

FUELING FAILURE

How Execs at Bankrupt U.S. Oil & Gas Companies Pocketed Nearly \$200M In Payouts While Leaving more than 10,000 Workers Jobless and at Least \$10B in Cleanup Costs

AUGUST 2021





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**HOW EXECS AT BANKRUPT U.S. OIL & GAS COMPANIES
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**By Alan Zibel
and Kelly Mitchell**

The surge in bankruptcies at U.S. fracking companies has been highly profitable for fossil fuel executives in recent years, threatening both taxpayers and the environment. Over the past three years, dozens of fossil fuel executives have walked away from their bankrupt oil and gas companies with lavish payouts. At the same time, thousands of workers have faced [layoffs](#), investors have seen their shares become worthless and taxpayers face [huge potential bills](#) for the environmental cleanup.





About Public Citizen

Public Citizen is a national non-profit organization with more than 500,000 members and supporters. We represent consumer interests through lobbying, litigation, administrative advocacy, research, and public education on a broad range of issues including consumer rights in the marketplace, product safety, financial regulation, worker safety, safe and affordable health care, campaign finance reform and government ethics, fair trade, climate change, and corporate and government accountability.

About Documented

Documented is a watchdog group that investigates how corporations manipulate public policy, harming our environment, communities, and democracy.

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Acknowledgments

This report was written by Alan Zibel, Public Citizen researcher and Kelly Mitchell, senior analyst with Documented, with research assistance from Public Citizen intern Mariana Zieve-Cohen. Much-appreciated contributions, feedback and editing came from Robert Schuwerk (CarbonTracker) Clark Williams-Derry (Institute for Energy Economics and Financial Analysis), Dan Wagner (BailoutWatch), Rick Claypool, Tyson Slocum and Robert Weissman of Public Citizen. The report and cover were designed by Megan Helseth (Bearberry Creative).



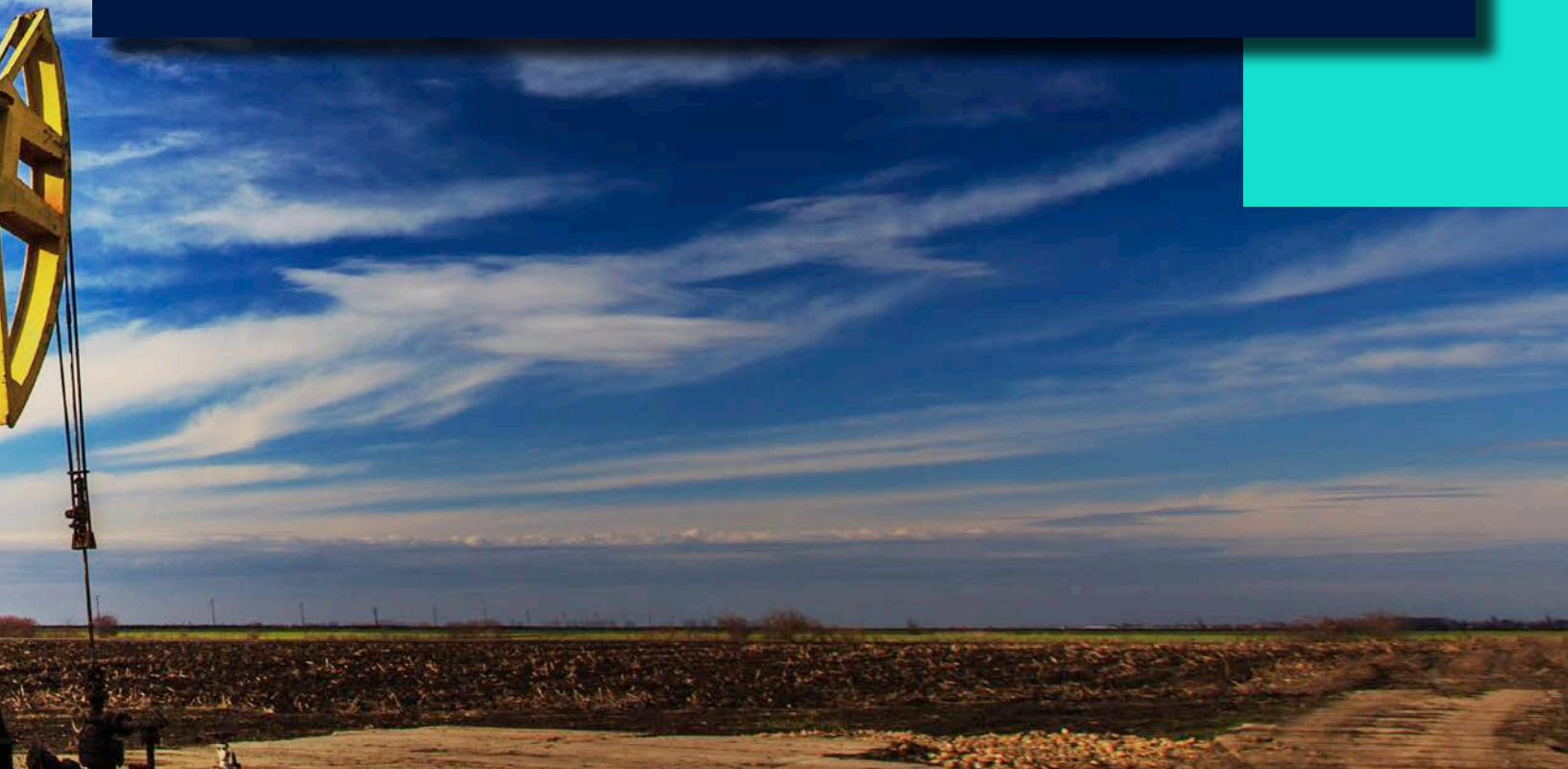
Key Findings

The U.S. oil and gas companies that filed the 25 largest bankruptcy cases¹ from 2018 to 2020 paid a combined \$199.4 million in cash bonuses, retention payments and severance to 76 executives, for an average of about \$2.6 million per executive. That compares with salaries of around \$50,000 to \$60,000 for oil rig workers.

- Ten oil and gas CEOs each received payouts of more than \$4 million. The largest payout was \$14.5 million.
- Nine out of 10 of the largest cash payouts went to CEOs who have since left their companies.
- More than 10,500 workers lost their jobs.
- Projected cleanup costs for more than 57,000 oil and gas wells controlled by the companies analyzed could be as high as \$10.3 billion, according to data compiled by CarbonTracker.²
- The oil and gas drilling companies analyzed have purchased only \$281 million in bonds to cover environmental losses, less than 20 percent of the companies' own estimates of \$1.6 billion in environmental liabilities.

¹ The figures tallied refer to 18 companies with complete executive compensation data, 14 companies with complete job loss data and 11 companies with data available on environmental remediation projections.

² CarbonTracker's estimate represents the undiscounted cost of plugging individual wells based principally on well depth, excluding reclamation and restoration liability. CarbonTrackers estimates represent the cost of cleanup in today's dollars if the entire cleanup were performed today. That number is higher than the accounting method used by oil and gas companies, which typically use a cost estimate that is discounted based on the company's borrowing costs.





Introduction

“You’ve had some deals struck where the company goes bankrupt and the executives do very well, and that’s wrong,” said Dennis McCuiston, executive director of the Institute for Excellence in Corporate Governance at the University of Texas at Dallas.” That doesn’t pass the smell test at all.” - [Houston Chronicle](#), April 23, 2017.

A detailed look at the largest oil and gas company bankruptcies from 2018 to 2020 provides a window into the inner workings of an industry where executives routinely receive large cash payments from failing firms, while thousands of workers face layoffs and taxpayers are stuck with a giant mess to clean up. For this report, Public Citizen and Documented examined the 25

biggest oil and gas bankruptcies during this tumultuous three-year period. The results provide further evidence of the U.S. oil and gas industry’s [shaky economics](#), risky business practices and track record of [overpaying executives, despite their poor performance](#). In many cases, oil and gas company executives appear indifferent to the interests of shareholders, whose equity stake is typically rendered worthless in a bankruptcy.

The law firm Haynes and Boone, which tracks industry bankruptcies, has [tallied](#) 560 North American oil industry bankruptcies since 2015. While fortunes have improved of late for the industry amid a rebound in oil prices and [rising investor optimism](#) the industry’s future remains precarious. Though Wall Street lenders have been burned by

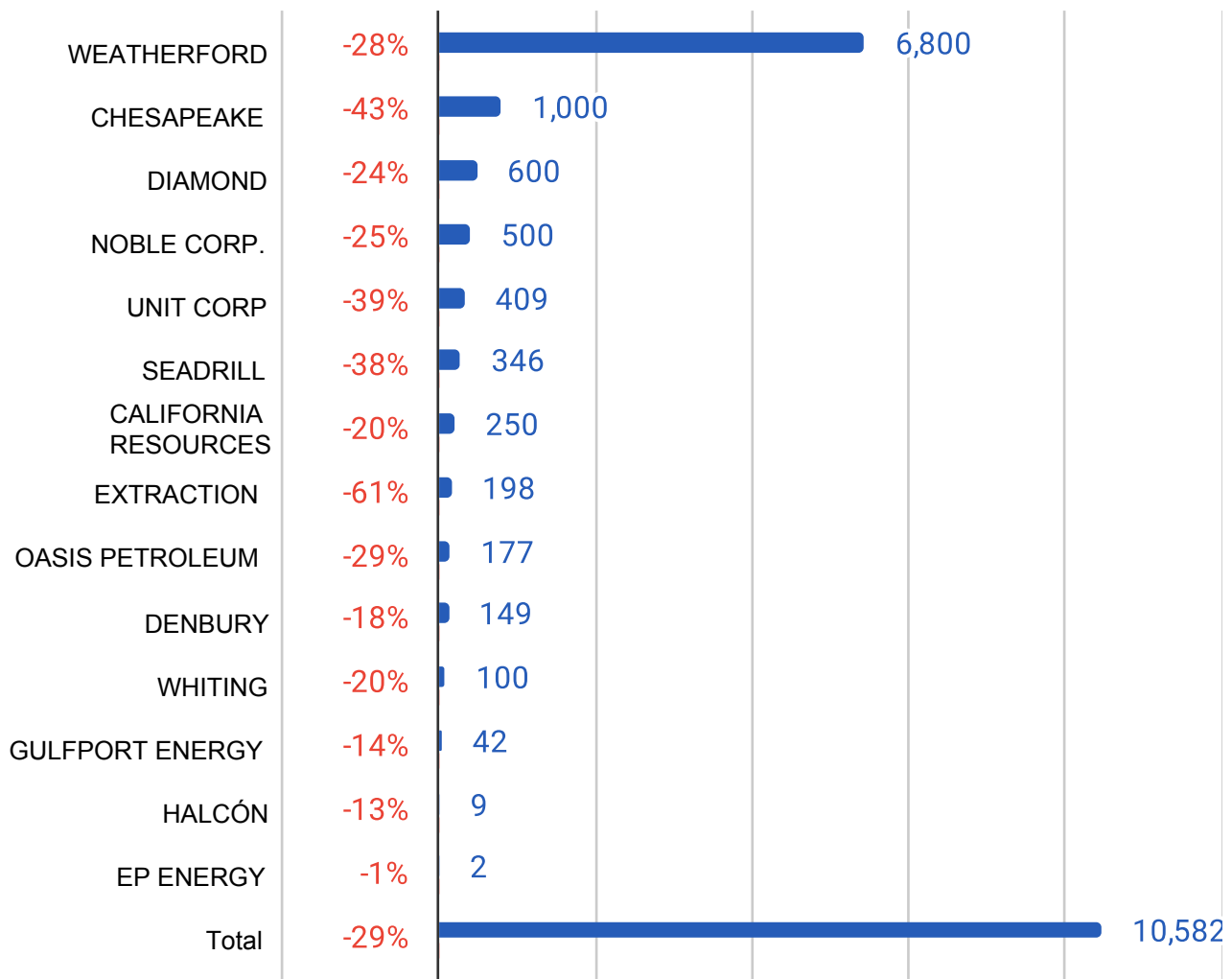
the fossil fuel industry’s excesses, investors are loaning money to the industry again, though debt investors are **expecting** companies to use the money to repair their finances rather than invest in new production.

This report examines the bankruptcy filings of onshore and offshore exploration and production companies as well as oilfield service companies, which lease rigs to drillers and provide other support functions. The report involved a detailed analysis of bankruptcy court documents and Securities and Exchange Commission filings

for the largest U.S. oil and gas company bankruptcies, as measured by total debt, filed from 2018 through 2020, as tabulated by Haynes and Boone. In addition, Public Citizen and Documented analyzed estimates of oil and gas companies’ projected cleanup costs for non-producing wells as well as the amount of bonds purchased by the companies to cover environmental cleanup costs.

FIGURE 1. JOB LOSSES SOAR AT OIL & GAS COMPANIES

One-year change in oil company employment. Most recent annual report compared with prior year.



SOURCE: PUBLIC CITIZEN/DOCUMENTED ANALYSIS OF SEC FILINGS.

FIGURE 2. OIL & GAS INDUSTRY JOB LOSSES

COMPANY	EMPLOYEES 2019/2020	DATE	EMPLOYEES 2020/2021	DATE	CHANGE	LOST JOBS
WEATHERFORD INTERNATIONAL	24,000	12/31/19	17,200	12/31/20	-28%	6,800
CHESAPEAKE ENERGY	2,300	12/31/19	1,300	2/25/21	-43%	1,000
DIAMOND OFFSHORE	2,500	12/31/19	1,900	12/31/20	-24%	600
NOBLE CORP.	2,000	12/31/19	1,500	12/31/20	-25%	500
SEADRILL	915	12/31/19	569	12/31/20	-38%	346
UNIT CORP	1,054	2/28/20	645	3/10/21	-39%	409
CALIFORNIA RESOURCES	1,250	12/31/19	1,000	3/1/21	-20%	250
EXTRACTION OIL & GAS	323	12/31/19	125	12/31/20	-61%	198
OASIS PETROLEUM	609	12/31/19	432	12/31/20	-29%	177
DENBURY	806	12/31/19	657	12/31/20	-18%	249
WHITING PETROLEUM	505	1/31/20	405	1/31/21	-20%	100
GULFPORT ENERGY	298	12/31/19	256	12/31/20	-14%	42
HALCON RESOURCES/ BATTALION OIL	69	12/31/19	60	12/31/20	-13%	9
EP ENERGY	372	2/28/19	370	3/20/20	-1%	2
TOTAL	37,001		26,419		-29%	10,582

SOURCE: PUBLIC CITIZEN/DOCUMENTED ANALYSIS OF SEC FILINGS.

Executives Profit, Companies Fail, Workers Lose Out

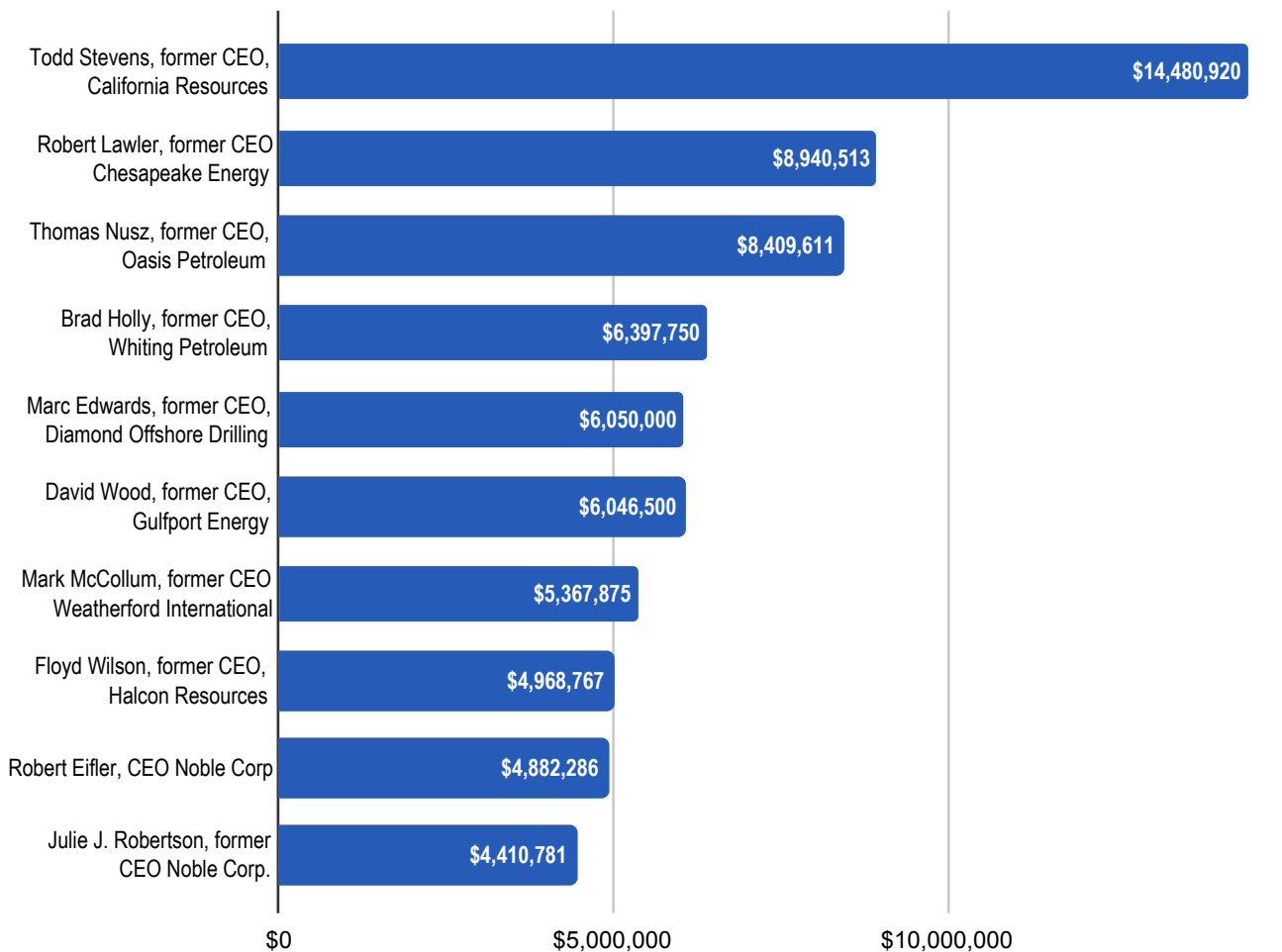
Over the past decade, U.S. oil and gas producers borrowed huge sums from investors seeking riches from a new oil and gas production boom. Starting about a decade ago, new hydraulic fracturing, or fracking, technologies allowed the oil industry to boost production in many parts of the U.S. by extracting oil and gas from rock formations known as shale. However, the technology was expensive, used toxic chemicals; and resulted

in the quick depletion of wells, incentivizing spending on new drilling to maintain production. As a result, fracking-focused companies struggled to generate cash from their capital-intensive operations. When oil

When fortunes turn negative for many fossil fuel firms, they still can find ways to boost executive compensation in spite of declining share prices and financial prospects

FIGURE 3. LARGEST CEO PAYOUTS AT BANKRUPT OIL & GAS COMPANIES

10 largest CEO cash retention bonuses, severance payments for most recent year in bankruptcy. Includes bankruptcies 2018-2020.



