

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

_____	§	
	§	Chapter 11
In re:	§	
	§	Case No. 08-37922
CDX GAS, LLC, et al.,	§	
	§	
Debtors	§	(Jointly Administered)
_____	§	

FIRST AMENDED JOINT PLAN OF REORGANIZATION

VINSON & ELKINS L.L.P.
Harry A. Perrin
John E. West
1001 Fannin Street, Suite 2500
Houston, Texas 77002-6760
Telephone: (713) 758-2222
Facsimile: (713) 615-5016

John Mitchell
Prentiss Cutshaw
Trammell Crow Center
2001 Ross Avenue, Suite 3700
Dallas, TX 75201-2975
Phone: (214) 220.7700
Facsimile: (214) 220.7716

Attorneys for the
Debtors and Debtors in Possession

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INTRODUCTION

CDX Gas and its affiliates filed for bankruptcy protection on December 12, 2008¹ and April 1, 2009,² respectively. CDX Gas, LLC, a Delaware limited liability company, and the other Reorganizing Debtors in the above-captioned Chapter 11 Cases hereby propose the following joint plan of reorganization for the resolution of outstanding creditor claims against, and equity interests in, the Reorganizing Debtors. The Reorganizing Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code (as hereinafter defined). Although styled as a “joint plan,” the Plan consists of up to three separate plans for the Reorganizing Debtors. Consequently, except as provided in the Plan for purposes of voting on the Plan and receiving distributions under the Plan, votes will be tabulated separately for each Reorganizing Debtor with respect to each Reorganizing Debtor’s Plan and distributions will be made separately to each separate class as provided in the Plan. Reference is made to the Disclosure Statement (as hereinafter defined) for a discussion of the Reorganizing Debtors’ history, businesses, properties, results of operations and projections of future operations, as well as a summary and description of the Plan and certain related matters. No materials other than the Disclosure Statement, the Plan and any exhibits and schedules attached thereto or referenced therein have been authorized by the Reorganizing Debtors for use in soliciting acceptances or rejections of the Plan.

ALL HOLDERS OF CLAIMS OR INTERESTS ARE ENCOURAGED TO READ THIS PLAN AND THE DISCLOSURE STATEMENT CAREFULLY AND IN THEIR ENTIRETY. ALL HOLDERS OF CLAIMS OR INTERESTS ENTITLED TO VOTE TO ACCEPT OR REJECT THIS PLAN ARE ENCOURAGED TO READ THIS PLAN AND THE DISCLOSURE STATEMENT CAREFULLY AND IN THEIR ENTIRETY BEFORE VOTING ON THIS PLAN.

ARTICLE I

DEFINED TERMS, RULES OF INTERPRETATION, AND COMPUTATION OF TIME

Section 1.01 Scope Of Defined Terms; Rules Of Construction

For purposes of this Plan, except as expressly defined elsewhere in the Plan or Disclosure Statement or unless the context otherwise requires, all capitalized terms used but not defined herein shall have the meanings ascribed to them in Article I of this Plan. Any term used but not defined herein that is defined in the Bankruptcy Code or the Bankruptcy Rules, as the case may

¹ The entities filing bankruptcy cases on December 12, 2008 are: (1) CD Exploration, LLC (“CD Exploration”), (2) Acquisition, (3) CDX Barnett, LLC (“CDX Barnett”), (4) CDX Bishop Creek, LLC (“CDX BC”), (5) CDX East, LLC (“CDX East”), (6) CDX Gas International, LLC (“CDX International”), (7) CDX Gas (8) CDX Isolate, LLC (“CDX Isolate”), (9) CDX Minerals, LLC (“CDX Minerals”), (10) CDX North America, LLC (“CDX NA”), (11) CDX Operating, LLC (“CDX Operating”), (12) CDX Panther, LLC (“CDX Panther”), (13) CDX Plum Creek, JV (“CDX Plum Creek”), (14) CDX Sequoia, LLC (“CDX Sequoia”), (15) CDX Services, LLC (“CDX Services”), (16) CDX Shale, LLC (“CDX Shale”), (17) CDX Tapicito, LLC (“CDX Tapicito”), and (18) CMV Joint Venture (“CMV JV”).

² The entities filing bankruptcy cases on April 1, 2009 are: (1) Arkoma Gathering, LLC (“Arkoma Gathering”), (2) Cahaba Gathering, LLC (“Cahaba Gathering”), (3) CDX Canada Company (“CDX Canada”) and (4) CDX Rio, LLC (“CDX Rio”). On July 20, 2009, the Bankruptcy Court entered the Order Granting Debtors’ Motion to Dismiss Voluntary Petition (Dkt. No. 836) whereby Arkoma Gathering’s bankruptcy case was dismissed.

be, shall have the meaning ascribed in the Bankruptcy Code or the Bankruptcy Rules. Whenever the context requires, such terms shall include the plural as well as the singular. The masculine gender shall include the feminine, and the feminine gender shall include the masculine.

Section 1.02 Defined Terms

(1) “Acquisition” means CDX Acquisition Company, LLC, a Delaware limited liability company.

(2) “Acquisition Cash” means the Cash assets of Acquisition remaining after payment of Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Secured Claims, Allowed Other Priority Claims and the Acquisition Wind-Up Costs under the Acquisition Plan.

(3) “Acquisition Equity Owners” means all Persons owning the Acquisition Membership Interests on or before the Petition Date.

(4) “Acquisition Membership Interests” means (i) membership interests of Acquisition issued and outstanding as of the Petition Date and (ii) if applicable, any preferred membership interests, warrants, options or rights, contractual or otherwise, to acquire or receive any such membership interest in effect as of the Petition Date.

(5) “Acquisition Wind-Up Costs” means the costs and expenses of winding up the business of Acquisition.

(6) “Acquisition Wind-Up Representative” means the Person appointed as provided in Section 3.03 of the Plan to wind up the business of Acquisition.

(7) “Administrative Claim(s)” means a Claim(s) for costs and expenses of administration pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors (such as wages, salaries, or commissions for services, and payments for goods and other services and leased premises); (b) all fees and charges assessed against the Estates pursuant to section 1930 of chapter 123 of the Judicial Code; and (c) all requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4), and (5) of the Bankruptcy Code.

(8) “Administrative Claims Bar Date” has the meaning set forth in Section 12.01(a) of the Plan.

(9) “Affiliate” has the meaning set forth in section 101(2) of the Bankruptcy Code.

(10) “Allowed” means with reference to any Claim or Interest: (a) any Claim or Interest or any portion thereof as to which no objection to allowance or request for estimation has been interposed on or before the latter of (i) the Claims Objection Deadline or (ii) the expiration of such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court or is listed on the Schedules as liquidated, non-contingent and

undisputed, (b) as to which any objection to its allowance has been settled, waived through payment, withdrawn, or denied by a Final Order, (c) as to which liability of the Reorganizing Debtors and the amount thereof has been determined by a Final Order, (d) as to which the liability of the Reorganizing Debtors and the amount thereof are determined by final order of a court of competent jurisdiction other than the Bankruptcy Court, or (e) that is expressly deemed allowed in a liquidated amount in the Plan; provided, however, that with respect to an Administrative Claim, "Allowed Administrative Claim" means an Administrative Claim as to which a timely request for payment has been made in accordance with Section 12.01 of this Plan (if such written request is required) or other Administrative Claim, in each case as to which the Reorganizing Debtors or Reorganized Debtors, as applicable, (1) have not interposed a timely objection or (2) have interposed a timely objection and such objection has been settled, waived through payment, withdrawn, or denied by a Final Order.

(11) "Amended Governance Documents" means any amended certificate of formation, bylaws and limited liability company agreement (or any other applicable formation and organizational documents) of the Reorganizing Debtors in effect as of the Effective Date, which shall be acceptable in form and substance to the Second Lien Debt Agent and filed with the Plan Supplement.

(12) "Avoidance Actions" means any and all actual or potential Claims to avoid a transfer of property or an obligation incurred by the Debtor pursuant to any applicable section of the Bankruptcy Code, including sections 544, 545, 547, 548, 549, 550, 551, 553(b), and 724(a) of the Bankruptcy Code.

(13) "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as codified in title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as in effect on the Petition Date as heretofore or hereafter amended.

(14) "Bankruptcy Court" means the United States Bankruptcy Court for the Southern District of Texas.

(15) "Bankruptcy Rules" means, collectively, the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure, as amended, as applicable to the Chapter 11 Cases or proceedings therein, and the Local Rules of the Bankruptcy Court, as applicable to the Chapter 11 Cases or proceedings therein, as the case may be.

(16) "Bar Date(s)" means the applicable date(s) designated by the Bankruptcy Court as the last date for filing proofs of Claims or Interests in the Chapter 11 Cases of the respective Reorganizing Debtors.

(17) "Benefit Plans" means all benefit plans, policies and programs sponsored by the Debtors, including, without limitations, all savings plans, 401(k) plans and health and welfare plans.

(18) "BMO" means Bank of Montreal in its individual capacity, not as First Lien Debt Agent.

(19) “BMO Secured Letter of Credit” shall have the meaning set forth in Section 1.08(d) of the Disclosure Statement.

(20) “BMO Secured Letter of Credit Claim” means the Secured Claim of BMO for repayment of draws made under the BMO Secured Letter of Credit and associated fees and expenses and other obligations of CDX Gas related to the BMO Secured Letter of Credit.

(21) “Bonding Program” has the meaning provided in Section 1.09(b) of the Disclosure Statement.

(22) “Business Day” means any day, excluding Saturdays, Sundays or “legal holidays” (as defined in Bankruptcy Rule 9006(a)), on which commercial banks are open for business in New York, New York.

(23) “Cash” means legal currency of the United States of America or equivalents thereof, including bank deposits and checks.

(24) “Cash Collateral Order” means that certain Amended Final Order (I) Authorizing the Debtors’ use of Cash Collateral of (A) the First Lien Agent, for and on behalf of the Prepetition First Lien Secured Parties, and (B) the Second Lien Agent, for and on behalf of the Prepetition Second Lien Lenders Pursuant to 11 U.S.C. §§ 105, 361 and 363(c) and (II) Granting Adequate Protection Pursuant to 11 U.S.C. § 361 entered by the Bankruptcy Court on March 27, 2009, as may be amended, modified, supplemented or extended from time to time.

(25) “Causes of Action” means all actions, causes of action, liabilities, obligations, rights, suits, damages, judgments, remedies, demands, setoffs, defenses, recoupments, crossclaims, counterclaims, third-party claims, indemnity claims, contribution claims, or any other claims whatsoever, in each case held by the Debtors, whether known or unknown, matured or unmatured, fixed or contingent, liquidated or unliquidated, disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Chapter 11 Cases, including through the Effective Date.

(26) “CD Exploration Merging Entities” means CDX East and CMV JV, which will be merged into CD Exploration under the Plan.

(27) “CD Exploration New Membership Interests” means the new membership interests in CD Exploration to be issued to Holders of Allowed Second Lien Debt Claims under the Plan of CD Exploration.

(28) “CDX Funding” means CDX Funding, LLC which has been merged into CDX Gas.

(29) “CDX Gas” means CDX Gas, LLC, a Delaware limited liability company.

(30) “CDX Gas Debtors” means CDX Gas, CD Exploration and any of the other Debtors that will be merged into either of the foregoing as provided in the Plan.

(31) “CDX Gas Merging Entities” means CDX Minerals, CDX Panther and CDX Plum Creek, which will be merged into CDX Gas under the Plan.

(32) “CDX Rio Plan” means that certain Debtors’ Plan of Reorganization filed with the Bankruptcy Court by CDX Rio on April 24, 2009, as may have been amended from time to time.

(33) “Chapter 11 Case(s)” means (a) when used in reference to a particular Debtor or group of Debtors, the chapter 11 case pending for that Debtor or particular group of Debtors, and (b) when used in reference to all of the Debtors, the above-captioned procedurally consolidated chapter 11 cases pending for the Debtors in the Bankruptcy Court.

(34) “Claim” means a claim, whether or not asserted or Allowed, as defined in section 101(5) of the Bankruptcy Code.

(35) “Claimant” means an Entity holding a Claim.

(36) “Claims Agent” or “Solicitation Agent” means Epiq Bankruptcy Solutions, LLC.

(37) “Claims Objection Deadline” means the first Business Day which is at least 180 days after the Effective Date, or such other date as may be established by the Bankruptcy Court in accordance with Section 7.01(b) of the Plan.

(38) “Class” means a category of Holders of Claims or Interests as set forth in Article III below pursuant to section 1122(a) of the Bankruptcy Code.

(39) “Collateral” means any property or interest in property of the Debtors’ Estates subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

(40) “Committee” means the official committee of unsecured creditors, if any, appointed pursuant to section 1102(a) of the Bankruptcy Code in the Chapter 11 Cases.

(41) “Compass Bank” shall have the meaning set forth in Section 1.08(d) of the Disclosure Statement.

(42) “Compass Bank Secured Letter of Credit” shall have the meaning set forth in Section 1.08(d) of the Disclosure Statement.

(43) “Compass Bank Secured Letter of Credit Claim” means the Secured Claim of Compass Bank for repayment of claims made under the Compass Bank Secured Letter of Credit and associated fees, expenses and other obligations of CDX Gas related to the Compass Bank Secured Letter of Credit.

(44) “Confirmation” means entry by the Bankruptcy Court of the Confirmation Order on the docket of the Chapter 11 Cases.

(45) “Confirmation Date” means the date on which the Confirmation Order is entered on the docket in the Chapter 11 Cases within the meaning of Bankruptcy Rules 5003 and 9021.

(46) “Confirmation Hearing” means the hearing held by the Bankruptcy Court to consider Confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be continued from time to time.

(47) “Confirmation Order” means the order entered by the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

(48) “Consummation” means the occurrence of the Effective Date.

(49) “Continuing Indemnification Rights” means those Indemnification Rights held by any director, officer, agent, employee, or representative of the Reorganizing Debtors who was serving in such capacity on the Petition Date or in the same or similar capacity for the Reorganized Debtors on the Effective Date.

(50) “Creditor” means any Person who holds a Claim against any Reorganizing Debtor.

(51) “Creditors’ Trust” means the grantor trust which is created pursuant to this Plan to be administered by the Creditors’ Trustee, all as more specifically set forth in this Plan.

(52) “Creditors’ Trustee” means the Person designated in the Plan Supplement as the Creditors’ Trustee with the consent of the Second Lien Agent and retained as of the Effective Date to administer the Creditors’ Trust in accordance with the Plan and the Creditors’ Trust Agreement, and any successor appointed in accordance with the Creditors’ Trust Agreement.

(53) “Creditors’ Trust Agreement” means that certain trust agreement, substantially on the terms set forth in an exhibit to the Plan Supplement and in form and substance acceptable to the Debtors and the Second Lien Debt Agent that, among other things: (a) establishes and governs the Creditors’ Trust; and (b) describes the powers, duties, and responsibilities of the Creditors’ Trustee, the Creditors’ Trust Assets, and the distribution of the proceeds thereof.

(54) “Creditors’ Trust Assets” means the New CDX Gas Membership Interests and New Warrants deposited into the Creditors’ Trust, and calculated in accordance with the Creditors’ Trust Membership Interest Allocation and Creditors’ Trust New Warrant Allocation.

(55) “Creditors’ Trust Beneficiaries” means Holders of Allowed Claims entitled to receive Creditors’ Trust Interests under the Plan.

(56) “Creditors’ Trust Interests” means ten (10) million uncertificated beneficial interests in the Creditors’ Trust.

(57) “Creditors’ Trust Membership Interest Allocation” means a percentage of the Unsecured Creditor Membership Interest Allocation derived from the following formula: $4.5\% * [A/B]$ where “A” means the aggregate amount of Allowed General Unsecured Claims at the time

of measurement and “B” means the sum of the aggregate amount of Allowed General Unsecured Claims plus the aggregate amount of Allowed Senior Subordinated Debt Claims at the time of measurement, subject to the adjustment as provided in Section 4.09 of the Plan.

(58) “Creditors’ Trust New Warrant Allocation” means a percentage of the New Warrants derived from the following formula: $10\% * [A/B]$ where “A” means the aggregate amount of Allowed General Unsecured Claims at the time of measurement and “B” means the sum of the aggregate amount of Allowed General Unsecured Claims plus the aggregate amount of Allowed Senior Subordinated Debt Claims at the time of measurement, subject to the Reallocation Procedure as provided in Section 4.09 of the Plan.

(59) “Cure Claim(s)” has the meaning set forth in Section 6.09 of the Plan.

(60) “Debtors” means collectively the following debtors and debtors in possession: (a) CDX Acquisition Company, LLC, a Delaware limited liability company; (b) CDX Gas, LLC, a Delaware limited liability company; (c) CDX Bishop Creek, LLC, a Delaware limited liability company; (d) CDX Barnett, LLC, a Delaware limited liability company; (e) CDX Services, LLC, a Delaware limited liability company; (f) CDX Isolate, LLC, a Delaware limited liability company; (g) CDX Gas International, LLC, a Delaware limited liability company; (h) CD Exploration, LLC, a Delaware limited liability company; (i) CDX East, LLC, a Delaware limited liability company; (j) CMV Joint Venture, an Alabama general partnership; (k) CDX Tapicito, LLC, a Delaware limited liability company; (l) CDX Operating, LLC, a Delaware limited liability company; (m) CDX Minerals, LLC, a Delaware limited liability company; (n) CDX Panther, LLC, a Delaware limited liability company; (o) CDX Plum Creek JV, a Texas general partnership; (p) CDX North America, LLC, a Texas limited liability company; (q) CDX Shale, LLC, a Delaware limited liability company; (r) CDX Sequoya, LLC, a Delaware limited liability company; (s) Arkoma Gathering, LLC, a Delaware limited liability company; (t) Cahaba Gathering, LLC, a Delaware limited liability company; (u) CDX Canada Company, a Nova Scotia, Canada, unlimited liability company, and (v) CDX Rio, LLC, a Texas limited liability company.

(61) “Deposit Control Agreement” means the Assigned Account Agreements among the Debtors, the applicable depository bank, the First Lien Debt Agent and the Second Lien Debt Agent.

(62) “Disbursing Agent” means (i) for the Reorganized CDX Gas Debtors, Reorganized CDX Gas or the Entity or Entities selected by the Reorganizing CDX Gas Debtors or Reorganized CDX Gas Debtors and (ii) for Reorganized Acquisition, Reorganized Acquisition or (iii) any party designed by Reorganized CDX Gas with the consent of the Second Lien Agent or Reorganized Acquisition, as applicable, to make or facilitate distributions pursuant to the Plan.

(63) “Disclosure Statement” means the Disclosure Statement for the Debtors’ Proposed Joint Plan of Reorganization dated as of _____, 2009, as the same may be amended, modified or supplemented from time to time, including all exhibits and schedules thereto, that is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law.

(64) “Disputed” means, in reference to a Claim or Interest, any Claim or Interest not otherwise Allowed or paid pursuant to the Plan or an order of the Bankruptcy Court (a) which has been or hereafter is listed on the Schedules as unliquidated, contingent, or disputed, and which has not been resolved by written agreement of the parties or an order of the Bankruptcy Court, (b) proof of which was required to be filed by order of the Bankruptcy Court but as to which a proof of Claim or Interest was not timely or properly filed, (c) proof of which was timely and properly filed and which has been or hereafter is listed on the Schedules as unliquidated, disputed or contingent, (d) that is disputed in accordance with the provisions of this Plan, or (e) as to which the Debtors, the Disbursing Agent or the Reorganized Debtors, as applicable, have interposed a timely objection or request for estimation in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any orders of the Bankruptcy Court, or is otherwise disputed by the Debtors, the Disbursing Agent or the Reorganized Debtors, as applicable, in accordance with applicable law. Which objection, request for estimation, or dispute has not been withdrawn or determined by a Final Order; provided, however, that for purposes of determining whether a particular Claim or Interest is a Disputed Claim or Disputed Interest prior to the expiration of any period of limitation fixed for the interposition by the Debtors of objections to the allowance of Claims or Interests, any Claim or Interest that is not an Allowed Claim or Allowed Interest shall be deemed Disputed.

