Specified Additional Debt to have any scheduled principal payments prior to the date that is one year following the Final Maturity Date, (II)to reduce the weighted average life to maturity of such Debt, (III)to make the covenants, events of default and guarantees more materially restrictive on the Borrower and the Restricted Subsidiaries than the terms of such Specified Additional Debt (as in effect at the time of such amendment or modification) when taken as a whole or to add a financial maintenance covenant, (IV)to add an additional Subsidiary (other than a Guarantor or Person who becomes a Guarantor in connection therewith) as an obligor under such Specified Additional Debt or (V)otherwise materially adverse to the Lenders; provided that the foregoing shall not prohibit the correction of defects, ambiguities or deficiencies which can be adopted without consent of all or any portion of the holders of the Specified Additional Debt or which, if implemented when such Specified Additional Debt were incurred, would have been permitted hereunder.

Section 9.05 Investments, Loans and Advances. The Borrower will not, and will not permit any Restricted Subsidiary to, make or permit to remain outstanding any Investments in or to any Person, except that the foregoing restriction shall not apply to:

(a) Investments as of the Effective Date which are disclosed to the Lenders in Schedule 9.05;

(b)(i)accounts or notes receivable arising in the ordinary course of business; (ii)advances in the form of a prepayment of fees and expenses by the Borrower or a Restricted Subsidiary, so long as such expenses are being paid in accordance with customary trade terms of the Borrower and its Restricted Subsidiaries, (iii)advances of payroll payments to employees, consultants or independent contractors or other advances of salaries or compensation to employees, consultants or independent

contractors, in each case in the ordinary course of business and (iv)Investments received in satisfaction or partial satisfaction thereof from account debtors and other credits to suppliers in the ordinary course of business arising from the settlement of delinquent obligations or disputes in respect of a secured Investment;

(c) Investments in cash and Cash Equivalents;

(d)Investments (i)made by the Borrower or any Subsidiary Guarantor in or to the Borrower or any Subsidiary Guarantor, (ii)made by any Restricted Subsidiary in or to the Borrower or any Subsidiary Guarantor and (iii)made by any Restricted Subsidiary that is not a Guarantor in or to any other Restricted Subsidiary that is not a Guarantor;

(e)subject to the limits in Section 9.07,Investments in direct ownership interests in additional Oil and Gas Properties and gas gathering systems related thereto or related to farm-out, farm-in, joint operating, joint venture or area of mutual interest agreements, gathering systems, pipelines or other similar arrangements which are usual and customary in the oil and gas exploration and production business located within the geographic boundaries of the United States of America;

(f)Investments in stock, obligations or securities received in settlement of debts arising from Investments permitted under this Section 9.05 or from accounts receivable arising in the ordinary course of business, which Investments are obtained by the Borrower or any other Restricted Subsidiary as a result of a bankruptcy or other insolvency proceeding of, or difficulties in collecting from, the obligor in respect of such obligations, provided that the Borrower shall give the Administrative Agent prompt written notice in the event that the aggregate amount of all Investments held at any one time under this Section 9.05(f) exceeds $2,000,000;

(g)the Borrower and the Restricted Subsidiaries may make other cash Investments (i)to the extent clause (ii)below does not apply, in an amount not to exceed 100% of Distributable Free Cash Flow after giving pro *forma* effect to such Investment (and any other Free Cash Flow Utilizations occurring on or prior to such date) so long as (A)after giving effect to such Investment (and any Borrowings incurred in connection therewith), Commitments available to be drawn are greater than or equal to 20% of the Loan Limit in effect at such time and (B)after giving effect to such Investment (and any Debt incurred in connection therewith), the Net Leverage Ratio on *a pro forma* basis is less than or equal to 1.75 to 1.00 and (ii)without limit so long as (A)after giving effect to such Investment (and any Borrowings incurred in connection therewith), Commitments available to be drawn are greater than or equal to 25% of the Loan Limit in effect at such time and (B)after giving effect to such Investment (and any Borrowings incurred in connection therewith), the Net Leverage Ratio on a *pro forma* basis is less than or equal to 1.50 to 1.00;provided that (x)no such Investment may be made in reliance on this clause (h)if any Default, Event of Default or Borrowing Base Deficiency exits at the time of such Investment or would result therefrom and (y)no Investment may be made in any Unrestricted Subsidiary in reliance on this clause (g);

(h)subject to the limits in Section 9.06 and Section 9.07,Investments (including, without limitation, capital contributions) in (i)Unrestricted Subsidiaries or (ii)in general or limited partnerships or other types of entities (each in this clause (ii), a "venture") formed or incorporated, as the case may be, under applicable state law, by the Borrower or any Subsidiary, on the one hand, and any other Person, on the other hand, in the ordinary course of business; provided that (A)any such Unrestricted Subsidiary or venture is engaged exclusively in the ownership, operation or development of Oil and Gas Properties, and any other oil and gas exploration, development, production, processing, treatment, compression, storage and related activities, including gathering and transportation, (B)the interest in such Unrestricted Subsidiary or venture is acquired in the ordinary course of business and on fair and reasonable terms and (C)such Unrestricted Subsidiary or venture interests acquired and capital contributions made (valued as of the date such interest was acquired or the contribution made) do not exceed, in the aggregate at any one time outstanding, an amount equal to $5,000,000;

(i)loans and advances to officers, directors, employees and consultants of the Borrower (or Holdings) or any of its Restricted Subsidiaries (i)for reasonable and customary business-related travel, entertainment, relocation and analogous ordinary business purposes (including employee payroll advances), (ii)in connection with such Person's purchase of Equity Interests of the Borrower (or Holdings); provided that, to the extent such loans and advances are made in cash, the amount of such loans and advances used to acquire such Equity Interests shall be contributed to the Borrower or any Subsidiary Guarantor in cash or (iii)in the ordinary course of business in an aggregate principal amount at any time for all amounts incurred under this Section 9.05(i) outstanding not to exceed $1,000,000;

(j)Investments held by a Person acquired (including by way of merger or consolidation) after the Effective Date otherwise in accordance with this Section 9.05 to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation;

(k) Investments constituting non-cash proceeds of dispositions of assets permitted bySection 9.12; and

(1) other Investments not to exceed in the aggregate at any one time outstanding an amount equal to $5,000,000.

Notwithstanding anything herein to the contrary, the Borrower will not, and will not permit any Restricted Subsidiary to, make any Investments (other than Investments made in cash) in any Unrestricted Subsidiaries or any other Subsidiaries or Persons that are not Guarantors.

Section 9.06 Designation and Conversion of Restricted and Unrestricted Subsidiaries; Debt of Unrestricted Subsidiaries.

(a)Unless designated as an Unrestricted Subsidiary on Schedule 7.14 as of the date hereof or thereafter, assuming compliance with Section 9.06(b), any Person that becomes a Subsidiary of the Borrower or any Restricted Subsidiary shall be classified as a Restricted Subsidiary.

(b)The Borrower may designate by written notification thereof to the Administrative Agent, any Restricted Subsidiary, including a newly formed or newly acquired Subsidiary, as an Unrestricted Subsidiary if (i)prior, and after giving effect, to such designation, no Default, Event of Default or Borrowing Base Deficiency exists or would result therefrom, (ii)such designation is deemed to be an Investment in an Unrestricted Subsidiary in an amount equal to the fair market value as of the date of such designation of the Borrower's direct and indirect ownership interest in such Subsidiary and such Investment would be permitted to be made at the time of such designation under Section 9.05(h), (iii)the Borrower is in compliance with Section 9.01(a)on *a pro forma* basis after giving effect to such designation and (iv)the representations and warranties of the Borrower and its Restricted Subsidiaries contained in each of the Loan Documents are true and correct in all material respects on and as of such date as if made on and as of the date of such designation (except to the extent any such representations and warranties (A) are expressly limited to an earlier date, in which case, on and as of the date of such designation, such representations and warranties shall continue to be true and correct in all material respects as of such specified earlier date or (B)are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case, such representations and warranties shall be true and correct in all respects). Except as provided in this Section 9.06(b), no Restricted Subsidiary may be designated as an Unrestricted Subsidiary. Notwithstanding anything to the contrary in this Agreement, no Subsidiary may be designated as an Unrestricted Subsidiary unless such Subsidiary (x)does not own any Oil and Gas Properties and (y)is also designated as an "unrestricted subsidiary" under any Specified Additional Debt.

(c)The Borrower may designate any Unrestricted Subsidiary to be a Restricted Subsidiary if after giving effect to such designation and any

contemporaneous transactions, (i)the representations and warranties of Holdings, the Borrower and its Restricted Subsidiaries contained in each of the Loan Documents are true and correct in all material respects on and as of such date as if made on and as of the date of such designation (except to the extent any such representations and warranties (A)are expressly limited to an earlier date, in which case, on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as applicable, such representations and warranties shall continue to be true and correct in all material respects as of such specified earlier date or (B) are already qualified by materiality, Material Adverse Effect or a similar qualification, in which case, such representations and warranties shall be true and correct in all respects), (ii)no Default would exist, and (iii)the Borrower complies with the requirements of Section8.13, Section8.16 and Section 9.15. Any such designation shall be treated as a cash dividend received by the owner(s)of the Equity Interests in such Restricted Subsidiary in an amount equal to the lesser of the fair market value of the Borrower's direct and indirect ownership interest in such Subsidiary or the amount of the Borrower's cash investment previously made for purposes of the limitation on Investments under Section 9.05(h).

Section 9.07 Nature of Business; No International Operations. The Borrower will not, and will not permit any Restricted Subsidiary to, allow any material change to be made in the character of its business as an independent oil and gas exploration and production company, which may include sales to Persons located outside of the geographical boundaries of the United States. From and after the date hereof, the Borrower and the Restricted Subsidiaries will not 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 the United States. The Borrower shall at all times remain organized under the laws of the United States of America or any State thereof or the District of Columbia.

Section 9.08 Proceeds of Loans.

(a)The Borrower will not permit the proceeds of the Loans or Letters of Credit to be used for any purpose other than those permitted by Section 7.21. Neither the Borrower nor any Person acting on behalf of the Borrower has taken or will take any action which might cause any of the Loan Documents to violate Regulation T, Regulation U or Regulation X or any other regulation of the Board or to violate Section7 of the Securities Exchange Act of 1934 or any ruleor regulation thereunder, in each case as now in effect or as the same may hereinafter be in effect.

(b)The Borrower will not request any Borrowing or Letter of Credit, and the Borrower shall not use, and shall procure that the Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit (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 9.09 ERISA Compliance. Except for actions that would not reasonably be expected to result in a Material Adverse Effect, the Borrower will not, and will not permit any Restricted Subsidiary (or any other controlled subsidiary of Holdings) to:

(a)engage in, any transaction with respect to a Plan which results in imposition on the Borrower, a Restricted Subsidiary or any ERISA Affiliate of a civil penalty assessed pursuant to subsections (c), (i), (1) or (m) of section 502 of ERISA;

(b) fail to satisfy the minimum funding standards with respect to any Plan; and

(c)contribute to or assume an obligation to contribute to any retiree medical plan that may not be terminated by such entities in their sole discretion at any time without liability to the Borrower, a Restricted Subsidiary, other than for benefits accrued or claims incurred on or before such termination.

Section 9.10 Sale or Discount of Receivables. Except for receivables obtained by the Borrower or any Restricted Subsidiary outside of the ordinary course of business or 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 Restricted Subsidiary to, discount or sell (with or without recourse) to any Person other than the Borrower or a Subsidiary Guarantor any of its notes receivable or accounts receivable.

Section 9.11 Mergers, Etc. The Borrower will not, and will not permit any Restricted Subsidiary to, merge into or with or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its Property to any other Person (whether now owned or hereafter acquired), or liquidate, wind-up or dissolve (any such transaction listed in the foregoing, a "consolidation"); provided that (a)any Restricted Subsidiary may participate in a consolidation with the Borrower or a Subsidiary Guarantor (provided that the Borrower or such Subsidiary Guarantor shall be the continuing or surviving entity), (b)any Restricted Subsidiary may participate in a consolidation with another Restricted Subsidiary so long as, if a Guarantor is participating in such consolidation, a Guarantor shall be the continuing or surviving entity and (c)any Subsidiary of the Borrower may liquidate, wind-up or dissolve so long as its assets (if any) are distributed to the Borrower or another Subsidiary Guarantor prior to or concurrently with such liquidation or dissolution.

Section 9.12 Sale of Properties and Termination of Swap Agreements. The Borrower will not, and will not permit any Restricted Subsidiary to, sell, assign, farm-out, convey or otherwise transfer any Property or to terminate or otherwise monetize any Swap Agreement in respect of commodities except for:

(a) the sale of Hydrocarbons in the ordinary course of business;

(b)farmouts of undeveloped acreage and assignments in connection with such farmouts, or the abandonment, farm-out, trade, exchange, lease, sublease or other disposition in the ordinary course of business of Oil and Gas Properties not containing Proved Reserves;

(c)the sale or transfer of equipment or other personal property that is obsolete, worn out or no longer necessary for the business of the Borrower or such Restricted Subsidiary or is replaced by equipment of at least comparable value and use;

(d) any Borrowing Base Asset Disposition (including pursuant to a Casualty Event) or any Borrowing Base Swap Liquidation provided that:

(i)no Default, Event of Default or Borrowing Base Deficiency exists or results from such Borrowing Base Asset Disposition or Borrowing Base Swap Liquidation (unless the Net Proceeds thereof are applied to repay the Borrowing Base Deficiency in an amount equal to the lesser of such Net Proceeds and the amount of such Borrowing Base Deficiency);

(ii)at least 75% of the consideration received in respect of such Borrowing Base Asset Disposition or Borrowing Base Swap Liquidation shall be cash or Cash Equivalents;

(iii)the consideration received in respect of such Borrowing Base Asset Disposition or Borrowing Base Swap Liquidation shall be equal to or greater than the fair market value of the Oil and Gas Property, interest therein or Equity Interests that are the subject of such Borrowing Base Asset Disposition, or Swap Agreement subject of such Borrowing Base Swap Liquidation (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 that effect);

(iv) if the Borrowing Base Value of such Oil and Gas Properties subject to any Borrowing Base Asset Disposition and Swap Agreements subject of such Borrowing Base Swap Liquidation pursuant to this clause (d)in any period between the Effective Date and the first Scheduled Redetermination Date or between two successive Scheduled Redetermination Dates exceeds five percent (5%) of the Borrowing Base then in effect, then the Borrowing Base shall be reduced in accordance with Section 2.07(e); and

(v)if any such Borrowing Base Asset Disposition is of a Restricted Subsidiary owning Borrowing Base Properties, such Borrowing Base Asset Disposition shall include all the Equity Interests in such Restricted Subsidiary;

(e)the sale or other disposition (including Casualty Events) (i)of any Oil and Gas Property not included in the Reserve Report most recently delivered to the Administrative Agent and the Lenders (or Restricted Subsidiaries or Affiliates which own or lease Oil and Gas Property not included in the most recently delivered Reserve Report) and (ii) not constituting a Borrowing Base Asset Disposition or Swap Liquidation not constituting a Borrowing Base Swap Liquidation; provided that:

(i)no Default, Event of Default or Borrowing Base Deficiency exists or results from such sale or disposition of Property (unless the Net Proceeds thereof are applied to repay the Borrowing Base Deficiency in an amount equal to the lesser of such Net Proceeds and the amount of such Borrowing Base Deficiency);

(ii) at least 75% of the consideration received in respect of such sale, liquidation or monetization shall be cash or Cash Equivalents; and

(iii)the consideration received in respect of such sale or disposition shall be equal to or greater than the fair market value of the Oil and Gas Properties that are the subject of such sale or 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 that effect);

(f)the sale or transfer of Equity Interests in Unrestricted Subsidiaries; provided that (i)no Default or Event of Default shall have occurred and be continuing, (ii) any such sale or transfer shall be for fair market value and (iii) no Borrowing Base Deficiency then exists;

(g) transfers of Property by any Credit Party to the Borrower and any Subsidiary Guarantor;

(h)dispositions of the non-cash portion of consideration (other than Oil and Gas Properties) received for any disposition of assets permitted by Section 9.12(d); provided that consideration received in respect of such sale or other disposition shall be cash, Cash Equivalents or other Oil and Gas Properties of comparable value (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 that effect);

(i) Investments permitted by Section 9.05, Restricted Payments permitted by Section 9.04 and consolidations permitted by Section 9.11; and

(j)other dispositions of Properties (other than Borrowing Base Properties) not to exceed in the aggregate at any one time outstanding an amount equal to $25,000,000.