SOURCE: PUBLIC CITIZEN/DOCUMENTED ANALYSIS OF SEC FILINGS.

METHODOLOGY: To facilitate comparisons of bankruptcy payouts between companies, our analysis focused on cash payments to corporate executives, rather than other forms of compensation. That includes retention payments, cash bonuses, incentive awards and severance payments to executives in place in the most recent complete fiscal year of the company's most recent bankruptcy. The analysis does not include regular salary and also omits stock-based compensation, which may or may not have value. For the majority of cases, we relied on corporate proxy statements, also known as 14A filings made after the company's exit from bankruptcy to determine how much corporate executives received in bonus payments. For cases in which companies had not filed proxy statements, we relied on bankruptcy filings spelling out their plans for executive compensation.

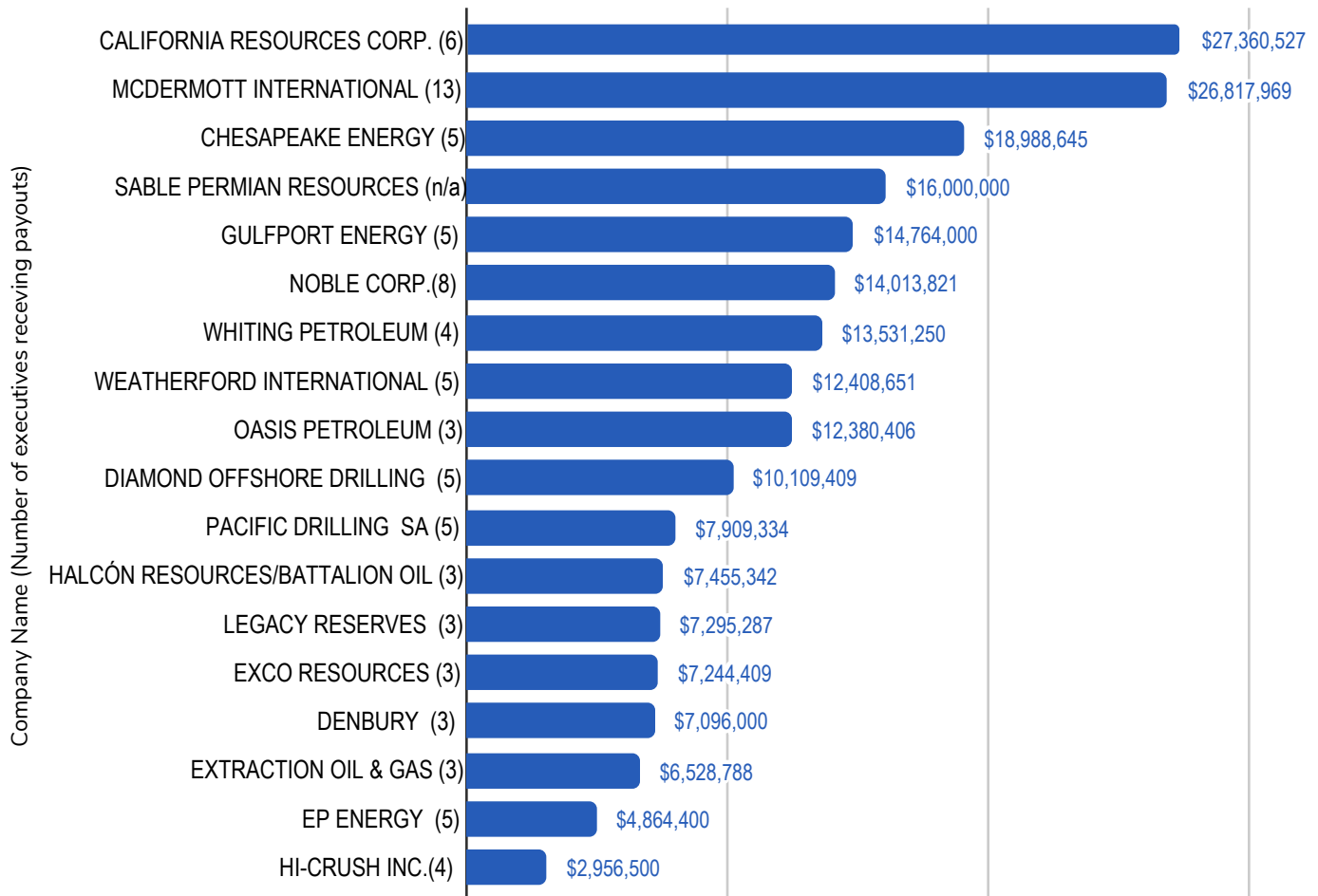
prices fell, as they did last year, financial calamity struck. Eight oil and gas producers [filed for bankruptcy in the first quarter of 2021](#), the highest first-quarter total since 2016. About 107,000 U.S. oil and gas workers [lost their jobs last year](#). Among 14 companies examined in this report for which

complete employment data was available nearly 10,500 workers lost their jobs, according to a tally based on disclosures in the companies' SEC filings.

Though oil companies have experienced a long and checkered history of boom and

FIGURE 4. BANKRUPT OIL & GAS COMPANIES WITH LARGEST EXECUTIVE PAYOUTS

Cash retention awards, bonuses, severance payments for 18 companies in most recent year in bankruptcy.



SOURCE: PUBLIC CITIZEN/DOCUMENTED ANALYSIS OF SEC FILINGS.

NOTE: CALCULATIONS INCLUDE RETENTION PAYMENTS, CASH BONUSES, INCENTIVE AWARDS AND SEVERANCE PAYMENTS, BUT NOT SALARY OR STOCK-BASED COMPENSATION. COMPENSATION FOR MCDERMOTT INTERNATIONAL EXECUTIVES IS TABULATED BASED ON AWARDS APPROVED BY THE COMPANY'S BOARD. THE EXACT PAYMENT WAS NOT AVAILABLE IN THAT CASE.

bust cycles, oil company boards often ensure that executives receive large paychecks regardless of whether they succeed or fail. That unfortunate reality creates a “[Heads I Win, Tails I Win Almost as Much](#)” compensation structure, which contradicts the fundamental reasoning behind stock-based executive compensation packages that purport to align shareholder interests with those of executives.

When fortunes turn negative for many fossil fuel firms, the firms still can find ways to boost executive compensation despite declining share prices and financial prospects. At California Resources Corp., for instance, the company provided more than \$27 million in retention bonuses and incentive awards and severance to the top six executives in 2020, according to the company’s [most recent proxy statement](#). The company’s former

CEO received \$14.5 million. The company justified these large cash payouts in bland terms, writing that, the

company's compensation committee "changed our compensation programs to address the challenging environment and impending restructuring, including the elimination of long-term incentives for 2020 due to the diminished value of the Company's stock." After bankruptcy, the company pledged that its new compensation committee "has taken action to realign our executive compensation program with our new stockholders' interests and with best practices and good governance policies."

Oilfield services company Weatherford International justified cash payouts awarded to its executives in March 2019 by arguing that stock awards tied to performance had become irrelevant due to the company's low share price. The company, which filed for bankruptcy only a few months later in July 2019, [stated that](#), "because the ordinary shares of the Company had been trading at extremely low prices, the Company did not have a large enough share reserve to continue to rely on our 2010 Omnibus Incentive Plan as a material retention and incentive tool in the near future." Essentially, the company needed to pay extra cash to retain the same executives who presided over the company as its financial picture declined. The company's



former CEO, Mark McCollum, was paid \$5.4 million in cash bonus and retention payments in 2019, the year of the company's bankruptcy, according to an [SEC filing](#).

Oil companies typically claim that cash retention bonuses are designed to retain and incentivize executives. However, many of those same executives wound up leaving their companies shortly after their company's exit from bankruptcy. Nine of the 10 largest CEO cash bonus awards tracked in this report went to executives who are no longer with their companies.

The companies examined in this analysis entered bankruptcy with a combined \$114 billion in debt. Most were able to restructure and continue their operations through Chapter 11 bankruptcy. Typically, the oil companies rendered the investments of their shareholders worthless and handed over ownership to lenders. Companies often gave former shareholders a small stake in the new company, or the right to purchase shares of the post-bankruptcy company at a specific price.

Some investors have been concerned about excessive salaries and perks for oil executives.

For example, an activist investment firm criticized former Halcon Resources CEO Floyd Wilson’s compensation package and his private jet use in a presentation to the company board, writing that “private planes are not appropriate for a poor performing small company.”

In recent years, the Southern District of Texas has become the bankruptcy venue of choice for failed oil and gas companies. Twenty three of the 25 oil and gas bankruptcy cases analyzed in this report were heard before two bankruptcy judges: [David Jones](#) and Martin Isgur. This Texas court [has promised a speedy and reliable process](#) for corporate debtors seeking to reorganize, wipe away debts, and exit bankruptcy. At the 2020 Rice University Energy Finance Summit, Jones characterized the bankruptcy court process as a “[customer service](#)” operation focused on enabling speedy corporate bankruptcies. He said:

“I had one goal, and that was to have the court that I always wanted to practice in as a lawyer, and so we sat down and designed a process that focused on customer service. The judge, at least in my humble opinion, the judge is not the most important person in the room. I’m probably the least important person in the room. But we looked at it from a pure customer service aspect. ... We genuinely try to give good customer service.” - Judge David Jones, Chief Bankruptcy Judge, Southern District of Texas, Rice University energy finance [event](#).

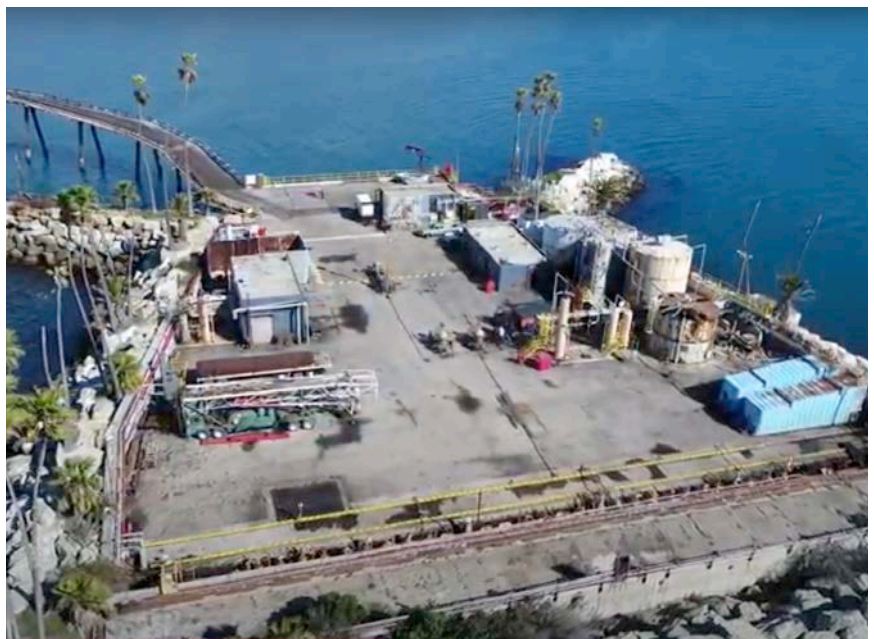
With the surge in oil company bankruptcies in recent years, concern is building .. that taxpayers will be forced to shoulder the burden of billions in cleanup costs.

Oil bankruptcies leave environmental cleanup bills to California taxpayers

Randeep Singh Grewal built a fossil fuel empire around his Greka group of companies. Now, taxpayers are paying millions to clean up Rincon Island.

Mark Olalde, Palm Springs Desert Sun

SOURCE: DESERT SUN [JUNE 25, 2021](#)



A MAN-MADE OIL DRILLING ISLAND IN VENTURA COUNTY, CALIF. BEFORE ITS CLEANUP. SOURCE: CALIFORNIA STATE LANDS COMMISSION [VIDEO](#)

Bankruptcy judges also have some [authority](#) over executive compensation decisions, due to a provision of a 2005 federal bankruptcy law that [imposed limits](#) on executive retention and incentive plans. Under the law, corporate debtors can pay a bonus only under a retention plan based on a strict set of conditions, spurring companies to instead use employee incentive plans which are targeted to specific business metrics. However, companies in recent years

Cleaning Up Oil Wells: Who Will Foot the Bill?

The lengthy environmental remediation process for oil wells includes plugging wells, removing equipment such as pipelines and cleaning up contaminated soil and water. Companies are required to purchase surety bonds to pay for the cost of cleanup.

These bonds are mandated and regulated by state and federal officials but are still widely viewed as insufficient to cover cleanup costs. “Hundreds of thousands of oil and gas wells, tanks, pipelines, pits, and roads across the country have been built without adequate assurances that they will ever be cleaned up,” wrote the Western Organization of Resource Councils in a March 2021 [report](#).

The prior owners of oil rigs often can escape responsibility for shouldering remediation costs. Offshore oil drilling rigs are governed by federal regulations that require previous owners to assume a share of cleanup costs if the current owner cannot do so. But in most cases such predecessor liability does not exist for onshore drilling.

A prominent exception is California, which has passed legislation imposing liability on prior owners. A California [state law governing well cleanup](#) gives the state the authority to find previous operators “until an operator is found that the supervisor determines has the financial resources to cover the cost of plugging and abandoning the well or decommissioning deserted production facilities.” The California law excludes operators who purchased ownership interests before 1996.

have skirted the law by adjusting their executive or bonus plans before filing for bankruptcy, ensuring that corporate executives are paid sizable cash bonuses despite their companies’ failures. In an [analysis](#) aptly entitled “Payday Before Mayday,” David Coburn, a bankruptcy lawyer at Thompson Coburn LLP, wrote that, “this trend may continue to the point that eve-of-bankruptcy retention bonuses potentially become the rule rather than the exception.”

The Cleanup Bill Mounts

With the surge in oil company bankruptcies in recent years, officials at the federal, state, and local levels are [growing concerned](#) that

taxpayers will be forced to shoulder the burden of billions in cleanup costs. The amount of bonding coverage — essentially a form of insurance — that oil and gas companies are required to [purchase](#) to ensure their wells are cleaned up is widely viewed as inadequate. These financial assurances have not kept up with inflation or the soaring costs to reclaim modern wells created with expensive horizontal drilling technology. As a result, taxpayers could well be on the hook for [billions](#) of dollars in potential clean-up costs.

The oil industry’s track record of financial problems is of particular concern, given the risk that defunct companies could in the future leave these wells abandoned, or orphaned, without the resources to clean them up. The Environmental Protection Agency [estimates](#) there are more than 3 million abandoned wells

Fracking Firms Fail, Rewarding Executives and Raising Climate Fears

Oil and gas companies are hurtling toward bankruptcy, raising fears that wells will be left leaking planet-warming pollutants, with cleanup costs left to taxpayers.

SOURCE: NEW YORK TIMES, [JULY 12, 2020](#)

nationwide. Unless they are plugged, these wells can spew [methane gas](#) into the air, [contributing to climate change](#) and polluting groundwater, even in sites [near national parks](#) and [residential neighborhoods](#).

Fears about oil companies' ability to [foot the huge bill](#) for environmental cleanup, and whether it will be shifted to [taxpayers](#) have been coming to pass. In California, taxpayers have had to [foot the huge bill](#) for \$27 million out of the \$47 million costs of cleaning up a man-made island off Ventura County, Calif that was built for oil drilling in the 1950s by Atlantic Richfield Co. In Colorado, the 2019 bankruptcy of PetroShare, a small Colorado drilling firm that left about [50 wells](#) for the state to clean up [at taxpayer expense](#).

A New Mexico study recently [found](#) that the state's drillers have only secured \$201.4 million in financial coverage to cover the cost of well cleanup, compared with a projected cleanup cost of nearly \$8.4 billion for wells on state and private lands. "No one can afford these obligations if they have gone bankrupt. That is why we need companies to be adequately bonded on the front end," [said](#) New Mexico Land Commissioner Stephanie Garcia Richard. In Colorado, officials are considering [revamping](#) the state's rules for oil and gas bonds, which allow operators to cover up to 100 wells with a statewide "blanket" bond of just \$60,000. Given that existing bonds fail to cover up the full cleanup costs of wells, taxpayers are likely to be on the hook if oil companies fail to fulfill their

Methodology

To examine environmental cleanup costs, our analysis focused on 11 oil and gas drilling companies for which complete information was available. We compared CarbonTracker's estimate of the undiscounted cost of plugging individuals with oil and gas companies' estimates of their asset retirement obligations. We then compared those estimates with the bonding coverage purchased by the companies as disclosed in bankruptcy motions asking a judge for permission to pay expenses for insurance, including bonds to cover for well cleanup.

responsibility to clean up their environmental damage.