(65) “Distribution Date” means the date, occurring as soon as practicable after the Effective Date, upon which distributions are made pursuant to the terms of the Plan to Holders of Allowed Administrative Claims, and other Allowed Claims; provided, however, that should such Allowed Claims be paid in the ordinary course of business, the Distribution Date shall be the date such Allowed Claim becomes payable under the terms of any contract or agreement or applicable non-bankruptcy law.

(66) “Distribution Record Date” means the record date for purposes of making distributions under the Plan, which shall be the fifth (5th) Business Day following the Effective Date.

(67) “Effective Date” means the Business Day on which all conditions set forth in Section 8.02 of the Plan have been satisfied or waived as permitted hereunder.

(68) “Entity” has the meaning set forth in section 101(15) of the Bankruptcy Code.

(69) “Equity Interests” means (a) an ownership interest in a corporation, whether or not transferable or denominated “stock” or similar security; (b) interest of a limited partner in a limited partnership; (c) interest of a general partner in a partnership; (d) interest of a joint venture partner in a joint venture; (e) interest of a member in a limited liability company; (f) any ownership interest in an entity not covered by (a) through (e) above; or (g) any warrant, option, or right, contractual or otherwise, to acquire or receive the interests in (a) through (f) above.

(70) “Estate” means, as to each Debtor, the estate created for such Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

(71) “Exchange Act” means the Securities Exchange Act of 1934, 15 U.S.C. §§ 78o *et seq.*, as now in effect or hereafter amended.

(72) “Exit Financing Agent” means the Person serving as agent for the Exit Financing.

(73) “Exit Financing” means loans extended or guaranteed by the Reorganized CDX Gas Debtors, either as borrowers or guarantors, pursuant to the Exit Financing Term Sheet.

(74) “Exit Financing Loan Documents” means the collateral and other loan documents entered into by the Reorganized CDX Gas Debtors to document the Exit Financing, which shall be in form and substance acceptable to the Second Lien Debt Agent.

(75) “Exit Financing Lenders” mean the Persons providing the Exit Financing.

(76) “Exit Financing Term Sheet” means the commitment letter attached as Exhibit I to the Disclosure Statement summarizing the terms and conditions of the Exit Financing, which shall be in form and substance acceptable to the Second Lien Debt Agent.

(77) “Face Amount” means (a) when used in reference to a Disputed Claim, the full stated amount claimed by the Holder of such Claim in any proof of Claim timely filed with the Bankruptcy Court or otherwise deemed timely filed by any Final Order of the Bankruptcy Court or other applicable bankruptcy law, and (b) when used in reference to an Allowed Claim, the allowed amount of such Claim.

(78) “Federal Judgment Rate” means the federal judgment rate in effect as of the Petition Date.

(79) “Final Order” means, as applicable, an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket of such court, the operation or effect of which has not been stayed, reversed, or amended and as to which order or judgment (or any revision, modification, or amendment thereof) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for review or rehearing was filed or, if filed, remains pending.

(80) “First Lien Debt Agent” means Bank of Montreal in its capacity as administrative agent under the First Lien Debt Credit Agreement, or any successor agent appointed pursuant thereto.

(81) “First Lien Debt Claim” means a Claim held by a First Lien Debt Lender in an amount equal to all amounts due to such First Lien Debt Lender pursuant to the First Lien Debt Loan Documents that are secured by the First Lien Debt Collateral which amounts shall include, but are not limited to, in each case, all principal and accrued interest and fees outstanding as of the Petition Date and any and all claims arising from the termination of hedging contracts that are secured by the First Lien Debt Collateral, *minus* any amounts repaid prior to Consummation.

(82) “First Lien Debt Collateral” means the collateral pledged to secure the First Lien Debt Claims under the First Lien Debt Collateral Documents and the Cash Collateral Order.

(83) “First Lien Debt Collateral Documents” means the First Lien Debt Guarantee, the First Lien Mortgages, the Intercreditor Agreement, the First Lien Financing Statements, the First Lien Patent Security Agreement, the First Lien Trademark Security Agreement, the Deposit

Control Agreement and the related documents evidencing a pledge of Collateral to secure the First Lien Debt Claims.

(84) “First Lien Debt Credit Agreement” means that certain First Lien Credit Agreement dated as of March 31, 2006, by and among Acquisition and CDX Gas, as borrowers, the First Lien Agent, and the financial institutions from time to time a party thereto, as such agreement may have been subsequently modified, amended, or supplemented.

(85) “First Lien Debt Guarantee” means that certain First Lien Guarantee and Collateral Agreement dated as of March 31, 2006 by and among CDX Funding, LLC, CDX Acquisition Company, LLC, certain domestic subsidiaries of CDX Acquisition, and Bank of Montreal, as Administrative Agent, as may have been amended from time to time.

(86) “First Lien Debt Secured Guarantee Claim” means (i) a Claim held by a First Lien Debt Lender against any of the Debtors under the First Lien Debt Guarantee and (ii) a Claim against any property of any Debtor other than CDX Gas arising from any mortgage, security interest or Lien against such property securing the First Lien Debt Claims, regardless of whether or not such Debtor is a party to the First Lien Debt Guarantee.

(87) “First Lien Debt Lenders” means the financial institutions or other Persons from time to time that are, or have been, parties to the First Lien Debt Credit Agreement.

(88) “First Lien Debt Loan” means the senior secured revolving loans in the principal aggregate amount up to \$150,000,000 made pursuant to the First Lien Debt Credit Agreement and all obligations owing thereunder.

(89) “First Lien Debt Loan Documents” means the First Lien Credit Agreement, First Lien Debt Collateral Documents and any and all other documents executed in connection with the First Lien Credit Agreement.

(90) “First Lien Financing Statements” means the financing statements delivered pursuant to the First Lien Debt Credit Agreement and/or First Lien Debt Loan Documents.

(91) “First Lien Mortgages” means the mortgages, deeds of trust, leasehold mortgages, assignments of leases and rents, modifications and other security documents delivered pursuant and/or the to First Lien Debt Loan Documents.

(92) “First Lien Patent Security Agreement” means that certain First Lien Patent Security Agreement dated as of March 31, 2006 among CDX Gas and the First Lien Debt Agent, as such agreement may have been amended from time to time.

(93) “First Lien Trademark Security Agreement” means that certain First Lien Trademark Security Agreement among CDX Gas and the First Lien Debt Agent, as such agreement may have been amended from time to time.

(94) “Former Employees/Investors Litigation Claims” means the Claims of plaintiffs (or any party claiming through such plaintiffs) in (i) that certain lawsuit styled *Van Whitfield, et al. v. CD Exploration, Inc., et al.*, in the E-101st Judicial District Court, Dallas County, Texas,

under Case No. 06-08789, (ii) *In the Matter of Arbitration between Whitfield, et al., and EP Exploration, Inc., et al.*, in Dallas, Texas and (iii) *Salar Nabavian v. CDX Gas, LLC*, in the E-101st Judicial District Court, Dallas County, Texas under Case No. 08-03093.

(95) “General Unsecured Claim” means any prepetition Unsecured Claim against any of the Reorganizing Debtors that is not (a) a Priority Tax Claim, (b) Other Priority Claims or (c) an Intercompany Claim.

(96) “Governance Documents” means any certificate of formation, bylaws, limited liability company agreements (or any other formation and organizational documents) of the Reorganizing Debtors in effect as of the Petition Date.

(97) “Holder” means the beneficial holder of any Claim or Interest.

(98) “Hydrocarbon Production” shall have the meaning set forth in Section 1.04 of the Disclosure Statement.

(99) “Indemnification Rights” means any obligations or rights of the Reorganizing Debtors to indemnify, reimburse, advance or contribute to the losses, liabilities or expenses of any Person pursuant to the Reorganizing Debtors’ certificates of formation, incorporation, bylaws, limited liability company membership agreements or policy of providing employee indemnification, or other applicable law or specific agreement in respect of any claims, demands, suits, causes of action or proceedings against such Person based upon any act or omission related to such Person’s service with, for or on behalf of the Reorganizing Debtors.

(100) “Impaired” means, when used with reference to a Claim or Interest, a Claim or Interest that is impaired within the meaning of section 1124 of the Bankruptcy Code.

(101) “Intercompany Claim” means any Claim held by a Debtor against another Debtor or any Claim held by an Affiliate against a Debtor.

(102) “Intercompany Interest” means any Equity Interest in a Debtor held by another Debtor other than the Acquisition Membership Interest.

(103) “Intercreditor Agreement” means that certain Intercreditor Agreement dated as of March 31, 2006 by and among CDX Funding, LLC, CDX Acquisition Company, LLC, various subsidiaries of CDX Acquisition, LLC and CDX Funding, LLC, Bank of Montreal, as first lien collateral agent and Credit Suisse as second lien collateral agent, as such agreement may have been amended, restated, supplemented or otherwise modified from time to time.

(104) “Interests” or “Interest” means, collectively, Equity Interests and Intercompany Interests.

(105) “Lien” means a charge against or interest in property to secure payment of a debt or performance of an obligation.

(106) “Litigation Claims” means all claims, rights of action, suits, or proceedings, whether in law or in equity, whether known or unknown, that the Reorganizing Debtors or the

Estates may hold against any Person, which are to be retained by the Reorganized Debtors pursuant to Section 4.07 of the Plan.

(107) “Management Incentive Program” means that certain post-Effective Date Management Incentive Program which shall be implemented to provide designated directors and members of senior management of the Reorganized CDX Gas with (i) New CDX Gas Membership Interests, (ii) options to purchase units of the New CDX Gas Membership Interests, or (iii) other awards, as applicable, as approved by the New Board of the Reorganized CDX Gas.

(108) “Membership Interest Schedule” means a schedule to the New LLC Agreement reflecting ownership of the New CDX Gas Membership Interests.

(109) “Mineral Activities” shall have the meaning set forth in Section 1.04 of the Disclosure Statement.

(110) “Mineral Leases” means any instrument by which the Reorganizing Debtors are granted the right to explore for and produce minerals, including liquid or gaseous hydrocarbons, but excluding Oil and Gas Leases.

(111) “New Board” means the initial board of directors of Reorganized CDX Gas.

(112) “New CDX Gas Membership Interests” means the membership interests of Reorganized CDX Gas to be authorized and issued on the Effective Date, pursuant to the Plan and as provided in the New LLC Agreement, which shall constitute all of the direct or indirect equity of Reorganized CDX Gas, subject to dilution by membership interests and profits interests issued under the Management Incentive Program and the New Warrants, and have the terms set forth in the Plan Supplement.

(113) “New LLC Agreement” means the limited liability agreement of Reorganized CDX Gas, dated as of the Effective Date, in substantially the same form set forth in the Plan Supplement, the terms of which shall be acceptable to the Second Lien Debt Agent.

(114) “New Warrant Agreement” means the agreement setting forth the terms and conditions of the New Warrants, which agreement shall be in form and substance acceptable to the Second Lien Debt Agent and the Senior Subordinated Debt Agent and filed with the Plan Supplement.

(115) “New Warrants” means the warrants to acquire membership interests in Reorganized CDX Gas which shall be subject to the terms and conditions of the New Warrant Agreement.

(116) “Oil and Gas Leases” means any and all unexpired instruments in favor of any Debtor by which a leasehold or working interest is created in oil and gas and/or other liquid or gaseous hydrocarbons, including methane.

(117) “Old CDX Gas Membership Interests” means the membership interests in CDX Gas existing on the Petition Date, including, if applicable, any preferred membership interests, warrants, options or rights, contractual or otherwise, to acquire or receive any such interests.

(118) “Other Priority Claims” means a Claim entitled to priority under sections 507(a)(3), (4), (5), (6), (7) and/or (9) of the Bankruptcy Code.

(119) “Other Secured Claim” means any Secured Claim, including Claims secured by Mechanics’ and Materialmen’s or similar liens, against any Reorganizing Debtor other than the First Lien Debt Claim, First Lien Debt Secured Guarantee Claim, Second Lien Debt Claim, Second Lien Debt Secured Guarantee Claim, BMO Secured Letter of Credit Claims and Compass Bank Secured Letter of Credit Claims.

(120) “Person” means an individual, partnership, limited liability company, trust, incorporated or unincorporated association, joint venture, joint stock company, government (or an agreed or political subdivision thereof) or other entity of any kind.

(121) “Petition Date” means, in regard to the Reorganizing Debtors, the date or dates on which each of the respective Reorganizing Debtors file their voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

(122) “Plan” means this joint plan of reorganization and all exhibits and schedules annexed hereto or referenced herein, as may be amended, modified or supplemented from time to time. Any reference to the “Plan,” in conjunction with a particular Reorganizing Debtor or otherwise, shall be construed as a reference to the particular Plan of a particular Reorganizing Debtor.

(123) “Plan Distribution” means the payment or distribution under the Plan of cash, assets, securities or instruments evidencing an obligation under the Plan or other property of any nature to any Holder of an Allowed Claim or Allowed Equity Interest.

(124) “Plan Supplement” means the compilation of documents and forms of documents, schedules and exhibits to the Plan or Disclosure Statement to be filed with the Bankruptcy Court not later than ten (10) days prior to the Plan Voting Deadline or such later date as may be approved by the Bankruptcy Court, as it may be altered, amended, modified or supplemented from time to time in consultation with the Second Lien Debt Agent in accordance with the terms of the Plan and in accordance with the Bankruptcy Code and the Bankruptcy Rules, provided that any document contained in the Plan Supplement requiring consent of the Second Lien Debt Agent shall not be amended without the consent of the Second Lien Debt Agent, comprising of, without limitation, the following: (a) the Amended Governance Documents; (b) to the extent known, the identity of the members of the New Board and the nature and compensation for any member of the New Board who is an “insider” under the Bankruptcy Code; (c) Schedule 6.01; (d) the Membership Agreement; (e) the New Warrants and (f) the terms of the Exit Financing; (g) the Creditors’ Trust Agreement; (h) the disclosure of the Creditors’ Trustee; and (i) the Acquisition Wind-Up Representative.

(125) “Plan Voting Deadline” means the deadline established by the Bankruptcy Court for voting on the Plan.

(126) “Prime Rate” means the Prime Rate published by *The Wall Street Journal* on the Effective Date in the table titled “Bonds, Rates & Yields”.

(127) “Priority Tax Claim” means a Claim that is entitled to priority pursuant to section 507(a)(8) of the Bankruptcy Code.

(128) “Pro Rata” means the proportion that the Face Amount of a Claim or Interest in a particular Class bears to the aggregate Face Amount of all Claims (including Disputed Claims) or all Interests (including Disputed Interests) in such Class, unless the Plan provides otherwise.

(129) “Professional” means any professional (a) employed in the Chapter 11 Cases pursuant to sections 327, 328 or 1103 of the Bankruptcy Code and to be compensated for services rendered pursuant to sections 327, 328, 329, 330 or 331 of the Bankruptcy Code or (b) seeking compensation and reimbursement pursuant to section 503(b)(4) of the Bankruptcy Code.

(130) “Professional Fee Claim” means a Claim of a Professional for compensation or reimbursement of expenses relating to services after the Petition Date through the Effective Date.

(131) “Protected Parties” shall mean the Released Parties, the Reorganizing Debtors, Reorganized Debtors, the Creditors’ Trustee and the Acquisition Wind-Up Representative and their past and present directors, managers, officers, owners, employees, agents, attorneys and other representatives.

(132) “Reallocation Procedure” means the process by which the Unsecured Creditor Membership Interest Allocation and New Warrants are reallocated by and among the Creditors’ Trust and the Holders of Senior Subordinated Debt Claims pursuant to Section 4.09 of the Plan.

(133) “Reinstated” or “Reinstatement” means (a) leaving unaltered the legal, equitable, and contractual rights to which a Claim or Interest entitles the Holder thereof so as to leave such Claim or Interest Unimpaired or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code; (ii) reinstating the maturity of such Claim as such maturity existed before such default; (iii) compensating the holder of such Claim for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and (iv) not otherwise altering the legal, equitable, or contractual rights to which such Claim entitles the holder of such Claim; *provided, however*, that any contractual right that does not pertain to the payment when due of principal and interest on the obligation on which such Claim is based, including, but not limited to, financial covenant ratios, negative pledge covenants, covenants or restrictions on merger or consolidation, and affirmative covenants regarding corporate existence prohibiting certain transactions or actions contemplated by the Plan, or conditioning such transactions or actions on certain factors, shall not be required to be reinstated in order to accomplish Reinstatement.

(134) “Released Parties” mean the Acquisition Equity Owners, First Lien Debt Agent, First Lien Debt Lenders, Second Lien Debt Agent, Second Lien Debt Lenders, Senior Subordinated Debt Agent, Senior Subordinated Debt Lenders and each of their respective past and present directors, managers, officers, owners, employees, agents, attorneys, advisors and other representatives.

(135) “Reorganized” when used with any specifically named Debtor or group of Debtors means that Debtor or group of Debtors after the Plan has been confirmed by the Bankruptcy Court and become Effective, including any Debtor merged into a Reorganizing Debtor as provided in any Plan.

(136) “Reorganized Debtors” means those Debtors whose particular Plan is confirmed by the Bankruptcy Court and such Plan has become Effective, including any Debtor merged with a Reorganizing Debtor as provided under any Plan.

(137) “Reorganizing” when used with any specifically named Debtor or group of Debtors means the Debtors proposing to reorganize as herein provided, including any Debtors being merged into another Debtor under the Plan.

(138) “Reorganizing Debtors” means (i) the CDX Gas Debtors, including any Debtor being merged into the CDX Gas Debtors as provided under any Plan and (ii) Acquisition.

(139) “Residual Assets” means the assets transferred to Holders of Allowed Second Lien Debt Secured Guarantee Claims under the CDX Rio Plan.

(140) “Restructuring” means, collectively, the transactions and transfers described in Section 4.03 of the Plan.

(141) “Roll-Up Transaction” means a dissolution or winding up of the corporate existence of a Reorganized Debtor under applicable state law or the consolidation, merger, contribution of assets, or other transaction in which a Reorganizing Debtor or a Reorganized Debtor, as the case may be, merges with or transfers substantially all of its assets and liabilities to another Reorganized Debtor or one or more of their Affiliates, on or after the Effective Date.

(142) “Schedules” means the schedules of assets and liabilities and statements of financial affairs filed by the Debtors pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007(b), as such schedules or statements may be amended or supplemented from time to time in accordance with Bankruptcy Rule 1009 or orders of the Bankruptcy Court.

(143) “Second Lien Debt Agent” means Credit Suisse, in its capacity as administrative agent under the Second Lien Debt Credit Agreement, or any successor agent appointed pursuant thereto.

(144) “Second Lien Debt Claim” means a Claim held by a Second Lien Debt Lender in an amount equal to all amounts due to such Second Lien Debt Lender pursuant to the Second Lien Debt Loan Documents, which amounts shall include, but are not limited to, all principal and accrued interest and fees outstanding as of the Petition Date, minus any amounts repaid prior to Consummation, which claims shall be allowed for all purposes of the Plan in the aggregate amount of \$431,863,139.12.

(145) “Second Lien Debt Collateral” means the Collateral pledged to secure the Second Lien Debt Claims under the Second Lien Debt Collateral Documents and the Cash Collateral Order.

(146) “Second Lien Debt Collateral Documents” means the Second Lien Debt Guarantee, the Second Lien Mortgage, the Intercreditor Agreement, the Second Lien Financing Statements, the Second Lien Patent Security Agreement, the Second Lien Trademark Security Agreement, the Deposit Control Agreement and any related documents evidencing a pledge of Collateral to secure the Second Lien Debt Claims.

(147) “Second Lien Debt Credit Agreement” means that certain Second Lien Debt Credit Agreement dated as of March 31, 2006, by and among CDX Gas, as borrower, Acquisition, the Second Lien Debt Agent and the financial institutions from time to time party thereto, as such agreement may have been subsequently modified, amended or supplemented.