For the avoidance of doubt, this Section 9.12 shall not limit the ability of any Unrestricted Subsidiary to (and shall not require that the Borrower not permit any Unrestricted Subsidiary to), sell, assign, farm-out, convey or otherwise transfer any Property or to terminate or otherwise monetize any Swap Agreement in respect of commodities.

Section 9.13 Environmental Matters. The Borrower will not, and will take reasonable action to not permit any Subsidiary to, cause or permit any of its Property to be in violation of applicable Environmental Laws, or cause or permit a Release of Hazardous Materials at any such Property that, assuming disclosure to the applicable Governmental Authority of all relevant facts, conditions and circumstances, if any, pertaining to such relevant Property, would reasonably be expected to have a Material Adverse Effect.

Section 9.14 Transactions with Affiliates. The Borrower will not, and will not permit any Restricted Subsidiary to, enter into any transaction, including, without limitation, any purchase, sale, lease or exchange of Property or the rendering of any service, with any Affiliate unless such transactions are otherwise permitted under this Agreement and are upon fair and reasonable terms no less favorable to it than it would obtain in a comparable arm's length transaction with a Person not an Affiliate. The restrictions set forth in this Section 9.14 shall not apply to (a)transactions among the Borrower and its Restricted Subsidiaries, (b)the execution and delivery of any Loan Document, (c)compensation to, and the terms of any employment contracts with, individuals who are officers, managers or directors of the Borrower and the Restricted Subsidiaries, provided such compensation is approved by the Borrower's board of managers (or other governing body) or Holdings' Board of Directors or provided for in the limited liability company agreement, articles or certificate of incorporation, bylaws or other applicable organizational documents of the Borrower or such Restricted Subsidiary, (d)payments made pursuant to Section 9.04, Section 9.05 or otherwise expressly permitted under this Agreement, (e)the issuance and sale of Equity Interests in the Borrower (other than Disqualified Capital Stock) or the amendment of the terms of any Equity Interests issued by the Borrower (other than Disqualified Capital Stock) including the issuance, sale or transfer of Equity Interests of the Borrower to Holdings in connection with capital contributions by Holdings to the Borrower, (f)transactions permitted under Section 9.12 and (g) transactions in effect on the Effective Date and set forth on Schedule 9.14.

Section 9.15 Subsidiaries. The Borrower will not, and will not permit any Restricted Subsidiary to, create or acquire any additional Restricted Subsidiary or redesignate an Unrestricted Subsidiary as a Restricted Subsidiary unless the Borrower gives written notice to the Administrative Agent of such creation, acquisition or redesignation and complies with Section 8.13(b). None of the Borrower or any Restricted Subsidiary shall have any Foreign Subsidiaries. The Borrower will not permit any other Person other than another Subsidiary Guarantor to own any Equity Interests in any Subsidiary Guarantor.

Section 9.16 Negative Pledge Agreements; Dividend Restrictions The Borrower will not, and will not permit any Restricted Subsidiary to, create, incur, assume or suffer to exist any contract, agreement or understanding (other than (a)this Agreement and the Security Instruments, (b)agreements and understandings evidencing or related to Specified Additional Debt or Permitted Refinancing Debt in respect thereof, (c)agreements or arrangements evidencing or related to Debt permitted by Section 9.02(c)to the extent such agreement or arrangement applies only to the Property subject to such Lien; (d)customary restrictions and conditions with respect to the sale or disposition of Property or Equity Interests permitted under Section 9.12 pending the consummation of such sale or disposition, (e)any leases or licenses or similar contracts as they affect any

Property or Lien subject to a lease or license, (f)agreements and understandings contained in joint venture agreements or other similar agreements entered into in the ordinary course of business in respect of the disposition or distribution of assets of such joint venture, (g)as imposed by Governmental Requirements and (h)those existing on the Effective Date and as listed on Schedule 9.16) which in any way prohibits or restricts the granting, conveyance, creation or imposition of any Lien on any of its Property in favor of the Administrative Agent and the Secured Parties or restricts any Restricted Subsidiary from paying dividends or making distributions to the Borrower or a Subsidiary Guarantor, or which requires the consent of or notice to other Persons in connection therewith.

Section 9.17 Gas Imbalances, Take-or-Pay or Other Prepayments. The Borrower will not, and will not permit any Restricted Subsidiary to, allow gas imbalances, take-or-pay or other prepayments with respect to the Oil and Gas Properties of the Borrower or any Restricted Subsidiary that would require the Borrower or such Restricted Subsidiary to deliver Hydrocarbons at some future time without then or thereafter receiving full payment therefor to exceed two percent (2.0%) of the aggregate volumes of Hydrocarbons (on an Mcf equivalent basis) listed in the most recent Reserve Report.

Section 9.18 Swap Agreements.

(a) The Borrower will not, and will not permit any Restricted Subsidiary to, enter into any Swap Agreements with any Person other than:

(i)Subject to clause (b)of this Section 9.18, Swap Agreements with an Approved Counterparty in respect of commodities entered into not for speculative purposes the notional volumes for which (when aggregated with other commodity Swap Agreements then in effect other than basis differential swaps on volumes already hedged pursuant to other Swap Agreements and put contracts) do not exceed, for the 48-month period as of the date such Swap Agreement is entered into (and for each month during the such period), 85% of the reasonably anticipated production from the Borrower and the Restricted Subsidiaries' Oil and Gas Properties constituting Proved Reserves (as set forth in the most recent Reserve Report delivered pursuant to the terms of this Agreement) of crude oil, natural gas and natural gas liquids, calculated separately; provided, however, that such Swap Agreements shall not, in any case, have a tenor of longer than 48 months;

(ii)Swap Agreements that would be permitted by clause (i)hereof pertaining to Oil and Gas Properties to be acquired pursuant to a Specified Acquisition; provided that (A)Swap Agreements pursuant to this Section 9.18(a)(ii)must be liquidated, terminated or otherwise monetized upon the earlier to occur of: (I)the date that is ninety (90) days after the execution of the purchase and sale agreement relating to the Specified Acquisition to the extent that such Specified Acquisition has not been consummated by such date, and (II)the date that any Credit Party knows with reasonable certainty that the Specified Acquisition will not be consummated, (B)the aggregate notional volumes hedged with respect to the reasonably anticipated projected production from Oil and Gas Properties to be acquired in such Specified Acquisition shall not exceed 15% of the Borrower's and its Restricted Subsidiaries' reasonably anticipated projected production from Oil and Gas Properties constituting Proved Reserves from crude oil, natural gas and natural gas liquids, calculated separately, as set forth in the most recent Reserve Report delivered pursuant to the terms of this Agreement for the period not exceeding twenty-four (24) months (without giving effect to any such pending Specified Acquisitions) and (C)the aggregate notional volumes hedged with respect to the reasonably anticipated projected production from Oil and Gas Properties to be acquired in such Specified Acquisition shall not exceed 85% of the reasonably anticipated projected production from Oil and Gas Properties constituting Proved Reserves from crude oil, natural gas and natural gas liquids, calculated separately, to be acquired in such Specified Acquisition, as set forth in the reserve report delivered to the Administrative Agent in connection with such Specified Acquisition; provided further, that such Swap Agreements entered into pursuant to this Section 9.18(a)(ii) shall not, in any case, have a tenor longer than twenty-four (24) months; and

(iii) Swap Agreements in respect of interest rates with an Approved Counterparty, as follows:

(A)Swap Agreements effectively converting interest rates from fixed to floating, the notional amounts of which (when aggregated with all other Swap Agreements of the Borrower and its Restricted Subsidiaries then in effect effectively converting interest rates from fixed to floating and netted against all other Swap Agreements of the Borrower and the Restricted Subsidiaries then in effect effectively converting interest rates from floating to fixed) do not exceed 75% of the then outstanding principal amount of the Borrower and the Restricted Subsidiaries' Debt for borrowed money which bears interest at a fixed rate, and which Swap Agreements shall not, in any case, have a tenor beyond the maturity date of such Debt, and

(B)Swap Agreements effectively converting interest rates from floating to fixed, the notional amounts of which (when aggregated with all other Swap Agreements of the Borrower and the Restricted Subsidiaries then in effect effectively converting interest rates from floating to fixed) do not exceed 75% of the then outstanding principal amount of the Borrower and the Restricted Subsidiaries' Debt for borrowed money which bears interest at a floating rate, and which Swap Agreements shall not, in any case, have a tenor beyond the maturity date of such Debt.

(b)If the Borrower determines that the notional volumes of all Swap Agreements in respect of commodities for a calendar quarter (other than basis differential swaps on volumes already hedged pursuant to other Swap Agreements and put contracts) exceeded 100% of actual production of Hydrocarbons in such calendar quarter for any of crude oil, natural gas or natural gas liquids, calculated separately, then the Borrower (i)shall promptly notify the Administrative Agent of such determination and (ii)shall, within thirty (30) days of such determination, terminate, create off-setting positions, or otherwise unwind or monetize existing Swap Agreements such that, after giving effect to such actions, future hedging volumes will not exceed 100% of such reasonably anticipated projected production for the then-current and any succeeding calendar quarters.

(c)In no event shall any Lien secure the Swap Agreements except pursuant to the Loan Documents, nor shall any Swap Agreement contain any requirement, agreement or covenant for the Borrower or any Restricted Subsidiary to post collateral, credit support (including in the form of letters of credit) or margin (other than, in each case, pursuant to the Security Instruments) to secure their obligations under such Swap Agreement or to cover market exposures, nor shall any Swap Agreement be secured by any collateral other than Collateral pursuant to the Loan Documents.

(d)For purposes of entering into Swap Agreements under Section 9.18(a)(i)or Section 9.18(a)(ii)or determining required unwinds, terminations and transfers of Swap Agreements under Section 9.18(b), forecasts of reasonably anticipated production from the Borrower's and its Restricted Subsidiaries' Oil and Gas Properties constituting Proved Reserves as applicable, as set forth on the most recent Reserve Report delivered pursuant to the terms of this Agreement shall be deemed to be updated to account for any increase or decrease in production anticipated because of information obtained by the Borrower or any of its Restricted Subsidiaries and delivered to the Administrative Agent subsequent to the publication of such Reserve Report including (i)the Borrower's or any of its Restricted Subsidiaries' internal forecasts of production decline rates for existing wells, (ii)additions to or deletions from anticipated future production from new wells, (iii)completed dispositions, (iv)completed acquisitions, and (v)other production coming on stream or failing to come on stream; provided that any such supplemental information shall be (A)presented in the form of a summary of engineering cash flows prepared by or under the supervision of the Internal Petroleum Engineer of the Borrower as a "roll forward" of the most recently delivered Reserve Report presented on a comparison basis and substantially in the form of the summary of engineering cash flows delivered to the Administrative Agent prior to the Effective Date (or such other form that is acceptable to the Administrative Agent), (B)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) and (C)accompanied by a certificate of a Responsible Officer of the Borrower certifying as to the content thereof (which certificate shall be in form and substance reasonably acceptable to the Administrative Agent).

(e)It is understood that Swap Agreements in respect of commodities permitted under Section9.18(a)(i), Section9.18(a)(ii) and Section 9.18(b) which may, from time to time, "hedge" the same volumes, but different elements of commodity risk thereof (such as, for example, basis risk and price risk), shall not be aggregated together when calculating the limitations on notional volumes contained in Section 9.18(a)(i), Section 9.18(a)(ii) and Section 9.18(b).

Section 9.19 Marketing Activities. The Borrower will not, and will not permit any of the Restricted 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 Oil and Gas Properties constituting Proved Reserves during the period of such contract, (b)contracts for the sale of Hydrocarbons scheduled or reasonably estimated to be produced from Oil and Gas Properties constituting Proved Reserves of third parties during the period of such contract associated with the Oil and Gas Properties of the Borrower and its Restricted Subsidiaries that the Borrower or a Restricted 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, and (c)other contracts for the purchase and/or sale of Hydrocarbons of third parties (i)which have generally offsetting provisions *(i.e.,* corresponding pricing mechanics, delivery dates and points and volumes) such that no "position" is taken and (ii)for which appropriate credit support has been taken to alleviate the material credit risks of the counterparty thereto.

Section 9.20 Changes in Fiscal Year; Amendments to Organizational Documents. The Borrower will not, and will not permit any Restricted Subsidiary to (a)have its fiscal year end on a date other than December31 or change its method of determining fiscal quarters or (b)alter, amend or modify in any manner materially adverse to the interests of the Lenders, its certificate of formation, limited liability company agreement, articles of incorporation, by-laws or any other similar organizational document.

Section 9.21 Non-Qualified ECP Guarantors. The Borrower will not permit any Credit Party that is not a Qualified ECP Guarantor to own, at any time, any Proved Oil and Gas Properties or any Equity Interests in any Subsidiaries.

Section 9.22 Sales and Leasebacks. The Borrower will not, and will not permit any Restricted Subsidiary to, enter into any arrangement with any Person providing for the leasing by the Borrower or any Restricted Subsidiary of real or personal property that has been or is to be sold or transferred by the Borrower or such Restricted Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of the Borrower or such Restricted Subsidiary.

Section 9.23 Limitation on the Activities of the Borrower. The Borrower will not engage in any material operating or business activities; provided that the following and activities incidental thereto shall be permitted in any event: (a)its ownership of the Equity Interests of Borrower and activities incidental thereto, (b)the maintenance of its legal existence (including the ability to incur fees, costs and expenses relating to such maintenance), (c)the performance of its obligations with respect to the Loan Documents and guaranty obligations in respect of any other Debt permitted to be incurred by the Borrower or any Restricted Subsidiary hereunder; provided that the net proceeds of such Debt are contributed to the Borrower or a Subsidiary Guarantor, (d) any public offering of its common stock or any other issuance or sale of its Equity Interests and, in each case, the redemption thereof, (e)payment of taxes, dividends, making contributions to the capital of the Borrower, extending debt for borrowed money to the Borrower or otherwise acting as a conduit for the transmissions of funds between any other Parent Entity and the Borrower and guaranteeing the obligations of the Borrower, (f)participating in tax, accounting and other administrative matters as a member of the consolidated group of Holdings and its Subsidiaries or the making and filing of any reports required by Governmental Authority, (g)holding any cash incidental to any activities permitted under this Section 9.23, (h)providing indemnification to officers, managers and directors and (i)any other activities incidental to the foregoing or customary for passive holding companies. For the avoidance of doubt, the Borrower shall not incur or suffer to exist any Liens on its Property securing Indebtedness for borrowed money other than the Obligations.

Section 9.24 Holdings Subordination. Holdings will ensure that the Holdings Intercompany Debt remains at all times subject to a Subordination Agreement.

ARTICLE X
EVENTS OF DEFAULT; REMEDIES

Section 10.01 Events of Default. One or more of the following events shall constitute an "Event of Default":

(a)the Borrower shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof, by acceleration or otherwise.