Additionally, the recent increase in purchases of U.S. oil and gas assets by private equity firms, and the potential of huge future sales by oil giants such as [Shell](#) and [Chevron](#) is further cause for concern. The oil industry has long failed to allocate sufficient resources for oil well remediation. The [continuing purchases](#) of oil and gas fields around the country by private equity firms heightens concern that the firms will escape responsibility for environmental cleanup by setting up opaque, corporate structures to evade paying their bills. Though numerous smaller U.S. shale companies have successfully emerged from chapter 11 bankruptcy, it remains

The oil industry and regulators have for many years relied on low-ball industry-friendly estimates that fail to capture the full costs of well cleanup.

Energy

Colorado oil company's bankruptcy liquidation to result in state taking over orphaned wells

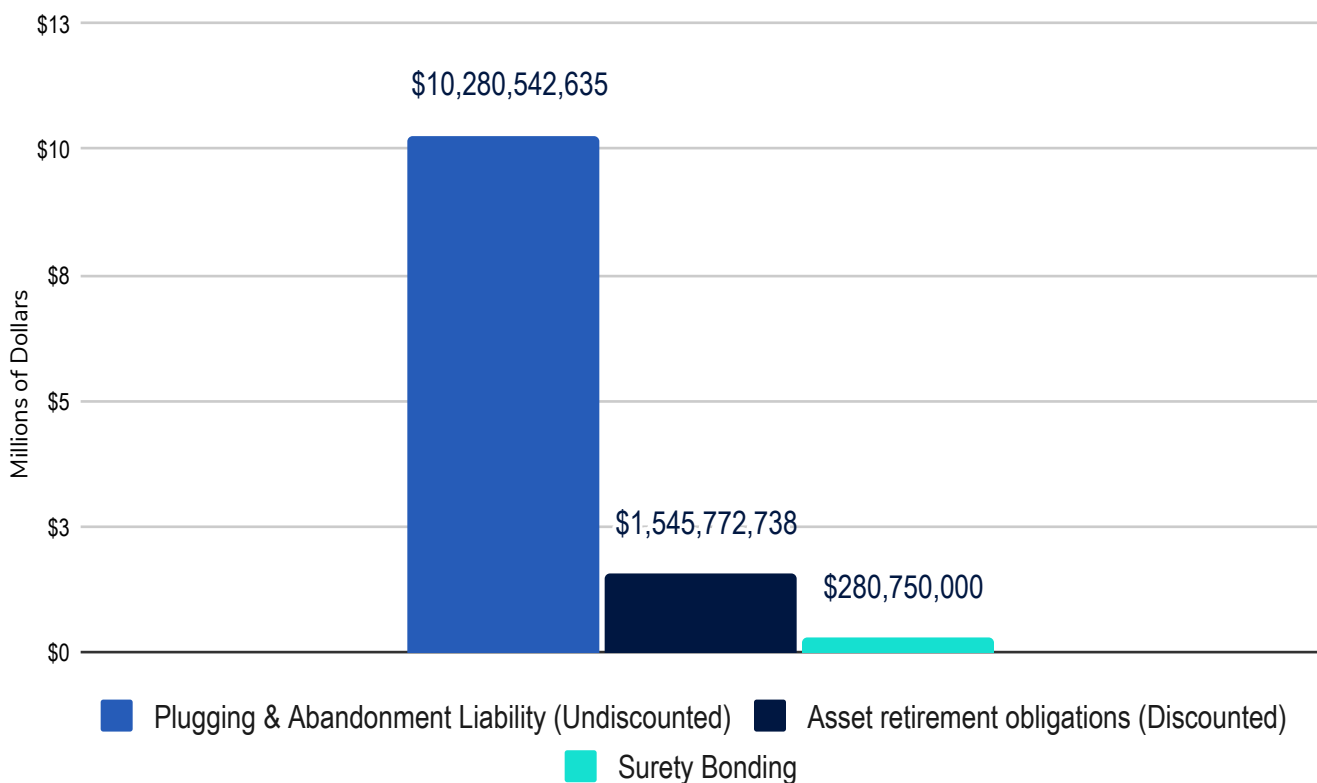
SOURCE: DENVER BUSINESS JOURNAL, [JUNE 9, 2021](#)

unclear whether these companies will have the financial resources in the long run to cover the high price tag of cleanup.

Estimating the cost of cleaning up non-producing oil and gas wells is, at best, a guessing game. The oil industry and regulators have for many

years **relied** on low-ball industry-friendly estimates that fail to capture the full costs of well cleanup. Studies in Pennsylvania have **pegged costs** at between \$91,980 and \$128,520, yet the state of Texas has paid more than \$1 million to plug and abandon an individual well. CarbonTracker estimates cleanup costs of around **\$300,000** per well. Unlike industry estimates, CarbonTracker estimates the current cost of cleanup in today's dollars, rather than accounting **methods** used by companies to estimate costs that are discounted based on the company's borrowing costs, which are often high due to the risk of lending to the oil industry. Cleanup costs depend primarily on well depth, but

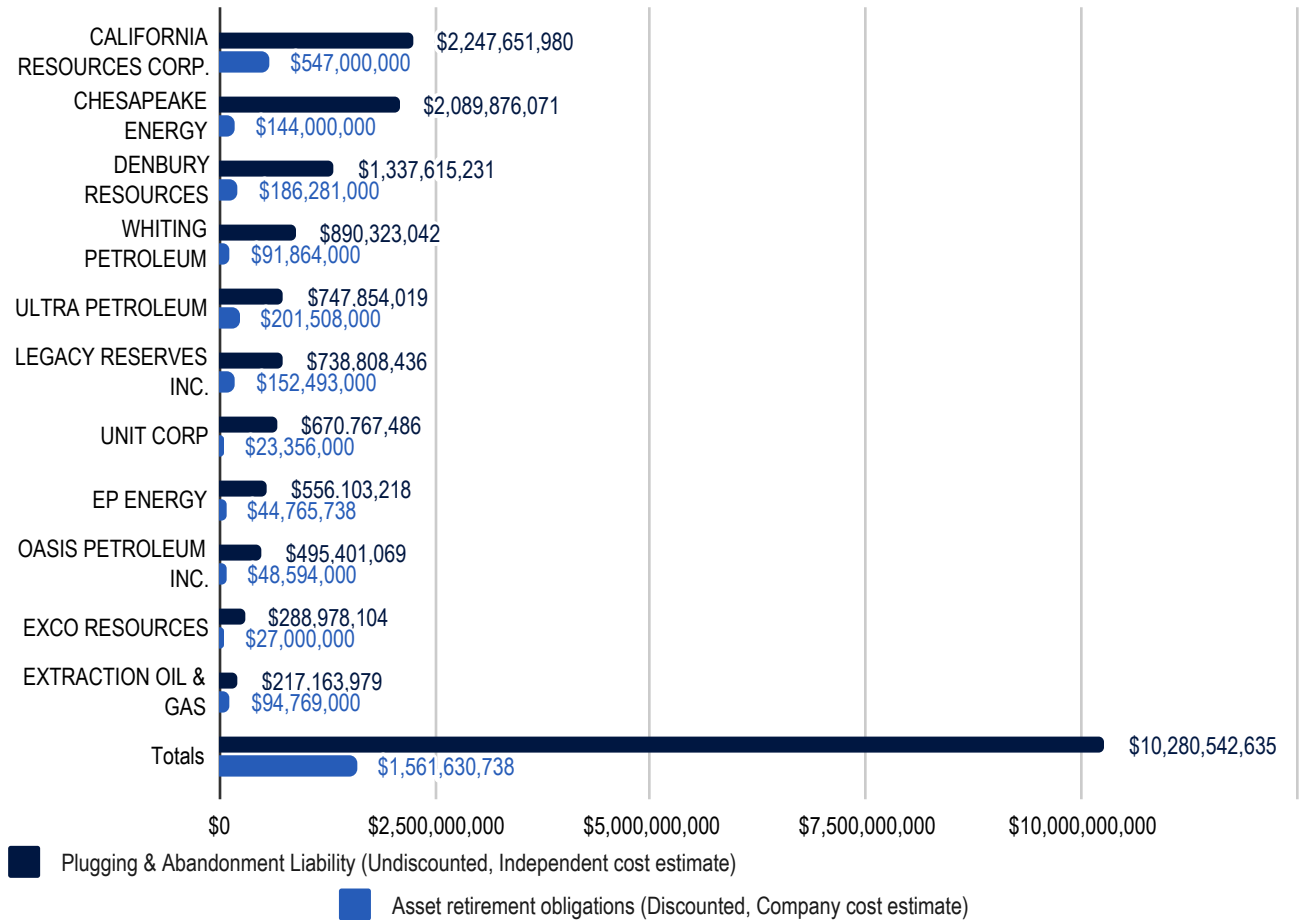
FIGURE 5. POTENTIAL CLEANUP BILL FOR 11 U.S. OIL & GAS COMPANIES FILING FOR BANKRUPTCY FROM 2018 - 2020



SOURCE: CARBONTRACKER, SEC FILINGS, BANKRUPTCY DOCUMENTS

FIGURE 6. COMPANY ESTIMATES OF CLEANUP COSTS VS. POTENTIAL ENVIRONMENTAL TAB

Oil & gas companies' projected environmental cleanup costs compared with independent estimate.



SOURCE: ANALYSIS OF SEC FILINGS, BANKRUPTCY DOCUMENTS
 NOTE: ASSET RETIREMENT OBLIGATIONS FOR EXCO RESOURCES INCLUDES OTHER COSTS.

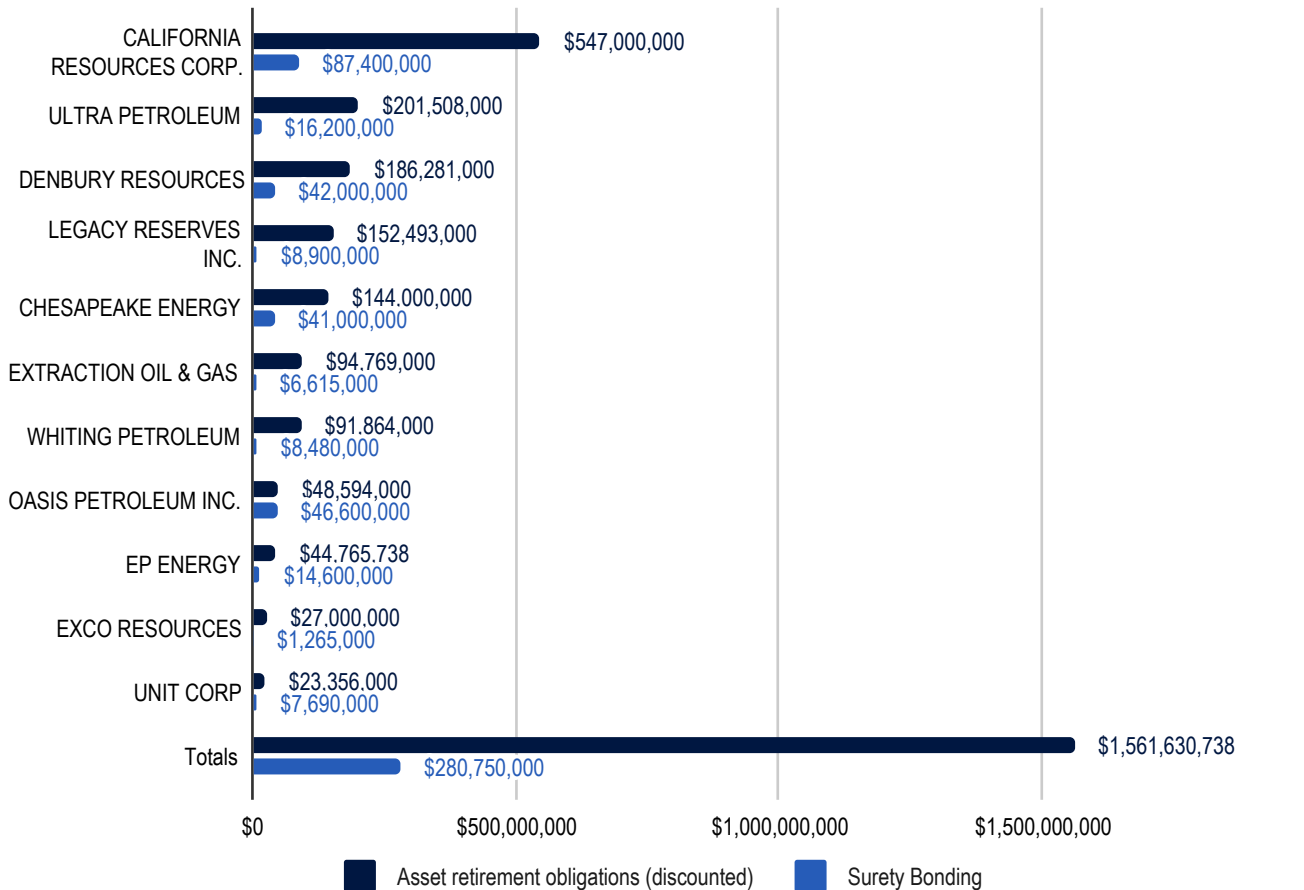
horizontal drilling, competition for oilfield service companies, and the nature of site remediation needed can increase expenses.

The problem of inadequate funding for well cleanup has also attracted attention at the federal level. The Government Accountability Office has found that the bonds oil drillers must purchase to drill on public lands will likely fail to ensure that oil and gas wells are cleaned up. When that happens, taxpayers are left footing the bill.

The federal Bureau of Land Management has identified about \$46 million in cleanup costs from abandoned wells, but GAO estimates that 84 percent of bonds linked to wells on BLM land are likely insufficient to pay for the cleanup. That is because rates for bonding have not been adjusted since the 1950s and 1960s to adjust for inflation. “Without taking steps to adjust bond levels to more closely reflect expected reclamation costs, BLM faces ongoing risks that not all wells will be completely and timely reclaimed, as required by law,” the GAO wrote.

FIGURE 7. COMPANY-ESTIMATED CLEANUP COSTS VS. BONDING

Surety bond coverage compared with companies' estimates of cleanup/asset retirement obligations.



SOURCE: ANALYSIS OF SEC FILINGS, BANKRUPTCY DOCUMENTS

NOTE: ASSET RETIREMENT OBLIGATIONS FOR EXCO RESOURCES INCLUDES OTHER COSTS.

Several legislative efforts in Congress aim to fix outdated federal standards that fail to hold oil companies accountable for cleaning up abandoned wells. For example, under legislation recently introduced by Sen. Michael Bennet (D-Colo.), the Interior Department would set up a fund to remediate orphaned wells — cases in which the owner is insolvent or there is no owner on record. As of April, the Interior Department reported at least 14,400 orphaned wells on federal lands. In addition, there are 56,000 orphaned wells on state and private lands, and up to 746,000 in the U.S. and Canada, according

to a 2018 estimate for 35 states and Canadian provinces.

Oil and gas companies that drill on public lands are required to purchase a bond of at least \$10,000 for all wells on an operator’s lease, an amount that has not been adjusted for inflation since the 1950s and 1960s. Companies can purchase only \$25,000 of coverage for all of an operator’s wells in a state and a mere \$150,000 for all of an operator’s wells nationwide. The Government Accountability Office found that, as of 2018, bonds for individual leases were worth about \$2,700 per well, white statewide

Accounting Rules Make Estimating Cleanup Costs Difficult

Oil and gas companies are required under securities law to estimate their environmental liabilities, known as asset retirement obligations. The real costs, however, may be higher.

When an oil company obtains a new asset such as a well, accounting rules require the company to document the future liability associated with retiring this asset on their balance sheet. These liabilities, known as asset retirement obligations, provide a small window into the scale of the decommissioning, plugging, and abandonment expenses facing the company.

This metric, however, can be misleading. Company estimates of cleanup costs can be lower than actual costs, reducing their reported liability. If cleanup costs come due sooner than anticipated, it means that the cleanup liability is understated on the company's books.

Importantly, companies can lower their reported environmental cleanup tab by discounting the future expense to a present-day dollar amount, because dollars in the present are worth more than in the future. However, many do so without fully explaining the discount rate or timeframe they are using.

Worse still, financially risky companies can use a higher discount rate than stable ones, making retirement liabilities appear quite small on the corporate balance sheet. For example, if a company had \$1 billion in retirement liabilities, a 7 percent discount rate, and expected to plug all its wells in 15 years, it would show an asset retirement liability of roughly \$360 million on its balance sheet.

bonds were worth about \$1,600 per well and nationwide bonds were worth under \$900.

Our analysis found that projected cleanup costs for the more than 57,000 oil and gas wells controlled by the 11 companies entirely focused on drilling could be as high as \$10.3 billion, based on CarbonTracker's estimates of cleanup costs, which are undiscounted. However, bankruptcy documents reveal that these same 11 oil and gas drilling companies have put up only \$281 million in bonds to cover environmental losses. In SEC filings the 11 companies disclose about \$1.5 billion in environmental liabilities, far lower than CarbonTracker's.

Oil companies are allowed to provide lowball estimates of their cleanup costs, partly because of accounting rules that allow them to reduce the value of their cleanup costs by the same interest rate the company has paid to borrow money. Therefore, an oil company that must pay a high rate to entice bond investors to loan the company money can benefit from that same high rate in estimating cleanup costs. Unlike oil and gas companies' estimates as seen in financial statements, CarbonTracker does not incorporate a present-value discount into its estimates, therefore its estimates of cleanup liability are far higher.