(148) “Second Lien Debt Guarantee” means that certain Second Lien Guarantee and Collateral Agreement dated as of March 31, 2006 by and among CDX Funding, LLC, CDX Acquisition Company, LLC, certain domestic subsidiaries of CDX Acquisition, LLC and Credit Suisse, as administrative agent, as may have been amended from time to time.

(149) “Second Lien Debt Lender(s)” means the financial institutions or other Persons that are, or have been, from time to time a party, or parties, to the Second Lien Debt Credit Agreement.

(150) “Second Lien Debt Loan Documents” means the Second Lien Debt Credit Agreement, Second Debt Lien Collateral Documents and any and all other documents executed in connection with the Second Lien Debt Credit Agreement.

(151) “Second Lien Debt Secured Claim” means a Second Lien Debt Claim which is Secured.

(152) “Second Lien Debt Secured Guarantee Claim” means (i) a Claim held by a Second Lien Debt Lender against any of the Debtors under the Second Lien Debt Guarantee and (ii) a Claim against any property of any Debtor other than CDX Gas arising from any mortgage, security interest or Lien against such property securing the Second Lien Debt Secured Claims, regardless of whether or not such Debtor is a party to the Second Lien Debt Guarantee.

(153) “Second Lien Financing Statement” means the financing statements delivered pursuant to the Second Lien Debt Credit Agreement and/or the Second Lien Debt Loan Documents.

(154) “Second Lien Mortgages” means the mortgages, deeds of trust, leasehold mortgages, assignments of leases and rents, modifications and other security documents delivered pursuant to the Second Lien Credit Agreement and/or the Second Lien Debt Loan Documents.

(155) “Second Lien Patent Security Agreement” means that certain Second Lien Patent Security Agreement among CDX Gas and the Second Lien Debt Agent, as such agreement may have been amended from time to time.

(156) “Second Lien Trademark Security Agreement” means that certain Second Lien Trademark Security Agreement among CDX Gas and the Second Lien Debt Agent, as such agreement may have been amended from time to time.

(157) “Secured” means, when referring to a Claim: (a) secured by a Lien on property in which the Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Bankruptcy Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor’s interest in the Estate’s interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code or (b) Allowed pursuant to the Plan as a Secured Claim.

(158) “Securities Act” means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as now in effect or hereafter amended.

(159) “Senior Subordinated Credit Agreement” means that certain Senior Subordinated Term Loan Credit Agreement dated as of March 31, 2006 between CDX Funding, LLC, CDX Acquisition Company, LLC, Credit Suisse, as administrative agent, and the financial institutions from time to time parties thereto, as such agreement may have been amended from time to time.

(160) “Senior Subordinated Debt Agent” means Wells Fargo Bank, N.A. as successor to Credit Suisse in its capacity as administrative agent under the Senior Subordinated Credit Agreement.

(161) “Senior Subordinated Debt Claims” means a Claim held by a Senior Subordinated Debt Lender in an amount equal to all amounts due to such Senior Subordinated Lender pursuant to the Senior Subordinated Credit Agreement, which amounts shall include, but are not limited to, all principal and accrued interest and fees outstanding as of the Petition Date, minus any amounts paid prior to Consummation.

(162) “Senior Subordinated Debt Lenders” means the Persons that are, or have been, from time to time parties to the Senior Subordinated Credit Agreement.

(163) “Senior Subordinated Debt Membership Interest Allocation” means a percentage of the Unsecured Creditor Membership Interest Allocation derived from the following formula: $4.5\% * [A/B]$ where “A” means the aggregate amount of Allowed Senior Subordinated Debt Claims and “B” means the sum of the aggregate amount of Allowed General Unsecured Claims plus the aggregate amount of Allowed Senior Subordinated Debt Claims, subject to the Reallocation Procedure as provided in Section 4.09 of the Plan.

(164) “Senior Subordinated Debt New Warrant Allocation” means a percentage of the Unsecured Creditor New Warrant Allocation derived from the following formula: $10\% * [A/B]$ where “A” means the aggregate amount of Allowed Senior Subordinated Debt Claims and “B” means the sum of the aggregate amount of Allowed General Unsecured Claims plus the aggregate amount of Allowed Senior Subordinated Debt Claims, subject to the Reallocation Procedure as provided in Section 4.09 of the Plan.

(165) “Setoff Claim” means a Claim of a Holder that has a valid right of setoff with respect to such Claim, which right is enforceable under section 553 of the Bankruptcy Code as determined by a Final Order or as agreed in writing by the Debtors, to the extent subject to such right of setoff.

(166) “Substantial Contribution Claim” means a claim for compensation or reimbursement of costs and expenses incurred in making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4), or (5) of the Bankruptcy Code.

(167) “Unimpaired” means a Claim or Interest that is not Impaired.

(168) “Unsecured Claim” means any Claim that is neither Secured nor entitled to priority under the Bankruptcy Code or any order of the Bankruptcy Court, including any claim arising from rejection of an executory contract or unexpired lease under section 365 of the Bankruptcy Code.

(169) “Unsecured Creditor Membership Interest Allocation” means 4.5% of the New CDX Gas Membership Interests issued on the Effective Date subject to dilution on account of the Management Incentive Program and the New Warrants.

(170) “Unsecured Creditor New Warrant Allocation” means 10% of the New Warrants issued on the Effective Date subject to dilution on account of the Management Incentive Program.

Section 1.03 Rules of Interpretation

(a) General

For purposes of the Plan any reference in the Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions, (ii) any reference in the Plan to an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified, or supplemented, (iii) unless otherwise specified, all references in the Plan to Sections, Articles, Schedules, and Exhibits are references to Sections, Articles, Schedules, and Exhibits of or to the Plan, (iv) the words “herein,” “hereto” and “hereof refer to the Plan in its entirety rather than to a particular portion of the Plan, (v) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of the Plan, and (vi) the rules of construction set forth in section 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply.

(b) Rule of “Contra Proferentum” Not Applicable

This Plan is the product of extensive negotiations between and among, *inter alia*, the Debtors, the First Lien Debt Agent, Second Lien Debt Agent, the First Lien Debt Lenders, the Second Lien Debt Lenders, the Exit Financing Agent, and certain other Creditors and constituencies. Each of the foregoing was represented by independent counsel of their choice who either (i) participated in the formulation and documentation of or (ii) was afforded the

opportunity to review and provide comments on, the Plan, the Disclosure Statement, and the documents ancillary thereto. Accordingly, unless explicitly stated otherwise, the general rule of contract construction known as “*contra proferentum*” shall not apply to the construction or interpretation of any provision of this Plan, the Disclosure Statement, or any exhibit, schedule, contract, instrument, release, or other document generated in connection therewith.

Section 1.04 Computation of Time

In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) shall apply.

Section 1.05 Reference to Monetary Figures

All references in the Plan to monetary figures shall refer to legal currency of the United States of America, unless otherwise expressly provided.

Section 1.06 Reference to Debtors or Reorganized Debtors

Unless specifically provided otherwise in the Plan, references to the Reorganizing Debtors or Reorganized Debtors shall mean the Reorganizing Debtors (or a Reorganizing Debtor) and/or Reorganized Debtors (or a Reorganized Debtor), as the context may require.

ARTICLE II

UNCLASSIFIED CLAIMS

(Not Entitled To Vote On The Plan)

In accordance with section 1123(a)(l) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified and thus are excluded from the Classes of Claims and Interests set forth in Article III hereof. These unclassified Claims are treated as follows:

Section 2.01 Administrative Claims

Except as otherwise provided for in the Plan, and subject to the requirements of Section 12.01 of the Plan, each Holder of an Allowed Administrative Claim shall, in full satisfaction, release, settlement and discharge of such Allowed Administrative Claim: (a) to the extent such claim is due and owing on the Effective Date, be paid in full, in Cash, on the Distribution Date; (b) to the extent such claim is not due and owing on the Effective Date, be paid in full, in Cash, (i) in accordance with the terms of any agreement between the Reorganizing Debtors and such Holder, or when such claim becomes due and payable under applicable non-bankruptcy law or (ii) in the ordinary course of business; or (c) receive such other treatment as to which such Holder may agree with the Reorganizing Debtors or Reorganized Debtors.

Section 2.02 Superpriority Administrative Claims

Pursuant to the Cash Collateral Order, an allowed administrative claim of the highest order (“Superpriority Administrative Claims”) was provided to (i) the First Lien Debt Agent and the Second Lien Debt Agent for the benefit of (a) Holders of Allowed First Lien Debt Claims and Allowed First Lien Debt Guarantee Claims and (b) Holders of Allowed Second Lien Debt Claims and allowed Second Lien Debt Guarantee Claims, respectively, and (ii) to (a) Baker Hughes Oilfield Operations, Inc., through its divisions, Hughes Christensen Company and Baker Oil Tools (collectively “Baker Hughes”) and (b) Pinpoint Drilling Directional Services, LLC (“Pinpoint”), to the extent of any actual diminution in value of the Collateral securing their respective Claims.

Pursuant to the Plan, Holders of allowed First Lien Debt Claims and First Lien Debt Guarantee Claims will be paid in full as of the Effective Date and, as a result, such Holders have not been harmed by diminution in value of their Collateral.

Holders of Allowed Second Lien Debt Secured Claims and Allowed Second Lien Debt Secured Guarantee Claims have suffered significant diminution in value of the Collateral securing such Claims in an amount not less than \$200 million. In full satisfaction, release, settlement and discharge of such Allowed Superpriority Administrative Claims, the Reorganizing Debtors shall, on the Effective Date, transfer, assign or otherwise convey (i) all Avoidance Actions and (ii) the Acquisition Cash to the Second Lien Debt Agent, on behalf of the Second Lien Debt Lenders, who in turn will be deemed to simultaneously transfer, assign or otherwise convey (i) the Avoidance Actions and (ii) the Acquisition Cash to Reorganized CDX Gas.

The Debtors assert that Baker Hughes and Pinpoint did not suffer a failure of adequate protection or diminution in value of any Secured Claim as, pursuant to Bankruptcy Code § 506(a), the entirety of Baker Hughes’ and Pinpoint’s Claims, if any, are unsecured. Should the Bankruptcy Court determine that either Baker Hughes or Pinpoint hold Allowed Superpriority Administrative Claims, such Allowed Superpriority Administrative Claims shall be paid in cash in full when such Claims are Allowed.

Section 2.03 Priority Tax Claims

Each Holder of an Allowed Priority Tax Claim shall, in full satisfaction, release and discharge thereof, receive (i) such treatment as to which such Holder may agree with the applicable Reorganizing Debtor or Reorganized Debtor, as the case may be, or (ii) at the sole option of the applicable Reorganizing Debtor or Reorganized Debtor, as the case may be, (a) payment in full of such Allowed Priority Tax Claim on the Distribution Date or (b) treatment in accordance with the provisions of section 1129(a)(9)(C) or section 1129(a)(9)(D) of the Bankruptcy Code, as the case may be.

ARTICLE III

CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

Section 3.01 Introduction

The categories of Claims and Interests set forth below classify Claims and Interests for all purposes, including for purposes of voting, confirmation and distribution pursuant to this Plan and sections 1122 and 1123(a)(1) of the Bankruptcy Code. A Claim or Interest shall be deemed classified in a particular Class only to the extent that it qualifies within the description of such Class, and shall be deemed classified in other Classes to the extent that any portion of such Claim or Interest qualifies within the description of such other Classes. Notwithstanding anything to the contrary in this Plan, a Claim or Interest shall be deemed classified in a Class only to the extent that such Claim or Interest has not been paid, released, or otherwise settled prior to the Effective Date.

All Claims (except for Administrative Claims, Superpriority Administrative Claims and Priority Tax Claims, which are not classified pursuant to section 1123(a)(1) of the Bankruptcy Code) are classified in sections 3.03 through 3.10 below.

Section 3.02 Voting; Presumptions

(a) Acceptance by Impaired Classes

Each Impaired Class of Claims that will (or may) receive or retain property or any interest in property under the Plan shall be entitled to vote to accept or reject the Plan. An Impaired Class of Claims shall have accepted the Plan if (i) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Claims actually voting in such Class have voted to accept the Plan and (ii) the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of more than one-half in number of the Allowed Claims actually voting in such Class have voted to accept the Plan. An Impaired Class of Interests shall have accepted the Plan if the Holders (other than any Holder designated under section 1126(e) of the Bankruptcy Code) of at least two-thirds in amount of the Allowed Interests actually voting in such Class have voted to accept the Plan.

(b) Voting Presumptions

Claims and Interests in Unimpaired Classes are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan. Claims and Interests in Classes that do not entitle the Holders thereof to receive or retain any property under the Plan are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code and, therefore, are not entitled to vote to accept or reject the Plan.

Section 3.03 CDX Acquisition Company, LLC

The Plan for Acquisition will be a liquidating Plan. On the Effective Date, Acquisition shall be dissolved by operation of the Plan without any further action by the members, shareholders, directors, managers or any other Person or Entity holding any Equity Interest in Acquisition. The Acquisition Wind-Up Representative will be appointed by authorized representatives of the Acquisition Equity Owners. The Acquisition Wind-Up Representative is hereby authorized to make any and all filings and take such actions as may be necessary or appropriate under applicable law to effectuate the dissolution and winding up of Acquisition, including taking possession and control of the assets of Acquisition and making distributions under the Acquisition Plan. The Acquisition Wind-Up Representative will be disclosed in the Plan Supplement. The assets of Acquisition, other than the Old CDX Gas Membership Interests, which are being cancelled under the CDX Gas Plan, will be sold or otherwise reduced to cash and distributed to creditors in accordance with applicable priorities and provisions of such Plan.

(a) Class A1: First Lien Debt Secured Guaranty Claims

In full satisfaction, release and discharge of any such claims, and any liens, charges, security interests or other encumbrances or interests of any nature, in assets of Acquisition, each Holder of an Allowed First Lien Debt Secured Guaranty Claim shall receive the distributions provided to the Holders of Allowed First Lien Debt Claims (Class B1) under the CDX Gas Plan.

(b) Class A2: Second Lien Debt Claims

In full satisfaction, release and discharge of any such Claims, and any liens, charges, security interests or other encumbrances or interests of any nature in assets of Acquisition, each Holder of an Allowed Second Lien Debt Claim shall receive the distributions provided to Allowed Second Lien Debt Claims (Class B2) under the CDX Gas Plan.

(c) Class A3: Other Secured Claims

Holders of Allowed Other Secured Claims shall receive the treatment provided in Section 3.06(a), below.

(d) Class A4: Other Priority Claims

Holders of Allowed Other Priority Claims shall receive the treatment provided in Section 3.06(b), below.

(e) Class A5: General Unsecured Claims

Holders of Allowed General Unsecured Claims shall receive no distribution on their Claims.

(f) *Class A6: Intercompany Claims*

All Intercompany Claims between Acquisition and any other Reorganizing Debtor will be extinguished. To the extent any other Debtors have Intercompany Claims against Acquisition, such Debtors shall receive no distribution under the Acquisition Plan.

(g) *Class A7: Acquisition Membership Interests*

The Acquisition Membership Interests shall be cancelled, and Holders of Allowed Class A7 Interests shall receive no distribution under the Plan.

Section 3.04 CDX Gas, LLC

(a) *Class B1: First Lien Debt Claims*

In full satisfaction, release and discharge of any such Claims and liens, charges, security interest or other interests in the assets of CDX Gas and its Affiliates (excluding Acquisition), Holders of Allowed First Lien Debt Claims shall receive on the Distribution Date payment in full, in cash, the amount of their Allowed First Lien Debt Claim.

(b) *Class B2: Second Lien Debt Secured Claims*

In (i) full satisfaction, release and discharge of any such claims and any liens, charges, security interests or other interests in the assets of CDX Gas and any of the Reorganizing CDX Gas Debtors and (ii) consideration of the contribution of the CD Exploration New Membership Interests and the Residual Assets to Reorganizing CDX Gas or Reorganized CDX Gas, as the case may be, each Holder of an Allowed Second Lien Debt Secured Claim shall receive on account of such Claim such Holder's pro rata share of 95.5% of the New CDX Gas Membership Interests, subject to dilution as of, and after, the Effective Date on account of the Management Incentive Program and New Warrants. Any and all outstanding fees and expenses of counsel and financial advisors to the Second Lien Debt Agent shall be paid in full in Cash on the Effective Date.

(c) *Class B3: BMO Secured Letter of Credit Claims*

On the Distribution Date, either (i) the BMO Secured Letter of Credit will be replaced by another letter of credit with a full release of all obligations of BMO under the BMO Secured Letter of Credit or (ii) the BMO Secured Letter of Credit will remain in full force and effect and Reorganized CDX Gas will deposit Cash in the amount of \$165,000 with BMO to secure repayment and other obligations owed with respect to the BMO Secured Letter of Credit in the event demand is made for payment by the beneficiary of the BMO Secured Letter of Credit. Upon the occurrence of either (i) the BMO Secured Letter of Credit being replaced and BMO being released from all obligations under the BMO Secured Letter of Credit or (ii) Reorganized CDX Gas depositing Cash in the amount of \$165,000 with BMO, all liens in and to the First Lien Debt Collateral, or any other Collateral (other than the \$165,000 cash deposited as herein provided), securing the repayment and other obligations relating to the BMO Secured Letter of Credit shall be released and terminated and no longer existing in any manner. Except as herein

provided, the rights, duties and obligations of CDX Gas and BMO arising under or relating to the BMO Secured Letter of Credit shall remain in full force and effect.

(d) Class B4: Compass Bank Secured Letter of Credit Claims

The Compass Bank Secured Letters of Credit will remain in full force and effect for the benefit of the Reorganized CDX Gas Debtors. The legal, equitable and contractual rights of Compass Bank in regard to the Compass Bank Secured Letters of Credit shall be Reinstated.

(e) Class B5: Other Secured Claims

Holders of Allowed Class B5 Claims shall receive the treatment provided in Section 3.06(a), below.

(f) Class B6: Other Priority Claims

Holders of Allowed Class B6 Claims shall receive the treatment provided in Section 3.06(b), below.

(g) Class B7: General Unsecured Claims

In full satisfaction, release and discharge of any such claims and any liens, charges, security interests or other interests in the assets of CDX Gas and any of the Reorganizing CDX Gas Debtors each Holder of an Allowed General Unsecured Claim shall receive on the Effective Date³ on account of such Claim such Holder's pro rata share of 100% of the Creditors' Trust Interests as may be reallocated from time to time pursuant to the Creditors' Trust Agreement.

(h) Class B8: Senior Subordinated Debt Claims

(1) In full satisfaction, release and discharge of any such claims and any liens, charges, security interests or other interests in the assets of CDX Gas and any of the Reorganizing CDX Gas Debtors each Holder of an Allowed Senior Subordinated Debt Claim shall receive on the Effective Date on account of such Claim the following: (x) such Holder's Pro Rata share of the New CDX Gas Membership Interests allocated to Holders of Senior Subordinated Debt Claims pursuant to the Senior Subordinated Debt Membership Interest Allocation, and (y) each Holder's Pro Rata share of New Warrants allocated to Holders of Senior Subordinated Debt Claims pursuant to the Senior Subordinated Debt New Warrant Allocation, with both (x) and (y) subject to dilution as of, and after, the Effective Date on account of the Management Incentive Program and New Warrants, and as may be reallocated from time to time pursuant to the Reallocation Procedure. All outstanding fees and expenses of the Senior Subordinated Debt Agent and counsel to the Senior Subordinated Debt Agent shall be paid in full in Cash on the Effective Date; provided, however, such fees and expenses shall not exceed \$50,000.

³ Holders of Disputed General Unsecured Claims that become Allowed General Unsecured Claims after the Effective Date shall receive distributions pursuant to Section 7.04 of the Plan.

(i) *Class B9: Intercompany Claims*

Allowed Class B9 Claims shall be treated as provided in Section 3.06(c), below.