(b)the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in Section 10.01(a)) payable under any Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five (5) Business Days.

(c) any representation or warranty made or deemed made by or on behalf of Holdings, the Borrower or any Restricted Subsidiary in or in connection with any Loan Document or any amendment or modification of any Loan Document or waiver under such Loan Document, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any 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, to the extent that any such representation and warranty is qualified by materiality, Material Adverse Effect or a similar qualification, such representation and warranty shall prove to have been incorrect when made or deemed made).

(d) Holdings, the Borrower or any Restricted Subsidiary shall fail to observe or perform any covenant, condition or agreement contained in Section 8.01(m), Section 8.02(a), Section 8.03, Section 8.13, Section 8.16, Section 8.19 or in Article IX.

(e) Holdings, the Borrower or any Restricted Subsidiary shall fail to observe or perform any covenant, condition or agreement applicable to it contained in this Agreement (other than those specified in Section 10.01(a), Section 10.01(b) or Section 10.01(d)) or any other Loan Document, and such failure shall continue unremedied for a period of thirty (30) days after the earlier to occur of (i) notice thereof from the Administrative Agent to the Borrower (which notice will be given at the request of any Lender) and (ii) a Responsible Officer of the Borrower or such Restricted Subsidiary otherwise becoming aware of such default.

(f) the Borrower or any Restricted Subsidiary shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Debt, when and as the same shall become due and payable, and such failure to pay shall extend beyond any applicable cure period or grace period.

(g)any event or condition occurs that results in any Material Debt becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of such Material Debt or any trustee or agent on its or their behalf to cause such Material Debt to become due, or to require the Redemption thereof or any offer to Redeem to be made in respect thereof, prior to its scheduled maturity or require the Borrower or any Restricted Subsidiary to make an offer in respect thereof.

(h)an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i)liquidation, reorganization or other relief in

respect of Holdings, the Borrower or any Restricted Subsidiary or its debts, or of a substantial part of its assets, under any applicable 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 Holdings, the Borrower or any Restricted Subsidiary 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)Holdings, the Borrower or any Restricted Subsidiary 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 Section 10.01(h), (iii)apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Holdings, the Borrower or any Restricted Subsidiary 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, (v)make a general assignment for the benefit of creditors, or (vi)take any action for the purpose of effecting any of the foregoing.

(j)Holdings, the Borrower or any Restricted Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due.

(k) (i) one or more final, non-appealable judgments for the payment of money in an aggregate amount in excess of $25,000,000 (to the extent not covered by independent third party insurance provided by insurers of the highest claims paying rating or financial strength as to which the insurer does not dispute coverage and is not subject to an insolvency proceeding) or (ii) any one or more final, non-appealable non-monetary judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, shall be rendered against Holdings, the Borrower, any Restricted Subsidiary or any combination thereof 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 Restricted Subsidiary to enforce any such judgment.

(l)the Loan Documents after delivery thereof shall for any reason, except to the extent permitted by the terms thereof, cease to be in full force and effect and valid, binding and enforceable in accordance with their terms against Holdings, the Borrower or any other Guarantor party thereto or shall be repudiated by any of them, or cease to create a valid and perfected Lien of the priority required thereby on any material part of the Collateral purported to be covered thereby, except to the extent permitted by the terms of this Agreement, or Holdings, the Borrower or any Restricted Subsidiary or any of their Affiliates shall so state in writing.

(m) a Change of Control shall occur.

(n)an ERISA Event shall have occurred that, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in liability of Holdings, the Borrower and the Subsidiaries in an aggregate amount exceeding $25,000,000 that is not covered by independent third party insurance (other than the PBGC) as to which the insurer does not dispute coverage.

(o)(i)Any of the Obligations of the Borrower and the Restricted Subsidiaries under the Loan Documents for any reason shall cease to be "Senior Debt," "Senior Indebtedness," "Guarantor Senior Debt" or "Senior Secured Financing" (or any comparable term) under, and as defined in, any document governing other Debt or (ii)the subordination provisions set forth in any Subordination Agreement or other document governing other Debt shall, in whole or in part, cease to be effective or cease to be legally valid, binding and enforceable against the holders of such other Debt or parties to (or purported to be bound by) the Subordination Agreement, in each case, if applicable.

Section 10.02 Remedies.

(a)If an Event of Default (other than one described in Section10.01(h), Section10.01(i) or Section 10.01(j), and in the case of an Event of Default arising under Section 9.01, subject to Section 9.01(c)), has occurred and is continuing, 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, and thereupon the Commitments shall terminate immediately, and (ii)declare the Notes and the 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 Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower and the Guarantors accrued hereunder and under the Notes and the other Loan Documents (including, without limitation, the payment of cash collateral to secure the LC Exposure as provided in Section 2.08(j)), shall become due and payable immediately, without presentment, demand, protest, notice of intent to accelerate, notice of acceleration or other notice of any kind, all of which are hereby waived by the Borrower and each Guarantor; and in case of an Event of Default described in Section 10.01(h), Section 10.01(i) or Section 10.01(j), the Commitments shall automatically terminate and the Notes and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and the other obligations of the Borrower and the Guarantors accrued hereunder and under the Notes and the other Loan Documents (including, without limitation, the payment of cash collateral to secure the LC Exposure as provided in Section 2.08(j)), shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower and each Guarantor.

(b)In the case of the occurrence of an Event of Default, the Administrative Agent and the Lenders will have all other rights and remedies available at law and equity.

(c)All proceeds realized from the liquidation or other disposition of Collateral or otherwise received after maturity of the Loans, whether by acceleration or otherwise, shall be applied:

(i)*first,* to payment or reimbursement of that portion of the Obligations constituting fees, expenses and indemnities payable to the Administrative Agent in its capacity as such;

(ii)*second, pro rata* to payment or reimbursement of that portion of the Obligations constituting fees, expenses and indemnities payable to the Lenders and the Issuing Banks in their capacities as such;

(iii) *third, pro rata* to payment of accrued interest on the Loans and LC Disbursements;

(iv)*fourth, pro rata* to payment of principal outstanding on the Loans, LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time, together with additional amounts to serve as cash collateral to be held by the Administrative Agent to secure the remaining LC Exposure, and Obligations referred to in clause (b)of the definition of Obligations owing to Secured Swap Providers and in clause (c)of the definition of Obligations owing to Bank Products Providers;

(v) *fifth, pro rata* to any other Obligations; and

(vi) *sixth,* any excess, after all of the Obligations shall have been indefeasibly paid in full in cash (other than contingent indemnity obligations for which no claims have been made), shall be paid to the Borrower or as otherwise required by any Governmental Requirement.

Notwithstanding the foregoing, amounts received from the Borrower or any Guarantor that is not an "eligible contract participant" under the Commodity Exchange Act shall not be applied to any Excluded Swap Obligations (it being understood that, in the event that any amount is applied to Obligations other than Excluded Swap Obligations as a result of this clause, the Administrative Agent shall make such adjustments as it determines are appropriate to distributions pursuant to clause fourth above from amounts received from "eligible contract participants" under the Commodity Exchange Act to ensure, as nearly as possible, that the proportional aggregate recoveries with respect to Obligations described in clause fourth above by the holders of any Excluded Swap Obligations are the same as the proportional aggregate recoveries with respect to other Obligations pursuant to clause fourth above).

ARTICLE XI
THE AGENTS

Section 11.01 Appointment; Powers. Each of the Lenders and the Issuing Banks hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof and the other Loan Documents, together with such actions and powers as are reasonably incidental thereto. Each Secured Party hereby authorizes and directs the Administrative Agent to enter into the Security Instruments on behalf of such Secured Party as needed to effectuate the transactions permitted by this Agreement and agrees that the Administrative Agent may take such actions on its behalf as is contemplated by the terms of such applicable Security Instrument. Without limiting the provisions of Sections 11.02 and 12.03, each Secured Party hereby consents to the Administrative Agent and any successor serving in such capacity and agrees not to assert any claim (including as a result of any conflict of interest) against the Administrative Agent, or any such successor, arising from the role of the Administrative Agent or such successor under the Loan Documents so long as it is either acting in accordance with the terms of such documents and otherwise has not engaged in gross negligence or willful misconduct.

Section 11.02 Duties and Obligations of Administrative Agent. The Administrative Agent shall not have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a)the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing (the use of the term "agent" herein and in the other Loan Documents with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law; rather, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties), (b)the Administrative Agent shall have no duty to take any discretionary action or exercise any discretionary powers, except as provided in Section 11.03, and (c)except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to Holdings, the Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall be deemed not to have (A)notice of any of the events or circumstances set forth or described in Section 8.02 unless and until written notice thereof stating that it is a "notice under Section8.02" in respect of this Agreement and identifying the specific clause under said Sectionis given to the Administrative Agent by the Borrower or a Lender or (B)knowledge of any Default or Event of Default unless and until written notice thereof is given to the Administrative Agent by the Borrower or a Lender, and 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 this Agreement or any other Loan Document, (ii)the contents of any certificate, report or other document delivered hereunder or under any other Loan Document or in connection herewith or therewith, (iii)the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or in any other Loan Document, (iv)the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, (v)the satisfaction of any condition set forth in Article VI or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent or as to those conditions precedent expressly required to be to the Administrative Agent's satisfaction, (vi)the existence, value, perfection or priority of any collateral security or the financial or other condition of Holdings, the Borrower and the Subsidiaries or any other obligor or guarantor, or (vii)any failure by the Borrower or any other Person (other than itself) to perform any of its obligations hereunder or under any other Loan Document or the performance or observance of any covenants, agreements or other terms or conditions set forth herein or therein. For purposes of determining compliance with the conditions specified in Article VI, each Lender 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 written notice from such Lender prior to the proposed Effective Date specifying its objection thereto.

Section 11.03 Action by Administrative Agent. The Administrative Agent shall have no duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 12.02) and in all cases the Administrative Agent shall be fully justified in failing or refusing to act hereunder or under any other Loan Documents unless it shall (a)receive written instructions from the Majority Lenders, Required Lenders or the Lenders, as applicable, (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 12.02) specifying the action to be taken and (b)be indemnified to its satisfaction by the Lenders against any and all liability and expenses which may be incurred by it by reason of taking or continuing to take any such action. The instructions as aforesaid and any action taken or failure to act pursuant thereto by the Administrative Agent shall be binding on all of the Lenders. If a Default has occurred and is continuing, then the Administrative Agent shall take such action with respect to such Default as shall be directed by the requisite Lenders in the written instructions (with indemnities) described in this Section 11.03; provided that, unless and until the Administrative Agent shall have received such directions, the Administrative Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interests of the Lenders. In no event, however, shall the Administrative Agent be required to take any action which exposes the Administrative Agent to personal liability or which is contrary to this Agreement, the Loan Documents or applicable law. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Majority Lenders or the Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 12.02), and otherwise the Administrative Agent shall not be liable for any action taken or not taken by it hereunder or under any other Loan Document or under any other document or instrument referred to or provided for herein or therein or in connection herewith or therewith INCLUDING ITS OWN ORDINARY NEGLIGENCE, except for its own gross negligence or willful misconduct.

Section11.04 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon and each of the Borrower, the Lenders and each Issuing Bank hereby waives the right to dispute the Administrative Agent's record of such statement, except in the case of gross negligence or willful misconduct by the Administrative Agent. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. The Administrative Agent may deem and treat the payee of any Note as the holder thereof for all purposes hereof unless and until a written notice of the assignment or transfer thereof permitted hereunder shall have been filed with the Administrative Agent.

Section 11.05 Subagents. The Administrative Agent may perform any and all its duties and exercise its rights and powers 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 and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding Sections of this Article XI 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 in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

Section11.06 Resignation of Administrative Agent. Subject to the appointment and acceptance of a successor Administrative Agent as provided in this Section 11.06, the Administrative Agent may resign at any time by notifying the Lenders, the Issuing Banks and the Borrower. Upon any such resignation, the Majority Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no successor shall have been so appointed by the Majority Lenders and shall have accepted such appointment within thirty (30) days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders and the Issuing Banks, 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. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article XI and Section 12.03 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 it was acting as Administrative Agent.

Section 11.07 Agents as Lenders. Each bank serving as an Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any Subsidiary or other Affiliate thereof as if it were not an Agent hereunder.

Section 11.08 No Reliance. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, any other Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and each other Loan Document to which it is a party. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, any other Agent or any other Lender and based on such documents and information 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, any related agreement or any document furnished hereunder or thereunder. The Agents shall not be required to keep themselves informed as to the performance or observance by Holdings, the Borrower or any of its Subsidiaries of this Agreement, the Loan Documents or any other document referred to or provided for herein or to inspect the Properties or books of Holdings, the Borrower or its Subsidiaries. Except for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Administrative Agent hereunder, no Agent or the Arrangers shall have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, financial condition or business of Holdings, the Borrower (or any of its Affiliates) which may come into the possession of such Agent or any of its Affiliates. In this regard, each Lender acknowledges that Latham& Watkins LLP is acting in this transaction as special counsel to the Administrative Agent only, except to the extent otherwise expressly stated in any legal opinion or any Loan Document. Each other party hereto will consult with its own legal counsel to the extent that it deems necessary in connection with the Loan Documents and the matters contemplated therein.

Section11.09 Administrative Agent MayFile Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to Holdings, the Borrower or any of its Subsidiaries, the Administrative Agent (irrespective of whether the principal of any 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 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 for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Section 12.03) allowed in such judicial proceeding; and

(b) 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 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 the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Section 12.03.

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.

Section 11.10 Authority of Administrative Agent to Release Collateral, Liens and Guarantors. Each Secured Party hereby authorizes the Administrative Agent to (a)release any Collateral that is permitted to be sold or released pursuant to the terms of the Loan Documents (including, without limitation, any Collateral owned by a Restricted Subsidiary that is redesignated as an Unrestricted Subsidiary in accordance with Section 9.06(b)); provided that with respect to the release of any Restricted Subsidiary from its obligations under the Loan Documents because such Restricted Subsidiary no longer is a Wholly-Owned Subsidiary, such release shall only be permitted if (x)it is pursuant to the formation of a bona fide joint venture with a third party and (y)after giving pro forma effect to such release and the consummation of the transaction that causes such Person to be released, the Borrower is deemed to have made a new Investment in such Person (as if such Person were then newly acquired) and such Investment is permitted at such time; provided, further, that no such release shall occur if such Restricted Subsidiary continues to be a guarantor in respect of any Specified Additional Debt or any Permitted Refinancing Debt in respect thereof; (b)release any Guarantor if 100% of the Equity Interests in such Guarantor are sold in a transaction permitted under the Loan Documents, (c)subordinate (or release) any Lien on any Property granted to or held by the Administrative Agent under any Loan Document to any Lien on such Property that is permitted by Section 9.03(b)and (d)release all Collateral and Guarantors upon termination of this Agreement and the occurrence of Payment in Full. Each Secured Party hereby authorizes the Administrative Agent to execute and deliver to the Borrower, at the Borrower's sole cost and expense (and the Administrative Agent hereby agrees to take such actions at the request of the Borrower), any and all releases of Liens, termination statements, assignments or other documents reasonably requested by the Borrower in connection with any sale or other disposition of Property to the extent such sale or other disposition is permitted by the terms of Section 9.12 or is otherwise authorized by the terms of the Loan Documents. If any of the Collateral shall be sold, transferred or otherwise disposed of by any Credit Party in a transaction permitted by the Loan Documents, or in the event that all the Equity Interests of such Credit Party shall be sold, and such Collateral or Equity Interests shall no longer constitute or be required to be Collateral under the Loan Documents, then the Administrative Agent, at the request and sole expense of the Borrower and the applicable Credit Party, shall promptly execute and deliver to such Credit Party all releases or other documents reasonably necessary or desirable for the release of the Liens created by the applicable Security Instrument on such Collateral; provided that the Borrower shall have delivered to the Administrative Agent, no later than concurrently with execution and delivery of such releases and other

documents, a written request for release identifying the relevant Credit Party, together with a certification by the Borrower stating (i)that such transaction is in compliance with this Agreement and the other Loan Documents, (ii)the Borrower has complied with its obligations under Section 8.01(k), if applicable and (iii)no Collateral other than the Collateral required to be released is being released.