Case Studies

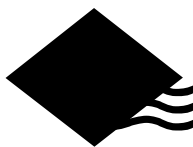
25 LARGEST U.S. OIL BANKRUPTCIES, 2018-2020

DIAMOND OFFSHORE DRILLING INC

Filed 4/26/2020

Completed: 4/8/2021

Debt (secured and unsecured):
\$11.8 billion



This Houston-based offshore drilling contractor's \$11.8 billion bankruptcy was the largest U.S. oil company filing from 2018 through 2020. Unlike many corporate bankruptcies, Diamond did not have a bankruptcy plan in place when it filed in April 2020. About **\$2.1 billion** in corporate debt was turned into shares in the newly

DIAMOND
OFFSHORE

reorganized company. The company's Chapter 11 plan [warrants to purchase 7 percent of the equity](#) in the new company to former shareholders whose holdings were rendered worthless. Diamond Offshore [exited bankruptcy](#) in April 2021.

EXECUTIVE PAYOUTS

Diamond Offshore paid its top executives \$10.1 million in cash bonuses and incentive payments last year, according to Diamond Offshore's most recent [proxy statement](#), Former CEO Marc Edwards received \$6.05 million in incentive payments and cash bonuses in 2020, on top of his \$1 million salary, for total compensation of nearly \$7.1 million in 2020. Edwards [retired in spring 2021](#) as the company emerged from

FIGURE 8. CASH PAYMENTS TO DIAMOND OFFSHORE DRILLING EXECUTIVES, EXCLUDING SALARY, 2020

NAME	POSITION	BONUS	NON EQUITY INCENTIVE PLAN	TOTAL CASH AWARDS
MARC EDWARDS	Former President and CEO	\$291,667	\$5,758,333	\$6,050,000
RONALD WOLL	Executive Vice President / COO	\$830,417	\$1,350,826	\$2,181,243
SCOTT L. KORNBLAU	SVP / CFO	\$52,500	\$575,758	\$628,258
DAVID L. ROLAND	SVP / General Counsel & Secretary	\$46,667	\$631,741	\$678,408
DOMINIC A. SAVARINO	VP / Chief Accounting & Tax Officer	\$35,00	\$536,500	\$571,500
TOTAL		\$1,256,251	\$8,853,158	\$10,109,409

SOURCE: DIAMOND OFFSHORE [PROXY STATEMENT](#)

Key Employee Incentive Program <i>(Assuming Achievement of Performance Targets)</i>			
Title	Threshold Award Opportunity	Target Award Opportunity	Stretch Award Opportunity
CEO & President	\$2,500,000	\$5,000,000	\$7,500,000
EVP & COO	\$680,460	\$1,360,920	\$2,041,380
SVP GC & Secretary	\$301,400	\$602,800	\$904,200
SVP & CFO	\$283,750	\$567,500	\$851,250
VP Operations	\$223,092	\$446,183	\$669,275
VP HSE Quality and Maintenance	\$197,099	\$394,197	\$591,296
VP Chief Accounting & Tax Officer	\$262,500	\$525,000	\$787,500
VP HR and Administration	\$205,600	\$411,200	\$616,800
VP IR and Corporate Development	\$183,375	\$366,750	\$550,125
Total Award Opportunity	\$4,837,285	\$9,674,751	\$14,511,856

SOURCE: DIAMOND OFFSHORE SEC [FILING](#)

Any person that has worked in the offshore industry for the last several years has experienced “pay cuts” or layoffs due to the volatility of the industry and demand for oil. As offshore employees we understand that our company must make decisions to stay profitable. However, after filing Chapter 11 and receiving a large tax break via the CARES Act we feel a pay reduction, which is not shown anywhere in company documents as a form of compensation on top of our base pay, is unwarranted. It also seems very counterintuitive to reduce the pay of the same employees that are working hard to prepare their vessel for a contract which will undoubtedly play a major role in bringing the Company out of bankruptcy, and maintain the highest standards of safe operations.

For most of the employees that work on the Ocean BlackRhino this is not just a job, it is our life. We spend more time with our co-workers than we do with our families; over half our life is spent in the service of Diamond Offshore. We miss children being born, first steps, graduations, championships and funerals in order to work hard for the Company and to earn our salary, a salary which is now being threatened when we need it the most.

The purpose of this letter is to request your help Judge Jones. We have expressed our concerns to the Company’s Management with no response; our several attempts to contact our Ethics and Compliance Department have gone unanswered. As the presiding Judge of Diamond Offshore’s case we ask that our base wages not be cut in order to keep the rig crew, and lifeblood of the operation, working safely and hard to ensure the long term success of the company.

Very Respectfully Submitted,

The Crew of the Drillship Ocean BlackRhino

Diamond Offshore Drilling

SOURCE: BANKRUPTCY [FILING](#) BY OFFSHORE CREW, 6/1/2020

bankruptcy. Edwards was [succeeded](#) by Bernie Wolford, former CEO of Pacific Drilling SA, which emerged from bankruptcy toward the end of 2020. Wolford is to receive a [salary of \\$700,000 with an additional \\$700,000](#) in bonus depending on the company’s performance.

Under an employee incentive program [approved](#) by the bankruptcy court, nine executives were eligible for [up to \\$14.5 million](#) in bonuses, [despite objections](#) from the official committee of unsecured creditors. The creditors committee [wrote in a bankruptcy filing](#) that the company “proposed what they style an ‘incentive’ program that

would award millions of dollars to nine of the Debtors’ executives simply for showing up and hitting easy targets, none of which are tailored to promote the Debtors’ timely and successful emergence from chapter 11.” The exact payouts could not be determined for all nine executives, as SEC rules only require companies to disclose executive compensation figures for the most senior executive officers.

Job losses surged at Diamond Offshore during the company’s bankruptcy. Total employment fell to [1,900](#) by the end of 2020, down from [2,500](#) at the end of 2019, according to Securities and Exchange Commission filings.



Diamond Offshore [laid off 120 workers](#) at its corporate headquarters in Houston in April 2020, even as the company received [\\$9.7 million in benefits](#) due to tax-law changes included in pandemic-relief legislation passed by Congress that same spring.

During Diamond Offshore's bankruptcy, [the crew of a Gulf of Mexico offshore rig criticized](#) plans to impose pay cuts of 20 percent. The crew [wrote](#) that it "seems very counterintuitive to reduce the pay of the same employees that are working hard to prepare their vessel for a contract which will undoubtedly play a major role in bringing the Company out of bankruptcy, and maintain the highest standards of safe operations." The official committee of unsecured creditors noted the contrast between the company's

executives and workers, writing in a bankruptcy court [filing](#) that: "it is telling, and troubling, that compensation for the crew of the Ocean BlackRhino has been reduced in these challenging times while similar compensation reductions have not been made with respect to the Debtors' insiders."

CHESAPEAKE ENERGY

Filed 6/28/2020

Completed: 2/9/2021

Debt (secured and unsecured):
\$11.8 billion



Known as the pioneer of the U.S.

fracking industry, Chesapeake Energy was co-founded by former CEO Aubrey McClendon, who [died in a 2016 car crash](#) a day after being indicted on charges of conspiring to rig the prices of oil and gas leases. During the Oklahoma City-based company's bankruptcy shareholders were [wiped out](#) and [\\$7.8 billion in debt](#) was converted into stock. The company [sold off \\$1 billion in debt](#) as it exited bankruptcy and [posted](#) a quarterly profit of \$295 million.

EXECUTIVE PAYOUTS

On May 5th, 2020, weeks before filing for bankruptcy, Chesapeake [said in an SEC filing](#) that it would make cash retention payments totaling \$25 million to 21 executives. Like many oil companies, the company justified these large cash payments with bland corporate language, saying that it “determined that the historic compensation structure and performance metrics would not be effective in

motivating and incentivizing the Company's workforce” given large declines in commodity prices.

Yet bankruptcy court documents revealed additional details of corporate spending. Bankruptcy court documents detail more than \$17,000 of [personal corporate jet](#) use by five top executives.

According to Chesapeake's 2021 [proxy statement](#), the company's top five executives received nearly \$19 million in cash payouts in 2020, with Robert D. “Doug” Lawler, the company's president and CEO receiving \$8.9 million, the third largest CEO payout among the companies examined in this report. Lawler [left Chesapeake](#) in spring 2021.

POLITICAL INFLUENCE

Over the past decade, Chesapeake was one of the most active oil and gas companies seeking influence in Washington, with [\\$6.7 million](#) in federal corporate PAC spending since 2010, according to the Center for Responsive Politics. Under the Obama administration, Chesapeake [sought to narrow the scope](#) of an Environmental Protection Agency study on the impact of fracking on drinking water and [compensated a university researcher](#) who wrote a paper on fracking and water

The Board and Compensation Committee, with the advice of their independent compensation consultant and legal advisors, determined that the historic compensation structure and performance metrics would not be effective in motivating and incentivizing the Company's workforce. As a result, given the current circumstances, the Board and the Company implemented the following revised compensation structure for the Company's senior executives (including our named executive officers), employees and non-employee directors.

SOURCE: CHESAPEAKE ENERGY SEC [FILING](#), MAY 5, 2020

LAWLER, ROBERT 6100 N. WESTERN AVE. OKLAHOMA CITY, OK73118	Chief Executive Officer	\$1,983.98	03/03/2020	TF-PersUse Co Plane
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SOURCE: CHESAPEAKE ENERGY BANKRUPTCY [FILING](#)

safety. In the 90 days before filing for chapter 11, Chesapeake made sizable payments to trade associations and PR firms including [FTI Consulting](#), [Independent Petroleum Association of America](#), and [National Association of Manufacturers](#).

ENVIRONMENTAL ISSUES

The Chapter 11 process may have aided Chesapeake in removing some of its environmental liabilities. During the final months of the Trump administration, the company [entered into](#) a \$1.2 million environmental [settlement](#) with the Environmental Protection Agency and Justice Department. This agreement resolved the EPA's allegations that the company failed to repair equipment leaks and maintain air pollution control equipment to minimize emissions, leading to the emissions of volatile organic compounds. The Justice Department [said in the settlement](#) it believed penalties could exceed \$25 million in the case, but still agreed to a \$1.2 million fine to settle the allegations. Chesapeake said it settled the case, even though it disputed the allegations, because "defending against these allegations would be resource and time intensive" In March 2021, Chesapeake

[agreed to pay \\$5.3 million](#) to [landowners in Pennsylvania](#) who alleged the company short-changed them by underpaying royalties for natural gas drilling. Pennsylvania Attorney General Josh Shapiro had [sued](#) the company in state court, but a federal bankruptcy judge [prevented](#) that case from proceeding.

SAFETY ISSUES

Chesapeake also has had safety problems. Three workers [died](#) after a 2020 explosion at a Chesapeake oil well in Texas. The Occupational Safety and Health Administration [fined](#) Chesapeake and two other companies \$387,000 as a result of the incident.



MCDERMOTT INTERNATIONAL, INC.

Filed 1/21/2020

Completed: 6/30/2021

Debt (secured and unsecured):
\$9.9 billion

MCDERMOTT

Houston-based McDermott, an oilfield services company, filed for bankruptcy in January 2020, after struggling with high levels of debt due to an expensive acquisition, mounting losses and wider troubles in the offshore drilling industry. In its bankruptcy, McDermott obtained the support of more than two-thirds of creditors to eliminate more than \$4.6 billion in debt by turning it into stock. The company exited bankruptcy in June 2020, using the proceeds from the sale of a technology business to stabilize its finances.

EXECUTIVE PAYOUTS

In October 2019, months before filing for bankruptcy, the company’s compensation committee approved nearly \$9 million in retention bonus payments for six top executives, and the company’s CEO at the time, David Dickson was approved for payments of nearly \$3.4 million. according to an SEC filing. Then, in February 2020, a bankruptcy judge approved the company’s plan for up to \$26.8 million in retention awards to 13 key executives, including up to \$12.7 million for former CEO Dickson (see excerpt below). The company also approved \$79.4 million in retention awards to more than 1,100 employees, for a total of more than \$106 million. However, the exact amount paid out to company executives could not be determined because the company ceased public SEC filings after canceling out shareholders.

Some shareholders objected to a portion of the restructuring plan that gave company



Individual KEIP Values ³			
Participant’s Title	Threshold Award Opportunity	Target Award Opportunity	Maximum Award Opportunity
President and Chief Executive Officer	\$3,165,625	\$6,331,250	\$12,662,500
Group Senior Vice President, Projects	\$650,000	\$1,300,000	\$2,600,000
Executive Vice President and Chief Financial Officer	\$616,125	\$1,232,250	\$2,464,500
Executive Vice President, Chief Legal Officer and Corporate Secretary	\$561,750	\$1,123,500	\$2,247,000
Senior Vice President and Chief Commercial Officer	\$295,000	\$590,000	\$1,180,000
Senior Vice President and Chief Human Resources Officer	\$165,000	\$330,000	\$660,000
Senior Vice President, Middle East and North Africa	\$225,000	\$450,000	\$900,000
Senior Vice President, Europe, Africa, Russia and Caspian	\$211,250	\$422,500	\$845,000
Senior Vice President, Asia Pacific	\$211,250	\$422,500	\$845,000

SOURCE: BANKRUPTCY MOTION, MCDERMOTT INTERNATIONAL, FEBRUARY 10, 2020

executives a 7.5 percent stake in the new company while leaving shareholders with nothing. “After such a monumental mess up, you might have thought that McDermott CEO David Dickson would be at risk of losing his job,” an anonymous columnist for an industry trade publication [wrote](#). “But, no, as McDermott finds its financial situation getting worse and worse, so Mr. Dickson’s personal financial outlook just gets better and better.” Dickson [resigned](#) in June 2021 and was [replaced](#) on an interim basis by a company board member, Lee McIntire.

The company also has faced legal troubles. In 2019, the Securities and Exchange Commission [notified](#) McDermott (excerpt below) that it was investigating the company’s disclosures of projected losses on

a liquified natural gas project in Louisiana. Additionally, the company has disclosed a federal grand jury investigation into that project. The Wall Street Journal [reported](#) that lenders to the company failed to tell investors about the SEC investigation before closing on \$1.7 billion in rescue financing. In bankruptcy court, the SEC [objected](#) to a piece of the bankruptcy plan that released managers from liability based on fraud and misconduct.



SEC and Federal Grand Jury Investigations—By letter dated July 26, 2019, together with accompanying subpoenas, the U.S. Securities and Exchange Commission (the “SEC”) notified us that it is conducting an investigation related to disclosures we made concerning the reporting of projected losses associated with the Cameron LNG project. We have been and intend to continue cooperating with the SEC in this investigation, including by producing documents requested by the SEC. Also, by letter dated February 25, 2020, together with an accompanying subpoena, the office of the United States Attorney for the Southern District of Texas within the U.S. Department of Justice notified us that a Federal Grand Jury is conducting a criminal investigation and requested various documents, including cost forecasts and other financial-related information, related to the Cameron LNG project. We intend to cooperate with the United States Attorney’s office and the Federal Grand Jury in this investigation, including by producing the documents that have been requested.

SOURCE: MCDERMOTT INTERNATIONAL INC. QUARTERLY SEC FILING MAY 5, 2020.

WEATHERFORD INTERNATIONAL PLC

Filed 7/1/2019

Completed: 12/13/2019

Debt (secured
and unsecured):
\$7.4 billion



The Houston-based international oilfield services and equipment company [completed](#) its chapter 11 bankruptcy reorganization at the end of 2019, reducing its debt by \$6.2 billion, with most shares in the company going to bondholders, about 5 percent going to management and a small amount going to prior shareholders.

EXECUTIVE PAYOUTS

While in bankruptcy, Weatherford paid five top executives \$6.6 million in cash retention awards and \$5.8 million in bonus payouts for a total of [\\$12.4 million](#) in cash awards, according to the company's [2020 proxy statement](#). That included nearly \$5.4 million for CEO Mark McCollum and \$2.5 million for Karl Blanchard, the company's chief operating officer.

In announcing the retention awards and bonus plan in March 2019, before filing for bankruptcy, the company justified the cash payouts by asserting that stock awards tied to performance were irrelevant in a period of low share price — an assertion that undermines the rationale for equity awards tied to performance. The company stated that “because the ordinary shares of the Company had been trading at extremely low prices, the Company did not have a large enough share reserve to continue to rely on our 2010 Omnibus Incentive Plan as a material retention and incentive tool in the near future.”

After the company's exit from bankruptcy, CEO Mark McCollum [left the company](#) suddenly in June 2020 just before the company's annual meeting. The company said little about the departure, but analysts told the Houston Chronicle that the company's finances appeared shaky amid mounting economic damage from the pandemic and low oil prices. “The problem is that Weatherford emerged from bankruptcy at the wrong time with too much debt,” Sarah Foss, a Houston-based legal analyst with Debtwire told the Houston Chronicle. “they didn't anticipate the things that are happening now.” By the end of summer 2020, Weatherford was able to give itself some breathing room by [refinancing \\$500 million in debt](#) in August 2020 and [relisted its shares](#) on the NASDAQ in June 2021.