(j) *Class B10: Equity Interests*

Equity Interests in CDX Gas will be cancelled or otherwise terminated and Holders of such interests will receive no distribution.

(k) *Class B11: Former Employee/Investor Litigation Claims*

Class B11 consists of the Former Employees/Investors Litigation Claims. CDX Gas disputes the validity of such Claims and asserts that if the Former Employees/Investors Litigation Claims are valid, such Claims are Claims subject to subordination under 11 U.S.C. § 510(b) of the Bankruptcy Code or are otherwise Claims for equity type interests that are subordinate to Claims of Creditors. Allowed Former Employees/Investors Litigation Claims shall receive the following treatment:

(1) To the extent Allowed Former Employees/Investors Litigation Claims are found to be the type of Claims subject to subordination under 11 U.S.C. § 510(b) or are otherwise Claims for equity type interests in Reorganizing CDX Gas, the Holders of Allowed Former Employees/Investors Litigation Claims shall receive the same treatment as, and be included in, Class B10, Equity Interests.

(2) To the extent Allowed Former Employees/Investors Litigation Claims are found not to be subject to subordination under 11 U.S.C. §510(b) or otherwise Claims for equity type interests in Reorganizing CDX Gas, the Holders of Allowed Former Employees/Investors litigation Claims shall receive the same treatment as, and be included in, Class B7, General Unsecured Claims.

Section 3.05 CD Exploration, LLC (formerly CD Exploration, Inc.)

(a) *Class C1: First Lien Secured Guarantee Claims*

Except as provided in the CDX Gas Plan, in full satisfaction, release and discharge of any such claims, and any liens, charges, security interests, or other encumbrances or other interests of any nature in the assets of CD Exploration, each Holder of an Allowed First Lien Secured Guaranty Claim shall receive only the distributions provided to Allowed First Lien Debt Claims (Class B1) under the CDX Gas Plan.

(b) *Class C2: Second Lien Secured Guarantee Claims*

In full satisfaction, release and discharge of all claims and any liens, charges, security interests, or other encumbrances or interests of any nature in the assets of CD Exploration, and any entity merged into CD Exploration, each Holder of an Allowed Second Lien Secured Guaranty Claim shall receive its pro rata share of the CD Exploration New Membership

Interests, which equity shall be deemed to be simultaneously contributed on the Effective Date to Reorganized CDX Gas.

(c) *Class C3: Other Secured Claims*

Holders of Allowed Other Secured Claims shall receive the treatment provided in Section 3.06(a), below.

(d) *Class C4: Other Priority Claims*

Holders of Allowed Other Priority Claims shall receive the treatment provided in Section 3.06(b), below.

(e) *Class C5: General Unsecured Claims*

Holders of Allowed General Unsecured Claims shall receive no distribution on their Claims.

(f) *Class C6: Intercompany Claims*

On the Effective Date, or as soon as reasonably practicable thereafter, the Intercompany Claims between CD Exploration and CDX Canada shall be offset as provided in Section 4.04(g) of the Plan. All other Allowed Class C6 Claims shall be treated as provided in Section 3.06(c), below.

(g) *Class C7: Intercompany Interests*

Existing Intercompany Interests held by CDX Gas in CD Exploration will be cancelled or otherwise terminated and Holders of such interests will receive no distribution under the Plan.

Section 3.06 Treatment of Certain Claims

(a) *Other Secured Claims: Classes A3, B5 and C3*

Except as otherwise provided in this Section 3.06(a) or in any applicable Plan, on, or as soon as reasonably practicable after, the latest of (i) the Distribution Date, (ii) the date on which such Other Secured Claim becomes an Allowed Other Secured Claim or (iii) the date on which such Other Secured Claim becomes due and payable pursuant to any agreement between a Debtor and the Holder of an Allowed Other Secured Claim, each Holder of an Allowed Other Secured Claim shall receive in full satisfaction, release, settlement, and discharge of and in exchange for such Allowed Other Secured Claim: (a) at the sole discretion of the Reorganizing Debtors or Reorganized Debtors, as applicable, (w) Cash equal to the unpaid portion of such Allowed Other Secured Claim, (x) Reinstatement of the legal, equitable and contractual rights of the Holder of such Allowed Other Security Claim, subject to the provisions of Article 6 of the Plan, (y) the property serving as collateral for its claim, or (z) retention of said liens and equal quarterly payments, plus interest at the Prime Rate, beginning on the first quarterly anniversary of the Effective Date designed to amortize such Allowed Other Secured Claim over a three-year period commencing on the Effective Date, or (b) such other treatment as the Debtors and such

Holder shall have agreed in writing. The Reorganizing Debtors or Reorganized Debtors, as applicable, failure to object to any Other Secured Claim in the Chapter 11 Cases shall be without prejudice to the rights of the Reorganizing Debtors or the Reorganized Debtors to contest or otherwise defend against such claim in the appropriate forum when and if such claim is sought to be enforced by the Holder of such claim. Nothing in the Plan or elsewhere shall preclude the Reorganizing Debtors or Reorganized Debtors from challenging the validity or priority of any alleged encumbrance on any asset and an Other Secured Claim will qualify as an Allowed Secured Other Secured Claim only if the liens securing such Claims have priority on the Petition Date over the liens and security interests of the First Lien Debt Claims and the Second Lien Debt Claims. For purposes of the Plan, each Other Secured Claim will be deemed a separate subclass.

Upon payment in full of any Allowed Other Secured Claim, such Holder of such Allowed Other Secured Claim shall execute such documents as reasonably requested by the Reorganizing Debtor(s) or Reorganized Debtor(s) in form and substance as may be necessary or appropriate to evidence the satisfaction and release of any Lien(s) securing such Allowed Other Secured Claims and the Reorganizing Debtor(s) or Reorganized Debtor(s) are authorized to cause the filing of such documents with any or all governmental or other entities as necessary or appropriate to effect such release of Lien(s). If such Holder fails to execute such documents, the Reorganizing Debtor(s) or Reorganized Debtor(s) are authorized to execute such documents on behalf of such Holder and to cause the filing of such documents with any or all governmental or other entities as necessary or appropriate to effectuate such release of Lien(s).

(b) Other Priority Claims: Classes A4, B6 and C4

Other Priority Claims consist of, but are not limited to, employee claims for wages, vacation pay, severance pay, contributions to benefit plans and other similar items. Except as otherwise provided in any applicable Plan, Holders of Allowed Other Priority Claims shall, in full satisfaction, discharge and release of such Allowed Other Priority Claim, receive either (i) to the extent such claim is due and owing on the Effective Date, payment in full, in Cash, on the Distribution Date, (ii) to the extent such claim is not due and owing on the Effective Date, payment in full, in cash, in accordance with the terms of any agreement between such Claimant and applicable Reorganizing Debtors or Reorganized Debtors, or when such Allowed Other Priority Claim becomes due and owing under (a) applicable non-bankruptcy law, or (b) in the ordinary course of business, or (iii) such other treatment as may be agreed to by such Holder and the applicable Reorganizing Debtors or Reorganized Debtors.

(c) Intercompany Claims

Except as otherwise provided in the Plan, on or after the Effective Date, all Intercompany Claims of the Reorganized CDX Gas Debtors will be adjusted, continued, cancelled or otherwise discharged to the extent determined appropriate by the Reorganized CDX Gas Debtors. Notwithstanding the foregoing, and except as otherwise provided in the Plan, any Intercompany Claim held against a Reorganizing Debtor by a Debtor not reorganizing pursuant to this Plan shall be cancelled or otherwise terminated. To the extent any Intercompany Claim is cancelled or otherwise discharged, the Holder of such Intercompany Claim shall receive no distribution under the Plan.

Section 3.07 Unimpaired Classes of Claims

Classes A4, B4, B6 and C4 are unimpaired.

Section 3.08 Impaired Classes of Claims Entitled to Vote on the Plan

Classes A1, A2, A3, B1, B2, B3, B5, B7, B8, B11, C1, C2 and C3 are impaired and entitled to vote on the Plan.

Section 3.09 Impaired Classes of Claims Receiving No Distribution Under the Plan

Classes A5, A6, A7, B9, B10, C5, C6 and C7 are receiving no distribution under the Plan and are deemed to have voted not to accept the Plan.

Section 3.10 Special Provision Regarding Unimpaired Claims

Except as otherwise provided in the Plan, nothing shall affect the Reorganizing Debtors' or Reorganized Debtors' rights and defenses, both legal and equitable, with respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable defenses to Setoff Claims or recoupments against Unimpaired Claims.

Section 3.11 Cram Down

If any Class of Claims or Interests entitled to vote on the Plan shall not vote to accept the Plan, the Debtors shall (i) seek confirmation of the Plan under section 1129(b) of the Bankruptcy Code or (ii) amend or modify the Plan in accordance with Article IX of the Plan. With respect to any Class of Claims or Interests that is deemed to reject the Plan, the Debtors shall request that the Bankruptcy Court confirm or "cram down" the Plan pursuant to section 1129(b) of the Bankruptcy Code.

Section 3.12 Allocation

The value of any New CDX Membership Interests received by Holders of Claims in satisfaction of interest-bearing obligations shall be allocated first to the full satisfaction of principal of such interest-bearing obligations and second in satisfaction of any accrued and unpaid interest.

ARTICLE IV

MEANS FOR IMPLEMENTATION OF THE PLAN

Section 4.01 Continued Corporate Existence

Following the Effective Date, the Reorganized Debtors shall continue to exist as separate corporate entities or limited liability companies, as the case may be, in accordance with applicable non-bankruptcy law and pursuant to their Governance Documents in effect prior to the Effective Date, except to the extent that such Governance Documents are amended by the terms of this Plan or the Amended Governance Documents. After the Effective Date, the

Reorganized Debtors will be free to act in accordance with applicable government laws, including, without limitation, sale of assets, mergers, dissolution and name changes.

Section 4.02 Merger of Certain Affiliated Debtors

The management of CDX Gas and CD Exploration, respectively, have determined that it is beneficial to the overall operation of its business to (i) merge CDX Barnett, CDX Shale, CDX Minerals, CDX Panther and CDX Plum Creek with and into CDX Gas and (ii) merge CDX East and CMV JV with and into CD Exploration. CDX Gas and CD Exploration further believe that the merger of these affiliates into CDX Gas and CD Exploration, respectively, will have a *de minimis* effect on CDX Gas' creditors and CD Exploration's creditors, respectively. All Claims against CDX Minerals, CDX Panther and CDX Plum Creek will be treated for all purposes as Claims against CDX Gas under the CDX Gas Plan. All Claims against CDX East and CMV JV will be treated for all purposes as Claims against CD Exploration under the CD Exploration Plan. CDX Gas and CD Exploration further believe that elimination of these separate entities will eliminate significant administrative costs.

Section 4.03 Corporate Action

(a) Amended Governance Documents

On the Effective Date, or as soon as reasonably practicable thereafter, the Reorganized CDX Gas shall file the Amended Governance Documents with the Secretary of State of the State of Delaware and each of the other Reorganizing Debtors shall file applicable Amended Governance Documents in their applicable jurisdiction of formation or incorporation that such Reorganized Debtor deems necessary or appropriate to carry out the provisions of the Plan. The Amended Governance Documents shall prohibit the issuance of nonvoting equity securities, subject to further amendment of such Amended Governance Documents as permitted by applicable law.

(b) Other General Corporate Matters

On the Effective Date or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary or appropriate to effectuate the Plan, including: (1) the execution and delivery of appropriate agreements or other documents of merger, consolidation, or reorganization containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan; (3) the filing of appropriate certificates of incorporation, merger, or consolidation with the appropriate governmental authorities pursuant to applicable law; (4) the Roll-Up Transactions; and (5) all other actions that the Reorganized Debtors determine are necessary or appropriate, including the making of filings or recordings in connection with the relevant Roll-Up Transactions. The form of each Roll-Up Transaction shall be determined by the Reorganized Debtor that is party to such Roll-Up Transaction. Implementation of the Roll-Up Transactions shall not affect any distributions, discharges, exculpations, releases, or injunctions set forth in the Plan. Prior to the

Effective Date, the Debtors shall have obtained the consent of the Second Lien Debt Agent regarding their intentions with respect to the Roll-Up Transactions.

Each of the matters provided for by the Plan involving the corporate structure of the Debtors or corporate or related actions to be taken by or required of the Reorganized Debtors shall, as of the Effective Date, be deemed to have occurred and be effective as provided in the Plan (except to the extent otherwise indicated), and shall be authorized, approved, and, to the extent taken prior to the Effective Date, ratified in all respects without any requirement of further action by Holders of Claims or Interests, directors of the Reorganizing Debtors or Reorganized Debtors, as the case may be, or any other Entity.

Section 4.04 Restructuring Transactions

(a) *Separate Plans*

ALTHOUGH STYLED AS A “JOINT PLAN,” THE PLAN CONSISTS OF THREE (3) SEPARATE PLANS, ONE FOR EACH OF THE REORGANIZING DEBTORS. FOR PURPOSES OF VOTING ON AND RECEIVING DISTRIBUTIONS, VOTES WILL BE TABULATED SEPARATELY FOR EACH REORGANIZING DEBTOR’S PLAN AND DISTRIBUTIONS WILL BE MADE SEPARATELY TO EACH SEPARATE CLASS AS PROVIDED IN THE PLAN. EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, ALLOWED CLAIMS AND INTERESTS HELD AGAINST ONE REORGANIZING DEBTOR SHALL BE SATISFIED SOLELY FROM THE ASSETS OF THAT PARTICULAR REORGANIZING DEBTOR AND/OR ITS BANKRUPTCY ESTATE, PROVIDED, HOWEVER, THAT TO THE EXTENT OF ANY LIABILITY ON THE PART OF A PARTICULAR REORGANIZING DEBTOR TO MAKE A DISTRIBUTION UNDER THE PLAN, ANY OF THE OTHER REORGANIZING DEBTORS OR REORGANIZED DEBTORS MAY, BUT ARE NOT OBLIGATED TO, ADVANCE FUNDS OR PROPERTY TO ENABLE SUCH REORGANIZING DEBTOR TO MAKE THE DISTRIBUTION OR DISTRIBUTIONS. HOWEVER, THERE IS NO GUARANTEE THAT A PARTICULAR CREDITOR WITH A CLAIM AGAINST A PARTICULAR REORGANIZING DEBTOR WILL BE PAID IN FULL. EXCEPT AS SPECIFICALLY SET FORTH IN THE PLAN, NOTHING IN THE PLAN OR DISCLOSURE STATEMENT SHALL CONSTITUTE OR BE DEEMED TO CONSTITUTE AN ADMISSION THAT ANY ONE OF THE REORGANIZING DEBTORS IS SUBJECT TO OR LIABLE FOR ANY CLAIM AGAINST ANY OTHER REORGANIZING DEBTOR. EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, A CLAIM AGAINST MULTIPLE REORGANIZING DEBTORS, TO THE EXTENT ALLOWED IN EACH RESPECTIVE REORGANIZING DEBTORS’ CASE, SHALL BE TREATED AS A SEPARATE CLAIM AGAINST EACH REORGANIZING DEBTORS’ ESTATE FOR ALL PURPOSES (INCLUDING, BUT NOT LIMITED TO, VOTING AND DISTRIBUTION); PROVIDED, HOWEVER, THAT NO HOLDER SHALL BE ENTITLED TO RECEIVE MORE THAN PAYMENT IN FULL OF ITS ALLOWED CLAIM AND SUCH CLAIM SHALL BE ADMINISTERED AND TREATED IN THE MANNER PROVIDED BY THE PLAN. A FAILURE TO CONFIRM ANY ONE OR MORE OF THE PLANS SHALL NOT AFFECT OTHER PLANS CONFIRMED BY THE COURT; PROVIDED, HOWEVER, THAT THE REORGANIZING DEBTORS

RESERVE THE RIGHT TO WITHDRAW ANY AND ALL PLANS FROM CONFIRMATION IF ANY ONE OR MORE PLANS DEEMED CRITICAL TO THE OTHER PLANS ARE NOT CONFIRMED.

(b) Issuance of New CDX Gas Membership Interests and CD Exploration New Membership Interests

The issuance by Reorganized CDX Gas of the New CDX Gas Membership Interests, including the profit interests, if any, or other awards, if any, in connection with the Management Incentive Program, and the issuance of the CD Exploration New Membership Interests, respectively, is hereby authorized without the need for any further corporate action under applicable law, regulation order or rule and without any further action by holders of Claims or Interests. Such securities shall be distributed in accordance with the Plan. The New CDX Gas Membership Interests shall not be registered under applicable securities laws and neither the Debtors nor the Reorganized Debtors shall have any obligation to register the New CDX Gas Membership Interests. All of the New CDX Gas Membership Interests and the CD Exploration New Membership Interests issued pursuant to the Plan shall be duly authorized, validly issued and, if applicable, fully paid and non-assessable. Each distribution and issuance referred to in the Plan shall be governed by the terms and conditions set forth herein as applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance. **NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PLAN, THE NEW CDX GAS MEMBERSHIP INTERESTS WILL INITIALLY NOT BE CERTIFICATED AND OWNERSHIP WILL BE REFLECTED ON THE MEMBERSHIP INTEREST SCHEDULE TO THE NEW LLC AGREEMENT.**

Upon the Effective Date, the New LLC Agreement shall be deemed to become valid, binding and enforceable in accordance with its terms, and each Holder of New CDX Gas Membership Interests shall be bound thereby, in each case, without need for execution by any party thereto other than Reorganized CDX Gas.

(c) Issuance of New Warrants

The issuance of the New Warrants by Reorganized CDX Gas is authorized without the need for any further corporate action or without any further action by a Holder of Claims or Interests. On the Effective Date, or as soon as reasonably practicable thereafter, the New CDX Gas Warrants shall be issued in accordance with the Plan. Each distribution and issuance shall be governed by the terms and conditions set forth herein applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall be acceptable to the Second Lien Debt Agent and bind each Entity receiving such distribution or issuance. Any New CDX Gas Membership Interests issued in connection with the New Warrants shall be subject to the terms of the New LLC Agreement, and such recipient of New CDX Membership Interests issued pursuant to the exercise of any New Warrants will be deemed to be bound by the terms of the New LLC Agreement. The New Warrants Agreement shall be deemed to become valid, binding and enforceable in accordance with its terms, and each Holder of a New CDX Gas Warrant shall

be bound thereby, in each case, without need for execution by any party thereto other than Reorganized CDX Gas.

(d) Securities Exemption

The Confirmation Order shall provide that, pursuant to section 1145 of the Bankruptcy Code, the issuance of the New CDX Gas Membership Interests and, if applicable, the CD Exploration New Membership Interests shall be exempt from the registration requirements of the Securities Act, as amended, and any other applicable law requiring registration prior to the offering, issuance, distribution or sale of securities; provided, that if the issuance of any of the New CDX Gas Membership Interests does not qualify for an exemption under section 1145 of the Bankruptcy Code, the New CDX Gas Membership Interests and, if applicable, the CD Exploration New Membership Interests will be issued in reliance upon another available exemption from the registration requirements of the Securities Act. In the event the issuance of any of the New CDX Gas Membership Interests and, if applicable, the CD Exploration New Membership Interests does not qualify for the exemption from securities laws under section 1145 of the Bankruptcy Code and the Debtors elect to pursue an exemption from registration under Rule 506 under the Securities Act for securities issued only to “accredited investors,” then each such Holder of an Allowed Claim may be required, as a condition to receiving such New CDX Gas Membership Interests and, if applicable, the CD Exploration New Membership Interests to provide the Reorganizing Debtors with a representation, in form and substance reasonably satisfactory to the Reorganizing Debtors, that it is an “accredited investor” and such other representations as the Debtors may reasonably request in order to determine that such shares of New CDX Gas Membership Interests and, if applicable, the CD Exploration New Membership Interests, were offered and issued in a private placement to “accredited investors” only under Rule 506 under the Securities Act. All securities issued pursuant to the Plan will be deemed issued as of the Effective Date regardless of the date actually distributed.