Section 11.11 The Arrangers. The Arrangers shall have no duties, responsibilities or liabilities under this Agreement and the other Loan Documents other than their duties, responsibilities and liabilities in their capacities as Lenders hereunder.

Section 11.12 Erroneous Payments.

(a)If the Administrative Agent notifies a Lender,Issuing Bank or Secured Party, or any Person who has received funds on behalf of a Lender,Issuing Bank or Secured Party such Lender or Issuing Bank (any such Lender,Issuing Bank, Secured Party or other recipient, a " Payment Recipient") that the Administrative Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds received by such Payment Recipient from the Administrative Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender,Issuing Bank, Secured Party or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Administrative Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Administrative Agent, and such Lender,Issuing Bank or Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two (2)Business Days thereafter, return to the Administrative Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Administrative Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry ruleson interbank compensation from time to time in effect. A notice of the Administrative Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.

(b) Without limiting immediately preceding clause (a), each Lender,Issuing Bank or Secured Party, or any Person who has received funds on behalf of a Lender,Issuing Bank or Secured Party such Lender or Issuing Bank, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) 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, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y)that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Administrative Agent (or any of its Affiliates), or (z)that such Lender,Issuing Bank or Secured Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

(i)(A)in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Administrative Agent to the contrary) or (B)an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and

(ii)such Lender,Issuing Bank or Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one (1)Business Day of its knowledge of such error) notify the Administrative Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Administrative Agent pursuant to this Section 11.12(b).

(c)Each Lender,Issuing Bank or Secured Party hereby authorizes the Administrative Agent to set off, net and apply any and all amounts at any time owing to such Lender,Issuing Bank or Secured Party under any Loan Document, or otherwise payable or distributable by the Administrative Agent to such Lender,Issuing Bank or Secured Party from any source, against any amount due to the Administrative Agent under immediately preceding clause (a) or under the indemnification provisions of this Agreement.

(d)In the event that an Erroneous Payment (or portion thereof) is not recovered by the Administrative Agent for any reason, after demand therefor by the Administrative Agent in accordance with immediately preceding clause (a), from any Lender or Issuing Bank that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "Erroneous Payment Return Deficiency"), upon the Administrative Agent's notice to such Lender or Issuing Bank at any time, (i)such Lender or Issuing Bank shall be deemed to have assigned its Loans (but not its Commitments) with respect to which such Erroneous Payment was made (the "Erroneous Payment Impacted Class") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Administrative Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "Erroneous Payment Deficiency Assignment") at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Administrative Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to electronic communications as to which the Administrative Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender or Issuing Bank shall deliver any Notes evidencing such Loans to the Borrower or the Administrative Agent, (ii)the Administrative Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii)upon such deemed acquisition, the Administrative Agent as the assignee Lender shall become a Lender or Issuing Bank, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or assigning Issuing Bank shall cease to be a Lender or Issuing Bank, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender or assigning Issuing Bank and (iv)the Administrative Agent may reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. The Administrative Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender or Issuing Bank shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Administrative Agent shall retain all other rights, remedies and claims against such Lender or Issuing Bank (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender or Issuing Bank and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Administrative Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Administrative Agent may be equitably subrogated, the Administrative Agent shall be contractually subrogated to all the rights and interests of the applicable Lender,Issuing Bank or Secured Party under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the " Erroneous Payment Subrogation Rights").

(e)The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Credit 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 Credit Party for the purpose of making such Erroneous Payment.

(f)To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, 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 Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine

(g)Each party's obligations, agreements and waivers under this Section 11.12 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Bank, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

Section 11.13 Subordination Agreements. The Administrative Agent is authorized to enter into any Subordination Agreement or similar agreement contemplated hereby with respect to any Debt required or permitted to be subordinated hereunder and which contemplates a subordination or similar agreement, and the Secured Parties party hereto acknowledge that any Subordination Agreement is binding upon them. Each Secured Party that is a party hereto hereby authorizes and instructs the Administrative Agent to enter into any Subordination Agreement.

Section 11.14 Credit Bidding.The Secured Parties hereby irrevocably authorize the Administrative Agent, at the direction of the Majority Lenders, to credit bid all or any portion of the Obligations (including by accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a)at any sale thereof conducted under the provisions of the Bankruptcy Code, including under Sections 363, 1123 or 1129 of the Bankruptcy Code, or any similar laws in any other jurisdictions to which a Credit Party is subject, or (b)at any other sale, foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Administrative Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Obligations owed to the Secured Parties shall be entitled to be, and shall be, credit bid by the Administrative Agent at the direction of the Majority Lenders on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that shall vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) for the asset or assets so purchased (or for the equity interests or debt instruments of the acquisition vehicle or vehicles that are issued in connection with such purchase). In connection with any such bid, (i)the Administrative Agent shall be authorized to form one or more acquisition vehicles and to assign any successful credit bid to such acquisition vehicle or vehicles, (ii)each of the Secured Parties' ratable interests in the Obligations which were credit bid shall be deemed without any further action under this Agreement to be assigned to such vehicle or vehicles for the purpose of closing such sale, (iii)the Administrative Agent shall be authorized to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Administrative Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof, shall be governed, directly or indirectly, by, and the governing documents shall provide for, control by the vote of the Majority Lenders or their permitted assignees under the terms of this Agreement or the governing documents of the applicable acquisition vehicle or vehicles, as the case may be, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Majority Lenders contained in Section 12.02 of this Agreement), (iv)the Administrative Agent on behalf of such acquisition vehicle or vehicles shall be authorized to issue to each of the Secured Parties, ratably on account of the relevant Obligations which were credit bid, interests, whether as equity, partnership interests, limited partnership interests or membership interests, in any such acquisition vehicle and/or debt instruments issued by such acquisition vehicle, all without the need for any Secured Party or acquisition vehicle to take any further action, and (v)to the extent that Obligations that is assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of Obligations credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Secured Parties *pro rata* with their original interest in such Obligations and the equity interests and/or debt instruments issued by any acquisition vehicle on account of such Obligations shall automatically be cancelled, without the need for any Secured Party or any acquisition vehicle to take any further action. Notwithstanding that the ratable portion of the Obligations of each Secured Party are deemed assigned to the acquisition vehicle or vehicles as set forth in clause (ii)above, each Secured Party shall execute such documents and provide such information regarding the Secured Party (and/or any designee of the Secured Party which will receive interests in or debt instruments issued by such acquisition vehicle) as the Administrative Agent may reasonably request in connection with the formation of any acquisition vehicle, the formulation or submission of any credit bid or the consummation of the transactions contemplated by such credit bid.

ARTICLE XII
MISCELLANEOUS

Section 12.01 Notices.

(a)Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to Section 12.01(b)), 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 fax or by email, as follows:

(i) if to the Borrower (or any other Credit Party), to:

BKV Corporation
1200 17th Street, Suite 2100
Denver, CO 80202
Attention of Legal
Email: legal@bkvcorp.com

With a copy to:

Baker & Hostetler, LLP
811 Main Street, Suite 1100
Houston, TX 77002
Attention of Gary M. Alletag
Email: galletag@bakerlaw.com

(ii) if to the Administrative Agent, to:

Citibank, N.A.
811 Main Street, Suite 4000
Houston, TX 77002
Attention of Cliff Vaz (Email: cliff.vaz@citi.com);

(iii) if to an Issuing Bank, to:

Citibank, N.A.
811 Main Street, Suite 4000
Houston, TX 77002
Attention of Cliff Vaz (Email: cliff.vaz@citi.com);

(iv) if to any other Lender or Issuing Bank, to it at its address (or fax number or email address) set forth in its Administrative Questionnaire.

(b)Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications (including email and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II, ArticleIII, ArticleIV and Article V unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or 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.

(c)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 sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications, to the extent provided in Section 12.01(b), shall be effective as provided in said Section 12.01(b).

(d)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.

(e)Any party hereto may change its email address, address or fax number for notices and other communications hereunder by notice to the other parties hereto (except that a Lender need only provide such notice to the Administrative Agent).

Section 12.02 Waivers; Amendments.

(a)No failure on the part of the Administrative Agent, any other Agent, any Issuing Bank or any Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege, or any abandonment or discontinuance of steps to enforce such right, power or privilege, under any of the Loan Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under any of the Loan Documents preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of the Administrative Agent, any other Agent, the Issuing Banks 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 the Borrower therefrom shall in any event be effective unless the same shall be permitted by Section 12.02(b), 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 Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any other Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Subject to Section 3.02(f) and Section 3.03 (including the incorporation of Conforming Changes) neither this Agreement nor any provision hereof nor any Loan Document nor any provision thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Majority Lenders or by the Borrower and the Administrative Agent with the consent of the Majority Lenders; provided that no such agreement shall (and any such agreements shall be void ab initio if they):

(i) increase the Commitment or the Maximum Credit Amount of any Lender without the written consent of such Lender,

(ii)(A)increase the Borrowing Base without the written consent of each Lender (other than any Defaulting Lender; provided that no Lender (including any Defaulting Lender) shall have its Commitments increased without its consent), (B)decrease or maintain the Borrowing Base without the consent of the Required Lenders (other than a decrease pursuant to the Borrowing Base Adjustment Provisions), or (C)modify Section 2.07 in any manner that results in an increase in the Borrowing Base without the consent of each Lender (other than any Defaulting Lender); provided that a Borrowing Base redetermination may be delayed by the Required Lenders; provided, further, that it is understood that any waiver (or amendment or modification that would have the effect of a waiver) of the reduction or of the right of the Required Lenders to adjust (through a reduction of) the Borrowing Base or the amount of such adjustment in the form of a reduction to the Borrowing Base pursuant to the Borrowing Base Adjustment Provisions in connection with the occurrence of a relevant event giving rise to such reduction or right shall require the consent of the Required Lenders,

(iii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, or reduce any other Obligations hereunder or under any other Loan Document, without the written consent of each Lender affected thereby; provided that any interest at the post-default rate pursuant to Section 3.02(c) may be waived with the consent of the Majority Lenders,

(iv)postpone the scheduled date of payment or prepayment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or any other Obligations hereunder or under any other Loan Document, or reduce the amount of, waive or excuse any such payment, or postpone or extend the Termination Date without the written consent of each Lender affected thereby; provided that (A)any interest at the post-default rate pursuant to Section 3.02(c) and (B) any mandatory prepayment required by Section 3.04(c) may be postponed or waived with the consent of the Majority Lenders,

(v)change Section 2.06(b)(i)or Section 2.06(b)(ii)in a manner that would alter the *pro rata* reduction of Commitments, Section 4.01(a)in a manner that would alter the *pro rata* distribution of payments, Section 4.01(b) or Section 4.01(c)in a manner that would alter the pro *rata* sharing of payments required thereby, in each case, without the written consent of each Lender affected thereby,

(vi)waive or amend Section 10.02(c)(or amend any of the defined terms in such Sectionif the result would be to alter the priority of payments in respects of Collateral proceeds) or Section5.04(b), Section12.14 or change the definition of the terms "Applicable Percentage", "Excluded Swap Obligation", "Non-Consenting Lender", without the written consent of each Lender (other than any Defaulting Lender), or change the definition of the terms "Obligations", "Payment in Full", "Secured Swap Agreement", "Secured Parties", "Secured Swap Provider", "Swap Agreement" or "Swap Obligations" without the written consent of each Lender (other than any Defaulting Lender) that is either adversely affected thereby or has an Affiliate that is adversely affected thereby,

(vii) (A) release any Guarantor (except as set forth inSection 11.10 or in the Guarantee and Collateral Agreement), (B)release all or substantially all of the Collateral (other than as provided in Section 11.10), or (C)reduce the percentage set forth in Section 8.13(a)to less than 90%, without the written consent of each Lender (other than any Defaulting Lender),

(viii)change any of the provisions of this Section 12.02(b)or the definitions of "Majority Lenders", "Required Lenders", "Domestic Subsidiary", "Foreign Subsidiary", "Material Subsidiary" or "Subsidiary" or any provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or under any other Loan Documents or make any determination or grant any consent hereunder or any other Loan Documents, without the written consent of each Lender (other than any Defaulting Lender),

(ix) waive or amend Section 6.01, without the written consent of each Lender (other than any Defaulting Lender), or

(x)subordinate the payment priority of the Obligations or subordinate the Liens granted to the Administrative Agent (for the benefit of the Secured Parties) in the Collateral without the written consent of each Lender;

provided, further, that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, any other Agent, or any Issuing Bank hereunder or under any other Loan Document without the prior written consent of the Administrative Agent, such other Agent or the Issuing Bank, as the case may be.

Notwithstanding the foregoing or anything to the contrary in this Agreement, (A)any supplement to Schedule 7.14 (Subsidiaries) shall be effective simply by delivering to the Administrative Agent a supplemental schedule clearly marked as such and, upon receipt, the Administrative Agent will promptly deliver a copy thereof to the Lenders, (B)the Borrower (or other applicable Credit Party) and the Administrative Agent may amend this Agreement or any other Loan Document without the consent of the Lenders in order to correct, amend or cure any ambiguity, inconsistency or defect or correct any typographical error or other manifest error in any Loan Document, (C)the Administrative Agent and the Borrower (or other applicable Credit Party) may enter into any amendment, modification or waiver of this Agreement or any other Loan Document or enter into any agreement or instrument to effect the granting, perfection, protection, expansion or enhancement of any security interest in any Mortgaged Property or Property to become Mortgaged Property to secure the Obligations for the benefit of the Lenders 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 Lender, (D)the Fee Letters may be waived, amended or modified pursuant to their terms, (E)a Letter of Credit Agreement or Letter of Credit may be waived, amended or modified with the consent of the relevant Issuing Bank and the Borrower (but such waiver, amendment or modification must comply with the provisions herein generally applicable to Letter of Credit Agreements), (F)a Note may be waived, amended or modified with the consent of only the Lender named in such Note and the Borrower (but such waiver, amendment or modification must comply with the provisions herein generally applicable to Notes) and (G)the Borrower and the Administrative Agent may amend this Agreement without the consent of the Lenders in order to add financial ratio covenants, negative covenants or Events of Default to cause such financial ratio covenants, negative covenants or Events of Default to be more onerous to the Borrower than those contained in this Agreement in connection with any incurrence of Debt permitted by this Agreement. Notwithstanding the foregoing, and subject to Section 2.08(i), Annex II may be amended to add an Issuing Bank, remove an Issuing Bank or modify the LC Issuance Limit of any Issuing Bank with the consent solely of the Borrower, the Administrative Agent and such Issuing Bank (and the consent of the Majority Lenders or any other class of Lenders shall not be required).