Executive	Target Payout (\$)	Actual Payout (\$)
McCollum	7,000,000	3,367,875
Blanchard	2,300,000	1,106,588
Ibrahim	1,175,000	565,322
Bausch	1,650,000	670,106
Fraser	231,250	111,260

At the same time, the Company entered into Retention Award Letters with the same key employees who participate in the EBP. Each such individual received a cash retention award in an amount equal to a percentage of the recipient's annual base salary. The retention award for the NEOs are set forth in the table below:

Executive	Retention Award (\$)
McCollum	2,000,000
Blanchard	1,400,000
Ibrahim	1,250,000
Bausch	1,300,000
Fraser	637,500

SOURCE: WEATHERFORD INTERNATIONAL 2020 [PROXY STATEMENT](#), PAGE 20

EP ENERGY

Filed 10/3/2019

Completed: 10/1/2021

Debt (secured and unsecured):
\$7.3 billion



A Houston-based oil and gas producer focused on exploration in Texas and Utah, EP Energy [filed for bankruptcy](#) in October 2019, agreeing to turn over the company's stock to creditors in exchange for the [termination of \\$3.3 billion in debt](#). However, that deal [collapsed in March 2020](#) as the pandemic accelerated, oil prices sank and investors became skittish about the deal and following objections from creditors who [argued](#) that the company needed to reexamine its financial projections given the pandemic and oil supply glut. With oil prices starting to recover by summer 2020, the company then proposed a second exit strategy that [slashed \\$4.4 billion in debt](#). The company exited bankruptcy in October 2020, [sold off](#) some of its assets. The company [announced](#) in March 2021 it had hired bankers to examine a sale, merger or other strategic options. Reuters [reported](#) in June 2021 that two private equity firms were considering bidding for the company.

EXECUTIVE PAYOUTS

In May 2019, months before the company's bankruptcy filing, EP handed out nearly \$4.9 million in retention awards to five top executives. The [company said](#) the plan "was designed to retain employees of the Company in their current roles over the near term while providing them with financial stability." CEO Russell Parker received a \$2.4 million retention award as part of the company's retention program, according to an [SEC filing](#).

ENVIRONMENTAL ISSUES

Before the company's exit from bankruptcy, several creditors, including the U.S. government, made protective claims against EP Energy for potential environmental liabilities including plugging and abandonment, reclamation, and decommissioning obligations. These include a [\\$36.8 million claim](#) by the Interior Department for offshore decommissioning in the Gulf of Mexico and a [\\$31.7 million claim](#) from the Bureau of Indian Affairs for cleaning up 195 wells on tribal reservations at a cost of more than \$162,000 per well. The government later agreed to [withdraw](#) the claims after the company's bankruptcy emergence plan stipulated that claims by the government were not released.

Named Executive Officer	Retention Award Amount
Russell E. Parker President and Chief Executive Officer	\$ 2,392,800
Chad D. England Senior Vice President, Operations	\$ 813,600
Raymond J. Ambrose Senior Vice President, Engineering and Subsurface	\$ 572,000
Kyle A. McCuen Senior Vice President, Chief Financial Officer and Treasurer	\$ 543,000
Jace D. Locke Vice President, General Counsel and Corporate Secretary	\$ 543,000

SOURCE: EP ENERGY SEC FILING [MAY 2019](#)

CALIFORNIA RESOURCES CORPORATION

Filed 7/15/2020

Completed: 10/27/2020

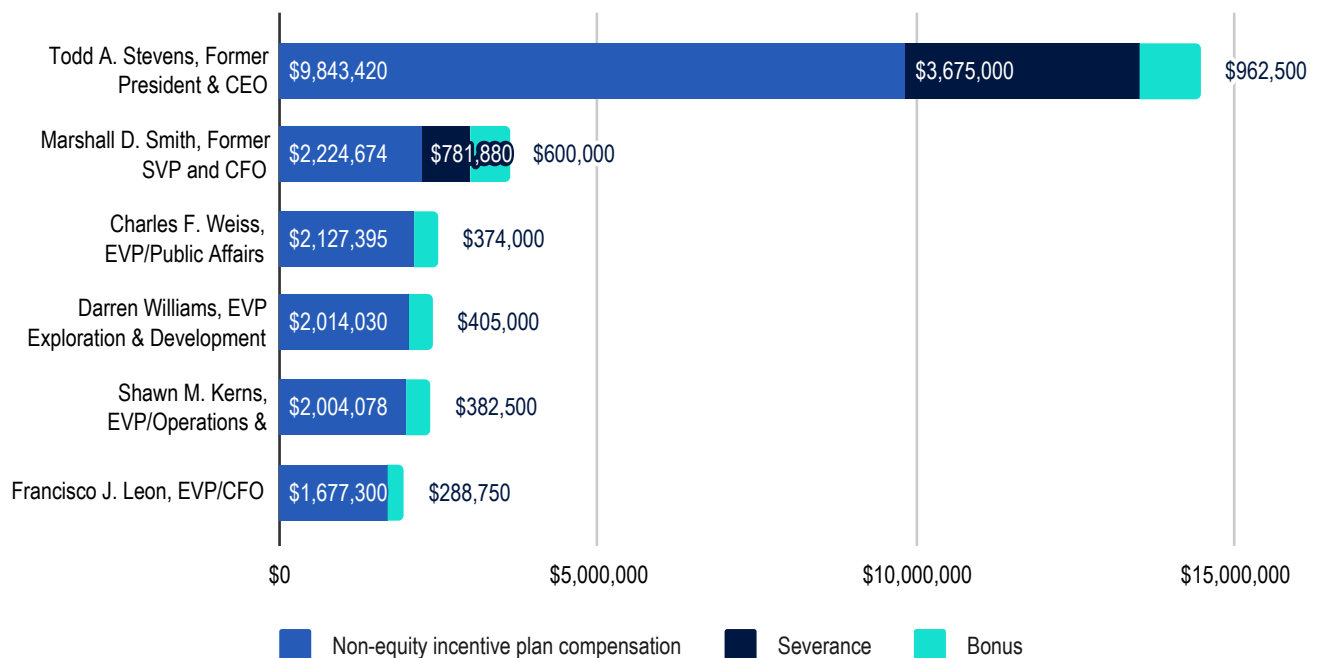
Debt (secured and unsecured): \$6.3 billion



California's largest oil driller, California Resources Corp., was created in 2014 as a [spinoff](#) of Occidental Petroleum's assets in the Golden State. At that time, Occidental's California assets were declining in value and expensive cleanup liabilities loomed on the horizon. Occidental decided to spin off its California assets into a new company for \$6 billion in cash, while California Resources

assumed liabilities and environmental risks. This sort of "bad bank" strategy is used by many companies, prominently in the [coal industry](#), to carve out their most damaged assets and liabilities. Occidental "shed its long-term California cleanup liabilities from its books, pushing those obligations onto the newly formed company," wrote the Institute for Energy Economics and Financial Economics in a 2020 [report](#) entitled "California Schemin'." The IEFFA report calculated that California Resources consistently bled money, generating negative cash flows of \$283 million for the first five years of its existence. The company, which also [acquired](#) some California assets from Chevron Corp., [filed for bankruptcy](#) in summer 2020 after an unsuccessful [attempt](#) to restructure debt acquired in the Occidental spinoff. The company [emerged](#) from bankruptcy in October 2020 with \$4.4 billion

FIGURE 9. CASH PAYOUTS TO TOP CALIFORNIA RESOURCES CORP EXECUTIVES, 2020



SOURCE: CALIFORNIA RESOURCES CORP. PROXY STATEMENT

in debt turned to equity and former shareholders wiped out.

EXECUTIVE PAYOUTS

California Resources' executive payouts were substantially more generous than other oil companies, with the company paying more than \$27 million in retention bonuses and incentive awards and severance to the top six executives in 2020, according to the company's [most recent proxy statement](#) filed in March 2021. Of that amount, \$14.5 million — the most CEO compensation in this analysis — went to former CEO Todd Stevens, whose departure was [announced](#) in December 2020. The company then announced the departure of [three more executives](#) in January 2021. According to his LinkedIn [profile](#), Stevens is now CEO of Black Knight Energy LLC.

ENVIRONMENTAL ISSUES

California Resources faces staggering cleanup costs for its operations in the Golden State. The [Sierra Club](#) estimates that plugging and remediating the company's 18,000 wells in the state could cost California Resources more than \$900 million, and the [Institute for Energy Economics and Financial Analysis](#) estimates that the amount may be as much as \$1.2 billion — costs that the company may not be in a position to pay. The Sierra Club's analysis found that more than 75 percent of the company's wells are past the end of their lives and that nearly 2,200 have been idle for at least 15 years. CarbonTracker [estimates](#) the company's environmental liability at more than \$2.2 billion or 35 percent of the state's total.





ULTRA PETROLEUM / PUREWEST ENERGY

Filed 5/14/2020

Completed: 9/16/2020

Debt (secured
and unsecured):
\$5.7 billion



Primarily a natural gas driller focused on Wyoming, Englewood, Colorado-based Ultra Petroleum [filed for its second bankruptcy in four years](#) in May 2020. In October 2020, the company exited bankruptcy after four and a half months, in a [transaction](#) that took the company private. CEO Brad Johnson [left later](#) that month. In spring 2021, the company [purchased](#) a Wyoming natural gas drilling

firm and again rebranded itself, this time as PureWest Energy. The company says it is the [largest natural gas producer](#) in Wyoming.

EXECUTIVE PAYOUTS

Payouts during the company's 2020 bankruptcy could not be determined as PureWest is now a private company. In Ultra Petroleum's 2017 bankruptcy, then-CEO Michael Watford stood [to receive \\$35 million in stock](#), out of \$300 million due to employees. However, it is unclear whether Watford was able to reap this windfall due to the company's financial woes, and he retired from the company in 2018. Watford served as chairman of the Independent Petroleum Association of America, a national fracking trade group.



UNIT CORP.

Filed 5/22/2020

Completed: 9/3/2020

**Debt (secured
and unsecured):
\$4.8 billion**



A Tulsa, Okla.-based oil and gas producer that operates in Texas and Oklahoma, Unit Corp. [filed for bankruptcy](#) in May 2020. David Merrill, the company's CEO at that time, [cited the impact](#) of the severe downturn in commodity prices and the pandemic. "While facing this challenging environment, we have worked diligently to explore a variety of strategic alternatives to cut costs, improve our liquidity and address near-term debt maturities," Merrill said in announcing the bankruptcy filing. Months later, the company [exited](#) bankruptcy, eliminating \$650 million in debt by converting bondholders into shareholders and exchanging its prior common stock for warrants to buy new stock. The company's shares [began trading](#) in May 2021.

EXECUTIVE PAYOUTS

Unlike many other oil and gas companies, Unit Corp. did not provide retention bonuses or extra cash compensation during the year of its bankruptcy. "Due to the company's continuing efforts to reduce costs post-bankruptcy, no 2020 bonuses were awarded" the company wrote in its proxy statement. The company's two top executives received 15 percent pay cuts. Merrill, formerly the company's chief operating officer, was [promoted to CEO](#) in February 2020 then [left the company](#) along with the company's chief financial officer in October 2020 after the company's exit from bankruptcy. The company's board chairman, Phillip Smith became CEO at that time. An excerpt from the company's 2021 [proxy statement](#) shows an unusual degree of parsimony for a bankrupt oil company. Unit Corp. cited the need to implement cost-savings measures due to its cash-strapped financial condition. "Due to the company's continuing efforts to reduce costs post-bankruptcy, no 2020 bonuses were awarded" the company wrote in its proxy statement. The company has set up a long-term incentive

plan that awards more than 900,000 shares to executives, employees and board members.

NOBLE CORPORATION **PLC**

Filed 7/31/2020

Completed: 2/5/2021

Debt (secured and unsecured):

\$3.95 billion



A Texas offshore drilling contractor and supplier for the offshore oil and gas industry, Noble saw its losses mushroom due to the pandemic and depressed demand for oil. The company posted a \$1.1 billion quarterly loss in May 2020 and hired a restructuring adviser. “The offshore drilling industry will endure another period of depressed

business activity for a duration of time that remains difficult to forecast,” Julie Robertson, the company’s chief executive at the time, said in a statement. In July 2020, the company missed a \$15 million interest payment then filed for bankruptcy weeks later. The company agreed to transfer control to bondholders, eliminating \$3.4 billion in debt. Former shareholders saw their holdings canceled and were given warrants to purchase new shares. After exiting bankruptcy in February 2021, Noble acquired another troubled oilfield services firm, Pacific Drilling in March 2021, and listed its shares on the New York Stock Exchange in June 2021.

EXECUTIVE PAYOUTS

Weeks before filing for bankruptcy, Noble revamped its executive compensation plans, arguing it needed “to more appropriately retain



FIGURE 11. CASH PAYMENTS TO NOBLE CORP. EXECUTIVES, EXCLUDING SALARY, 2020

NAME AND POSITION	BONUS	NON-EQUITY INCENTIVE PLAN	SEVERANCE/ TRANSITION	TOTAL
JULIE J. ROBERTSON Former Executive Chairman; former President and Chief Executive Officer	N/A	\$500,000	\$3,910,781	\$4,410,781
ROBERT W. EIFLER President and Chief Executive Officer	\$1,545,200	\$1,637,700	N/A	\$3,182,900
RICHARD B. BARKER Senior Vice President and Chief Financial Officer	\$1,630,000	\$686,250	N/A	\$2,316,250
WILLIAM E. TURCOTTE Senior Vice President, General Counsel, and Corporate Secretary	\$1,195,000	\$604,000	N/A	\$1,799,000
BARRY SMITH Former Senior Vice President of Operations	\$275,000	\$590,000	N/A	\$865,000
JOEY M. KAWAJA Vice President of Operations	\$323,775	\$188,025	N/A	\$511,800
LAURA D. CAMPBELL Vice President, Chief Accounting Officer and Controller	\$300,000	\$172,000	N/A	\$472,000
STEPHEN M. BUTZ Former Executive Vice President and Chief Financial Officer	N/A	N/A	\$456,090	\$456,090
TOTAL				\$14,013,821

SOURCE: NOBLE ENERGY 2021 PROXY STATEMENT.

and motivate its key employees during a period of uncertainty and increased workload.” The company made more than \$14 million in cash payouts to eight top executives in 2020, according to the company’s annual [proxy statement](#). CEO Robert Eifler, who took over from Robertson was paid \$3.2 million in cash payouts and bonuses, as part of a \$4.9 million compensation package. Robertson was paid nearly \$3.9 million under a “transition

agreement” in which she stepped down as CEO in May 2020 and then served as executive chairman until February 2021, when she retired.

HI CRUSH INC.

Filed 7/12/2020

Completed: 10/9/2020

Debt (secured and unsecured):
\$3.85 billion



Houston-based Hi-Crush sells sand used by the fracking industry for blasting into shale rock to release natural gas and oil. The company filed for bankruptcy in July 2020. Hi-Crush emerged from bankruptcy in October 2020, eliminating \$450 million in debt, plus \$76 million in interest and lease obligations and appointing a new board of directors. The company’s existing shares were canceled, 13.6 million in shares were issued to holders of claims.

Hi-Crush has come under scrutiny on multiple fronts. An investigative story by Reuters raised questions about the independence of the company’s board, which included a top official at the University of Notre Dame official, the alma mater of former High-Crush CEO Robert Rasmus. The Reuters report raised questions about the company’s purchase of sand-mines and other assets in which Rasmus and two co-founders of the company had a personal stake. Reuters also raised questions about key executives’ purchases of company stock the day before the company announced a share-buyback plan that caused the company’s shares to soar. Rasmus told Reuters in a written statement that the company’s board complied with “appropriate guidance, process,

good corporate governance and practices, and securities and legal regulations.”

EXECUTIVE PAYOUTS

On July 10, 2021, days before filing for bankruptcy, Hi-Crush paid its four top executives a total of \$2.96 million in retention bonuses. The payouts required the company to exit bankruptcy, or for the executives to remain employed by the company through June 2021. Rasmus was paid a retention bonus of \$1.35 million, after the bankruptcy’s completion. He left the company in December 2020, and the company appointed a new CEO and other top executives.

ENVIRONMENTAL ISSUES

In 2018, a worker at a Hi-Crush Wisconsin sand mine drove his bulldozer into a holding pond and was trapped for more than two hours in the submerged bulldozer’s airtight cab. The company released 10 million gallons of contaminated water in a successful effort to rescue the worker. The company was not fined in the incident because the water was discharged to prevent the loss of life, though neighbors have sued the company over pollution issues.

Name	Title	Retention Bonus
Robert E. Rasmus	Chief Executive Officer and Chairman of the Board	\$1,350,000
Michael Alan Oehlert	Chief Operating Officer	\$693,750
Mark C. Skolos	General Counsel, Chief Compliance Officer and Secretary	\$552,750
James Philip McCormick	Chief Financial Officer	\$360,000

SOURCE: HI-CRUSH FILING

APPROACH RESOURCES INC.