(e) Exit Financing

On the Effective Date, the Reorganized CDX Gas Debtors will enter into the Exit Financing, the terms and conditions of which shall be acceptable to the Second Lien Debt Agent. Confirmation shall be deemed approval of the Exit Financing (including the transactions contemplated thereby, such as any supplementation or additional syndication of the Exit Financing, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized CDX Gas Debtors in connection therewith, including the payment of all fees, indemnities, and expenses provided for therein) and authorization for the Reorganized CDX Gas Debtors to execute and deliver the Exit Financing Loan Documents and such other documents as the Exit Financing Lenders may require to effectuate the Exit Financing, subject to such modifications as the Reorganized CDX Gas Debtors may deem to be reasonably necessary to consummate the Exit Financing with the consent of Second Lien Debt Agent.

(f) Conversion or Dismissal of Certain Debtors' Chapter 11 Bankruptcy Cases

If the CDX Gas Plan is confirmed and becomes effective, the Chapter 11 Bankruptcy Cases of CDX Tapicito, CDX BC, CDX Sequoya, CDX Gas International, CDX Services, CDX Isolate, Cahaba Gathering and CDX Operating will be, at the option of Reorganizing CDX Gas,

either (i) converted to cases under Chapter 7 of the Bankruptcy Code or (ii) dismissed. The Confirmation Order shall authorize such conversion or dismissal.

(g) Equity Contribution by CDX Gas to CD Exploration and Offset of Intercompany Claims Between CD Exploration and CDX Canada

CDX Gas currently holds an intercompany claim against CDX Canada in the approximate amount of \$31.0 million. On the Effective Date, CDX Gas will transfer as an equity contribution to CD Exploration in the approximate amount of \$7.3 million of such intercompany claim and after such contribution, CDX Canada and Reorganized CD Exploration will effect offsets of all Intercompany Claims between Reorganized CD Exploration and CDX Canada.

Section 4.05 Directors And Officers

The initial board of directors of Reorganized CDX Gas shall consist of five (5) directors designated by the Second Lien Debt Agent, the identity of whom shall be disclosed in the Plan Supplement. The members of the initial boards of directors for the Reorganized CD Exploration shall be selected by the initial board of directors for Reorganized CDX Gas and shall consist of officers or directors of Reorganized CDX Gas. To the extent any such Person is an Insider (as defined in section 101(31) of the Bankruptcy Code), the nature of any compensation for such Person will also be disclosed prior to the Confirmation Hearing. Each of the Persons on the initial Boards of Directors of the respective Reorganized Debtors (except Reorganized Acquisition) shall serve in accordance with the Amended Governance Documents of the respective Reorganized Debtor (except Reorganized Acquisition), as the same may be amended from time to time.

The initial officers of each of the Reorganized Debtors (except Reorganized Acquisition) shall be designated by the Second Lien Debt Agent and disclosed in the Plan Supplement. To the extent any such Person is an Insider (as defined in section 101(31) of the Bankruptcy Code), the nature of any compensation for such Person will also be disclosed at such time. The initial officers shall serve in accordance with the Amended Governance Documents of the applicable Reorganized Debtor, as the same may be amended from time to time.

Section 4.06 Revesting Of Assets

Except as otherwise set forth herein, in the Plan Supplement or in the Confirmation Order, as of the Effective Date, all property of the Debtors being reorganized hereunder or merged into CDX Gas or CD Exploration shall revert in the applicable Reorganized Debtors free and clear of all Claims, Liens, encumbrances and other Interests. From and after the Effective Date, the Reorganized Debtors may operate (or liquidate and wind up) their businesses and use, acquire and dispose of property and settle and compromise claims or interests without supervision by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and the Confirmation Order. Without limiting the generality of the foregoing, the Reorganized Debtors may, without application to or approval by the Bankruptcy Court, pay fees that they incur after the Effective Date for professional fees and expenses.

Section 4.07 The Creditors' Trust and Creditors' Trustee

(a) Generally

The powers, authority, responsibilities, and duties of the Creditors' Trust and the Creditors' Trustee are set forth in and will be governed by the Creditors' Trust Agreement.

(b) Establishment of the Creditors' Trust

Without any further action of the Debtors' directors or Holders of Equity Interests, on the Effective Date, the Creditors' Trust Agreement shall be established and become effective. The Creditors' Trust Agreement will contain provisions customary to trust agreements utilized in comparable circumstances, including, but not limited to, any and all provisions necessary to ensure the continued treatment of the Creditors' Trust as a grantor trust and the Holders of Allowed General Unsecured Claims as the grantors and owners thereof for federal income tax purposes. All parties (including the Debtors, the Creditors' Trustee, and the Creditors' Trust Beneficiaries) will execute any documents or other instruments as necessary to cause title to the Creditors' Trust Assets to be transferred to the Creditors' Trust. In the event of any conflict between the terms of this Section 4.07 and the terms of the Creditors' Trust Agreement, the Creditors' Trust Agreement shall control.

On the Effective Date, the Debtors will distribute to the Creditors' Trust, on behalf of the Creditors' Trust Beneficiaries, the Creditors' Trust Assets. The Creditors' Trust will hold the Creditors' Trust Assets in the Creditors' Trust for the benefit of the Creditors' Trust Beneficiaries. The Creditors' Trust Assets shall remain subject to the Reallocation Procedure described in Section 4.09 of the Plan.

(c) Purpose of the Creditors' Trust

The Creditors' Trust will be established for the purpose of holding its assets for the benefit of the Creditors' Trust Beneficiaries and making distributions to the Creditors' Trust Beneficiaries of Cash or other assets received in exchange for, or on account of, the Creditors' Trust Assets, subject to the terms of the Plan and the Creditors' Trust Agreement, and with no objective to continue or engage in the conduct of a trade or business. The Creditors' Trust is intended to qualify as a "grantor trust" for federal income tax purposes with the Creditor Trust Beneficiaries treated as grantors and owners of the trust.

From and after the Effective Date, the Creditors' Trustee shall, in accordance with the Creditors' Trust Agreement, (i) administer the Creditors' Trust and take such actions as are necessary under the Creditors' Trust Agreement, and (ii) file appropriate tax returns, each in the exercise of its fiduciary obligations. The Creditors' Trust may retain such professionals, in its sole discretion, to aid in the performance of its responsibilities pursuant to the terms of this Plan and the Creditors' Trust Agreement.

(d) Appointment and Powers of the Creditors' Trustee

The Creditors' Trustee shall be designated by the Second Lien Debt Agent, and shall be acceptable to the Debtors. The Person so designated by the Second Lien Debt Agent shall

become the Creditors' Trustee upon the Bankruptcy Court entering an order approving such Person, after consideration of the same and any objections thereto at the Confirmation Hearing. The Creditors' Trustee shall have and perform all of the duties, responsibilities, rights and obligations set forth in the Creditors' Trust Agreement.

(e) Payment of the Expenses Incurred by the Creditors' Trustee

The Creditors' Trustee shall be entitled to reasonable compensation, indemnification and reimbursement of costs and expenses as set forth in the Creditors' Trust Agreement without further application to or order of the Bankruptcy Court. All costs and expenses associated with the administration of the Creditors' Trust up to an aggregate maximum amount of \$100,000 shall be the responsibility of and paid by the Reorganized CDX Gas. Reorganized CDX Gas shall use commercially reasonable efforts to settle or otherwise reduce the amount of General Unsecured Claims, provided, however, that the Reorganized CDX Gas shall have no obligation to fund payment of professional fees and expenses in excess of \$200,000 in connection with fulfilling such obligation to settle or otherwise reduce the amount of General Unsecured Claims. All other costs and expenses of the Creditors' Trust and amounts in excess of the amounts described herein shall be the sole responsibility of and paid for by the Creditors' Trust. OTHER THAN AS EXPRESSLY SET FORTH HEREIN, REORGANIZED CDX GAS SHALL HAVE NO OTHER FINANCIAL OBLIGATION WITH RESPECT TO THE COSTS AND EXPENSES OF THE CREDITORS' TRUST.

(f) Exculpation; Indemnification

The Creditors' Trustee, the Creditors' Trust, the professionals of the Creditors' Trust, and their representatives will be exculpated and indemnified pursuant to the terms of the Creditors' Trust Agreement.

(g) Transferability of the Creditors' Trust Interests

In accordance with the terms of the Creditors' Trust Agreement, the Creditors' Trust Interests shall be uncertificated and shall be non-transferable except upon death of the Holder or by operation of law. Holders of Creditors' Trust Interests shall have no voting rights with respect to such Creditors' Trust Interests.

(h) Distributions to Creditors' Trust Beneficiaries

The Creditors' Trustee shall make interim and final distributions, if any, to Creditors' Trust Beneficiaries in accordance with the Creditors' Trust Agreement and this Plan. Beginning on the Effective Date or as soon thereafter as reasonably practicable in the judgment of the Creditors' Trustee, the Creditors' Trustee shall distribute in accordance with the Creditors' Trust Agreement and this Plan any Cash or other assets received in exchange for, or on account of, the Creditors' Trust Assets.

(i) Registry of Beneficial Interests

The Creditors' Trustee shall maintain a registry of the holders of Creditors' Trust Interests.

(j) Termination of the Creditors' Trust

The Creditors' Trust shall have a term of 5 years from the Effective Date, provided that (i) the Creditors' Trustee has the right to extend such term in accordance with the terms of the Creditors' Trust Agreement, and (ii) the Bankruptcy Court, upon motion by a party in interest, may extend the term of the Creditors' Trust. In no event shall the Creditors' Trust be terminated less than 120 days after the final distribution of Cash or other assets received by the Creditors' Trustee in exchange for, or on account of, the Creditors' Trust Assets to the Creditors' Trust Beneficiaries. Any extension of the term of the Creditors' Trust must be approved by the Bankruptcy Court, after notice and hearing, at least three months prior to the beginning of any such extended term. Notwithstanding the foregoing, multiple extensions may be obtained so long as (1) Bankruptcy Court approval is obtained, after notice and a hearing, at least three months prior to the expiration of each extended term and (2) the Creditors' Trustee receives an opinion of counsel or a favorable ruling from the Internal Revenue Service that any further extension would not adversely affect the status of the Creditors' Trust as a grantor trust for federal income tax purposes.

(k) Termination of the Creditors' Trustee

The duties, responsibilities, and powers of the Creditors' Trustee will terminate in accordance with the terms of the Creditors' Trust Agreement.

Section 4.08 Intended Tax Treatment of the Creditors' Trust

For federal income tax purposes, it is intended that the Creditors' Trust be classified as a grantor trust and that such trust is owned by its beneficiaries. Accordingly, for federal income tax purposes, it is intended that the beneficiaries be treated as if they had received a distribution of an undivided interest in each of the Creditors' Trust Assets and then contributed such interests to the Creditors' Trust.

The Creditors' Trustee shall be responsible for filing all federal, state and local tax returns for the Creditors' Trust. The Creditors' Trustee shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority, and all distributions made by the Creditors' Trustee shall be subject to any such withholding and reporting requirements. The Creditors' Trustee shall provide to Creditors' Trust Beneficiaries copies of all annual, periodic and other reports and statements specified in the Creditors' Trust Agreement, with such copies to be made available on an internet website to be maintained by the Creditors' Trustee and notice of which shall be given by the Creditors' Trustee to such Creditors' Trust Beneficiaries.

Section 4.09 Reallocation Procedure

On the date that is six months after the Effective Date and every six months thereafter until such time as there are no remaining outstanding Disputed General Unsecured Claims (each, a "Reallocation Determination Date"), the Debtors shall recalculate the appropriate amount of New CDX Gas Membership Interests and New Warrants that should be held by (i) the Creditors' Trust and (ii) Holders of Allowed Senior Subordinated Debt Claims, pursuant to the Creditors' Trust Membership Interest Allocation and Creditors' Trust New Warrant Allocation formulas set

forth in the Plan as applied to the aggregate Allowed amounts of Allowed Senior Subordinated Debt Claims and Allowed General Unsecured Claims on each Reallocation Determination Date.

In the event that on any Reallocation Determination Date, the Creditors' Trust holds as Creditors' Trust Assets an amount of New CDX Gas Membership Interests that exceeds the amount of New CDX Gas Membership Interests that should be Creditors' Trust Assets under the formula for Creditors' Trust Assets set forth in the Plan, the Debtors shall (a) reduce the amount of New CDX Gas Membership Interests held by the Creditors' Trust to the appropriate amount, and (b) increase the amount of the New CDX Gas Membership Interests held by Holders of Allowed Senior Subordinated Debt Claims on a Pro Rata basis. Upon any such reallocation, Reorganized CDX Gas shall provide to each Holder of Allowed Senior Subordinated Debt Claims an updated Membership Interest Schedule reflecting such reallocation.

In the event that on any Reallocation Determination Date, the Creditors' Trust holds as Creditors' Trust Assets an amount of New Warrants that exceeds the amount of New Warrants that should be Creditors' Trust Assets under the formula for the Creditors' Trust New Warrant Allocation set forth in the Plan, (i) the Creditors' Trustee shall surrender all New Warrants that it holds to the Debtors, and the Debtors shall reissue to the Creditors' Trustee the appropriate amount of New Warrants that should be Creditors' Trust Assets under the formula for the Creditors' Trust New Warrant Allocation set forth in the Plan, and (ii) the Debtors shall issue and distribute additional New Warrants to Holders of Allowed Senior Subordinated Debt Claims on a Pro Rata basis in an amount such that the Holders of Allowed Senior Subordinated Debt Claims, in the aggregate, hold the amount of New Warrants provided for under the formula for the Allowed Senior Subordinated Debt New Warrant Allocation, subject to reduction in the amount of New Warrants that have been exercised.

Section 4.10 Preservation Of Rights Of Action; Settlement

Except to the extent such rights, claims, causes of action, defenses, and counterclaims are otherwise dealt with in the Plan or are expressly and specifically released in connection with the Plan, the Confirmation Order or in any settlement agreement approved during the Chapter 11 Cases, or otherwise provided in the Confirmation Order or in any contract, instrument, release, indenture or other agreement entered into in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code: (1) any and all rights, claims, causes of action (including Avoidance Actions), defenses, and counterclaims of or accruing to the Reorganizing Debtors or their Estates shall remain assets of and vest in the Reorganized Debtors, whether or not litigation relating thereto is pending on the Effective Date, and whether or not any such rights, claims, causes of action, defenses and counterclaims have been listed or referred to in the Plan, the Schedules, or any other document filed with the Bankruptcy Court, and (2) neither the Reorganizing Debtors nor the Reorganized Debtors waive, relinquish, or abandon (nor shall they be estopped or otherwise precluded from asserting) any right, claim, cause of action, defense, or counterclaim that constitutes property of the Estates: (a) whether or not such right, claim, cause of action, defense, or counterclaim has been listed or referred to in the Plan or the Schedules, or any other document filed with the Bankruptcy Court, (b) whether or not such right, claim, cause of action, defense, or counterclaim is currently known to the Reorganizing Debtors, and (c) whether or not a defendant in any litigation relating to such right, claim, cause of action, defense or counterclaim filed a proof of Claim in the Chapter 11 Cases, filed a notice of

appearance or any other pleading or notice in the Chapter 11 Cases, voted for or against the Plan, or received or retained any consideration under the Plan. Without in any manner limiting the generality of the foregoing, notwithstanding any otherwise applicable principle of law or equity, without limitation, any principles of judicial estoppel, res judicata, collateral estoppel, issue preclusion, or any similar doctrine, the failure to list, disclose, describe, identify, or refer to a right, claim, cause of action, defense, or counterclaim, or potential right, claim, cause of action, defense, or counterclaim, in the Plan, the Schedules, or any other document filed with the Bankruptcy Court shall in no manner waive, eliminate, modify, release, or alter the Reorganized Debtors' right to commence, prosecute, defend against, settle, and realize upon any rights, claims, causes of action, defenses, or counterclaims that the Reorganizing Debtors or the Reorganized Debtors have, or may have, as of the Effective Date. The Reorganized Debtors may commence, prosecute, defend against, settle, and realize upon any rights, claims, causes of action, defenses, and counterclaims in their sole discretion, in accordance with what is in the best interests, and for the benefit, of the Reorganized Debtors.

Section 4.11 Employee and Retiree Benefits

On and after the Effective Date, the Reorganized Debtors may: (1) honor, in the ordinary course of business, any unrejected contracts, agreements, policies, programs, and plans, in each case to the extent disclosed in the Disclosure Statement or order entered by the Bankruptcy Court approving a pleading seeking payment of, for, among other things, compensation (including equity based and bonus compensation), health care benefits, disability benefits, deferred compensation benefits, travel benefits, savings, severance benefits, retirement benefits, welfare benefits, workers' compensation insurance, accidental death and dismemberment insurance for the directors, officers and employees of any of the Reorganizing Debtors who served in such capacity at any time, and any other Benefit Plan; and (2) honor, in the ordinary course of business, Claims of employees employed as of the Effective Date for accrued vacation time arising prior to the Petition Date; *provided, however*, that the Reorganizing Debtors' or Reorganized Debtors' performance of any employment agreement will not entitle any person to any benefit or alleged entitlement under any policy, program, or plan that has expired or been terminated before the Effective Date, or restore, reinstate, or revive any such benefit or alleged entitlement under any such policy, program, or plan. Nothing in the Plan shall limit, diminish, or otherwise alter the Reorganized Debtors' defenses, claims, any causes of action, or other rights with respect to any such contracts, agreements, policies, programs, and plans. Notwithstanding the foregoing, pursuant to section 1129(a)(13) of the Bankruptcy Code, on and after the Effective Date, all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

Section 4.12 Workers' Compensation Programs

As of the Effective Date, the Reorganized Debtors shall continue to honor their post-petition obligations under: (i) all applicable workers' compensation laws in the states in which the Reorganized Debtors operate; and (ii) the Reorganizing Debtors' written contracts, agreements, agreements of indemnity, self-insurer workers' compensation bonds, policies, programs and plans for workers' compensation and workers' compensation insurance in effect for the current policy year of May 15, 2009 through May 15, 2010. Nothing in the Plan shall limit, diminish or otherwise alter the Reorganizing Debtors' or Reorganized Debtors' defenses,

claims, rights of action, or other rights under applicable non-bankruptcy law with respect to any such contracts, agreements, policies, programs and plans; *provided, however*, that nothing herein shall be deemed to impose any obligations on the Reorganizing Debtors or Reorganized Debtors in addition to what is required under the provisions of applicable law.

Section 4.13 Reclamation Claims

During the course of the Reorganizing CDX Gas Debtors' bankruptcy cases, the Reorganizing CDX Gas Debtors have been served with the demands for reclamation (the "Reclamation Claims"). The Reorganizing Debtors believe the Reclamation Claims are subject to and inferior to, the Secured Claims of the First Lien Debt Claims and the Second Lien Debt Claims and, as a result will not be allowed. Additionally, the Entities asserting the Reclamation Claims also assert Mechanics and Materialmen's liens, or similar liens against certain property of the Reorganizing CDX Gas Debtors. To the extent a Reclamation Claim becomes an Allowed Claim that is superior to the Secured Claims of the First Lien Debt Claims and the Second Lien Debt Claims and such Reclamation Claim has not been paid in full under other provisions of the Plan, such Reclamation Claim shall be satisfied by, at the sole discretion of the Reorganizing CDX Gas Debtors, either (i) the return of the goods provided to the CDX Gas Debtors or (ii) payment in full of the balance of the Reclamation Claim after giving effect to payments received under other provisions of the Plan.

Section 4.14 Exclusivity Period

The Reorganizing Debtors shall retain the exclusive right to amend or modify the Plan, and to solicit acceptances of any amendments to or modifications of the Plan, through and until the earlier of (i) the Effective Date or (ii) the expiration of the Reorganizing Debtors' exclusive period to solicit acceptances of the Plan under section 1121(d) of the Bankruptcy Code.