Section 12.03 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, without limitation, the reasonable and documented fees, charges and disbursements of counsel (but limited, in the case of legal fees and expenses, to the reasonable and documented fees, disbursements and other charges of one counsel to the Administrative Agent, and, if necessary, of one local counsel to the Administrative Agent, in each case in any relevant material jurisdiction and, solely in the event of a conflict of interest, one additional counsel (and, if necessary, one local counsel in each relevant material jurisdiction or for each matter)) and other outside consultants for the Administrative Agent, the reasonable and documented travel, photocopy, mailing, courier, telephone and other similar expenses in connection with the syndication of the credit facilities provided for herein, the preparation, negotiation, execution, delivery and administration (both before and after the execution hereof and including advice of counsel to the Administrative Agent as to the rights and duties of the Administrative Agent and the Lenders with respect thereto) of this Agreement and the other Loan Documents and any amendments, modifications or waivers of or consents related to the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (ii)all out-of-pocket costs, expenses, assessments and other charges incurred by the Administrative Agent or any Lender in connection with any filing, registration, recording or perfection of any security interest contemplated by this Agreement or any Security Instrument or any other document referred to therein, (iii)all reasonable and documented out-of-pocket expenses incurred by any Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder, (iv)all out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank or any Lender (including the fees, charges and disbursements of one counsel for each Agent, each Issuing Bank and each Lender, taken as a whole, and, solely in the event of a conflict of interest, one additional counsel and, if necessary, one local counsel for each of the foregoing, taken as a whole and, solely in the event of a conflict of interest, one additional counsel in any relevant jurisdiction), in connection with the enforcement or protection of its rights in connection with this Agreement or any other Loan Document, including its rights under this Section 12.03, or in connection with the Loans made or Letters of Credit issued hereunder, including, without limitation, all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b)THE BORROWER SHALL INDEMNIFY EACH AGENT, THE ARRANGERS, THE ISSUING BANKS AND EACH LENDER, AND EACH RELATED PARTY OF ANY OF THE FOREGOING PERSONS (EACH SUCH PERSON BEING CALLED AN " INDEMNITEE") AGAINST, AND DEFEND AND HOLD EACH INDEMNITEE HARMLESS FROM, ANY AND ALL LIABILITIES AND RELATED EXPENSES,INCLUDING THE REASONABLE FEES, CHARGES AND DISBURSEMENTS OF ANY COUNSEL FOR ANY INDEMNITEE (BUT LIMITED,IN THE CASE OF LEGAL FEES AND EXPENSES, TO THE REASONABLE AND DOCUMENTED OUT-OF-POCKET FEES, DISBURSEMENTS AND OTHER CHARGES OF ONE COUNSEL TO ALL INDEMNITEES TAKEN AS A WHOLE AND,IF REASONABLY NECESSARY, A SINGLE LOCAL COUNSEL FOR ALL INDEMNITEES TAKEN AS A WHOLE IN EACH RELEVANT MATERIAL JURISDICTION, AND IN THE CASE OF A CONFLICT OF INTEREST, ONE ADDITIONAL COUNSEL (AND IF REASONABLY NECESSARY, ONE ADDITIONAL LOCAL COUNSEL IN EACH RELEVANT MATERIAL JURISDICTION) TO EACH GROUP OF AFFECTED INDEMNITEES SIMILARLY SITUATED TAKEN AS A WHOLE),INCURRED BY OR ASSERTED AGAINST ANY INDEMNITEE ARISING OUT OF,IN CONNECTION WITH, OR AS A RESULT OF (i)THE EXECUTION OR DELIVERY OF THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY OR THEREBY, THE PERFORMANCE BY THE PARTIES HERETO OR THE PARTIES TO ANY OTHER LOAN DOCUMENT OF THEIR RESPECTIVE OBLIGATIONS HEREUNDER OR THEREUNDER OR THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREBY OR BY ANY OTHER LOAN DOCUMENT,

(ii)THE FAILURE OF THE BORROWER, ANY CREDIT PARTY OR ANY OF THEIR SUBSIDIARIES TO COMPLY WITH THE TERMS OF ANY LOAN DOCUMENT,INCLUDING THIS AGREEMENT, OR WITH ANY GOVERNMENTAL REQUIREMENT, (iii)ANY INACCURACY OF ANY REPRESENTATION OR ANY BREACH OF ANY WARRANTY OR COVENANT OF THE BORROWER OR ANY GUARANTOR SET FORTH IN ANY OF THE LOAN DOCUMENTS OR ANY INSTRUMENTS, DOCUMENTS OR CERTIFICATIONS DELIVERED IN CONNECTION THEREWITH, (iv)ANY LOAN OR LETTER OF CREDIT OR THE USE OF THE PROCEEDS THEREFROM,INCLUDING, WITHOUT LIMITATION, (A)ANY REFUSAL BY AN ISSUING BANK TO HONOR A DEMAND FOR PAYMENT UNDER A LETTER OF CREDIT IF THE DOCUMENTS PRESENTED IN CONNECTION WITH SUCH DEMAND DO NOT STRICTLY COMPLY WITH THE TERMS OF SUCH LETTER OF CREDIT, OR (B)THE PAYMENT OF A DRAWING UNDER ANY LETTER OF CREDIT NOTWITHSTANDING THE NON-COMPLIANCE, NON-DELIVERY OR OTHER IMPROPER PRESENTATION OF THE DOCUMENTS PRESENTED IN CONNECTION THEREWITH, (v)ANY OTHER ASPECT OF THE LOAN DOCUMENTS, (vi)THE OPERATIONS OF THE BUSINESS OF THE BORROWER AND THE SUBSIDIARIES BY THE BORROWER AND THE SUBSIDIARIES, (vii)ANY ASSERTION THAT THE LENDERS WERE NOT ENTITLED TO RECEIVE THE PROCEEDS RECEIVED PURSUANT TO THE SECURITY INSTRUMENTS, (viii)ANY ENVIRONMENTAL LAW APPLICABLE TO THE BORROWER OR ANY SUBSIDIARY OR ANY OF THEIR PROPERTIES OR OPERATIONS,INCLUDING, THE PRESENCE, GENERATION, STORAGE, RELEASE, THREATENED RELEASE, USE, TRANSPORT, DISPOSAL, ARRANGEMENT OF DISPOSAL OR TREATMENT OF HAZARDOUS MATERIALS ON OR AT ANY OF THEIR PROPERTIES, (ix)THE BREACH OR NON-COMPLIANCE BY THE BORROWER OR ANY SUBSIDIARY WITH ANY ENVIRONMENTAL LAW APPLICABLE TO THE BORROWER OR ANY SUBSIDIARY, (x)THE PAST OWNERSHIP BY THE BORROWER OR ANY SUBSIDIARY OF ANY OF THEIR PROPERTIES OR PAST ACTIVITY ON ANY OF THEIR PROPERTIES WHICH, THOUGH LAWFUL AND FULLY PERMISSIBLE AT THE TIME, COULD RESULT IN PRESENT LIABILITY, (xi)THE PRESENCE, USE, RELEASE, STORAGE, TREATMENT, DISPOSAL, GENERATION, THREATENED RELEASE, TRANSPORT, ARRANGEMENT FOR TRANSPORT OR ARRANGEMENT FOR DISPOSAL OF HAZARDOUS MATERIALS ON OR AT ANY OF THE PROPERTIES OWNED OR OPERATED BY THE BORROWER OR ANY SUBSIDIARY OR 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, (xii)ANY ENVIRONMENTAL LIABILITY RELATED IN ANY WAY TO THE BORROWER OR ANY OF ITS SUBSIDIARIES, OR (xiii)ANY OTHER ENVIRONMENTAL, HEALTH OR SAFETY CONDITION IN CONNECTION WITH THE LOAN DOCUMENTS, OR (xiv)ANY ACTUAL OR PROSPECTIVE CLAIM, LITIGATION, INVESTIGATION OR PROCEEDING RELATING TO ANY OF THE FOREGOING, WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY AND REGARDLESS OF WHETHER ANY INDEMNITEE IS A PARTY THERETO OR WHETHER OR NOT THE MATTER IS BROUGHT BY THE BORROWER,ITS EQUITYHOLDERS,ITS AFFILIATES, CREDITORS OR ANY OTHER PERSON, AND SUCH INDEMNITY SHALL EXTEND TO EACH INDEMNITEE NOTWITHSTANDING THE SOLE OR CONCURRENT NEGLIGENCE OF EVERY KIND OR CHARACTER WHATSOEVER, WHETHER ACTIVE OR PASSIVE, WHETHER AN AFFIRMATIVE ACT OR AN OMISSION,INCLUDING WITHOUT LIMITATION, ALL TYPES OF NEGLIGENT CONDUCT IDENTIFIED IN THE RESTATEMENT (SECOND) OF TORTS OF ONE OR MORE OF THE INDEMNITEES OR BY REASON OF STRICT LIABILITY IMPOSED WITHOUT FAULT ON ANY ONE OR MORE OF THE INDEMNITEES; PROVIDED THAT SUCH INDEMNITY SHALL NOT, AS TO ANY INDEMNITEE, BE AVAILABLE TO THE EXTENT THAT SUCH LOSSES, CLAIMS, DAMAGES, LIABILITIES OR RELATED EXPENSES (A)ARE DETERMINED BY A COURT OF COMPETENT JURISDICTION BY FINAL AND NONAPPEALABLE JUDGMENT TO HAVE RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNITEE OR (B)RESULT FROM A PROCEEDING SOLELY BETWEEN OR AMONG INDEMNITEES THAT DOES NOT INVOLVE ANY ACTION OR OMISSION BY THE BORROWER OR ANY OF ITS AFFILIATES, OTHER THAN CLAIMS AGAINST ANY INDEMNITEE IN ITS CAPACITY OR IN FULFILLING ITS ROLE AS THE ADMINISTRATIVE AGENT, AN ISSUING BANK, AN ARRANGER, AN AGENT OR ANY SIMILAR ROLE UNDER THIS AGREEMENT. THIS SECTION12.03(b)SHALL NOT APPLY WITH RESPECT TO TAXES OTHER THAN ANY TAXES THAT REPRESENT LOSSES, CLAIMS, DAMAGES, ETC. ARISING FROM ANY NON-TAX CLAIM.

(c)To the extent that the Borrower fails to pay any amount required to be paid by it to any Agent, any Arranger, the Issuing Banks or any Related Party of any of the foregoing under Section 12.03(a), (b) or (d), each Lender severally agrees to pay to such Agent, such Arranger such Issuing Bank or such Related Party (each, an "Agent-Related Person"), as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought or, if such payment is sought after Payment in Full, ratably in accordance with such Applicable Percentage immediately prior to such date) of such unpaid amount and agrees to indemnify and hold each Agent-Related Person harmless from and against any and all 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 Loans) be imposed on, incurred by or asserted against such Agent-Related Person 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-Related Person under or in connection with any of the foregoing; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against such Agent, such Arranger or such Issuing Bank in its capacity as such. The agreements in this Section 12.03(c)shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

(d)To the extent permitted by applicable law (i)the Borrower and any other Credit Party shall not assert, and the Borrower and each other Credit Party hereby waives, any claim against the Administrative Agent, any Arranger, any Agent, any Issuing Bank and any Lender, and any Related Party of any of the foregoing Persons (each such Person being called a "Lender-Related Person") for any Liabilities arising from the use by others of information or other materials (including, without limitation, any personal data) obtained through telecommunications, electronic or other information transmission systems (including the Internet), and (ii)no party hereto shall assert, and each such party hereby waives, any Liabilities against any Lender-Related Person or any party hereto, 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, any Loan or Letter of Credit or the use of the proceeds thereof; provided that nothing in this Section 12.03(d)shall relieve the Borrower of any obligation it may have to indemnify an Indemnitee, as provided in Section 12.03(b), against any special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(e)All amounts due under this Section 12.03 shall be payable promptly, but in any event within ten (10)days, after receipt by the Borrower of a written demand therefor accompanied by appropriate documentation.

Section 12.04 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 (including any Affiliate of an Issuing Bank that issues any Letter of Credit), 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 12.04 (and any other attempted assignment or transfer by any party shall be null and void). 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 (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in Section 12.04(c)) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Issuing Banks 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 Section 12.04(b)(ii), any Lender may assign to one or more assignees all or a portion of its rights and

obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A)the Borrower, provided that no consent of the Borrower shall be required if such assignment is to a Lender, an Affiliate of a Lender, an Approved Fund or, if an Event of Default of the type described in Section 10.01(a), Section 10.01(b), Section 10.01(h), Section 10.01(i)or Section 10.01(j) has occurred and is continuing, any other assignee; provided, further, that if the Borrower has not responded within ten (10)Business Days after the delivery of any request for a consent, such consent shall be deemed to have been given; and

(B)the Administrative Agent and each Issuing Bank, provided that no consent of the Administrative Agent shall be required for an assignment to an Approved Fund or an assignee that is a Lender immediately prior to giving effect to such assignment.

(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, an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or 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;

(C)each total assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, including, without limitation, its Commitment, Maximum Credit Amount, LC Exposure, participations in Letters of Credit and outstanding Loans;

(D)the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500;

(E) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire; and

(F) in no event may any Lender assign all or a portion of its rights and obligations under this Agreement to the Borrower, any Affiliate of the Borrower, any Defaulting Lender, any natural person or any holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person.

(iii)Subject to Section 12.04(b)(iv)and the acceptance and recording thereof by the Administrative Agent, from and after the effective 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 Section5.01, Section5.02, Section5.03 and Section 12.03); provided, that except to the extent expressly agreed by the affected parties, no such assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from the Lender having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 12.04 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 Section 12.04(c).

(iv)The Administrative Agent, acting solely 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 Maximum Credit Amount and Elected Commitment of, and principal amount (and stated interest) of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Administrative Agent, the Issuing Banks and the Lenders may 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, any Issuing Bank and any Lender, at any reasonable time and from time to time upon reasonable prior notice. In connection with any changes to the Register, if necessary, the Administrative Agent will reflect the revisions on Annex I and forward a copy of such revised Annex I to the Borrower, each Issuing Bank and each Lender.

(v)Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire and applicable tax forms required by Section 5.03(f)(unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in Section 12.04(b)and any written consent to such assignment required by Section 12.04(b), the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this Section 12.04(b).

(c)(i)Any Lender may, without the consent of, or notice to, the Borrower, the Administrative Agent or the Issuing Banks, sell participations to one or more banks or other Persons (other than the Borrower, any Affiliate of the Borrower, any Defaulting Lender, any natural person or any holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person) (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the 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, the Issuing Banks and the other 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 clauses (i), (iii), (iv), (v), (vi), (vii)and (viii)of the proviso to Section 12.02(b)that adversely affects such Participant and for which such Lender has a consent right. In addition such agreement must provide that the Participant be bound by the provisions of Section 12.03. Subject to Section 12.04(c)(ii), the Borrower agrees that each Participant shall be entitled to the benefits ofSection 5.01, Section 5.02 and Section 5.03 (subject to the requirements and limitations therein, including the requirements under Section 5.03(f)(it being understood that the documentation required under Section 5.03(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 Section 5.04 as if it were an assignee underparagraph (b)of this Section; and (B)shall not be entitled to receive

any greater payment under Sections 5.01 or 5.03, 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 5.04 with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 4.01 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 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, loans, letters of credit 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, loan, letter of credit or other obligation is in registered form under Section5£103-1(c)of the United States Treasury Regulations (and any amended or successor version). 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.

(ii)Each Participant agrees (A)to be subject to the provisions of Sections 5.03 (subject to the requirements and limitations therein, including the requirements under Section 5.03(f)(it being understood that the documentation required under Section 5.03(f)shall be delivered to the participating Lender)) as if it were an assignee under paragraph (b)of this Section; and (B)that it shall not be entitled to receive any greater payment under Sections 5.01 or 5.03, 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.

(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, without limitation, any pledge or assignment to secure obligations to a Federal Reserve Bank or other central bank having jurisdiction over such Lender, and this Section 12.04 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.