Filed 11/19/2019

Completed:

12/16/2020

Debt (secured and
unsecured):

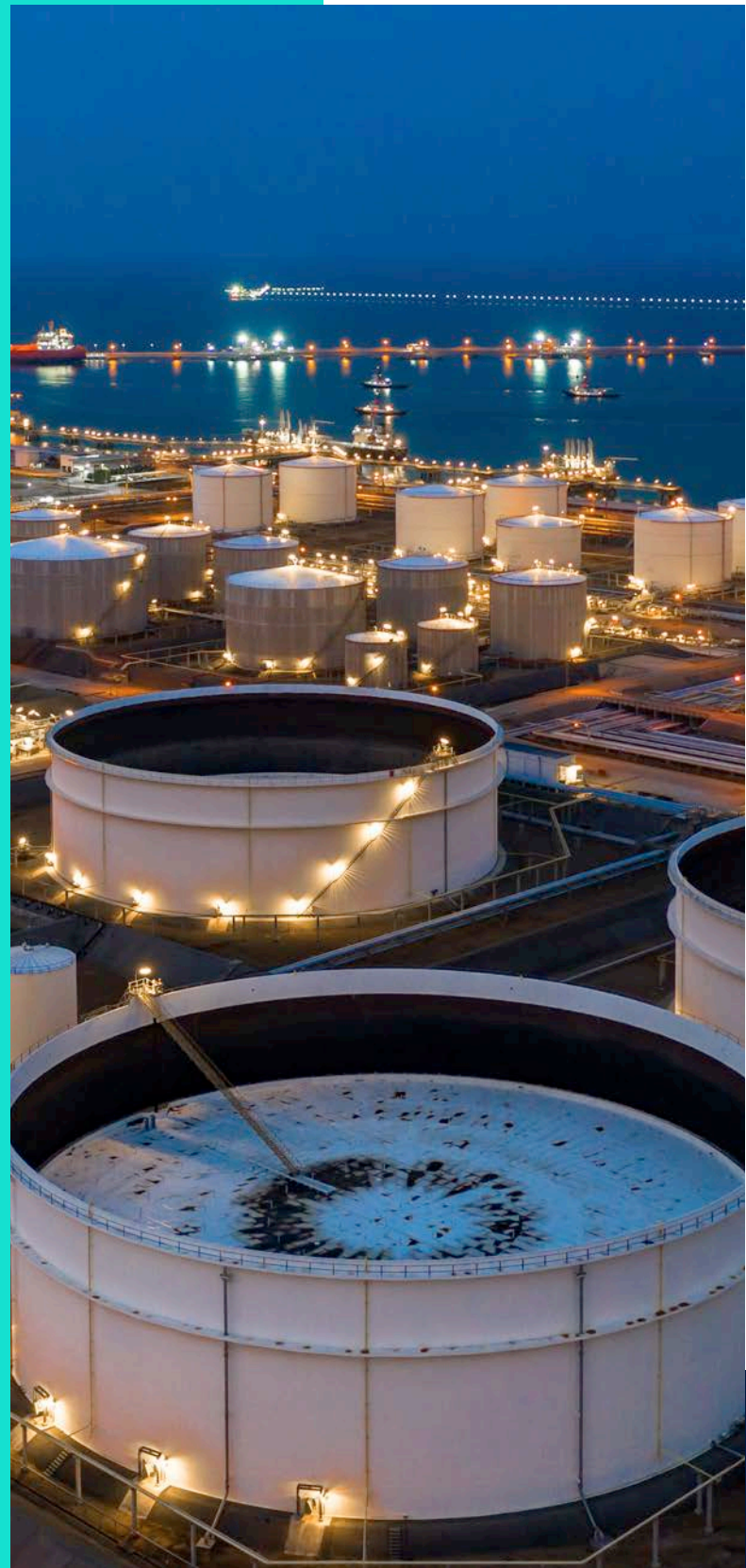
\$3.7 billion



A West Texas-based oil and gas drilling company, Approach Resources was [liquidated](#) and its assets were [sold](#) to Zarvona Energy for \$115.5 million. That deal came after a different investor group led by real estate investor Sam Zell, backed away from a plan to purchase the company.

EXECUTIVE PAYOUTS

On February 18, 2020, the bankruptcy court approved an [incentive plan](#) giving the top four executives bonuses based on the value of the potential sale of the company. Of certain metrics, including According to an SEC [filing](#), the plan was “intended to incentivize the Eligible Executives to provide their best efforts in connection with the Chapter 11 Cases and the Company’s previously disclosed plans for potential sales of all or substantially all of the Debtors’ assets.” The top four executives were eligible for payments ranging from 63 percent of their base salary to 84 percent, though that number could be boosted or cut based on the value of the company’s sale or reorganization plan.



WHITING PETROLEUM COMPANY

Filed 4/1/2020
 Completed: 9/1/2020
 Debt (secured and unsecured):
\$3.6 billion



Denver-based Whiting is a major oil and gas company in North Dakota, Montana and Colorado. The company filed for bankruptcy in April 2020, the first major U.S. oil and gas company to do so during the pandemic and ensuing crash in oil prices. Before the company’s bankruptcy filing, the company took steps to protect operating losses that could be used to offset taxes in the future. The company emerged from bankruptcy in September 2020 cutting its debt by about \$3 billion and giving shareholders one share in the new company for every 75 they previously owned.

EXECUTIVE PAYOUTS

According to Whiting’s most recent proxy statement, the company paid out “variable compensation” payments totalling \$13.5 million to four executives, three of whom left the company after its exit from bankruptcy. Former CEO Brad Holly, who left the company in September 2020, was paid a variable compensation payment of \$6.4 million, and three other executives were paid more than \$2 million each. The company said it made the cash payments because economic conditions, including the pandemic and the oil price war between Russia and Saudi Arabia “had rendered obsolete our previously adopted 2020 variable compensation program and made it virtually impossible to adopt new performance metrics.”

JOBS

Whiting employed 405 workers as of January 2021, down from 505 workers a year earlier. Shortly after exiting bankruptcy, the company laid off 16 percent of its workforce, including 70 positions at its Denver headquarters, under a plan to cut costs by \$20 million every year. “The changes implemented are building a culture of capital discipline and demonstrating efficiencies and cost savings throughout the organization,” the company’s new CEO, Lynn Peterson, said in a statement announcing the job cuts.

POLITICAL INFLUENCE

In Colorado, Whiting has been a major donor to Protect Colorado, a group funded by oil companies to fight off local initiatives that would place restrictions on the oil industry, including efforts by environmental groups to give more power to local governments and create requirements to create more distance between oil and gas drilling and occupied buildings. Whiting was the group’s sixth-largest donor, contributing \$2.5 million since 2014, according to Colorado campaign finance records. At the federal level, Whiting’s corporate political action committee has given about \$145,000 to federal political candidates since 2010, with 99 percent of that money going to Republicans, according to data from the Center for Responsive Politics.

	Variable Compensation Payment
Peterson	—
Henderson	—
Rimer	2,887,500
Holly	6,397,750
Loeffler	2,200,000
DeBoer	2,046,000

SOURCE: SOURCE: WHITING PETROLEUM PROXY STATEMENT.

FIELDWOOD ENERGY

Bankruptcy #1:

Filed 2/15/2018

Completed: 4/11/2018

Debt (secured and unsecured):
\$3.3 billion

Bankruptcy #2:

Filed 8/3/2020

Completed: TBD

Debt (secured and unsecured):
\$1.96 billion

A Houston-based
Gulf of Mexico
offshore drilling



operator, Fieldwood Energy was [founded](#) in late 2012 by the private equity firm Riverstone Holdings. As the shale boom of the early 2010s accelerated, the company rapidly expanded its operations, [buying](#) Apache Corp.'s Gulf of Mexico drilling assets in 2013 for \$3.8 billion. Years later, the company filed for bankruptcy. On the same day as its first bankruptcy [filing](#) in February 2018, the company executed the unusual maneuver of [buying Noble Energy Inc.'s](#) Gulf of Mexico oil and gas assets for \$710 million. The company exited bankruptcy in April 2018. Nearly 2 ½

years later, the company was in bankruptcy again, filing for chapter 11 restructuring in August 2020, after the privately held company [missed interest payments](#). After the company's bankruptcy filing, Fitch Ratings [downgraded](#) the company's debt, citing "the lower going-concern valuation applied to Fieldwood, which considers the potential acceleration of the present value of Asset Retirement Obligations, a liquidity discount for the lack of strategic and investor demand for offshore E&P assets, challenged high-yield oil & gas capital market access and the historically low oil price environment."

EXECUTIVE PAYOUTS

Due to Fieldwood's private ownership, the exact details of Fieldwood's executive compensation could not be determined. Bankruptcy documents show that an incentive plan in the company's first chapter 11 filing gave 10 percent of post-emergence shares to management, and 3.5 percent to former CEO Matt McCarroll, who would have the ability to determine who would receive the remaining equity awards. The U.S. trustee [objected](#), arguing in a court [filing](#) that the post-emergence management incentive plan which contained no performance benchmarks, appeared designed to retain current managers rather than incentivize managers

Oil firm's plan to abandon 1,700 Gulf of Mexico wells could mean 'environmental disaster,' say rivals

Responsibility for cast-off wells, pipelines could fall to other companies and taxpayers

BY TRISTAN BAURICK | STAFF WRITER
JUL 2, 2021 - 4:17 PM

SOURCE: NEW ORLEANS TIMES-PICAYUNE, [JULY 2, 2021](#)



to hit performance targets. McCarroll left the company in the summer of 2020 before the second bankruptcy filing.

ENVIRONMENTAL ISSUES

Fieldwood, which has yet to exit its second bankruptcy, has been embroiled in a complex [dispute](#) with several other oil companies over who will shoulder the burden of \$7.2 billion in environmental cleanup costs. Under federal [rules](#), previous operators of offshore drilling rigs can be held liable for environmental cleanup costs. A federal judge [ruled](#) in June 2021 that Fieldwood could pass environmental costs to prior operators and insurance companies, over the objections of major oil companies including Chevron, Marathon Oil, Hess and BP.

Under its bankruptcy plan, Fieldwood [proposed](#) to move older wells and drilling rigs to two entities and sell its most profitable assets to a new company, while [abandoning](#) more than 1,700 wells, plus pipelines and drilling platforms. A lawyer for Shell warned that the company's plan to abandon assets would "from a public policy perspective, establish a troubling precedent whereby future debtors may avoid similar widespread

environmental decommissioning liabilities in the Gulf of Mexico."

Separately, two Fieldwood workers were [indicted](#) in January 2021 on charges of allowing crude oil spills in the Gulf of Mexico in [2018](#) and [2015](#). The company agreed to pay a \$2 million fine as part of a non-prosecution [agreement](#) reached with the U.S. Department of Justice over the same incidents.

LABOR ISSUES

In 2014, a Fieldwood Energy contractor was [killed](#) and several other workers were injured in an explosion in an offshore platform. Then in May 2021, a Fieldwood Energy contractor was [killed](#) during a pressure test.



PACIFIC DRILLING S.A.

Filed 10/30/2020
Completed: 12/31/2020
Debt (secured and unsecured):
\$3.3 billion



A Houston and Luxembourg-based offshore drilling contractor founded by Israeli billionaire Idan Ofer, Pacific Drilling filed for bankruptcy twice in recent years. The company's [first filing](#), in November 2017, came after a plunge in oil prices and was completed in November 2018, [turning \\$1.9 billion in debt](#) to stock. After the issuance of new shares, the company's pre-bankruptcy shareholders saw their stake drop to less than 0.003% of the company's shares post bankruptcy. The company's [second bankruptcy](#), completed in December 2020, eliminated \$1B in debt, wiped out all shareholders and transferred equity ownership to bondholders. During the second bankruptcy, Judge David Jones raised questions about whether the company would be viable, [saying](#) he was "genuinely concerned" about whether it would be adequately capitalized upon exit from bankruptcy. After exiting bankruptcy,

Pacific Drilling was [acquired](#) by Noble Corp, another company that had recently exited bankruptcy.

EXECUTIVE PAYOUTS

In the first bankruptcy, Pacific Drilling [sought to pay](#) 11 senior executives up to \$13 million in bonuses for 2018 and another \$13 million for 2019, based on revenue targets. A bankruptcy judge, however, reduced those payouts and [approved \\$9.5 million](#) in bonuses for the senior executives in 2018. In August 2020, before the company's second trip through the bankruptcy process, Pacific Drilling awarded [\\$8.9 million](#) to the company's top fives. However, that amount was later cut back by \$1.5 million to \$7.4 million. CEO Bernie Wolford's retention and incentive payments were cut from \$4.2 million to \$3.5 million, according to SEC filings from [August 2020](#) and [November 2020](#). Wolford proceeded to leave Pacific Drilling and, in musical chairs for bankrupt oil company executives, was [hired](#) as CEO of Diamond Offshore Drilling.

EXCO RESOURCES, INC.

Filed 10/15/2018
 Completed: 7/1/2019
 Debt (secured and unsecured):
\$3 billion

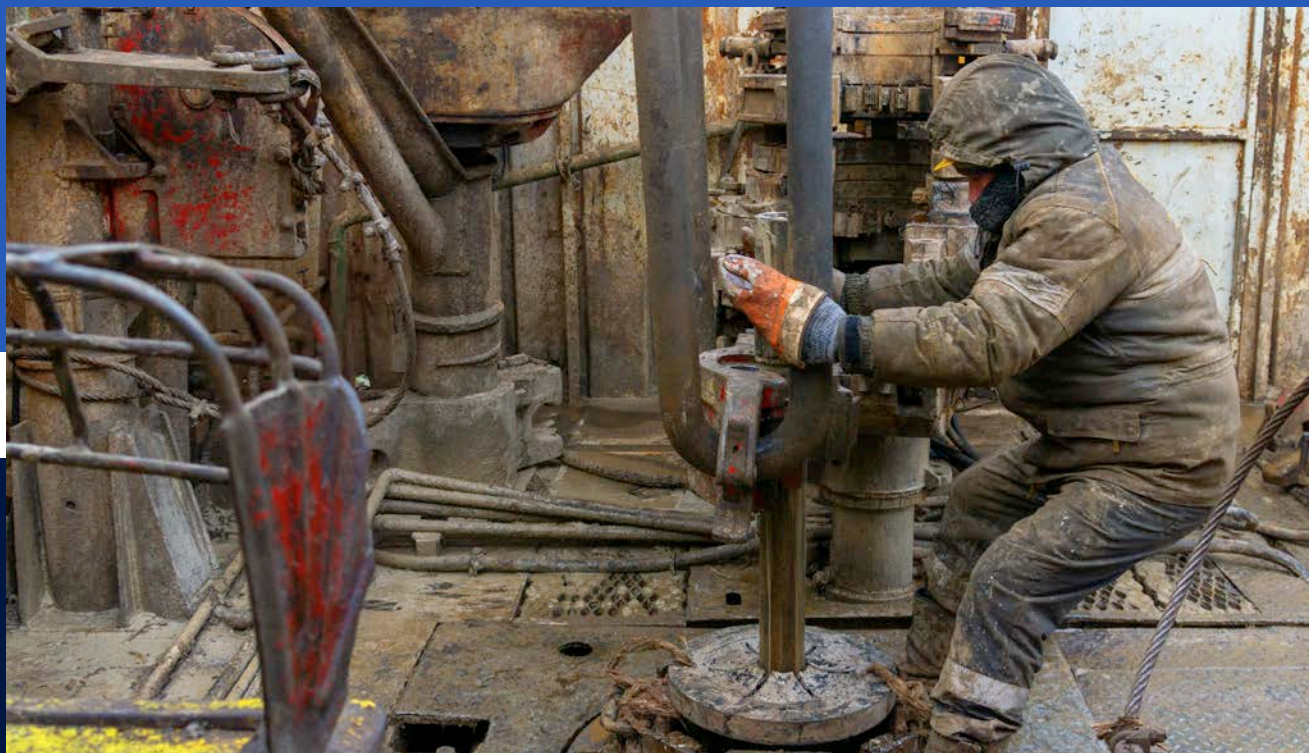


A Dallas-based driller, Exco was once a major investment of former Commerce Secretary Wilbur Ross, who served on the company’s board. Exco focuses on Texas, Louisiana and Appalachia. Facing financial woes that started with a 2014 commodity price slump, the company in 2016 hired law firm Akin Gump to evaluate restructuring options. Ross brought in a turnaround expert, John Wilder, to try to revive the company, but Wilder stepped down in 2017, and Exco filed for bankruptcy in October 2018. The company exited bankruptcy in July 2019, slashing its debt by more than \$1.1 billion and turning into a privately held company with the same management team and a new five-member board. The company’s bankruptcy plan converted debtholders into shareholders, paid off senior

lenders and left unsecured creditors with an 11 percent stake in the new company and up to \$1.5 million in cash.

EXECUTIVE PAYOUTS

Before filing for bankruptcy, Exco in 2017 established an incentive plan for top executives that paid nearly \$2.6 million to the company’s top three executives, as well as \$4.7 million in retention bonuses for a total of more than \$7.2 million. The company in an SEC filing said it determined that “normal annual and long-term incentive cycles are likely to be ineffective due to our ongoing strategic restructuring efforts.” The company said in “the use of equity compensation is currently ineffective and inefficient” “were intended to replace all existing cash-based bonus and equity-based compensation programs.”



SEADRILL PARTNERS LLC

Filed 12/1/2020

Completed: 5/24/2021

Debt (secured and unsecured):
\$2.8 billion

Seadrill Partners
was formed
by London

Seadrill

based offshore driller Seadrill Limited to own and operate offshore drilling rigs. Seadrill was founded by Norway-born shipping tycoon John Fredriksen. Seadrill Partners filed for bankruptcy in December 2020, followed by Seadrill Limited in February 2021, the second bankruptcy for Seadrill Limited in four years. Seadrill Partners **emerged** from bankruptcy on May 24, 2021, converting \$2.8 billion in debt into stock, canceling shareholders' equity and appointing a new board. As **reported** by BailoutWatch, Seadrill Limited **disclosed** \$3 million in tax benefits stemming from the 2020 federal CARES act June 2020, a few months after **announcing** a plan to lay off 1,400 workers over the next 18 months. In fall 2020, the company **laid off 168 Houston-area workers** at its U.S. operating affiliate, Seadrill Americas.



Seadrill to lay off 1,400 employees

The offshore crisis has made Seadrill launch a cost reduction plan that will result in layoffs of employees on land and offshore, while management will take paycuts.

SOURCE: SHIPPINGWATCH, [3/6/2020](#)



LEGACY RESERVES INC.

Filed 6/18/2019

Completed: 12/11/2019

**Debt (secured and unsecured):
\$2.6 billion**



The Texas-based company, which operates in Texas, Colorado and Wyoming, [filed](#) for bankruptcy in June 2019, handing over control to lenders including Wells Fargo & Co. and a division of private equity giant Blackstone Group, with \$816 million of debt converted into equity. The company took on high levels of debt to make acquisitions in 2015. The company [exited](#) bankruptcy in December 2019, with a fresh investment of \$256 million and a [new board of directors](#).