Section 4.15 Effectuating Documents; Further Reorganization Transactions

The chairman of the board of directors, president, chief financial officer, manager, or any other appropriate officer or authorized representative of the Reorganizing Debtors or, after the Effective Date, the Reorganized Debtors, shall be authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The secretary (or other authorized representative) of the Reorganizing Debtors or, after the Effective Date, the Reorganized Debtors, shall be authorized to certify or attest to any of the foregoing actions.

Section 4.16 Exemption From Certain Transfer Taxes

Pursuant to section 1146(c) of the Bankruptcy Code, the issuance, transfer, or exchange of a security, or the making of delivery of an instrument of transfer, including without limitation any transfers effected by mergers provided under the Plan, from the Reorganizing Debtors to the Reorganized Debtors or any other Person or entity pursuant to the Plan may not be taxed under any law imposing a stamp tax or similar tax, and the Confirmation Order shall direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing

instruments or other documents without the payment of any such tax or governmental assessment.

Section 4.17 Reorganizing Debtors Are Not Seeking Substantive Consolidation

THE REORGANIZING DEBTORS ARE NOT SEEKING SUBSTANTIVE CONSOLIDATION OF THEIR BANKRUPTCY ESTATES. EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, ALLOWED CLAIMS AND INTERESTS HELD AGAINST ONE REORGANIZING DEBTOR SHALL BE SATISFIED SOLELY FROM THE ASSETS OF THAT PARTICULAR REORGANIZING DEBTOR AND/OR ITS BANKRUPTCY ESTATE, PROVIDED, HOWEVER, THAT TO THE EXTENT OF ANY ABILITY ON THE PART OF A PARTICULAR REORGANIZING DEBTOR TO MAKE A DISTRIBUTION UNDER THE PLAN, ANY OF THE OTHER REORGANIZING DEBTORS OR REORGANIZED DEBTORS MAY, BUT ARE NOT OBLIGATED TO, ADVANCE FUNDS ON PROPERTY TO ENABLE SUCH REORGANIZING DEBTOR TO MAKE THE DISTRIBUTION OR DISTRIBUTIONS. HOWEVER, THERE IS NO GUARANTEE THAT A PARTICULAR CREDITOR WITH A CLAIM AGAINST A PARTICULAR REORGANIZING DEBTOR WILL BE PAID IN FULL. EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, NOTHING IN THE PLAN OR DISCLOSURE STATEMENT SHALL CONSTITUTE OR BE DEEMED TO CONSTITUTE AN ADMISSION THAT ANY ONE OF THE REORGANIZING DEBTORS IS SUBJECT TO OR LIABLE FOR ANY CLAIM AGAINST ANOTHER REORGANIZING DEBTOR, EXCEPT AS OTHERWISE PROVIDED IN THE PLAN. A CLAIM AGAINST MULTIPLE REORGANIZING DEBTORS, TO THE EXTENT ALLOWED IN EACH RESPECTIVE REORGANIZING DEBTORS' CASE, SHALL BE TREATED AS A SEPARATE CLAIM AGAINST EACH REORGANIZING DEBTORS' ESTATE FOR ALL PURPOSES INCLUDING, BUT NOT LIMITED TO, VOTING AND DISTRIBUTION, PROVIDED, HOWEVER, THAT NO HOLDER SHALL BE ENTITLED TO RECEIVE MORE THAN PAYMENT IN FULL OF ITS ALLOWED CLAIM AND SUCH CLAIM SHALL BE ADMINISTERED AND TREATED IN THE MANNER PROVIDED BY THE PLAN.

ARTICLE V

PROVISIONS GOVERNING DISTRIBUTIONS

Section 5.01 Distributions For Claims And Interests Allowed As Of Effective Date

Except as otherwise provided in the Plan or as ordered by the Bankruptcy Court, distributions to be made on account of Allowed Claims and Allowed Interests as of the Effective Date shall be made on the Distribution Date, or as soon thereafter as practicable. The New CDX Membership Interests and the New Warrants and the CD Exploration New Membership Interests to be issued under the respective Plans shall be deemed issued as of the Effective Date.

Section 5.02 Interest On Claims

Unless otherwise specifically provided by this Plan, the Confirmation Order, any other order of the Bankruptcy Court, or by applicable bankruptcy law, post-petition interest shall not accrue and not be paid on Allowed Claims. To the extent postpetition interest is payable on an Allowed Claim, the amount of such interest shall be determined as provided (i) in any contract between the Holder of an Allowed Claim and any applicable Reorganizing Debtor, (ii) any applicable non-bankruptcy law, or (iii) in the absence of (i) or (ii), the Prime Rate as such rates in (i) through (iii) may be limited by applicable bankruptcy law.

Section 5.03 Disbursing Agent

The Disbursing Agent or the Acquisition Wind-Up Representative, as applicable, shall make all distributions required under this Plan except distributions to the Holders of Allowed First Lien Debt Claims, Allowed First Lien Debt Secured Guarantee Claims, Allowed Second Lien Debt Secured Claims, Allowed Second Lien Debt Secured Guaranty Claims and Allowed Senior Subordinated Debt Claims, which distributions shall be made to the First Lien Debt Agent, the Second Lien Debt Agent or the Senior Subordinated Debt Agent, as the case may be, who shall promptly deliver such distributions to the Holders of such Claims in accordance with the provisions of this Plan and the applicable credit documents. Distributions made by the Disbursing Agent or the Acquisition Wind-Up Representative, as applicable, to the First Lien Debt Agent, the Second Lien Debt Agent or the Senior Subordinated Debt Agent, as the case may be, shall constitute distributions to Holders of Allowed First Lien Debt Claims, Allowed First Lien Debt Secured Guarantee Claims, Allowed Second Lien Debt Claims, Allowed Second Lien Debt Secured Guaranty Claims and Allowed Senior Subordinated Debt Claims, as the case may be, regardless of whether the First Lien Debt Agent, the Second Lien Debt Agent or the Senior Subordinated Debt Agent, as the case may be, makes subsequent distributions to such Holders.

If the Disbursing Agent is an independent third party designated by the Reorganized CDX Gas Debtors to serve in such capacity, such Disbursing Agent shall receive, without further Bankruptcy Court approval, reasonable compensation for distribution services rendered pursuant to the Plan and reimbursement of reasonable out-of-pocket expenses incurred in connection with such services from the Reorganized CDX Gas Debtors on terms acceptable to the Reorganized CDX Gas Debtors. No Disbursing Agent shall be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court. If so ordered, all costs and expenses of procuring any such bond shall be paid by the Reorganized CDX Gas Debtors.

Section 5.04 Record Date For Distributions

As of the close of business on the Distribution Record Date, the registers for Claims and Interests should be closed, and there shall be no further changes in the Holder of record of any Claim or Interest. The Reorganized Debtors, the Disbursing Agent, the Acquisition Wind-Up Representative and the Creditors' Trustee, as applicable, shall have no obligation to recognize any transfer of Claim or Interest occurring after the Distribution Record Date, and shall instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those

Holders of record stated on the registers of Claims and/or Interests as of the close of business on the Distribution Record Date for distributions under the Plan.

Section 5.05 Means Of Cash Payment

Cash payments made pursuant to this Plan shall be by check, wire or ACH transfer in U.S. funds or by other means agreed to by the payor and payee or, absent agreement, such commercially reasonable manner as the payor determines in its sole discretion.

Section 5.06 Delivery Of Distributions

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims and Allowed Interests shall be made by the Disbursing Agent, First Lien Debt Agent, Acquisition Wind-Up Agent, the Creditors' Trustee, Second Lien Debt Agent or Senior Subordinated Debt Agent, as the case may be, (a) at the addresses set forth on the proofs of Claim or Interest filed by such Holders (or at the last known addresses of such Holders if no proof of Claim or Interest is filed or if the Reorganizing Debtors have been notified in writing of a change of address), (b) at the addresses set forth in any written notices of address changes delivered to the Disbursing Agent or the Acquisition Wind-Up Representative, as applicable, after the date of any related proof of Claim or Interest, (c) at the addresses reflected in the Schedules if no proof of Claim or Interest has been filed and the Disbursing Agent or the Acquisition Wind-Up Representative, as applicable, has not received a written notice of a change of address, (d) in the case of the Holder of a Claim that is governed by an indenture or other agreement and is administered by an indenture trustee, agent, or servicer, at the addresses contained in the official records of such indenture trustee, agent, or servicer, or (e) at the addresses set forth in a properly completed letter of transmittal accompanying securities, if any, properly remitted to the Reorganized Debtors. If any Holder's distribution is returned as undeliverable, no further distributions to such Holder shall be made unless and until the Disbursing Agent, the Acquisition Wind-Up Representative or the appropriate indenture trustee, agent, or servicer is notified of such Holder's then current address, at which time all missed distributions shall be made to such Holder without interest. Amounts in respect of undeliverable distributions made through the Disbursing Agent, the Acquisition Wind-Up Representative or the indenture trustee, agent, or servicer, shall be returned to the Reorganized Debtors until such distributions are claimed. All claims for undeliverable distributions must be made on or before the first (1st) anniversary of the Effective Date, after which date all unclaimed property shall revert to the Reorganized Debtors free of any restrictions thereon except as provided elsewhere in the Plan and the claim of any holder or successor to such holder with respect to such property shall be discharged and forever barred, notwithstanding any federal or state escheat laws to the contrary.

Section 5.07 Claims Paid or Payable by Third Parties

(a) Claims Paid by Third Parties

The Reorganizing Debtors, the Reorganized Debtors, the Acquisition Wind-Up Representative or the Disbursing Agent, as applicable, shall reduce a Claim, and such Claim shall be disallowed without a Claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court, to the extent that the Holder of such

Claim receives payment in full or in part on account of such Claim from a party that is not a Reorganizing Debtor or Reorganized Debtor. Subject to the last sentence of this paragraph, to the extent a Holder of a Claim receives a distribution on account of such Claim and receives payment from a party that is not a Reorganizing Debtor or a Reorganized Debtor on account of such Claim, such Holder shall, within two (2) weeks of receipt thereof, repay or return the distribution to the applicable Reorganized Debtor, to the extent the Holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the date of any such distribution under the Plan. The failure of such Holder to timely repay or return such distribution shall result in the Holder owing the applicable Reorganized Debtor annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the two-week grace period specified above until the amount is repaid.

(b) Claims Payable by Third Parties

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to any applicable insurance policies until the Holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the applicable insurers agrees to satisfy in full a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, such Claim may be expunged without a Claims objection having to be filed and without any further notice to or action, order, or approval of the Bankruptcy Court.

(c) Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to Holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any cause of action that the Reorganizing Debtors or Reorganized Debtors or any entity may hold against any other entity, including insurers under any policies of insurance, nor shall anything contained in the Plan constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses. To the extent that one or more of the Reorganizing Debtors' insurers pays a Claim in full, then immediately upon such payment, such Claim may be expunged without the necessity of filing a Claim objection and without any further notice to or action, order or approval of the Bankruptcy Court.

Section 5.08 Fractional Dollars; De Minimis Distributions

Any other provision of the Plan notwithstanding, payments of fractions of dollars shall not be made. Whenever any payment of a fraction of a dollar under the Plan would otherwise be called for, the actual payment made shall reflect a rounding of such fraction to the nearest whole dollar (up or down), with half dollars being rounded down. The Disbursing Agent, or any indenture trustee, agent, or servicer, as the case may be, shall not make any payment of less than twenty-five dollars (\$25.00) with respect to any Claim unless a request therefore is made in writing to such Disbursing Agent, indenture trustee, agent, or servicer, as the case may be.

Section 5.09 Withholding And Reporting Requirements

In connection with this Plan and all distributions hereunder, the Disbursing Agent or the Acquisition Wind-Up Representative, as applicable, shall, to the extent applicable, comply with

all tax withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority, and all distributions hereunder shall be subject to any such withholding and reporting requirements. The Disbursing Agent or the Acquisition Wind-Up Representative, as applicable, shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements.

Section 5.10 Calculation of Distribution Amounts of Equity to be Issued under the Plan

No fractional shares or interests of any equity shall be issued or distributed under the Plan by the Reorganized Debtors, the Disbursing Agent, the First Lien Debt Agent or the Second Lien Debt Agent, as the case may be. Each Person entitled to receive equity will receive the total number of whole shares or interests to which such Person is entitled. Whenever any distribution to a particular Person would otherwise call for distribution of a fraction of a share or interest, the actual distribution of shares or interests of such equity shall be rounded to the next higher or lower whole number as follows: (a) fractions one-half or greater shall be rounded to the next higher whole number, and (b) fractions of less than one-half shall be rounded to the next lower whole number. The total number of New CDX Gas Membership Interests, and, if applicable, the CD Exploration New Membership Interests, to be distributed to Holders entitled to receive such distribution, shall be adjusted as necessary to account for the rounding provided in the Plan. No consideration shall be provided in lieu of fractional shares rounded down.

Section 5.11 Expunging of Certain Claims

All Claims marked or otherwise designated as “contingent, unliquidated or disputed” on the Reorganizing Debtors’ Schedules and for which no proof of claim has been timely filed, shall be deemed disallowed and such claim may be expunged without the necessity of filing a claim objection and without any further notice to, or action, order or approval of the Bankruptcy Court.

ARTICLE VI

EXECUTORY CONTRACTS, UNEXPIRED LEASES AND OTHER AGREEMENTS

Section 6.01 Assumption/Rejection

On the Effective Date, and to the extent permitted by applicable law, all of the Reorganizing Debtors’ executory contracts and unexpired leases, including, but not limited to, those contracts and leases listed on Schedule 6.01(a), will be rejected by the Reorganized Debtors unless such executory contract or unexpired lease: (a) is being assumed pursuant to the Plan or is identified as Schedule 6.01(b) of the Plan Supplement as an executory contract or unexpired lease being assumed pursuant to the Plan, which Schedule 6.01(b) shall be acceptable to the Second Lien Debt Agent; (b) is the subject of a motion to assume filed on or before the Confirmation; or (c) has been previously rejected or assumed. The Reorganizing Debtors shall provide the Second Lien Debt Agent with Schedules 6.01(a) and (b) seven (7) days prior to the date for filing the Plan Supplement. Any objection to Schedule 6.01(a) or (b) by the Second Lien Debt Agent shall be provided to the Reorganizing Debtors three (3) days prior to the date for filing the Plan Supplement. Failure to object to Schedule 6.01(a) or (b) within the time frame provided herein shall be deemed approval of Schedule 6.01(a) or (b), as applicable, by the

Second Lien Debt Agent if Schedules 6.01(a) and (b) are timely delivered to the Second Lien Debt Agent.

Section 6.02 Pass-Through

Except as otherwise provided in the Plan, any rights or arrangements necessary or useful to the operation of the Reorganized Debtors' business but not otherwise addressed as a Claim or Interest, including non-exclusive or exclusive patent, trademark, copyright, maskwork or other intellectual property licenses, the Bonding Program and other executory contracts not assumable under section 365(c) of the Bankruptcy Code, shall, in the absence of any other treatment under the Plan or Confirmation Order, be passed through the Chapter 11 Cases for the benefit of the Reorganized Debtors and the counterparty unaltered and unaffected by the bankruptcy filings or Chapter 11 Cases.

Section 6.03 Mineral Leases/Oil and Gas Leases

To the extent any of the Reorganizing Debtors' Mineral Leases or Oil and Gas Leases constitute executory contracts or unexpired leases of real property under section 365 of the Bankruptcy Code, such Mineral Leases and Oil and Gas Leases will be assumed by the Reorganized Debtor. To the extent any of the Reorganizing Debtor's Mineral Leases or Oil and Gas Leases constitute contracts or other property rights not assumable under section 365 of the Bankruptcy Code, except as provided in the Plan or Confirmation Order, such Mineral Leases and Oil and Gas Leases shall pass through the Chapter 11 Cases for the benefit of the Reorganized Debtors and the counterparties to such Mineral Leases and Oil and Gas Leases.

Except for the defaults of a kind specified in sections 365(b)(2) and 541(c)(1) of the Bankruptcy Code (which defaults the applicable Reorganizing Debtor or Reorganized Debtor will not be required to cure), or as otherwise provided herein, the legal, equitable and contractual rights of the counterparties to such Mineral Leases and Oil and Gas Leases shall be unaltered by the Plan; provided, however, that to the extent a failure by the Reorganizing Debtor to pay or perform an obligation under such Mineral Lease or Oil and Gas Lease (whether or not such Mineral Lease or Oil and Gas Lease is subject to the provisions of section 365 of the Bankruptcy Code) is a default under any applicable Mineral Lease or Oil and Gas Lease, such default shall be cured for all purposes by the payments provided for herein or the Reorganized Debtor's subsequent performance of such obligation with such applicable Mineral Lease or Oil and Gas Lease otherwise remaining in full force and effect for the benefit of the applicable Reorganized Debtor. To the extent such payment is due and owing on the Effective Date, such payment shall be made, in Cash, on the Distribution Date, or upon such other terms as may be agreed to by the Disbursing Agent or the Reorganized Debtor, as the case may be. To the extent such payment is not due and owing on the Effective Date, such payment (a) will be made, in Cash, in accordance with the terms of any agreement between the parties, or as such payment becomes due and owing under (i) applicable non-bankruptcy law, or (ii) in the ordinary course of business of the Reorganized Debtor or (b) will be made upon other terms as may be agreed upon by the Disbursing Agent or the Reorganized Debtor, as the case may be, and the Person to whom such payment is due. To the extent it is impossible for the Reorganized Debtor to cure a default arising from any failure to perform a non-monetary obligation, such default shall be cured by performance by the applicable Reorganized Debtor at or after the time of assumption in

accordance with the terms of the applicable Mineral Lease or Oil and Gas Lease with the applicable Mineral Lease or Oil and Gas Lease remaining in effect for the benefit of the applicable Reorganized Debtor. If there is a dispute as to any cure obligation (including cure payments) between the applicable Reorganized Debtor and the Lessor of a Mineral Lease or Oil and Gas Lease, the applicable Reorganized Debtor shall only have to pay or perform as herein provided the non-disputed cure obligation with the balance of the cure payment or cure performance to be made or performed after resolution of such dispute either by (i) agreement of the parties or (ii) resolution by the Bankruptcy Court under a Final Order.

Section 6.04 Assumed Executory Contracts and Unexpired Leases

Each executory contract and unexpired lease that is assumed will include (a) all amendments, modifications, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affect such executory contract or unexpired lease, and (b) all executory contracts or unexpired leases and other rights appurtenant to the property, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, reciprocal easement agreements, vaults, tunnel or bridge agreements or franchises, and any other equity interests in real estate or rights *in rem* related to such premises, unless any of the foregoing agreements have been rejected pursuant to an order of the Bankruptcy Court or is the subject of a motion to reject filed on or before the Confirmation Date.

Amendments, modifications, supplements, and restatements to prepetition executory contracts and unexpired leases that have been executed by the Reorganizing Debtors during their Chapter 11 Cases shall not be deemed to alter the prepetition nature of the executory contract or unexpired lease, or the validity, priority, or amount of any claims that may arise in connection therewith.

Section 6.05 Preexisting Obligations to the Debtors Under Executory Contracts and Unexpired Leases

Rejection or repudiation of any executory contract or unexpired lease pursuant to the Plan or otherwise shall not constitute a termination of pre-existing obligations owed to the Reorganizing Debtors under such contracts or leases. In particular, notwithstanding any nonbankruptcy law to the contrary, the Reorganized Debtors expressly reserve and do not waive any right to receive, or any continuing obligation of a counterparty to provide, warranties or continued maintenance obligations on goods previously purchased by the contracting Reorganizing Debtors or Reorganized Debtors, as applicable, from counterparties to rejected or repudiated executory contracts or unexpired leases.