(e)Notwithstanding any other provisions of this Section 12.04, no transfer or assignment of the interests or obligations of any Lender or any grant of participations therein shall be permitted if such transfer, assignment or grant would require any Credit Party to file a registration statement with the SEC or to qualify the Loans under the "Blue Sky" laws of any state.

(f)Notwithstanding anything to the contrary contained herein, if at any time any Issuing Bank (or the Lender affiliated with such Issuing Bank) assigns all of its Commitment and Loans pursuant to paragraph (b)above, such Issuing Bank may, upon 30 days' notice to the Administrative Agent, the Borrower and the Lenders, resign as an Issuing Bank. In the event of any such resignation as an Issuing Bank, the Borrower shall be entitled to appoint from among the Lenders a successor Issuing Bank; provided that no failure by the Borrower to appoint any such successor shall affect the resignation of the applicable Issuing Bank as an Issuing Bank. If an Issuing Bank resigns as an Issuing Bank, it shall retain all the rights, powers, privileges and duties of an Issuing Bank hereunder with respect to all Letters of Credit issued by it and outstanding as of the effective date of its resignation as an Issuing Bank and all LC Exposures with respect thereto (including the right to receive risk participations in LC Disbursements pursuant to Section 2.08(d)). Upon the appointment of a successor Issuing Bank, (x)such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring Issuing Bank, and (y)the successor Issuing Bank shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the applicable retiring Issuing Bank to effectively assume the obligations of the applicable retiring Issuing Bank with respect to such Letters of Credit.

Section 12.05 Survival; Revival; Reinstatement.

(a)All covenants, agreements, representations and warranties made by the Borrower herein 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 this Agreement and the making of any Loans and issuance of any Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any other Agent, any Issuing Bank 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 as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid or any Letter of Credit is outstanding and so long as the Commitments have not expired or terminated. The provisions of Section 5.01 (subject to Section 5.01(d)), Section 5.02 (subject to the provisos in the last sentence thereof),Section 5.03 and Section 12.03 and Article XI shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement, any other Loan Document or any provision hereof or thereof.

(b)To the extent that any payments on the Obligations or proceeds of any Collateral are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver or other Person under the Bankruptcy Code, any bankruptcy law, common law or equitable cause, then to such extent, the Obligations so satisfied shall be revived and continue as if such payment or proceeds had not been received and the Administrative Agent's and the Lenders' Liens, security interests, rights, powers and remedies under this Agreement and each Loan Document shall continue in full force and effect. In such event, each Loan Document shall be automatically reinstated and the Borrower shall take such action as may be reasonably requested by the Administrative Agent and the Lenders to effect such reinstatement.

Section 12.06 Counterparts; Integration; Effectiveness.

(a)This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

(b) 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 thereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof and thereof. **THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES HERETO AND THERETO AND MAYNOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

(c)Except as provided in Section 6.01, 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.

(d)Delivery of an executed counterpart of a signature pageof (A)this Agreement, (B)any other Loan Document and/or (C)any document, amendment, approval, consent, information, notice (including, for the avoidance of doubt, any notice delivered pursuant to Section 12.01), 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 pageshall 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 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 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 Credit Parties, Electronic Signatures transmitted by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature pageand/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 pagesthereto and (iv)waives any claim against any Indemnitee for any losses, claims (including intraparty claims), demands, damages or liabilities of any kind 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 losses, claims (including intraparty claims), demands, damages or liabilities of any kind arising as a result of the failure of the Borrower and/or any Credit Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

Section 12.07 Severability. Any provision of this Agreement or any other 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 hereof or thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 12.08 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) at any time held and other obligations (of whatsoever kind including, without limitation, obligations under Swap Agreements) at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower or any Restricted Subsidiary against any of and all the obligations of Holdings, the Borrower or any Restricted Subsidiary owed to such Lender now or hereafter existing under this Agreement or any other Loan Document, irrespective of whether or not such Lender shall have made any demand under this Agreement or any other Loan Document and although such obligations may be unmatured. The rights of each Lender (or its Affiliates) under this Section 12.08 are in addition to other rights and remedies (including other rights of setoff) which such Lender or its Affiliates may have.

Section 12.09 GOVERNING LAW; JURISDICTION; CONSENT TO SERVICE OF PROCESS.

(a)THIS AGREEMENT AND THE NOTES SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b)EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS (AND THE BORROWER SHALL CAUSE EACH CREDIT PARTY TO SUBMIT) FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS TO WHICH IT IS A PARTY, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES OF AMERICA FOR THE SOUTHERN DISTRICT OF NEW YORK IN EACH CASE, LOCATED IN THE BOROUGH OF MANHATTAN, AND APPELLATE COURTS FROM ANY THEREOF; PROVIDED THAT NOTHING CONTAINED HEREIN OR IN ANY OTHER LOAN DOCUMENT WILL PREVENT ANY LENDER, ANY ISSUING BANK OR THE ADMINISTRATIVE AGENT FROM BRINGING ANY ACTION TO ENFORCE ANY AWARD OR JUDGMENT OR EXERCISE ANY RIGHT UNDER THE SECURITY INSTRUMENTS OR AGAINST ANY COLLATERAL OR ANY OTHER PROPERTY OF ANY CREDIT PARTY IN ANY OTHER FORUM IN WHICH JURISDICTION CAN BE ESTABLISHED. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY OBJECTION,INCLUDING, WITHOUT LIMITATION, ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF FORUM *NON CONVENIENS,* WHICH IT MAYNOW OR HEREAFTER HAVE TO THE BRINGING OF ANY SUCH ACTION OR PROCEEDING IN SUCH RESPECTIVE JURISDICTIONS.

(c)EACH PARTY IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO IT AT THE ADDRESS SPECIFIED IN SECTION 12.01 OR SUCH OTHER ADDRESS AS IS SPECIFIED PURSUANT TO SECTION 12.01 (OR ITS ASSIGNMENT AND ASSUMPTION), SUCH SERVICE TO BECOME EFFECTIVE THIRTY (30) DAYS AFTER SUCH MAILING (OR AS SOON THEREAFTER AS IS PROVIDED BY APPLICABLE LAW). NOTHING HEREIN SHALL AFFECT THE RIGHT OF A PARTY OR ANY HOLDER OF A LOAN TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

(d)EACH PARTY HEREBY (i)IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN; (ii)IRREVOCABLY WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT IT MAYHAVE TO CLAIM OR RECOVER IN ANY SUCH LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES; PROVIDED THAT NOTHING CONTAINED IN THIS SECTION12.09(d)(ii)SHALL LIMIT THE BORROWER'S INDEMNIFICATION OBLIGATIONS TO THE EXTENT SET FORTH IN SECTION12.03 TO THE EXTENT SUCH SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARE INCLUDED IN ANY THIRD PARTY CLAIM IN CONNECTION WITH WHICH SUCH INDEMNITEE IS OTHERWISE ENTITLED TO INDEMNIFICATION HEREUNDER; (iii)CERTIFIES THAT NO PARTY HERETO NOR ANY REPRESENTATIVE OR AGENT OR COUNSEL FOR

ANY PARTY HERETO HAS REPRESENTED, EXPRESSLY OR OTHERWISE, OR IMPLIED THAT SUCH PARTY WOULD NOT,IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVERS, AND (iv)ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT, THE LOAN DOCUMENTS AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS CONTAINED IN THIS SECTION 12.09.

Section 12.10 Headings. Articleand Sectionheadings 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 12.11 Confidentiality. Each of the Administrative Agent, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a)to its Affiliates and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors (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 requested by any regulatory 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, provided that, subject to the Borrower's obligation to reimburse expenses pursuant to Section 12.03, it shall use commercially reasonable efforts to seek to obtain confidential treatment of such Information,provided further, that it shall not be liable for failure to obtain confidential treatment, (d)to any other party to this Agreement or any other Loan Document, (e)in connection with the exercise of any remedies hereunder or under 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 12.11, 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, (ii)any actual or prospective counterparty (or its advisors) to any Swap Agreement relating to the Borrower, any Restricted Subsidiary and their obligations or (iii)to any insurers, re-insurers, brokers, underwriters, sub-participants, risk mitigation partners, as applicable, (g)with the consent of the Borrower, or (h)to the extent such Information (i)becomes publicly available other than as a result of a breach of this Section 12.11 or (ii)becomes available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than the Borrower. For the purposes of this Section 12.11, "Information" means all information received from the Borrower or any Restricted Subsidiary relating to Holdings, the Borrower or any Subsidiary and their businesses, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by the Borrower or a Restricted Subsidiary; provided that, in the case of information received from the Borrower or any Restricted Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 12.11 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. Notwithstanding anything herein to the contrary, "Information" shall not include, and the Borrower, the Subsidiaries, the Administrative Agent, each Lender and the respective Affiliates of each of the foregoing (and the respective partners, directors, officers, employees, agents, advisors and other representatives of the aforementioned Persons), and any other party, may disclose to any and all Persons, without limitation of any kind (A)any information with respect to the U.S. federal and state income tax treatment of the transactions contemplated hereby and any facts that may be relevant to understanding the U.S. federal or state income tax treatment of such transactions ("tax structure"), which facts shall not include for this purpose the names of the parties or any other person named herein, or information that would permit identification of the parties or such other persons, or any pricing terms or other nonpublic business or financial information that is unrelated to such tax treatment or tax structure, and (B)all materials of any kind (including opinions or other tax analyses) that are provided to the Borrower, the Administrative Agent or such Lender relating to such tax treatment or tax structure.

Notwithstanding anything in this Section 12.11, the Administrative Agent, the Issuing Banks and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agents or any Issuing Bank or Lender in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

Section 12.12 Interest Rate Limitation. It is the intention of the parties hereto that each Lender shall conform strictly to usury laws applicable to it. Accordingly, if the transactions contemplated hereby would be usurious as to any Lender under laws applicable to it (including the laws of the United States of America and the State of New York or any other jurisdiction whose laws may be mandatorily applicable to such Lender notwithstanding the other provisions of this Agreement), then, in that event, notwithstanding anything to the contrary in any of the Loan Documents or any agreement entered into in connection with or as security for the Loans, it is agreed as follows: (a)the aggregate of all consideration which constitutes interest under law applicable to any Lender that is contracted for, taken, reserved, charged or received by such Lender under any of the Loan Documents or agreements or otherwise in connection with the Loans shall under no circumstances exceed the maximum amount allowed by such applicable law, and any excess shall be canceled automatically and if theretofore paid shall be credited by such Lender on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be paid in full, refunded by such Lender to the Borrower); and (b)in the event that the maturity of the Loans is accelerated by reason of an election of the holder thereof resulting from any Event of Default under this Agreement or otherwise, or in the event of any required or permitted prepayment, then such consideration that constitutes interest under law applicable to any Lender may never include more than the maximum amount allowed by such applicable law, and excess interest, if any, provided for in this Agreement or otherwise shall be canceled automatically by such Lender as of the date of such acceleration or prepayment and, if theretofore paid, shall be credited by such Lender on the principal amount of the Obligations (or, to the extent that the principal amount of the Obligations shall have been or would thereby be paid in full, refunded by such Lender to the Borrower). All sums paid or agreed to be paid to any Lender for the use, forbearance or detention of sums due hereunder shall, to the extent permitted by law applicable to such Lender, be amortized, prorated, allocated and spread throughout the stated term of the Loans evidenced by the Loan Documents until Payment in Full so that the rate or amount of interest on account of any Loans hereunder does not exceed the maximum amount allowed by such applicable law. If at any time and from time to time (i)the amount of interest payable to any Lender on any date shall be computed at the Highest Lawful Rate applicable to such Lender pursuant to this Section 12.12 and (ii) in respect of any subsequent interest computation period the amount of interest otherwise payable to such Lender would be less than the amount of interest payable to such Lender computed at the Highest Lawful Rate applicable to such Lender, then the amount of interest payable to such Lender in respect of such subsequent interest computation period shall continue to be computed at the Highest Lawful Rate applicable to such Lender until the total amount of interest payable to such Lender shall equal the total amount of interest which would have been payable to such Lender if the total amount of interest had been computed without giving effect to this Section 12.12.

Section12.13 EXCULPATION PROVISIONS. EACH OF THE PARTIES HERETO SPECIFICALLY AGREES THAT IT HAS A DUTY TO READ THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND AGREES THAT IT IS CHARGED WITH NOTICE AND KNOWLEDGE OF THE TERMS OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS; THAT IT HAS IN FACT READ THIS AGREEMENT AND IS FULLY INFORMED AND HAS FULL NOTICE AND KNOWLEDGE OF THE TERMS, CONDITIONS AND EFFECTS OF THIS AGREEMENT; THAT IT HAS BEEN REPRESENTED BY INDEPENDENT LEGAL COUNSEL OF ITS CHOICE THROUGHOUT THE NEGOTIATIONS PRECEDING ITS EXECUTION OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS; AND HAS RECEIVED THE ADVICE OF ITS ATTORNEY IN ENTERING INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS; AND THAT IT RECOGNIZES THAT CERTAIN OF THE TERMS OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS RESULT IN ONE PARTY ASSUMING THE LIABILITY INHERENT IN SOME ASPECTS OF THE TRANSACTION AND RELIEVING THE OTHER PARTY OF ITS RESPONSIBILITY FOR SUCH LIABILITY. EACH PARTY HERETO AGREES AND COVENANTS THAT IT WILL NOT CONTEST THE VALIDITY OR ENFORCEABILITY OF ANY EXCULPATORY PROVISION OF THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS ON THE BASIS THAT THE PARTY HAD NO NOTICE OR KNOWLEDGE OF SUCH PROVISION OR THAT THE PROVISION IS NOT "CONSPICUOUS."

Section12.14 Collateral Matters; Swap Agreements. The benefit of the Security Instruments and of the provisions of this Agreement relating to any Collateral securing the Obligations shall also extend to and be available to (a)the Secured Swap Providers with respect to any Swap Agreement including any Swap Agreement in existence prior to the date hereof, but excluding any additional transactions or confirmations entered into (i)after such Secured Swap Provider ceases to be a Lender or an Affiliate of a Lender or (ii)after assignment by a Secured Swap Provider to another Person that is not a Lender or an Affiliate of a Lender and (b)the Bank Products Providers. No Lender or any Affiliate of a Lender shall have any voting or consent rights under any Loan Document as a result of the existence of obligations owed to it under any such Swap Agreements or with respect to Bank Products. The Administrative Agent shall not be required to verify the payment of, or that other satisfactory arrangements have been made with respect to, any Swap Agreements or Bank Products.

Section 12.15 No Third Party Beneficiaries. This Agreement, the other Loan Documents, and the agreement of the Lenders to make Loans and the Issuing Banks to issue, amend, renew or extend Letters of Credit hereunder are solely for the benefit of the Borrower, and no other Person (including, without limitation, any Subsidiary of the Borrower, any obligor, contractor, subcontractor, supplier or materialman) shall have any rights, claims, remedies or privileges hereunder or under any other Loan Document against the Administrative Agent, any other Agent, any Issuing Bank or any Lender for any reason whatsoever. Except as specified in Section 12.03 and Section 12.14, there are no third party beneficiaries.

Section 12.16 USA Patriot Act Notice. Each 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 to identify the Borrower in accordance with the USA Patriot Act and Beneficial Ownership Regulations.