EXECUTIVE PAYOUTS

About a month before filing for chapter 11, the Texas-based company [disclosed](#) \$2.95 million in retention bonuses and an executive incentive plan allowing bonuses of 130 percent to 31 percent of salary for the top three executives. The cash incentive plan and bonus payments wound up totaling up nearly \$7.3 million for the company's top three executives, with \$3.9 million going to CEO James Daniel Westcott, according to a company's [filing](#). The company's bankruptcy, however, did result in a stark decline in stock-based compensation. Due to a lack of stock award Westcott's total compensation dropped to \$4.6 million in 2019, from \$16 million a year earlier., and president and COO Kyle Hammond's compensation sank to \$2.7 million from \$11.4 million. The company's [website](#) lists Richard Betz, the former CEO of Resolute Energy Corp., as Legacy Reserves' current CEO.

EXTRACTION OIL & GAS, INC.

Filed 6/14/2020

Completed:

1/20/2022

Debt (secured and
unsecured):

\$2.5 billion



Founded in 2012 by two entrepreneurs in their 20s, Matt Owens and Jesse Silva, Denver-based Extraction had early success during the fracking boom, quickly attracting funding from New York investors. The early success came as a surprise: “Jesse and I were in our 20s; we hadn’t thought we would be able to get started so soon,” Owens told Hart Energy.

The company went public in 2016. Owens was named a “most admired CEO” by the *Denver Business Journal* in 2019 and was photographed in midair with an electric guitar. But by June 2020, the company was facing severe financial difficulties and missed a \$14.8 million interest payment. One month later, the company filed for chapter 11 bankruptcy protection. Extraction exited bankruptcy in January 2021, appointing a

new CEO, with Owens remaining with the company and appointed a new board of directors. In May 2021, Extraction merged with Bonanza Creek Energy, another Colorado driller. Upon completion of the merger, the combined company will be renamed Civitas Resources.

Extraction’s political contributions became an issue of contention during the company’s bankruptcy case. The company was a major supporter of the pro fossil fuel group Protect Colorado, which worked to defeat anti-drilling initiatives in the state giving about \$4 million to the group since 2014, according to campaign finance records. Extraction refused in bankruptcy court to identify the recipients of more than 60 political donations totaling \$10 million, arguing that doing so would “jeopardize” many of the company’s business relationships. Extraction argued that, because its competitors aren’t subject to the same disclosure requirements competitors “would disproportionately benefit from such disclosure; by retaining anonymity in many of their donations, competitors would be able to exploit the Debtors’ lost business relationships while continuing their own political contributions in the ordinary course of business, even if they donate to the same recipients.” A bankruptcy judge granted the company’s request, allowing the company to file this information under seal.

Energy

Most Admired CEO Matt Owens strikes community relationships for energy expansion

SOURCE: DENVER BUSINESS JOURNAL [11/15/2019](#)

EXECUTIVE PAYOUTS

Weeks before filing for bankruptcy, Extraction disclosed

in an SEC filing that it paid bonuses to 16 executives and senior managers. The company said that, due to the “historic decline in commodity prices and the unprecedented



level of market volatility affecting the oil and gas industry” the company “has determined that its historic compensation structure and performance metrics are ineffective in motivating and incentivizing the Company’s workforce in the current environment.” For 2020, Owens was paid **\$3.86 million in total compensation**, including a bonus of \$2.9 million, up from total compensation of \$3.1 million a year earlier.

ENVIRONMENTAL ISSUES

Extraction has long been at odds with neighborhood groups over drilling in residential areas, and associated **environmental** and noise complaints. “Extraction is one of those oil and gas operators that drills into neighborhoods such as Broomfield, Commerce City and other populated areas of the Denver Metro Area despite community objections. It doesn’t matter if there are kids, elderly or health-compromised individuals in the neighborhood,” **wrote** Joe Salazar, executive director of progressive group Colorado Rising. Neighbors in Broomfield, Colorado, along with Colorado Rising **sued** Colorado’s oil and gas regulator over a law that

allows oil and gas drillers to force property owners to allow drilling on their land. The City of Broomfield, Colorado **cited** Extraction for noise violations in 2020 and Extraction **sued Broomfield** in response. Nearby Boulder County also **sued** Extraction in 2020 over allegations the company was drilling on protected land.



DENBURY RESOURCES INC. / DENBURY INC.

Filed 7/30/2020

Completed: 9/18/2020

Debt (secured and
unsecured):
\$2.5 billion

Denbury 

A Plano, Texas-based driller, Denbury focuses on injecting carbon dioxide into the ground to produce oil. The company has operations in Texas, Mississippi, Louisiana, Montana, North Dakota and Wyoming. Denbury filed for bankruptcy in July 2020 after skipping [two interest payments](#) to creditors and then [exited](#) bankruptcy in September 2020, changing its name from Denbury Resources to Denbury Inc. The company's chapter 11 [filing](#) eliminated \$2.1 billion in debt and handed control of the company over to shareholders. Its shares were [relisted](#) on the New York Stock Exchange upon its bankruptcy exit.

EXECUTIVE PAYOUTS

Denbury paid out \$7.1 million in cash bonuses to its top three executives in 2020. The company's chief executive officer, Christian Kendall received a \$3.4 million cash bonus, \$18.3 million in stock awards and a salary of more than \$740,000, for a total compensation package of more than \$22.4 million, according to the company's most recent [proxy statement](#). A shareholder advisory group, Institutional Shareholder Services recommended against endorsing the company's executive compensation program. In response, the company issued a further [explanation](#) of the grant to Kendall. "We believe that our compensation program is thoughtfully designed with the best interests of all stakeholders in mind," the company wrote.

GULFPORT ENERGY CORP.

Filed 11/30/2020
 Completed: 5/18/2021
 Debt (secured and unsecured):
 \$2.3 billion



An Oklahoma City-based natural gas producer active in Ohio and Oklahoma, Gulfport filed for bankruptcy in November 2020 after skipping an interest payment on bonds due in 2024. The company emerged from bankruptcy in May 2021, eliminating \$1.2 billion in debt. Earlier in the year, the company settled a civil case in which the SEC alleged that the company failed to disclose \$650,000 in perks provided to the company's former CEO, Michael Moore, including the use of a chartered plane to attend a wine-tasting event in California and a poker tournament in Las Vegas, according to an SEC complaint. Moore stepped down in 2018 and was replaced as CEO by David Wood.

EXECUTIVE PAYOUTS

In the months before the company's bankruptcy filing, Gulfport approved millions in cash awards to top



2020 Grants of Cash and Equity Awards

Below is a summary of all grants made to NEOs during 2020. The 2020 Incentive Plan awards, other than the Standard Award, were forfeited in connection with the adoption of the Revised 2020 Incentive Compensation Program.

Named Executive Officer	2020 Incentive Plan and Equity Award ⁽¹⁾				Revised 2020 Incentive Compensation Program ⁽²⁾	
	Standard Award	Incentive Award	TSR-Based Performance Cash	Equity Award (RSUs)	Cash Retention	Quarterly Performance Award
David M. Wood	\$834,000	\$1,563,750	\$2,371,688	\$315,356	\$2,606,250	\$2,606,250
Quentin R. Hicks	\$425,000	\$ 573,750	\$ 128,988	\$ 74,566	\$ 935,000	\$ 935,000
Donnie Moore	\$505,000	\$ 757,500	\$ 816,838	\$137,486	\$1,136,250	\$1,136,250
Patrick K. Craine	\$435,000	\$ 587,250	\$ 132,023	\$ 76,321	\$ 957,000	\$ 957,000
Michael Sluiter	\$360,000	\$ 388,800	\$ 107,640	\$ 56,628	\$ 468,000	\$ 468,000

- (1) These amounts represent the awards granted under the 2020 Incentive Plan and 2019 Amended and Restated Stock Incentive Plan, as described above.
- (2) These amounts represent the awards granted under the Revised 2020 Incentive Compensation Program, as described above.

SOURCE: GULFPORT ENERGY PROXY STATEMENT



executives. The company, [in an SEC filing](#), cited the need to “retain and motivate the Company’s employees as a result of the ongoing uncertainty and unprecedented disruption in the oil and gas industry.” According to the company’s most recent [proxy statement](#) for 2021, Gulfport paid \$14.7 million in cash retention and performance awards to five senior executives including CEO David Wood, the company’s chief financial officer and chief operating officer, all three of whom left the company as it exited bankruptcy. Upon exiting bankruptcy in May 2021, Gulfport appointed a new board of directors and top executives. Weeks later, the company’s chief operating officer [retired](#). All three former executives are entitled to receive [severance payments](#).

Gulfport’s executive compensation practices came under fire during the company’s bankruptcy

after the official committee representing unsecured bankruptcy creditors challenged the cash payments [writing](#): “The prepetition transfers were not just preferential, they were constructively fraudulent. Moreover, the evidence indicates that the majority of the prepetition bonus payments were made with the intent of avoiding scrutiny by creditors and the Court, and are therefore subject to avoidance as intentional fraudulent transfers.”

SANCHEZ ENERGY CORP/ MESQUITE ENERGY

Filed 7/30/2020

Completed: 9/18/2020

Debt (secured and unsecured):
\$2.5 billion



Houston-based Sanchez Energy was founded by Tony Sanchez Jr., a Texas businessman with oil and gas, real estate and banking business who unsuccessfully [ran for governor](#) as a Democrat in 2022 but lost to Rick Perry, the former Texas governor and Trump energy secretary. Sanchez Energy briefly had a stock market value of \$1 billion in 2013 after the discovery of oil on the Eagle Ford shale formation in south Texas. The company was run by Tony Sanchez Jr. and his son Tony Sanchez III and set up with an [unusual corporate structure](#) in which Sanchez Jr. and his son were employed by a separate



company that managed the public company as well as other family businesses and also acquired assets from entities run by Sanchez family members. The Wall Street Journal highlighted the arrangement as an example of the mingling of family and business interests at smaller oil companies. In 2020, Sanchez Energy [sued](#) creditors in a dispute over their claim to oil and gas leases. Occidental Petroleum then [sued](#) Sanchez Energy in a separate dispute over a past oil and gas transaction. The company [emerged from bankruptcy](#) in the summer 2020, eliminating \$2.3 billion in debt. Under new management, Mesquite is considering the sale of Texas assets, Reuters [reported](#) in July 2021. Tony Sanchez III, the former Sanchez Energy CEO, has [launched](#) a well cleanup company.



OASIS PETROLEUM INC.

Filed 9/30/2020

Completed: 11/19/2020

Debt (secured and unsecured):

\$2.3 billion



A driller with holdings in North Dakota, Montana and Texas and New Mexico, Houston-based Oasis Petroleum had close ties to former Interior Secretary Ryan Zinke. Company founder Thomas Nusz and executive Taylor Reid were [major political donors](#) to Zinke during his time in Congress, with company executives donating \$52,000 to Zinke's campaigns, the second largest of any employer, according to [data](#) from the Center for Responsive Politics.

After being hit hard by the 2020 oil price crash and a lender's decision to slash a line of credit, Oasis [filed for bankruptcy](#) in late September 2020. The company [emerged](#)

less than two months later, canceling existing shares and [eliminating \\$1.8 billion in debt](#).

Upon exiting bankruptcy, the company's share price rose from \$10 per share to as high as \$99 per share in June 2020. Former shareholders whose holdings were wiped out during the company's bankruptcy were given warrants to buy shares at a strike price of \$95 per share — a rare win for shareholders. The company also announced a deal to sell off [New Mexico and Texas assets](#) and focus on North Dakota assets it acquired from Diamondback Energy.

EXECUTIVE PAYOUTS

After the company's exit from bankruptcy, founder Thomas Nusz retired as CEO and director effective December 2020. Nusz received severance benefits worth \$5.4 million as part of a \$12.3 million in compensation, which included \$8.4 million in cash bonus and severance payments, \$3 million in stock awards and a salary of

Name and Principal Position	Year	Salary (\$)(3)	Bonus (\$)(4)	Stock Awards (\$)(5)	Option Awards (\$)(3)	Non-Equity Incentive Plan Compensation (\$)(6)	All Other Compensation (\$)(7)	Total (\$)
Douglas E. Brooks <i>Chairman and Chief Executive Officer(1)</i>	2020	\$ —	\$ —	\$ 578,925	\$ —	\$ —	\$ 43,223	\$ 622,148
Thomas B. Nusz <i>Former Chairman and Chief Executive Officer (2)</i>	2020	\$ 820,000	\$ 1,994,172	\$ 3,054,822	\$ —	\$ 997,086	\$ 5,439,743	\$ 12,305,823
	2019	\$ 881,250	\$ —	\$ 6,569,922	\$ —	\$ 738,000	\$ 23,037	\$ 8,212,209
	2018	\$ 820,000	\$ —	\$ 5,422,831	\$ —	\$ 984,000	\$ 31,869	\$ 7,258,700

Name	Parking	401(k) Plan Match	Tax Reimbursement(a)	Director Compensation(b)	Severance(c)	Total
Douglas E. Brooks	\$ —	\$ —	\$ —	\$ 43,223	\$ —	\$ 43,223
Thomas B. Nusz	\$ 4,008	\$ 17,100	\$ 282	\$ —	\$ 5,418,353	\$ 5,439,743
Taylor L. Reid	\$ 4,008	\$ 17,100	\$ —	\$ —	\$ —	\$ 21,108
Michael H. Lou	\$ 4,008	\$ 17,100	\$ —	\$ —	\$ —	\$ 21,108
Nickolas J. Lorentzatos	\$ 4,008	\$ 17,100	\$ —	\$ —	\$ —	\$ 21,108

SOURCE: OASIS PETROLEUM 2021 PROXY STATEMENT, PAGE 54.

\$820,000, [proxy statement](#) (excerpt above). After Nusz’s departure, the company announced a [new executive compensation program](#) “specifically designed to better align management compensation with value creation, shareholder interests and the Company’s new strategic objectives.” Oasis [named Daniel Brown](#), a veteran of Anadarko Petroleum Corp. as its new CEO in April 2021.



REX ENERGY

Filed 5/18/2018

Completed: 8/30/2018

**Debt (secured and unsecured):
\$2 billion**

Based in State College, Pa., Rex Energy [focused](#) on



natural gas fracking in Pennsylvania, Illinois, Ohio and Texas. In 2014, the company expanded its operations in Pennsylvania and Ohio by paying Royal Dutch Shell [\\$120 million](#) for drilling assets in Pennsylvania and Ohio. In 2017, the company [sold off](#) some Ohio assets, and by 2018, the company missed a debt payment and [filed for bankruptcy](#) that May. The company reached

an agreement in September 2018 to [sell its assets](#) to Pittsburgh-based PennEnergy Resources LLC for \$600.5 million.

EXECUTIVE PAYOUTS

Rex Energy approved an employee retention plan as well as an employee incentive plan. The company said in an SEC [filing](#) that the company’s executive incentive plan would range from \$1.2 million to \$3.5 million depending on whether the company emerged from bankruptcy or sold its assets within a certain timeframe. It is unclear how much of that money was paid out.

Texas Oil Man Finds a New Groove

By *Ryan Dezember*

Updated June 15, 2012 4:49 pm ET

SOURCE: WALL STREET JOURNAL, [JUNE 15, 2012](#)

HALCÓN RESOURCES CORPORATION / BATTALION OIL

Filed 8/7/2019

Completed: 10/8/2019

Debt (secured and
unsecured):

\$1.7 billion  **BATTALION
OIL CORPORATION**



The Texas wildcatter [Floyd Wilson](#) formed the Permian basin shale operator in 2011. Houston-based Halcon first [filed for bankruptcy in 2016](#) after a drop in crude prices and [several years of business struggles](#). The company then sold off its North Dakota assets, with Reuters [writing in July 2017](#) that the deal illustrated “the ability of U.S. shale producers to survive and reinvent themselves, despite sliding crude prices in the past two years.” But by early 2019, [Wilson left the company](#) amid pressure from an activist investor. The company [hired a new CEO](#) in June 2019. In August 2019, the company filed its second bankruptcy in three years, [eliminating \\$750 million in debt](#), with debt investors agreeing to swap out debt for stock and prior shareholders receiving a minority slice of the revamped company. After exiting bankruptcy, Halcon [changed its name](#)

to Battalion Oil and was able to [re-list its shares](#) on the New York Stock Exchange.

EXECUTIVE PAYOUTS

Wilson, the company’s founder is a [longtime oilman](#) and dealmaker who founded and sold several energy companies, was known in the oil industry for selling a prior company, Petrohawk Energy for \$12 billion. The Wall Street Journal, in a story headlined “Texas Oil Man Finds New Groove” [called that transaction](#) “the deal of a lifetime” as an initial \$60 million turned into more than \$12.1 billion in a mere seven years.

Wilson also received eye-popping compensation, including [more than \\$24 million](#) in compensation in 2016, the year of the company’s first bankruptcy, about \$20 million of which consisted of stock and stock option awards. In addition, Wilson received a 2016 cash retention bonus of nearly \$3.3 million.

“You’ve had some deals struck where the company goes bankrupt and the executives do very well, and that’s wrong,” said Dennis McCuiston, executive director of the Institute for Excellence in Corporate Governance at the University of Texas at Dallas [told the Houston Chronicle](#). “That doesn’t pass the smell test at all.” In addition to his sizable cash and stock compensation, Wilson received payments for

Name and Principal Position	Year	Salary(1)	Bonus(2)	Stock Awards(3)	Option/SAR Awards(3)	All Other Compensation(4)	Total
Floyd C. Wilson	2018	\$ 800,000	—	\$ 1,413,235	\$ 706,243	\$ 27,338	\$ 2,946,816
Chairman of the Board, Chief Executive Officer and President	2017	\$ 800,000	\$ 1,400,000	\$ 2,405,716	\$ 2,721,241	\$ 26,536	\$ 7,353,493
	2016	\$ 750,000	\$ 3,275,000	\$ 8,604,750	\$ 11,463,436	\$ 31,510	\$ 24,124,696

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Charter of Aircraft. In the ordinary course of its business, Halcón occasionally charters a private aircraft for business use. Floyd C. Wilson, Halcón's former Chairman, Chief Executive Officer and President, indirectly owns an aircraft which the Company chartered from time to time. During 2018, fees for the use of Mr. Wilson's aircraft by the Company were based upon comparable costs that the Company would have incurred in chartering the same type and size of aircraft from an independent third party utilizing data from several independent third party aircraft leasing companies. The terms for this use were evaluated and approved by the Audit Committee, and subsequently by the disinterested members of our board upon the recommendation of the Audit Committee, in accordance with the Company's procedures for the review and approval of transactions with related parties. During the year ended December 31, 2018, Halcón paid approximately \$0.9 million for the use of the aircraft indirectly owned by Mr. Wilson and had recorded a \$0.2 million payable at year end. In 2019, the Company has terminated all charter arrangements with Mr. Wilson relating to the use of his aircraft.