Section 6.06 Intercompany Contracts, Assumed Contracts and Leases, and Contracts and Leases Entered Into After Petition Date

Intercompany contracts, contracts and leases with third parties entered into after the Petition Date by any Reorganizing Debtor, and any executory contracts and unexpired leases assumed by any Reorganizing Debtor, may be performed by the applicable Reorganized Debtor in the ordinary course of business.

Section 6.07 Reservation of Rights

Nothing contained in the Plan shall constitute an admission by the Reorganizing Debtors that any such contract or lease is in fact an executory contract or unexpired lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Reorganizing Debtors or the Reorganized Debtors, as applicable, shall have thirty days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

Section 6.08 Nonoccurrence of Effective Date

In the event that the Effective Date does not occur, the Bankruptcy Court shall retain jurisdiction with respect to any request by the Debtors to extend the deadline for assuming or rejecting unexpired leases pursuant to section 365(d)(4) of the Bankruptcy Code.

Section 6.09 Additional Cure Provisions

Except as otherwise provided under the Plan, any monetary amounts that must be cured as a requirement for assumption and/or assignment by any Reorganized Debtor, such cure shall be effected or otherwise satisfied by prompt payment of such monetary amount as contemplated by Section 365(b)(1)(A) of the Bankruptcy Code or as otherwise agreed to by the parties. If there is a dispute regarding (a) the timing of any payment required in order to meet the promptness requirement of 365(b)(1), (b) the nature, extent or amount of any cure requirement, (c) the Reorganizing Debtors' ability or the ability of the Reorganizing Debtors' assignees to provide "adequate assurance of future performance" (within the meaning of section 365 of the Bankruptcy Code) under the contract or lease to be assumed, or (d) any other matter pertaining to assumption, cure will occur following the entry of a Final Order resolving the dispute and approving the assumption or assumption and assignment, as the case may be.

Section 6.10 Claims Based on Rejection of Executory Contracts and Unexpired Leases

Unless otherwise provided by a Bankruptcy Court order, any Proofs of Claim asserting Claims arising from the rejection of the Reorganizing Debtors' executory contracts and unexpired leases pursuant to the Plan or otherwise must be filed with the Claims Agent no later than thirty (30) days after the later of the Effective Date or the effective date of rejection. Any Proofs of Claim arising from the rejection of the Reorganizing Debtors' executory contracts or unexpired leases that are not timely filed shall be disallowed automatically, forever barred from assertion, and shall not be enforceable against any Reorganized Debtor without the need for any objection by the Reorganized Debtors or further notice to or action, order, or approval of the Bankruptcy Court, and any Claim arising out of the rejection of the executory contract or unexpired lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the Reorganizing Debtors' executory contracts and unexpired leases shall be classified as General Unsecured Claims for the particular Reorganizing Debtor in question and shall be treated in accordance with the particular provisions of the Plan for such Reorganizing Debtor; provided however, if the Holder of an Allowed Claim for rejection damages has an unavoidable security interest in any Collateral to secure obligations under such rejected

executory contract or unexpired lease, the Allowed Claim for rejection damages shall be treated as an Other Secured Claim to the extent of the value of such Holder's interest in the Collateral, with the deficiency, if any, treated as a General Unsecured Claim.

Section 6.11 Survival of Indemnification and Corporation Contribution

On or before the Effective Date, the Reorganizing Debtors shall obtain directors and officers primary insurance of \$15,000,000, directors and officers excess insurance of \$5,000,000, and management "wrap" insurance, with a six (6) year run-off coverage under a directors and officers liability policy and a management practices insurance policy (collectively, the "Tail Insurance Policies") for the Reorganizing Debtors' current and former directors and officers. The Tail Insurance Policies shall provide that they cannot be cancelled or modified by the Reorganizing Debtors or Reorganized Debtors and that the insurer shall give the covered directors and officers at least thirty (30) days advance notice before the effective date of any change, lapse, or termination. The Reorganizing Debtors or Reorganized Debtors, as the case may be, must replace the Tail Insurance Policies if they are terminated, lapse or cancelled for any reason during the six (6) year period, and if they fail to do so, or if the policies are not in effect for any reason during that period, the Reorganizing Debtors or Reorganized Debtors, as the case may be, shall have the indemnity obligation until the Tail Insurance Policies are replaced.

All Indemnification Rights shall be released and discharged on and as of the Effective Date except for the Continuing Indemnification Rights which shall remain in full force and effect to the fullest extent allowed by law or contract on and after the Effective Date and shall not be modified, reduced, discharged, or otherwise affected in any way by the Bankruptcy Cases. Notwithstanding anything to the contrary contained in the Plan, the Continuing Indemnification Obligations will not be discharged, but will instead survive and be unaffected by entry of the Confirmation Order so long as such director, officer, agent, employee, or representative was serving in such capacity on the Petition Date or in the same or similar capacity for the Reorganized Debtors on the Effective Date; provided, however, that such Continuing Indemnification Obligations with respect to any such individuals not serving in such same or similar capacities for the Reorganizing Debtors or the Reorganized Debtors on the Effective Date shall be limited to the coverage under the Tail Insurance Policies.

ARTICLE VII

PROCEDURES FOR RESOLVING DISPUTED, CONTINGENT, AND UNLIQUIDATED CLAIMS

Section 7.01 Objections to Claims

(a) Authority

The Reorganizing Debtors or the Reorganized Debtors (or their authorized representatives), as applicable, shall have the exclusive authority to file, settle, compromise, withdraw, or litigate to judgment any objections to Claims. From and after the Effective Date, the Reorganized Debtors (or their authorized representatives) may settle or compromise any Disputed Claim without approval of the Bankruptcy Court. The Reorganized Debtors (or their

authorized representatives) also shall have the right to resolve any Disputed Claim outside the Bankruptcy Court under applicable governing law.

(b) Objection Deadline

As soon as practicable, but no later than the Claims Objection Deadline, the Reorganized Debtors (or their authorized representatives) may file objections with the Bankruptcy Court and serve such objections on the creditors holding the Claims to which objections are made. Nothing contained herein, however, shall limit the right of the Reorganized Debtors (or their authorized representatives) to object to Claims, if any, filed or amended after the Claims Objection Deadline. The Claims Objection Deadline may be extended by the Bankruptcy Court upon motion by the applicable Reorganized Debtor (or their authorized representatives) without notice or hearing.

Section 7.02 Estimation of Claims

Any Reorganizing Debtor or Reorganized Debtor (or their authorized representatives), as applicable, may at any time request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether such Reorganizing Debtor has previously objected to such Claim or whether the Bankruptcy Court has ruled on any objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any claim, including during the pendency of any appeal related to any such objection. In the event the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Reorganizing Debtors or Reorganized Debtors, as applicable, may elect to pursue any supplemental proceedings to object to any ultimate payment on such Claim. All of the aforementioned objection, estimation and resolution procedures are cumulative and are not necessarily exclusive of one another. Claims may be estimated and thereafter resolved by any permitted mechanism.

Section 7.03 No Distributions Pending Allowance

Notwithstanding any other provision of the Plan, no payments or distributions shall be made with respect to all or any portion of a Disputed Claim unless and until all objections to such Disputed Claim have been settled or withdrawn or have been determined by Final Order, and the Disputed Claim, or some portion thereof, has become an Allowed Claim.

Section 7.04 Distributions After Allowance

The Disbursing Agent or the Acquisition Wind Up Representative, as the case may be, shall make payments and distributions to each holder of a Disputed Claim that has become an Allowed Claim in accordance with the provisions of the Plan governing the class of Claims to which such Holder belongs. As soon as reasonably practicable after the date that the order or judgment of the Bankruptcy Court allowing all or part of any Disputed Claim becomes a Final Order, the Disbursing Agent shall distribute to the Holder of such Claim the Distribution (if any) that would have been made to such Holder on the Distribution Date had such Allowed Claim

been allowed on the Distribution Date. After a Disputed Claim is Allowed or otherwise resolved, the excess Cash or other property that was reserved on account of such Disputed Claim, if any, shall become property of the Reorganized Debtors.

Section 7.05 General Unsecured Claims

Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated and not contingent shall be reduced by the amount, if any, that was paid by the Debtors prior to the Effective Date including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in the Plan shall preclude the Reorganized Debtors from paying Claims that the Reorganizing Debtors were authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Confirmation Date.

Section 7.06 Compliance with Tax Requirements/Allocations

In connection with the Plan, to the extent applicable, the Reorganized Debtors shall comply with all tax withholding and reporting requirements imposed on them by any governmental unit, and all distributions pursuant hereto shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors (or their authorized representatives) and the Disbursing Agent shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support, and other spousal awards, liens and encumbrances.

ARTICLE VIII

CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

Section 8.01 Conditions Precedent To Confirmation

The Bankruptcy Court shall have entered the Confirmation Order in form and substance reasonably acceptable to the Reorganizing Debtors, the Second Lien Debt Agent and, as to the Exit Financing, the provisions of the Confirmation Order applicable to the Exit Financing are acceptable to the Exit Financing Agent, which shall include a finding of fact that the Reorganizing Debtors, Released Parties and their respective present and former members, officers, directors, managers, employees, advisors, attorneys and agents, acted in good faith within the meaning of and with respect to all of the actions described in section 1125(e) of the Bankruptcy Code and are therefore not liable for the violation of any applicable law, rule, or regulation governing such actions.

Section 8.02 Conditions Precedent To Effective Date

The following are conditions precedent to the occurrence of the Effective Date, each of which must be (x) satisfied or (y) waived in accordance with Section 8.04 below:

(a) The Confirmation Order shall have been entered in form and substance reasonably acceptable to the Reorganizing Debtors, the Second Lien Debt Agent and, as to the Exit Financing, the provisions of the Confirmation Order applicable to the Exit Financing are acceptable to the Exit Financing Agent, and such Order has become a Final Order.

(b) The Exit Financing Loan Documents, in form and substance acceptable to the Second Lien Debt Agent, shall have been executed and delivered by all parties thereto, and all conditions precedent to consummation thereof shall have been waived or satisfied in the manner permitted thereunder, and the Exit Financing shall have been closed.

(c) The New LLC Agreement, in form and substance acceptable to the Second Lien Debt Agent, shall have been executed by Reorganized CDX Gas.

(d) The New Warrant Agreement, in form and substance acceptable to the Second Lien Debt Agent and the Senior Subordinated Debt Agent, shall have been executed by Reorganized CDX Gas.

(e) All authorizations, consents, and regulatory approvals required, if any, in connection with the consummation of this Plan shall have been obtained.

(f) There shall not be in effect on the Effective Date any (i) order entered by a court or (ii) any order, opinion, ruling or other decision entered by any other court or governmental entity or (iii) any applicable law staying, restraining, enjoining or otherwise prohibiting or making illegal the consummation of any of the transactions contemplated by the Plan.

(g) No request for revocation of the Confirmation Order under section 1144 of the Bankruptcy Code shall remain pending.

(h) The Tail Insurance Policies, in form and substance acceptable to the directors of Reorganizing Acquisition, shall have been fully paid and in full force and effect.

Section 8.03 Substantial Consummation

On the Effective Date, the Plan shall be deemed to be substantially consummated under sections 1101 and 1127(b) of the Bankruptcy Code.

Section 8.04 Waiver Of Conditions

Each of the conditions set forth in Section 8.02 hereof may be waived in whole or in part by written consent of the applicable Reorganizing Debtors, the Second Lien Debt Agent and, as to conditions regarding the Exit Financing, the Exit Financing Agent, without any notice to other parties in interest or the Bankruptcy Court and without a hearing. The failure to satisfy or waive

any condition to the Effective Date may be asserted by the Reorganizing Debtors or the Reorganized Debtors regardless of the circumstances giving rise to the failure of such condition to be satisfied (including any action or inaction by the Debtors or Reorganized Debtors). The failure of the Reorganizing Debtors or the Reorganized Debtors to exercise any of the foregoing rights shall not be deemed a waiver of any other rights, and each such right shall be deemed an ongoing right that may be asserted at any time.

Section 8.05 Revocation, Withdrawal, Or Non-Consummation

The Reorganizing Debtors reserve the right, in consultation with the Second Lien Agent, to revoke or withdraw the Plan at any time prior to the Confirmation Date and to file subsequent plans of reorganization. If the Reorganizing Debtors revoke or withdraw the Plan, or if Confirmation or consummation of the Plan does not occur, then (i) the Plan shall be null and void in all respects, (ii) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Class of Claims) unless otherwise agreed to by the Debtors and any counterparty to such settlement or compromise, and any document or agreement executed pursuant to the Plan shall be deemed null and void, and (iii) nothing contained in the Plan, and no acts taken in preparation for consummation of the Plan, shall (a) constitute or be deemed to constitute a waiver or release of any Claims by or against, or any Interests in, the Reorganizing Debtors or any other Person, (b) prejudice in any manner the rights of the Reorganizing Debtors or any Person in any further proceedings involving the Reorganizing Debtors, or (c) constitute an admission of any sort by the Reorganizing Debtors or any other Person.

ARTICLE IX

AMENDMENTS AND MODIFICATIONS

The Reorganizing Debtors may alter, amend, or modify the Plan or any exhibits thereto under section 1127(a) of the Bankruptcy Code at any time prior to the Confirmation Date; provided, however, that where the Plan requires a document to be acceptable to the Second Lien Debt Agent, the Reorganizing Debtors may not modify such document without the consent of the Second Lien Agent. After the Confirmation Date and prior to “substantial consummation” of the Plan, as defined in section 1101(2) of the Bankruptcy Code, the Reorganizing Debtors may, under section 1127(b) of the Bankruptcy Code, institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement or the Confirmation Order, and such matters as may be necessary to carry out the purposes and effects of the Plan, so long as such proceedings do not materially adversely affect the treatment of Holders of Claims or Interests under the Plan; provided, however, that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Bankruptcy Court.

ARTICLE X

RETENTION OF JURISDICTION

Under sections 105(a) and 1142 of the Bankruptcy Code, and notwithstanding entry of the Confirmation Order and occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

A. Allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any objections to the secured or unsecured status, priority, amount or allowance of Claims or Interests;

B. Hear and determine all applications for compensation and reimbursement of expenses of Professionals under sections 327, 328, 330, 331, 503(b), 1103 or 1129(a)(4) of the Bankruptcy Code; provided, however, that from and after the Effective Date, the payment of fees and expenses of professionals retained by the Reorganized Debtors shall be made in the ordinary course of business and shall not be subject to the approval of the Bankruptcy Court;

C. Hear and determine all matters with respect to the assumption or rejection of any executory contract or unexpired lease to which one or more of the Reorganized Debtors are parties or with respect to which one or more of the Reorganized Debtors may be liable, including, if necessary, the nature or amount of any required cure or the liquidation of any claims arising therefrom;

D. Hear and determine any and all adversary proceedings, motions, applications, and contested or litigated matters arising out of, under, or related to, the Chapter 11 Cases;

E. Enter and enforce such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, the Disclosure Statement or the Confirmation Order;

F. Hear and determine disputes arising in connection with the interpretation, implementation, consummation, or enforcement of the Plan, including disputes arising under agreements, documents or instruments executed in connection with the Plan;

G. Consider any modifications of the Plan, cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

H. Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with implementation, consummation, or enforcement of the Plan or the Confirmation Order;

I. Enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;

J. Hear and determine any matters arising in connection with or relating to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order;

K. Enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Chapter 11 Cases or pursuant to the Plan;

L. Recover all assets of the Reorganized Debtors and property of the Estates, wherever located;

M. Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

N. Hear and determine all disputes involving the existence, nature, or scope of the Reorganized Debtors' discharge or any releases granted in the Plan;

O. Hear and determine such other matters as may be provided in the Confirmation Order or as may be authorized under, or not inconsistent with, provisions of the Bankruptcy Code;

P. Enter an order or final decree concluding or closing the Chapter 11 Cases; and

Q. Enforce all orders previously entered by the Bankruptcy Court.

ARTICLE XI

COMPROMISES AND SETTLEMENTS

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distribution and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims Interests and controversies resolved pursuant to the Plan, including, without limitation, all Claims arising prior to the Petition Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, arising out of, relating to or in connection with the business or affairs of, or transactions with, the Reorganizing Debtors. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements, and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute its determination that such compromises and settlements are in the best interests of the Reorganizing Debtors, the Estates, Creditors and other parties in interest, and are fair, equitable and within the range of reasonableness.

It is not the intent of the Reorganizing Debtors that confirmation of the Plan shall in any manner alter or amend any settlement and compromise between the Reorganizing Debtors and any Person that has been previously approved by the Bankruptcy Court (each, a “Prior Settlement”). To the extent of any conflict between the terms of the Plan and the terms of any Prior Settlement, the terms of the Prior Settlement shall control and such Prior Settlement shall be enforceable according to its terms.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 12.01 Bar Dates For Certain Claims

(a) *Administrative Claims: Substantial Contribution Claims*

The Confirmation Order will establish a bar date for filing of all Administrative Claims, including Substantial Contribution Claims (but not including Professional Fee Claims, claims for the expenses of the members of the Committee, Administrative Claims in section (b) or (c) below), which date will be forty-five (45) days after the Effective Date (the “Administrative Claims Bar Date”). Holders of asserted Administrative Claims, other than Professional Fee Claims, claims for U.S. Trustee fees under 28 U.S.C. §1930, administrative tax claims and administrative ordinary case liabilities, must submit proofs of Administrative Claim on or before such Administrative Claims Bar Date or forever be barred from doing so. A notice prepared by the Reorganized Debtors will set forth such date and constitute notice of this Administrative Claims Bar Date. The Reorganized Debtors, as the case may be, shall have forty-five (45) days (or such longer period as may be allowed by order of the Bankruptcy Court) following the Administrative Claims Bar Date to review and object to such Administrative Claims before a hearing for determination of allowance of such Administrative Claims.

(b) *Administrative Ordinary Course Liabilities*

Holders of Administrative Claims that are based on liabilities incurred in the ordinary course of the applicable Reorganizing Debtors’ businesses (other than Claims of governmental units for taxes and for interest and/or penalties related to such taxes) shall not be required to file any request for payment of such Administrative Claims. Such Administrative Claims, unless objected to by the applicable Reorganizing Debtors or Reorganized Debtors, shall be assumed and paid by the applicable Reorganized Debtors, in Cash, pursuant to the terms and conditions of the particular transaction giving rise to such Administrative Claim. For the avoidance of doubt, Holders of Administrative Claims pursuant to section 503(b)(9) of the Bankruptcy Code shall be required to file a proof of Administrative Claim on or before the Administrative Claims Bar Date.

(c) *Administrative Tax Claims*

All requests for payment of Administrative Claims by a governmental unit for taxes (and for interest and/or penalties related to such taxes) for any tax year or period, all or any portion of which occurs or falls within the period from and including the Petition Date through and including the Effective Date, and for which no bar date has otherwise been previously

established, must be filed and served on the Reorganized Debtors and any other party specifically requesting a copy in writing on or before the later of (a) thirty (30) days following the Effective Date; and (b) one hundred and twenty (120) days following the filing of the tax return for such taxes for such tax year or period with the applicable governmental unit. Any Holder of any such Claim that is required to file a request for payment of such taxes and does not file and properly serve such a claim by the applicable bar date shall be forever barred from asserting any such claim against the Reorganizing Debtors, the Reorganized Debtors or their property, regardless of whether any such Claim is deemed to arise prior to, on, or subsequent to the Effective Date. Any interested party desiring to object to an Administrative Claim for taxes must file and serve its objection on counsel to the Reorganized Debtors and the relevant taxing authority no later than ninety (90) days after the taxing authority files and serves its application.

(d) Professional Fee Claims

All final requests for compensation or reimbursement of Professional Fees pursuant to sections 327, 328, 330, 331, 363, 503(b) or 1103 of the Bankruptcy Code for services rendered to or on behalf of the applicable Reorganizing Debtors or the Committee (if one has been appointed) prior to the Effective Date (other than Substantial Contribution Claims under section 503(b)(4) of the Bankruptcy Code) must be filed and served on the Reorganized Debtors and their counsel no later than forty-five (45) days after the Effective Date, unless otherwise ordered by the Bankruptcy Court. Objections to applications of such Professionals or other entities for compensation or reimbursement of expenses must be filed and served on the Reorganized Debtors and their counsel and the requesting Professional or other entity no later than forty-five (45) days (or such longer period as may be allowed by order of the Bankruptcy Court) after the date on which the applicable application for compensation or reimbursement was served.