Section12.17 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), Holdings and the Borrower acknowledge and agree, and acknowledge the Subsidiaries' understanding, that: (a)(i)no fiduciary, advisory or agency relationship between Holdings, the Borrower and the Subsidiaries and the Administrative Agent, any Issuing Bank, any Arranger or any Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, irrespective of whether the Administrative Agent or any Lender has advised or is advising Holdings, the Borrower or any Subsidiary on other matters; (ii)the arranging and other services regarding this Agreement provided by the Administrative Agent, the Issuing Banks, the Arrangers and the Lenders are arm's-length commercial transactions between Holdings, the Borrower and the Subsidiaries, on the one hand, and the Administrative Agent, the Issuing Banks, the Arrangers and the Lenders, on the other hand; (iii)each Credit Party has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate; and (iv)each Credit Party is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; and (b)(i)the Administrative Agent, the Issuing Banks, the Arrangers and the Lenders each are and have 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 Holdings, the Borrower or any of the Subsidiaries or any other Person; (ii) neither the Administrative Agent, the Issuing Banks, the Arrangers nor the Lenders has any obligation to Holdings, the Borrower or any of the Subsidiaries with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii)the Administrative Agent, the Issuing Banks, the Arrangers and the Lenders and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of the Borrower and the Subsidiaries, and neither the Administrative Agent, the Issuing Banks, the Arrangers nor the Lenders have any obligation to disclose any of such interests to Holdings, the Borrower or the Subsidiaries. To the fullest extent permitted by law, Holdings and the Borrower each hereby waives and releases any claims that it may have against the Administrative Agent, any Issuing Bank, any Arranger and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 12.18 Acknowledgement and Consent to Bail-In of Affected 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 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 the applicable Resolution Authority.

Section 12.19 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 not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Lender 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 Section3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments or this Agreement,

(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 Loans, the Letters of Credit, the Commitments and this Agreement,

(iii)(A)such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of PartVI 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 Loans, the Letters of Credit, the Commitments and this Agreement, (C)the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b)through (g)of PartI of PTE 84-14 and (D)to the best knowledge of such Lender, the requirements of subsection (a)of PartI of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, 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 either (1) sub-clause (i)in the immediately preceding clause (a) is true with respect to a Lender or (2)a Lender has provided another representation, warranty and covenant in accordance with 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 not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Lender party hereto, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (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 hereto or thereto).

Section 12.20 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Agreement or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the " U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

Section 12.21 Personal Data Protection.

(a)If any Credit Party provides Administrative Agent, any Lender, any Issuing Bank or any Arranger with personal data of any individual as required by or pursuant to the Loan Documents, each of the Credit Parties represents and warrants to Administrative Agent, each Lender, each Issuing Bank and each Arranger that it has, to the extent required by law (i)notified the relevant individual of the purposes for which data will be collected, processed, used or disclosed; and (ii)has the lawful right to, or has obtained such individual's consent for, and hereby consents on behalf of such individual to, the collection, processing, use and disclosure of his/her personal data by Administrative Agent, each Lender each Issuing Bank and each Arranger, in each case, in accordance with or for the purposes of the Loan Documents.

(b)Each of the Credit Parties agrees and undertakes to notify Administrative Agent, any Lender, any Issuing Bank or any Arranger promptly upon its becoming aware of the withdrawal by the relevant individual of his/her consent to the collection, processing, use and/or disclosure by Administrative Agent, any Lender, any Issuing Bank or any Arranger of any personal data provided by such Credit Party to Administrative Agent, any Lender, any Issuing Bank or any Arranger.

(c)Any consent given pursuant to this Agreement in relation to personal data shall, subject to all applicable laws and regulations, survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of this Agreement.

[*SIGNATURES BEGIN NEXT PAGE*]

The parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

BORROWER:

BKV UPSTREAM MIDSTREAM, LLC

By: /s/ Christopher P. Kalnin
Name: Christopher P. Kalnin
Title: Chief Executive Officer

HOLDINGS:

BKV CORPORATION

By: /s/ Christopher P. Kalnin
Name: Christopher P. Kalnin
Title: Chief Executive Officer

ADMINISTRATIVE AGENT/LENDER/ISSUING BANK:

CITIBANK, N.A., as Administrative Agent, a Lender and Issuing Bank

By: /s/ Cliff Vaz
Name: Cliff Vaz
Title: Vice President

[SIGNATURE PAGE TO CREDIT AGREEMENT — BKV UPSTREAM MIDSTREAM, LLC]

LENDER / ISSUING BANK:

BARCLAYS BANK PLC, as a Lender and Issuing Bank

By: /s/ Sydney G. Dennis
Name: Sydney G. Dennis
Title: Director

[SIGNATURE PAGE TO CREDIT AGREEMENT — BKV UPSTREAM MIDSTREAM, LLC]

LENDER:

KeyBank National Association, as a Lender

By: /s/ George McKean
Name: George McKean
Title: Senior Vice President

[SIGNATURE PAGE TO CREDIT AGREEMENT — BKV UPSTREAM MIDSTREAM, LLC]

LENDER:

MIZUHO BANK, LTD., as a Lender

By: /s/ Edward Sacks
Name: Edward Sacks
Title: Authorized Signatory

[SIGNATURE PAGE TO CREDIT AGREEMENT — BKV UPSTREAM MIDSTREAM, LLC]

LENDER:

CITIZENS BANK, N.A., as a Lender

By: /s/ David Baron
Name: David Baron
Title: Senior Vice President

[SIGNATURE PAGE TO CREDIT AGREEMENT — BKV UPSTREAM MIDSTREAM, LLC]

LENDER:

Sumitomo Mitsui Banking Corporation, as a Lender

By: /s/ Alkesh Nanavaty
Name: Alkesh Nanavaty
Title: Executive Director

[SIGNATURE PAGE TO CREDIT AGREEMENT — BKV UPSTREAM MIDSTREAM, LLC]

LENDER:

TRUIST BANK, as a Lender

By: /s/ John Kovarik
Name: John Kovarik
Title: Managing Director

LENDER:

Bangkok Bank Public Company Limited,
New York Branch, as a Lender

By: /s/ Thitipong Prasertsilp
Name: Thitipong Prasertsilp
Title: VP & Branch Manager

LENDER:

Bangkok Bank Public Company Limited, as a Lender

By: /s/ Niramarn Laisathit
Name: Niramarn Laisathit
Title: Director & Senior Executive Vice President

LENDER:

Texas Capital Bank, as a Lender

By: /s/ Jared Mills
Name: Jared Mills
Title: Managing Director

LENDER:

FIRST HORIZON BANK, as a Lender

By: /s/ W. David McCarver IV
Name: W. David McCarver IV
Title: Senior Vice President

LENDER:

MORGAN STANLEY SENIOR FUNDING, INC.,
as a Lender

By: /s/ Michael King
Name: Michael King
Title: Vice President

LENDER:

GOLDMAN SACHS BANK USA, as a Lender

By: /s/ Andrew Vernon
Name: Andrew Vernon
Title: Authorized Signatory

[SIGNATURE PAGE TO CREDIT AGREEMENT — BKV UPSTREAM MIDSTREAM, LLC]

LENDER:

BP Energy Company, as a Lender

By: /s/ Will Shappley
Name: Will Shappley
Title: Vice President

[SIGNATURE PAGE TO CREDIT AGREEMENT — BKV UPSTREAM MIDSTREAM, LLC]

ANNEX I
LIST OF MAXIMUM CREDIT AMOUNTS

Name of Lender	Applicable Percentage	Maximum Credit Amount	Elected Commitment
Citibank, N.A.	11.666666667%	$ 175,000,000	$ 70,000,000.00
Barclays Bank PLC	10.833333333%	$ 162,500,000	$ 65,000,000.00
KeyBank, National Association	10.833333333%	$ 162,500,000	$ 65,000,000.00
Mizuho Bank, Ltd.	10.833333333%	$ 162,500,000	$ 65,000,000.00
Citizens Bank, N.A.	10.833333333%	$ 162,500,000	$ 65,000,000.00
Sumitomo Mitsui Banking Corporation	10.833333333%	$ 162,500,000	$ 65,000,000.00
Truist Bank	10.833333333%	$ 162,500,000	$ 65,000,000.00
Bangkok Bank Public Company Limited, New York Branch	7.500000000%	$ 112,500,000	$ 45,000,000.00
Bangkok Bank Public Company Limited	3.333333333%	$ 50,000,000	$ 20,000,000.00
Texas Capital Bank	5.833333333%	$ 87,500,000	$ 35,000,000.00
First Horizon Bank	4.166666667%	$ 62,500,000	$ 25,000,000.00
Morgan Stanley Senior Funding, Inc.	0.833333333%	$ 12,500,000	$ 5,000,000.00
Goldman Sachs Bank USA	0.833333333%	$ 12,500,000	$ 5,000,000.00
BP Energy Company	0.833333333%	$ 12,500,000	$ 5,000,000.00
TOTAL	**100.000000000%**	**$ 1,500,000,000**	**$ 600,000,000**

ANNEX II
LC ISSUANCE LIMIT

Name of Issuing Bank	LC Issuance Limit
Citibank, N.A.	$ 30,000,000.00
Barclays Bank PLC	$ 10,000,000.00
TOTAL	$ 40,000,000.00

Exhibit 21.1

List of Subsidiaries of BKV Corporation

Name	State or Other Jurisdiction of Incorporation or Organization
BKV Barnett, LLC	Delaware
BKV Chelsea, LLC	Delaware
BKV dCarbon Barnett Zero, LLC	Delaware
BKV dCarbon High West, LLC	Delaware
BKV dCarbon Las Tiendas, LLC	Delaware
BKV dCarbon Temple, LLC	Delaware
BKV dCarbon Ventures, LLC	Delaware
BKV High West Sequestration, LLC	Delaware
BKV Midstream, LLC	Delaware
BKV North Texas, LLC	Delaware
BKV Operating, LLC	Delaware
BKV Upstream Midstream, LLC	Delaware
BKV-BPP Cotton Cove, LLC	Delaware
BKVerde, LLC	Delaware
High West Sequestration, LLC	Louisiana
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 April 29, 2024, 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

Dallas, Texas
July 5, 2024

Exhibit 23.2

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, 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, (ii) 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, (iii) 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, (iv) 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, (v) dated December 17, 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, 2022, (vi) dated December 17, 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, 2022, (vii) dated December 17, 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 Chelsea Assets as of December 31, 2022, (viii) dated December 17, 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 BKV Assets as of December 31, 2022, (ix) dated December 17, 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 referred to as the North Texas Assets as of December 31, 2022, (x) dated December 19, 2023, 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 Total Company Assets as of December 31, 2023, and (xi) dated January 2, 2024, 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 Total Company Assets, using a NYMEX Alternate Pricing Scheme, as of December 31, 2023, 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
RYDER SCOTT COMPANY, L.P.
TBPELS Firm Registration No. F-1580

Denver, Colorado
July 5, 2024

Exhibit 99.14

BKV CORPORATION

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold and Royalty Interests

SEC Parameters

As of

December 31, 2023

/s/ Stephen E. Gardner, P.E.
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 CORPORATION

TABLE OF CONTENTS

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS - TBPE FIRM LICENSE No. F-1580

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS
TBPELS REGISTERED ENGINEERING FIRM F-1580
633 17TH STREET SUITE 1700 DENVER, COLORADO 80202 TELEPHONE (303) 339-8110

December 19, 2023

BKV Corporation
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 Corporation (BKV) as of December 31, 2023. The subject properties are located in the states of Pennsylvania and 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). Our third party study, completed on December 19, 2023 and 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 evaluated by Ryder Scott account for 100 percent of BKV's total net proved, probable and possible liquid hydrocarbon and gas reserves as of December 31, 2023.

The estimated reserves and future net income amounts presented in this report, as of December 31, 2023 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 required by SEC regulations. The 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.

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
Estimated Net Reserves and Income Data
Certain Leasehold and Royalty Interests of
BKV Corporation
As of December 31, 2023

	Proved			
	Developed			Total
	Producing	Non-Producing	Undeveloped	Proved
Net Reserves				
Oil/Condensate – Mbbl	802	190	59	1,051
Plant Products – Mbbl	129,260	27,139	27,766	184,165
Gas – MMcf	2,290,025	153,047	539,423	2,982,495
MMCFE	3,070,397	317,021	706,373	4,093,791
Income Data ($M)				
Future Gross Revenue	$ 6,899,019	$ 804,693	$ 1,611,903	$ 9,315,615
Deductions	4,840,400	454,463	1,106,237	6,401,100
Future Net Income (FNI)	$ 2,058,619	$ 350,230	$ 505,666	$ 2,914,515
Discounted FNI @ 10%	$ 1,085,102	$ 66,139	$ 81,308	$ 1,232,549

	Probable			
	Developed			Total
	Producing	Non-Producing	Undeveloped	Probable

	Developed Non-Producing	Undeveloped	Total Probable
Net Reserves			
Oil/Condensate – Mbbl	6	548	554
Plant Products – Mbbl	7,871	19,114	26,985
Gas – MMcf	68,385	237,236	305,621
MMCFE	115,647	355,208	470,855
Income Data ($M)			
Future Gross Revenue	$ 279,693	$ 864,374	$ 1,144,067
Deductions	159,088	606,864	765,952
Future Net Income (FNI)	$ 120,605	$ 257,510	$ 378,115
Discounted FNI @ 10%	$ 18,306	$ 17,191	$ 35,497

	Possible		
	Developed Non-Producing	Undeveloped	Total Possible
Net Reserves			
Oil/Condensate – Mbbl	2	0	2
Plant Products – Mbbl	3,257	0	3,257
Gas – MMcf	57,114	12,742	69,856
MMCFE	76,668	12,742	89,410
Income Data ($M)			
Future Gross Revenue	$ 174,964	$ 21,400	$ 196,364
Deductions	119,370	17,317	136,687
Future Net Income (FNI)	$ 55,594	$ 4,083	$ 59,677
Discounted FNI @ 10%	$ 3,909	$ 376	$ 4,285

PERCENTAGE OF PROVED RESERVES PER HYDROCARBON PHASE

OPERATED	December 31, 2023					
					Average Annual PDP Decline	
Operating Region	Estimated Total Proved Reserves (MMCFE)	% Natural Gas	% Natural Gas Liquids	% Oil	Five Year	Ten Year
Barnett	3,620,862	69.6%	30.2%	0.2%	8%	7%
NEPA	272,855	100.0%	0.0%	0.0%	11%	10%
Total	3,893,717	71.7%	28.1%	0.2%	8%	8%

NON OPERATED	December 31, 2023					
					Average Annual PDP Decline	
Operating Region	Estimated Total Proved Reserves (MMCFE)	% Natural Gas	% Natural Gas Liquids	% Oil	Five Year	Ten Year
Barnett	48,302	77.5%	22.1%	0.4%	10%	9%
NEPA	151,772	100.0%	0.0%	0.0%	9%	8%
Total	200,074	94.6%	5.3%	0.1%	9%	8%

TOTAL COMPANY	December 31, 2023					
					Average Annual PDP Decline	
Operating Region	Estimated Total Proved Reserves (MMCFE)	% Natural Gas	% Natural Gas Liquids	% Oil	Five Year	Ten Year
Barnett	3,669,164	69.7%	30.1%	0.2%	8%	7%
NEPA	424,627	100.0%	0.0%	0.0%	11%	9%
Total	4,093,791	72.8%	27.0%	0.2%	8%	8%

PERCENTAGE OF PROBABLE RESERVES PER HYDROCARBON PHASE

OPERATED	December 31, 2023			
Operating Region	Estimated Total Probable Reserves (MMCFE)	% Natural Gas	% Natural Gas Liquids	% Oil
Barnett	470,855	64.9%	34.4%	0.7%
NEPA	0	0.0%	0.0%	0.0%
Total	470,855	64.9%	34.4%	0.7%

NON OPERATED	December 31, 2023			
Operating Region	Estimated Total Probable Reserves (MMCFE)	% Natural Gas	% Natural Gas Liquids	% Oil
Barnett	0	0.0%	0.0%	0.0%
NEPA	0	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%

TOTAL COMPANY	December 31, 2023			
Operating Region	Estimated Total Probable Reserves (MMCFE)	% Natural Gas	% Natural Gas Liquids	% Oil
Barnett	470,855	64.9%	34.4%	0.7%
NEPA	0	0.0%	0.0%	0.0%
Total	470,855	64.9%	34.4%	0.7%

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

PERCENTAGE OF POSSIBLE RESERVES PER HYDROCARBON PHASE

OPERATED	December 31, 2023			
Operating Region	Estimated Total Possible Reserves (MMCFE)	% Natural Gas	% Natural Gas Liquids	% Oil
Barnett	76,668	74.5%	25.5%	0.0%
NEPA	12,742	100.0%	0.0%	0.0%
Total	89,410	78.1%	21.9%	0.0%

NON OPERATED	December 31, 2023			
Operating Region	Estimated Total Possible Reserves (MMCFE)	% Natural Gas	% Natural Gas Liquids	% Oil
Barnett	0	0.0%	0.0%	0.0%
NEPA	0	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%

TOTAL COMPANY	December 31, 2023			
Operating Region	Estimated Total Possible Reserves (MMCFE)	% Natural Gas	% Natural Gas Liquids	% Oil
Barnett	76,668	74.5%	25.5%	0.0%
NEPA	12,742	100.0%	0.0%	0.0%
Total	89,410	78.1%	21.9%	0.0%

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 net reserves volumes are also shown herein on an equivalent unit basis wherein hydrocarbon liquid is converted to natural gas equivalent using a factor of 1 barrel of liquid per 6,000 cubic feet of natural gas equivalent. MMCFE means million cubic feet of natural gas equivalent.