SOURCE: HALCON RESOURCES 2019 [PROXY STATEMENT](#), PAGES 39 AND 15.

the use of his private plane for corporate travel, including \$900,000 to Wilson in 2018.

With the company's fortunes declining in February 2019, activist investment firm and Halcon shareholder Fir Tree Capital Management released a [public letter](#) and [board presentation](#) (excerpts below) calling for a sale of the company and the installation of independent directors, citing excessive executive compensation, especially to Wilson's compensation.

The New York-based investment firm wrote that Wilson's compensation package "was more than the CEOs of his much larger (and more

successful)" competitors. The firm also criticized Wilson's private jet use, saying "Perhaps most disturbing, despite excessive compensation and significant value destruction for shareholders since Halcón's emergence from bankruptcy in 2016, Mr. Wilson still believed it was appropriate to use a private jet for his business travel." Just weeks later, Wilson [departed the company](#). Three former Halcon executives received \$7.5 million in severance payments, with about \$5 million going to Wilson (excerpt above).

Excessive Executive Compensation Is a Major Culprit

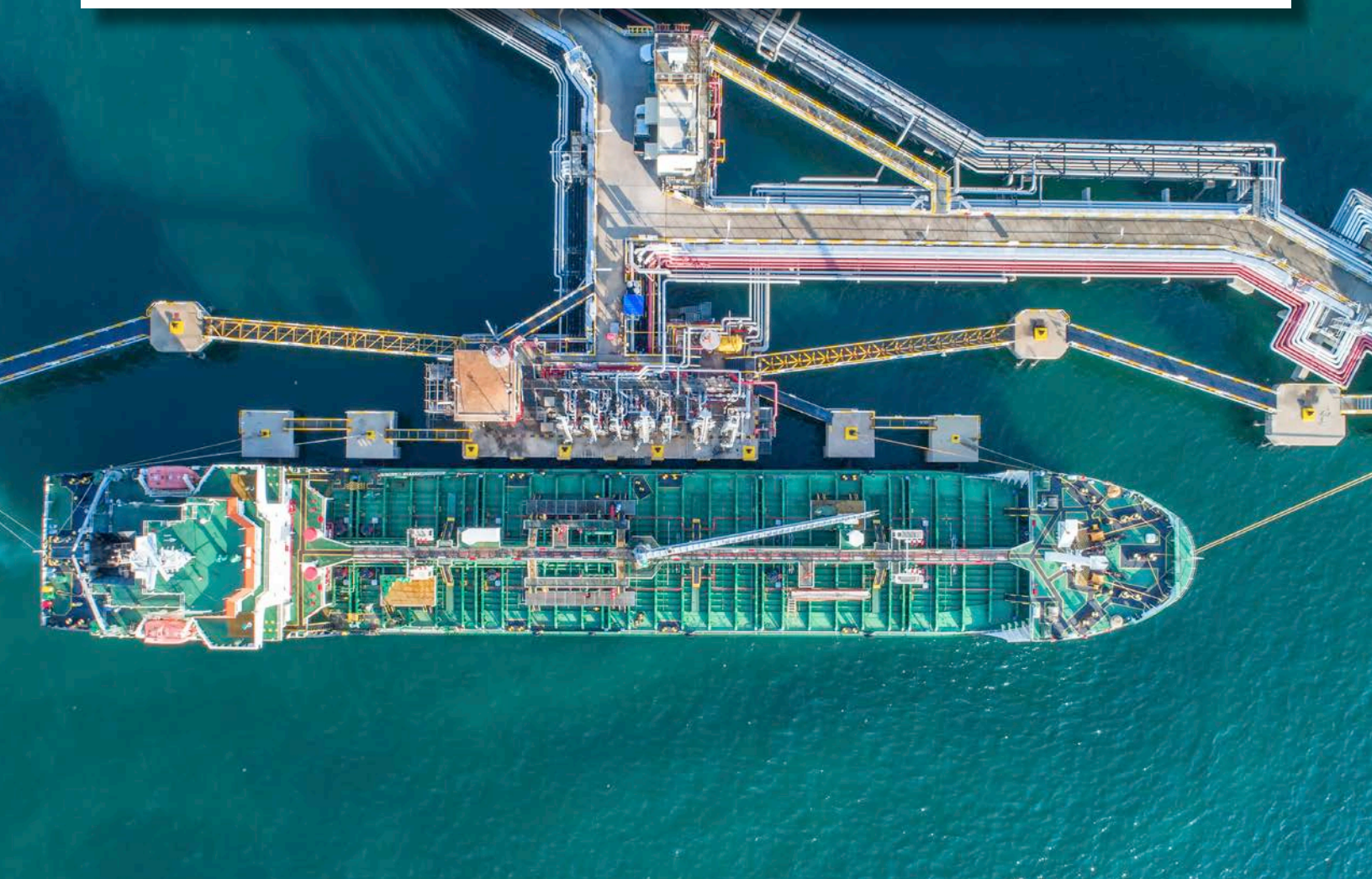
Both the CEO and the broader executive team are paid too much – especially for a poorly performing small cap company.

SOURCE: FIR TREE [PRESENTATION](#), FEBRUARY 4, 2019.

For 2019, the amounts reported for “All Other Compensation” include amounts provided to the named executive officers as outlined in the table below, with respect to (a) the matching contribution that we make on account of employee contributions under our 401(k) Savings Plan; (b) premiums paid by the Company for executive long term disability insurance; (c) tax gross ups for life insurance, parking payments, relocation stipends; (d) country club membership paid by the Company for Mr. Mize ; (e) severance payments made to Messrs. Wilson, Mize and Elkouri; and (f) COBRA payments made on behalf of Messrs. Wilson and Mize as part of their severance.

Battalion Officers	All Other Compensation (\$)					
	(a)	(b)	(c)	(d)	(e)	(f)
Executive Named Officer						
Richard H. Little	19,000	324	534	—		
Daniel P. Rohling	19,000	270	110	—		
Ragan T. Altizer	25,000	270	236	—		
Halcón Officers						
Floyd C. Wilson	25,000	108	267	—	4,968,767	30,654
David S. Elkouri	25,000	648	—	—	400,000	—
Mark J. Mize	19,000	162	254	1,356	2,086,575	27,588
Quentin R. Hicks	13,360	432	—	—	—	—

SOURCE: BATTALION OIL 2020 PROXY STATEMENT, (PAGE 27)



SABLE PERMIAN RESOURCES, LLC

Filed 8/7/2019

Completed: 10/8/2019

Debt (secured and unsecured):
\$1.7 billion



Houston-based

Sable Permian filed for bankruptcy less than a year after merging its assets with a troubled subsidiary created by the late fracking pioneer Aubrey McClendon. After the company filed for chapter 11 bankruptcy in summer 2020, a group of lenders led by JP Morgan Chase obtained ownership wiping out shareholders of the company, which laid off its 180 remaining employees in December 2020.

accused the company of excessive compensation for executives totaling more than \$16 million. The creditors said in a bankruptcy court filing that company insiders “received lavish bonuses that were excessive particularly in light of the Debtors’ precarious financial condition at the time the bonuses were paid.” The filing said the company paid \$8 million in bonuses for services provided in 2019 and another \$8.25 million to 18 insiders under an employee retention plan. The creditor committee contended that the company made those payments before the bankruptcy filing “because they could not have obtained Court approval for such payment” while in bankruptcy. The creditors then reached a settlement with the company, in which creditors agreed to drop the threat of litigation over the bonus in exchange for an \$11 million cash payment and a stake in the reorganized company.

EXECUTIVE PAYOUTS

During Sable Permian’s bankruptcy, the official committee of unsecured creditors







Conclusion

The fossil fuel industry often claims that it owes its success to the free market. In reality, the industry has long benefited from comprehensive support from U.S. taxpayers. Special [giveaways and subsidies](#) exempt oil and gas companies from paying taxes on much of their foreign income. Inappropriate deductions artificially lower the costs of fossil fuel exploration and production. Research tax credits encourage the expansion of fossil fuel infrastructure. Below-market leasing rates, royalties, and fees encourage oil and gas development and exploit our public lands rather than properly reflecting the environmental costs. Lax requirements at the state and federal level make it easy for oil and gas companies to avoid purchasing proper financial assurances to ensure that shut down wells can be cleaned up without taxpayers footing the bill. These giveaways

fundamentally alter the oil and gas industry's business model, making drilling projects possible that would not otherwise turn a profit. They also cost taxpayers money. For example, Taxpayers for Common Sense estimates that the federal government lost [more than \\$12 billion](#) in revenue from 2010-2019 due to below-market royalty rates for drilling on public lands and waters.

However, scrutiny is growing, and long-overdue reform efforts are underway. After four years of climate denial and fossil fuel [giveaways](#) under Donald Trump, President Joe Biden has rejoined the Paris agreement on climate change. Biden administration officials are examining long-standing [subsidies](#) and government policies for allowing oil and gas drilling on federal lands and waters. In the coming months, the

Biden administration and Congress will have a rare opportunity to rethink this rigged system, through legislation and potential rulemaking. The Biden administration and Congress must eliminate fossil fuel subsidies and giveaways so that they no longer undermine a just transition to a clean energy economy. The Biden administration should also propose rules that include a long-overdue revision of fossil-fuel regulations, including updating outdated leasing laws and fees that give oil companies sweetheart deals. It is essential to charge an appropriate price to ensure the public isn't saddled with the cost of cleaning up the oil industry's mess. The

industry, however, is sure to put up a fight, and has a long history of lobbying furiously to [keep those breaks](#), surviving multiple [reform](#) attempts from presidents including John F. Kennedy, Ronald Reagan and Barack Obama. As this report shows, oil companies are prone to boom and bust cycles, and oil executives often appear more concerned about ensuring they are paid a high salary rather than running their companies with the interests of shareholders in mind. It is long past time that we built a cleaner, greener economy for future generations.



Appendix 1

EXECUTIVE PAYOUTS AT 25 LARGEST U.S OIL AND GAS COMPANIES TO FILE FOR CHAPTER 11 BANKRUPTCY SINCE 2018 (RANKED BY TOTAL DEBT IN BANKRUPTCY)

DEBTOR	FILED	COMPLETED	EXECS GETTING PAYOUTS	CASH PAYMENTS	DEBT (SECURED AND UNSECURED)
<u>DIAMOND OFFSHORE DRILLING INC.</u>	4/26/2020	4/18/2021	5	\$10,109,409	\$11,821,584,682
<u>CHESAPEAKE ENERGY CORPORATION</u>	6/28/2020	2/9/2021	5	\$18,988,645	\$11,800,000,000
<u>MCDERMOTT INTERNATIONAL INC.</u>	1/21/2020	6/30/2020	6	\$8,952,750	\$9,923,937,824
<u>WEATHERFORD INTERNATIONAL INC</u>	7/1/2019	12/13/2019	5	\$12,408,651	\$7,427,067,000
<u>EP ENERGY CORPORATION</u>	10/3/2019	10/1/2020	5	\$4,864,400	\$7,338,004,103
<u>CALIFORNIA RESOURCES CORPORATION</u>	7/15/2020	10/27/2020	6	\$27,360,527	\$6,285,823,505
<u>ULTRA PETROLEUM CORP/ UP ENERGY</u>	5/14/2020	9/16/2020	n/a	n/a	\$5,556,148,072
<u>UNIT CORP</u>	5/22/2020	9/3/2020	n/a	n/a	\$4,808,182,228
<u>NOBLE CORPORATION PLC</u>	7/31/2020	2/5/2021	8	\$14,013,821	\$3,946,000,000
<u>HI-CRUSH INC.</u>	7/12/2020	10/9/2020	4	\$2,956,500	\$3,849,264,756
<u>APPROACH RESOURCES INC.</u>	11/18/2019	12/16/2020	n/a	n/a	\$3,689,725,110
<u>WHITING PETROLEUM COMPANY</u>	4/1/2020	9/1/2020	4	\$13,531,250	\$3,566,815,493
<u>FIELDWOOD ENERGY LLC (BANKRUPTCY #1)</u>	2/15/2018	4/11/2018	n/a	n/a	\$3,343,697,997
<u>PACIFIC DRILLING S.A. (BANKRUPTCY #2)</u>	10/30/2020	12/31/2020	5	\$7,446,668	\$3,318,054,599
<u>EXCO RESOURCES, INC.</u>	1/15/2018	7/1/2019	3	\$7,244,409	\$3,045,414,384
<u>SEADRILL PARTNERS LLC</u>	12/1/2020	5/24/2021	n/a	n/a	\$2,829,600,000
<u>LEGACY RESERVES INC.</u>	6/18/2019	12/11/2019	3	\$7,295,287	\$2,617,387,544

DEBTOR	FILED	COMPLETED	EXECS GETTING PAYOUTS	CASH PAYMENTS	DEBT (SECURED AND UN-SECURED)
<u>EXTRACTION OIL & GAS, INC</u>	6/14/2020	1/20/2021	3	\$6,528,788	\$2,522,573,161
<u>DENBURY RESOURCES INC. / DENBURY INC.</u>	7/30/2020	9/18/2020	3	\$7,096,000	\$2,500,000,000
<u>GULFPORT ENERGY CORPORATION</u>	11/13/2020	5/18/2021	5	\$14,764,000	\$2,298,354,211
<u>SANCHEZ ENERGY CORPORATION / MESQUITE ENERGY</u>	8/11/2019	6/30/20	n/a	n/a	\$2,275,000,000
<u>OASIS PETROLEUM</u>	9/30/2020	11/19/2020	3	\$12,380,406	\$2,265,000,000
<u>R.E. GAS DEVELOPMENT / REX ENERGY</u>	5/18/2018	8/30/2018	n/a	n/a	\$1,999,391,276
<u>FIELDWOOD ENERGY LLC (BANKRUPTCY #2)</u>	8/3/2020	n/a	n/a	n/a	\$1,959,200,000
<u>HALCÓN RESOURCES CORPORATION / BATTALION OIL</u>	8/7/2019	10/8/2019	3	\$7,455,342	\$1,655,231,378
<u>SABLE PERMIAN RESOURCES, LLC</u>	6/25/2020	2/1/2021	n/a	\$16,000,000	\$1,434,296,685
TOTALS			76	\$199,396,853	\$114,075,754,008

Notes: This analysis is based on Securities and Exchange Commission filings, bankruptcy documents and a list of largest exploration and production and oilfield services bankruptcies compiled by law firm Haynes & Boone LLP. Executive payouts refers to retention payments, cash bonuses, incentive awards and severance payments to executives in place in the most recent complete fiscal year of the company's most recent bankruptcy. When possible, we used summary compensation tables in proxy statements or annual reports to determine bonus amounts, except in cases where the most recent compensation information was in corporate bankruptcy filings. Bankruptcy size represents total secured and unsecured debt, as compiled by Haynes & Boone.

Appendix 2

ENVIRONMENTAL LIABILITIES

COMPANY (HEADQUARTERS LOCATION)	STATES OF OPERATION	ASSET RETIREMENT OBLIGATIONS	SURETY BONDING	WELLS	PLUGGING & BANDONMENT LIABILITY
CALIFORNIA RESOURCES CORPORATION (SANTA CLARITA, CA)	CA	\$517,000,000	\$87,400,000	17,811	\$2,247,651,980
CHESAPEAKE ENERGY (OKLAHOMA CITY, OK)	TX, LA, WY, PA	\$144,000,000	\$41,000,000	11,681	\$2,089,876,071
DENBURY RESOURCES INC./ DENBURY INC. (PLANO, TX)	TX, MS, LA, MT, ND, WY	\$186,281,000	\$42,000,000	8,111	\$1,337,615,231
WHITING PETROLEUM (DENVER, CO)	ND, CO, MT	\$106,006,000	\$8,480,000	3,586	\$890,323,042
ULTRA PETROLEUM/ PUREWEST ENERGY	WY	\$201,508,000	\$16,200,000	2,617	\$747,854,019
LEGACY RESERVES INC.	TX, CO, WY	\$152,493,000	\$8,900,000	3,688	\$738,808,436
UNIT CORP	TX, OK	\$23,356,000	\$7,690,000	2,705	\$670,767,486
EP ENERGY	TX, UT	\$44,765,738	\$14,600,000	2,665	\$556,103,218
OASIS PETROLEUM INC.	ND, MT, TX, NM	\$48,594,000	\$46,600,000	1,752	\$495,401,069
EXCO RESOURCES	TX, LA., PA	\$27,000,000	\$1,265,000	1,404	\$288,978,104
EXTRACTION OIL & GAS	CO	\$94,769,000	\$6,615,000	1,375	\$217,163,979
TOTALS		\$1,545,772,738	\$280,750,000	57,395	\$10,280,542,635

Our analysis compared CarbonTracker's estimate of the undiscounted cost of plugging individuals with oil and gas companies' estimates of their own asset retirement obligations disclosed in SEC filing and bonding coverage disclosed in bankruptcy motions.