Section 12.02 Payment Of Statutory Fees

On or before the Effective Date, the Debtors shall have paid in full, in Cash (including by check or wire transfer), in U.S. dollars, all fees payable pursuant to section 1930 of title 28 of the United States Code, in the amount determined by the Bankruptcy Court at the Confirmation Hearing.

Section 12.03 Severability Of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Reorganizing Debtors, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

Section 12.04 Successors And Assigns

The rights, benefits and obligations of any entity named or referred to in the Plan, including any Holder of a Claim, shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity.

Section 12.05 Discharge Of The Reorganizing Debtors

Except as otherwise provided in the Plan or the Confirmation Order, on the Effective Date, without further notice or order, all Claims of any nature whatsoever shall be automatically discharged forever. Except as otherwise provided in the Plan or the Confirmation Order, on the Effective Date, the Reorganizing Debtors, their Estates, and all successors thereto shall be deemed fully discharged and released from any and all Claims, including, but not limited to, demands and liabilities that arose before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, whether or not (a) a proof of Claim based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is allowed under section 502 of the Bankruptcy Code; or (c) the Holder of a Claim based upon such debt has accepted the Plan. The Confirmation Order shall be a judicial determination of discharge of all liabilities of the Reorganizing Debtors, their Estates, and all successors thereto. As provided in section 524 of the Bankruptcy Code, such discharge shall void any judgment against the Reorganizing Debtors, their Estates, or any successor thereto at any time obtained to the extent it relates to a Claim discharged, and operates as an injunction against the prosecution of any action against the Reorganized Debtors and their Affiliates or their property to the extent it relates to a discharged Claim.

Section 12.06 Exculpation

The Protected Parties SHALL NOT BE LIABLE FOR ANY Cause of Action arising in connection with or out of the administration of the Chapter 11 Cases, the planning of the Chapter 11 Cases, the formulation, negotiation or implementation of the Plan, the solicitation of acceptances of the Plan, pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, the winding up of the business of Acquisition or the administration of the Creditors' Trust, except for gross negligence or willful misconduct as determined by the Final Order of the Bankruptcy Court. All Holders of Claims and Interests are enjoined from asserting or prosecuting any Claim or cause of action against any Protected Person as to which such Protected Person has been exculpated from liability pursuant to the preceding sentence.

Section 12.07 Permanent Injunction

Except as otherwise expressly provided in the Plan or the Confirmation Order, all entities who have held, hold or may hold Claims against, or Interests in, the Reorganizing Debtors are permanently enjoined, on and after the Effective Date, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, from (a) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim or Interest, (b) the enforcement, attachment, collection, or recovery by any manner or means of judgment, award, decree or order against any Protected Party on account

of any such Claim or Interest, (c) creating, perfecting, or enforcing any encumbrance of any kind against any Protected Party or against the property or interests in property of such Protected Party on account of any such Claim or Interest, and (d) asserting any right of setoff, recoupment or subrogation of any kind against any obligation due from any Protected Party or against the property or interests in property of any Protected Party on account of any such Claim or Interest. The foregoing injunction will extend to successors of any Protected Party and their respective property and interests in the property.

Section 12.08 Releases by the Reorganizing Debtors, Reorganized Debtors and Their Estates

Pursuant to section 1123(b) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan or the Confirmation Order, for good and valuable consideration, including the service of the Released Parties to facilitate the expeditious reorganization of the Reorganizing Debtors, the Reorganized Debtors and the implementation of the restructuring contemplated by the Plan, on and after the Effective Date, the Reorganizing Debtors, Reorganized Debtors and their Estates, for themselves and on behalf of their respective successors and assigns, shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each (i) Released Party and (ii) the Reorganizing Debtors', Reorganized Debtors' and their Estates' current and former directors, managers, agents, officers, owners, employees, attorneys and other representatives from any and all claims, interests, obligations, rights, suits, damages, losses, costs and expenses, actions, causes of action, remedies, and liabilities of any kind or character whatsoever, including any derivative claims asserted or assertable on behalf of the Reorganizing Debtors, Reorganized Debtors, and their Estates, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, suspected or unsuspected, matured or unmatured, fixed or contingent, existing or hereinafter arising, in law, equity, or otherwise, that the Reorganizing Debtors, the Reorganized Debtors or their respective Affiliates or Estates ever had, now has or hereafter can, shall or may have, or otherwise would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the Holder of any Claim or Interest or other Entity, against any (i) Released Party and (ii) the Reorganizing Debtors', Reorganized Debtors' and their Estates' current and former directors, managers, agents, officers, owners, employees, attorneys and other representatives arising from or relating to, directly or indirectly from, in whole or in part, the Reorganizing Debtors, the Reorganizing Debtors' restructuring, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Reorganizing Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements among any two or more of any Reorganizing Debtor, any Reorganized Debtor or any Released Party (and the acts or omissions of any other Released Party in connection therewith), the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan and Disclosure Statement, or related agreements, instruments, or other documents, or any other act or omission, transaction, agreement, event, or other occurrence, including the management and operation of the Debtors, taking place on or before the Effective Date. Notwithstanding the foregoing, nothing in this Section 12.08 shall release any Released Party or other individual from liability for (i) any act or omission by such Released Party or other individual that is found by a court of law in a final, non-appealable judgment to constitute fraud, willful misconduct or gross negligence, or (ii) any obligation for borrowed money owed by a

Released Party to the Reorganizing Debtors, the Reorganized Debtors or their respective Affiliates or Estates.

Section 12.09 Releases by Holders of Claims and Interests

Except as otherwise specifically provided in the Plan or the Confirmation Order, on and after the Effective Date, in consideration of the Distributions under the Plan, Holders of Claims and Interests, for themselves and on behalf of their respective successors and assigns, shall be deemed to have conclusively, absolutely, unconditionally, irrevocably, and forever, released and discharged each Protected Party from any and all claims, interests, obligations, rights, suits, damages, losses, costs and expenses, actions, causes of action, remedies, and liabilities of any kind or character whatsoever, including any derivative claims asserted or assertable on behalf of a Reorganizing Debtor, the Reorganized Debtor or their Estates, whether known or unknown, foreseen or unforeseen, liquidated or unliquidated, suspected or unsuspected, matured or unmatured, fixed or contingent, existing or hereafter arising, in law, equity or otherwise, that such Entity ever had, now has or hereafter can, shall or may have, or otherwise would have been legally entitled to assert (whether individually or collectively or directly or derivatively), against any Protected Party arising from or relating to, directly or indirectly, in whole or in part, the Reorganizing Debtors, the Reorganizing Debtors' restructuring, the Chapter 11 Cases, the purchase, sale or rescission of the purchase or sale of any security of the Reorganizing Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements among any two or more of any Reorganizing Debtor, any Reorganized Debtor or any Protected Party (and the acts or omissions of any other Protected Party in connection therewith), the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan and Disclosure Statement, or related agreements, instruments, or other documents, or any other act or omission, transaction, agreement, event, or other occurrence, including the management and operation of the Reorganizing Debtors, taking place on or before the Effective Date. Notwithstanding the foregoing, nothing in this Section 12.09 shall release any Protected Party from liability for any act or omission by such Protected Party that is found by a court of law in a final, non-appealable judgment to constitute fraud, willful misconduct or gross negligence.

Section 12.10 Satisfaction of Claims

The rights afforded in the Plan and the treatment of all Claims and Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever against the Reorganizing Debtors or any of their Estates, assets, properties, or interests in property. Except as otherwise provided herein, on the Effective Date, all Claims against and Equity Interests in the Reorganizing Debtors shall be satisfied, discharged, and released in full. Neither the Reorganized Debtors, nor their Affiliates, shall be responsible for any pre Effective Date obligations of the Reorganizing Debtors, Reorganized Debtors or the Debtors in Possession, except those expressly assumed by the Reorganized Debtors or their Affiliates, as applicable. Except as otherwise provided herein, all Persons and Entities shall be precluded and forever barred from asserting against Reorganized Debtors and their Affiliates, their respective successors or assigns, or their Estates, assets, properties, or interests in property any event, occurrence, condition, thing, or other or further Claims or Causes of Action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came

into existence prior to the Effective Date, whether or not the facts of or legal bases therefore were known or existed prior to the Effective Date.

Section 12.11 Discharge of Liabilities

Except as otherwise provided in the Plan, upon the occurrence of the Effective Date, the Reorganized Debtors shall be discharged from all Claims and Causes of Action to the fullest extent permitted by section 1141 of the Bankruptcy Code, and all Holders of Claims and Equity Interests shall be precluded from asserting against the Reorganized Debtors and their Affiliates, their respective assets, or any property dealt with under the Plan, any further or other Cause of Action based upon any act or omission, transaction, event, thing, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date.

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, THE REORGANIZED DEBTORS SHALL NOT HAVE, AND SHALL NOT BE CONSTRUED TO HAVE, OR MAINTAIN ANY LIABILITY, CLAIM, OR OBLIGATION, THAT IS BASED IN WHOLE OR IN PART ON ANY ACT, OMISSION, TRANSACTION, EVENT, OTHER OCCURRENCE OR THING OCCURRING OR IN EXISTENCE ON OR PRIOR TO THE EFFECTIVE DATE OF THE PLAN (INCLUDING, WITHOUT LIMITATION, ANY LIABILITY OR CLAIMS ARISING UNDER APPLICABLE NON BANKRUPTCY LAW AS A SUCCESSOR TO THE REORGANIZING DEBTORS AND NO SUCH LIABILITIES, CLAIMS, OR OBLIGATIONS FOR ANY ACTS SHALL ATTACH TO THE REORGANIZED DEBTORS.

Section 12.12 Third Party Agreements; Subordination

The Plan Distributions to the various classes of Claims and Equity Interests hereunder shall not affect the right of any Person to levy, garnish, attach, or employ any other legal process with respect to such Plan Distributions by reason of any claimed subordination rights or otherwise. All of such rights and any agreements relating thereto shall remain in full force and effect, except as compromised and settled pursuant to the Plan. Plan Distributions to Holders of Claims in classes that are subject to contractual subordination provisions are subject to distribution in accordance with such contractual subordination provisions as provided in the Plan. Plan Distributions shall be subject to and modified by any Final Order directing distributions other than as provided in the Plan. The right of the Debtors to seek subordination of any Claim or Equity Interest pursuant to section 510 of the Bankruptcy Code is fully reserved, and the treatment afforded any Claim or Equity Interest that becomes a subordinated Claim or subordinated Equity Interest at any time shall be modified to reflect such subordination. Unless the Confirmation Order provides otherwise, no Plan Distributions shall be made on account of a subordinated Claim or subordinated Equity Interest.

Section 12.13 Binding Effect

The Plan shall be binding upon and inure to the benefit of the Reorganized Debtors, all present and former Holders of Claims against and Interests in the Reorganized Debtors, their respective successors and assigns, including, but not limited to, the Reorganized Debtors, and all other parties-in-interest in these Chapter 11 Cases.

Section 12.14 Plan Supplement

Any and all exhibits, lists, or schedules not filed with the Plan shall be contained in the Plan Supplement and filed with the Clerk of the Bankruptcy Court not later than ten (10) days prior to the Plan Voting Deadline or such other filing deadline as may be approved by the Bankruptcy Court. Holders of Claims or Interests may also obtain a copy of the Plan Supplement upon written request to the Reorganizing Debtors. Notwithstanding the foregoing, the Reorganizing Debtors, in consultation with the Second Lien Debt Agent, may amend the Plan Supplement, and any attachments thereto, through and including the Confirmation Date; provided, however, that any document contained in the Plan Supplement requiring consent of the Second Lien Debt Agent, or which contains information designated by the Second Lien Agent, shall not be amended without the consent of the Second Lien Debt Agent.

Section 12.15 Notices

Any notice, request, or demand required or permitted to be made or provided under the Plan to or upon the Reorganizing Debtors, Reorganized Debtors or the Agent shall be (i) in writing, (ii) served by (a) certified mail, return receipt requested, (b) hand delivery, (c) overnight delivery service, (d) first class mail, or (e) facsimile transmission, and (iii) deemed to have been duly given or made when actually delivered or, in the case of facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Reorganizing Debtors:

CDX Gas, LLC
Attention: President
1001 McKinney Street
Houston, Texas 77002
Phone: (713) 615-7426
Fax: (713) 615-7460

with a copy to:

Vinson & Elkins LLP
Attention: Harry Perrin, John West
2500 First City Tower
1001 Fannin Street
Houston, Texas 77002-6760

If to the Second Lien Debt Agent:

Credit Suisse
Attn: Didier Siffer
Eleven Madison Avenue, 10th Floor
New York, NY 10010

With a copy to (which shall not constitute notice):

Akin Gump Strauss Hauer & Feld LLP
Attn: Michael S. Stamer
One Bryant Park
New York, NY 10036

Akin Gump Strauss Hauer & Feld LLP
Attn: Scott L. Alberino
1333 New Hampshire Avenue, N.W.
Washington, DC 20036

If to the Senior Subordinated Debt Agent:

Wells Fargo Bank, N.A.
Attn: David Bergstrom
625 Marquette Avenue
MAC N9303-110
Minneapolis, MN 55479

With a copy to (which shall not constitute notice):

Dewey & LeBouef LLP
Attn: Judy G. Z. Liu
1301 Avenue of the Americas
New York, NY 10019

Section 12.16 Term Of Injunctions Or Stay

Unless otherwise provided in the Plan or Confirmation Order, all injunctions or stays provided for in the Chapter 11 Cases under sections 105 or 362 of the Bankruptcy Code or otherwise, and in existence on the Confirmation Date (excluding any injunctions or stays contained in the Plan or Confirmation Order), shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or Confirmation Order shall remain in full force and effect in accordance with their terms.

Section 12.17 Setoffs

Except as otherwise expressly provided for in the Plan, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable non-bankruptcy law, or as may be agreed to by the Holder of a Claim or Interest, each Reorganized Debtor may setoff against any Allowed Claim or Interest and the distributions to be made pursuant to the Plan on account of such Allowed Claim or Interest (before such distribution is made), any Claims, rights, and Causes of Action of any nature that such Debtor or Reorganized Debtor, as applicable, may hold against the Holder of such Allowed Claim or Interest, to the extent such Claims, rights, or Causes of Action against such Holder have not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); provided, however, that

neither the failure to effect such a setoff nor the allowance of any Claim or Interest pursuant to the Plan shall constitute a waiver or release by such Reorganized Debtor of any such Claims, rights, and Causes of Action that such Reorganized Debtor may possess against such Holder. **In no event shall any Holder of Claims or Interests be entitled to setoff any Claim or Interest against any Claim, right, or Cause of Action of the Debtor or Reorganized Debtor, as applicable, unless such holder has filed a motion with the Bankruptcy Court requesting the authority to perform such setoff on or before the Confirmation Date, and notwithstanding any indication in any Proof of Claim or Interest or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 or otherwise.**

Section 12.18 Recoupment

Except as provided in the Plan, any Holder of Claims or Interest shall not be entitled to recoup any Claim or Interest against any Claim, right, or Cause of Action of the Reorganizing Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Reorganizing Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or Interest or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

Section 12.19 Release of Liens

Except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan and, in the case of a Secured Claim, satisfaction in full of the portion of the Secured Claim that is Allowed as of the Effective Date, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Reorganized Debtors' Estates shall be fully released and discharged, and all of the right, title, and interest of any Holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtor and its successors and assigns.

In addition to, and in no way a limitation of, the foregoing, to the extent the Reorganizing Debtors' property or assets are encumbered by mortgages, security interests or Liens of any nature for which any Holder of such mortgages, security interests or Liens does not have an Allowed Claim against such Reorganizing Debtor, such mortgages, security interests or Liens shall be deemed fully released and discharged for all purposes and such Holder shall execute such documents as reasonably requested by the applicable Reorganized Debtor in form and substance as may be necessary or appropriate to evidence the release of any such mortgages, security interests or Liens of any nature. If such Holder fails to execute such documents, the applicable Reorganized Debtor is authorized to execute such documents on behalf of such Holder and to cause the filing of such documents with any or all governmental or other entities as may be necessary or appropriate to effect such releases.

Section 12.20 Hart-Scott-Rodino Compliance

Any of the New CDX Gas Membership Interests to be distributed under the provisions of the Plan to any entity required to file a Premerger Notification and Report Form under the Hart-

Scott-Rodino Antitrust Improvements Act of 1976, as amended, shall not be distributed until the notification and waiting periods applicable under such Act to such entity shall have expired or been terminated.

Section 12.21 Dissolution of Committee

On the Effective Date, the Committee, if any, shall dissolve and the members of the Committee shall be released and discharged from all authority, duties, responsibilities and obligations related to and arising from and in connection with the Chapter 11 Cases.

Section 12.22 No Admissions

Notwithstanding anything herein to the contrary, nothing in the Plan shall be deemed as an admission by the Reorganizing Debtors with respect to any matter set forth herein, including liability on any Claim.

Section 12.23 Governing Law

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules), the laws of the State of Texas, without giving effect to the principles of conflicts of law thereof, shall govern the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control) as well as corporate governance matters with respect to the Reorganizing Debtors; provided, however, that corporate governance matters relating to the Reorganizing Debtors or Reorganized Debtors, as applicable, not organized under Delaware law shall be governed by the laws of the state of organization of such Reorganizing Debtor or Reorganized Debtor.

ARTICLE XIII

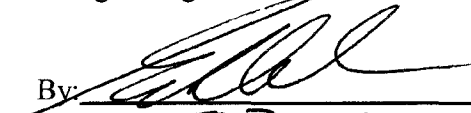
CONFIRMATION REQUEST

The Reorganizing Debtors request Confirmation of the Plan under section 1129 of the Bankruptcy Code. If any Impaired Class does not accept the Plan pursuant to section 1126 of the Bankruptcy Code, the Reorganizing Debtors request Confirmation pursuant to section 1129(b) of the Bankruptcy Code. In that event, the Reorganizing Debtors reserve the right to modify the Plan to the extent (if any) that Confirmation of the Plan under section 1129(b) of the Bankruptcy Code requires modification.

[Signature Page Immediately Follows]

Dated: July 31, 2009

CDX GAS, LLC,
on Behalf of Itself and the Other
Reorganizing CDX Gas Debtors

By: 
Name: ED DONAHUE
Title: CHIEF FINANCIAL OFFICER

CDX ACQUISITION COMPANY, LLC,

By: _____
Name:
Title:

VINSON & ELKINS L.L.P.
Harry A. Perrin
John E. West
1001 Fannin Street, Suite 2500
Houston, Texas 77002-6760
Telephone: (713) 758-2222
Facsimile: (713) 615-5016


John Mitchell
Prentiss Cutshaw
Trammell Crow Center
2001 Ross Avenue, Suite 3700
Dallas, TX 75201-2975
Phone: (214) 220.7700
Facsimile: (214) 220.7716

Dated: July 31, 2009

CDX GAS, LLC,
on Behalf of Itself and the Other
Reorganizing CDX Gas Debtors

By: _____
Name:
Title:

CDX ACQUISITION COMPANY, LLC,

By:  _____
Name: R. Blair Thomas
Title: Managing Officer

VINSON & ELKINS L.L.P.
Harry A. Perrin
John E. West
1001 Fannin Street, Suite 2500
Houston, Texas 77002-6760
Telephone: (713) 758-2222
Facsimile: (713) 615-5016

John Mitchell
Prentiss Cutshaw
Trammell Crow Center
2001 Ross Avenue, Suite 3700
Dallas, TX 75201-2975
Phone: (214) 220.7700
Facsimile: (214) 220.7716