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 (including the Pennsylvania Impact Fee), 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 64 percent and liquid hydrocarbon reserves account for the remaining 36 percent of total future gross revenue from proved reserves. Gas reserves account for approximately 55 percent and liquid hydrocarbon reserves account for the remaining 45 percent of total future gross revenue from probable reserves. Gas reserves account for approximately 71 percent and liquid hydrocarbon reserves account for the remaining 29 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, 2023		
Discount Rate Percent	Total Proved	Total Probable	Total Possible
8	$ 1,409,977	$ 60,971	$ 7,320
12	$ 1,090,539	$ 17,541	$ 2,385
15	$ 924,494	$ (337)	$ 756
20	$ 729,281	$ (16,274)	$ (370)

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 categories, 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 reserves for the properties included herein were estimated by performance methods or analogy. In general, 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 August and October 2023, depending on the availability of data for a given case and in those cases where such data were considered to be definitive. For certain early-life cases, where there were inadequate historical performance data to establish a definitive trend and where the use of production performance data as a basis for the estimates was considered to be inappropriate, producing reserves were estimated by analogy. The data utilized in our 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 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 taxes (including the Pennsylvania Impact Fee), production taxes, development costs, development plans, certain abandonment costs after salvage, product prices based on the SEC regulations, adjustments or differentials to product prices, geological structure and isochore maps, 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. If no production decline trend has been established, future decline trends were based on analogy to older, more established wells.

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 benchmark prices in effect on December 31, 2023. 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 that 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	$78.22/bbl	$70.80/bbl	$70.61/bbl	$70.61/bbl
	NGLs	WTI Cushing	$78.22/bbl	$18.40/bbl	$18.44/bbl	$18.44/bbl
	Gas	Henry Hub	$2.637/MMBTU	$2.09/Mcf	$2.15/Mcf	$2.07/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 certain abandonment costs net of salvage were provided by BKV, and which they requested be included in our report. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification. We have made no inspections to determine if any other abandonment, decommissioning, and /or restoration costs may be necessary, in addition to the costs provided by BKV and included herein.

The proved, probable, and possible developed non-producing and undeveloped reserves in this report have been incorporated herein in accordance with BKV's plans to develop these reserves as of December 31, 2023. 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, 2023, 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 COMPANY PETROLEUM CONSULTANTS

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.

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.

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

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

/s/ Stephen E. Gardner, P.E.
Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

SEG (FWZ)/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 2022 continuing education hours, Mr. Gardner participated in 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 attended the annual SPEE meeting held in Napa Valley, California as well as participated in various local SPEE and SIPES technical seminars and other internal company training courses throughout the year covering topics such as reserves evaluation methods and evaluation software, ethics, SEC perspectives and other regulatory issues, geothermal energy, SRMS, and more.

Based on his educational background, professional training and more than 17 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.

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

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 CORPORATION

Estimated
Future Reserves and Income
Attributable to Certain
Leasehold and Royalty Interests

SEC Parameters
(NYMEX Alternate Pricing Scheme)

As of
December 31, 2023

/s/ Stephen E. Gardner, P.E.
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 CORPORATION

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

January 2, 2024

BKV Corporation
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 Corporation (BKV) as of December 31, 2023. The subject properties are located in the states of Pennsylvania and 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. Our third party study, completed on January 2, 2024 and 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 by the SEC regulations. The income data for the reserves volumes were estimated using NYMEX Futures Strip prices as of December 31, 2023.

The properties evaluated by Ryder Scott account for 100 percent of BKV's total net proved, probable and possible liquid hydrocarbon and gas reserves as of December 31, 2023.

The estimated reserves and future net income amounts presented in this report, as of December 31, 2023 are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on varying NYMEX Futures Strip pricing assumptions 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 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.

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 Corporation
As of December 31, 2023

	Proved			
	Developed			Total
	Producing	Non-Producing	Undeveloped	Proved
Net Reserves				
Oil/Condensate – Mbbl	808	237	59	1,104
Plant Products – Mbbl	134,689	29,514	30,500	194,703
Gas – MMcf	2,791,791	193,157	790,838	3,775,786
MMCFE	3,604,773	371,663	974,192	4,950,628
Income Data ($M)				
Future Gross Revenue	$ 9,950,018	$ 986,815	$ 2,790,946	$ 13,727,779
Deductions	6,120,763	554,591	1,593,023	8,268,377
Future Net Income (FNI)	$ 3,829,255	$ 432,224	$ 1,197,923	$ 5,459,402
Discounted FNI @ 10%	$ 1,929,841	$ 85,654	$ 334,932	$ 2,350,427

	Probable		
	Developed Non-Producing	Undeveloped	Total Probable
Net Reserves			

Oil/Condensate – Mbbl	44	518	562
Plant Products – Mbbl	10,403	24,020	34,423
Gas – MMcf	179,158	609,078	788,236
MMCFE	241,840	756,306	998,146
Income Data ($M)			
Future Gross Revenue	$ 676,675	$ 2,140,499	$ 2,817,174
Deductions	381,142	1,350,558	1,731,700
Future Net Income (FNI)	$ 295,533	$ 789,941	$ 1,085,474
Discounted FNI @ 10%	$ 35,610	$ 130,012	$ 165,622

	Possible		
	Developed Non-Producing	Undeveloped	Total Possible
Net Reserves			
Oil/Condensate – Mbbl	8	0	8
Plant Products – Mbbl	3,823	1,021	4,844
Gas – MMcf	103,647	113,477	217,124
MMCFE	126,633	119,603	246,236
Income Data ($M)			
Future Gross Revenue	$ 360,175	$ 336,153	$ 696,328
Deductions	208,365	220,977	429,342
Future Net Income (FNI)	$ 151,810	$ 115,176	$ 266,986
Discounted FNI @ 10%	$ 14,083	$ 16,978	$ 31,061

PERCENTAGE OF PROVED RESERVES PER HYDROCARBON PHASE

OPERATED	**December 31, 2023**					
					Average Annual PDP Decline	
Operating Region	**Estimated Total Proved Reserves (MMCFE)**	**% Natural Gas**	**% Natural Gas Liquids**	**% Oil**	**Five Year**	**Ten Year**
Barnett	4,233,889	72.5%	27.3%	0.2%	7%	7%
NEPA	500,525	100.0%	0.0%	0.0%	10%	9%
Total	4,734,414	75.4%	24.5%	0.1%	7%	7%

NON OPERATED	**December 31, 2023**					
					Average Annual PDP Decline	
Operating Region	**Estimated Total Proved Reserves (MMCFE)**	**% Natural Gas**	**% Natural Gas Liquids**	**% Oil**	**Five Year**	**Ten Year**
Barnett	57,350	80.1%	19.5%	0.4%	9%	8%
NEPA	158,864	100.0%	0.0%	0.0%	9%	8%
Total	216,214	94.7%	5.2%	0.1%	9%	8%

TOTAL COMPANY	**December 31, 2023**					
					Average Annual PDP Decline	
Operating Region	**Estimated Total Proved Reserves (MMCFE)**	**% Natural Gas**	**% Natural Gas Liquids**	**% Oil**	**Five Year**	**Ten Year**
Barnett	4,291,239	72.6%	27.2%	0.2%	7%	7%
NEPA	659,389	100.0%	0.0%	0.0%	10%	8%
Total	4,950,628	76.3%	23.6%	0.1%	7%	7%

PERCENTAGE OF PROBABLE RESERVES PER HYDROCARBON PHASE

OPERATED	December 31, 2023			
Operating Region	Estimated Total Probable Reserves (MMCFE)	% Natural Gas	% Natural Gas Liquids	% Oil
Barnett	860,122	75.6%	24.0%	0.4%
NEPA	138,024	100.0%	0.0%	0.0%
Total	998,146	79.0%	20.7%	0.3%

NON OPERATED	December 31, 2023			
Operating Region	Estimated Total Probable Reserves (MMCFE)	% Natural Gas	% Natural Gas Liquids	% Oil
Barnett	0	0.0%	0.0%	0.0%
NEPA	0	0.0%	0.0%	0.0%
Total	0	0.0%	0.0%	0.0%

TOTAL COMPANY	December 31, 2023			
Operating Region	Estimated Total Probable Reserves (MMCFE)	% Natural Gas	% Natural Gas Liquids	% Oil
Barnett	860,122	75.6%	24.0%	0.4%
NEPA	138,024	100.0%	0.0%	0.0%
Total	998,146	79.0%	20.7%	0.3%

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

PERCENTAGE OF POSSIBLE RESERVES PER HYDROCARBON PHASE

OPERATED	December 31, 2023			
Operating Region	Estimated Total Possible Reserves (MMCFE)	% Natural Gas	% Natural Gas Liquids	% Oil
Barnett	156,434	81.4%	18.6%	0.0%
NEPA	63,920	100.0%	0.0%	0.0%
Total	220,354	86.8%	13.2%	0.0%

NON OPERATED	December 31, 2023			
Operating Region	Estimated Total Possible Reserves (MMCFE)	% Natural Gas	% Natural Gas Liquids	% Oil
Barnett	0	0.0%	0.0%	0.0%
NEPA	25,882	100.0%	0.0%	0.0%
Total	25,882	100.0%	0.0%	0.0%

TOTAL COMPANY	December 31, 2023			
Operating Region	Estimated Total Possible Reserves (MMCFE)	% Natural Gas	% Natural Gas Liquids	% Oil
Barnett	156,434	81.4%	18.6%	0.0%
NEPA	89,802	100.0%	0.0%	0.0%
Total	246,236	88.2%	11.8%	0.0%

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 net reserves volumes are also shown herein on an equivalent unit basis wherein hydrocarbon liquid is converted to natural gas equivalent using a factor of 1 barrel of liquid per 6,000 cubic feet of natural gas equivalent. MMCFE means million

cubic feet of natural gas equivalent.

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 (including the Pennsylvania Impact Fee), 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 81 percent and liquid hydrocarbon reserves account for the remaining 19 percent of total future gross revenue from proved reserves. Gas reserves account for approximately 83 percent and liquid hydrocarbon reserves account for the remaining 17 percent of total future gross revenue from probable reserves. Gas reserves account for approximately 91 percent and liquid hydrocarbon reserves account for the remaining 9 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, 2023		
Discount Rate Percent	Total Proved	Total Probable	Total Possible
8	$ 2,681,816	$ 236,185	$ 46,490
12	$ 2,084,259	$ 115,094	$ 20,714
15	$ 1,771,666	$ 63,545	$ 10,997
20	$ 1,401,416	$ 14,973	$ 2,996

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 categories, 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 Futures Strip prices and constant current cost assumptions, may differ from the quantities of reserves which would be estimated using the price parameters 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 reserves for the properties included herein were estimated by performance methods or analogy. In general, 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 August and October 2023, depending on the availability of data for a given case and in those cases where such data were considered to be definitive. For certain early-life cases, where there were inadequate historical performance data to establish a definitive trend and where the use of production performance data as a basis for the estimates was considered to be inappropriate, producing reserves were estimated by analogy. The data utilized in our 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 current 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 taxes (including the Pennsylvania Impact Fee), production taxes, development costs, development plans, abandonment costs after salvage, product price assumptions, 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 and are included as a price sensitivity case as allowed by 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. If no production decline trend has been established, future decline trends were based on analogy to older, more established wells.

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 forecast 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.

BKV furnished us with the forecast of the average benchmark prices assumed to be in effect beginning on December 31, 2023 and throughout the life of the properties.

The product prices that 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 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
2024	$ 71.60	$ 2.67	$ 64.17	$ 16.44	$ 2.07	N/A	N/A	N/A	N/A	N/A	N/A

2025	$	68.32	$	3.49	$	60.89	$	15.48	$	2.91		N/A		N/A		N/A		N/A		N/A		N/A
2026	$	65.37	$	3.82	$	57.95	$	14.61	$	3.26		N/A		N/A	$	2.89		N/A		N/A		N/A
2027	$	63.32	$	3.85	$	55.90	$	14.01	$	3.29	$	55.71	$	14.05	$	3.26		N/A		N/A		N/A
2028	$	62.02	$	3.80	$	54.59	$	13.62	$	3.24	$	54.41	$	13.67	$	3.26		N/A		N/A		N/A
2029	$	61.28	$	3.70	$	53.86	$	13.40	$	3.14	$	53.67	$	13.45	$	3.15		N/A		N/A	$	2.91
2030+	$	60.93	$	3.64	$	53.52	$	13.30	$	3.08	$	53.32	$	13.34	$	3.04		N/A		N/A	$	2.88
		Total Future Average Prices			$	55.72	$	13.74	$	3.05	$	53.48	$	13.39	$	3.09	$	53.32	$	13.34	$	3.00

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 certain abandonment costs net of salvage were provided by BKV, and which they requested be included in our report. The estimates of the net abandonment costs furnished by BKV were accepted without independent verification. We have made no inspections to determine if any other abandonment, decommissioning, and /or restoration costs may be necessary, in addition to the costs provided by BKV and included herein.

The proved, probable, and possible developed non-producing and undeveloped reserves in this report have been incorporated herein in accordance with BKV's plans to develop these reserves as of December 31, 2023. 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 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

/s/ Stephen E. Gardner, P.E.
Stephen E. Gardner, P.E.
Colorado License No. 44720
Managing Senior Vice President

SEG (HGA)/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, as well as for coordinating and supervising the evaluations of staff and consulting engineers of the company. Mr. Gardner is also a member of Ryder Scott's Board of Directors. 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 (SPE) and a former director of the Society of Petroleum Evaluation Engineers (SPEE). He currently serves as an officer for SPEE 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 2023 continuing education hours, Mr. Gardner attended multiple technical conferences, 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. Mr. Gardner was a featured speaker for geothermal resource evaluation and classification at an SPE technical workshop in August 2023. In addition, Mr. Gardner participated in various local technical seminars and other internal company training courses throughout the year covering topics such as reserves evaluation methods and evaluation software, ethics, M&A trends, regulatory issues, geothermal energy, SRMS, and more.

Based on his educational background, professional training and more than 18 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.

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

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 thatthe 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.