
General FAQs

- **What did Chaparral announce on May 9?**

Chaparral Energy LLC, announced on May 9 that it had voluntarily filed petitions for relief under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court of Delaware. The Chapter 11 filing will facilitate the restructuring of the company's balance sheet, as it continues to work through negotiations of a debt to equity exchange with its bondholders and lenders with the objective of reducing its bondholder debt by approximately \$1.2 billion.

- **What is a Chapter 11 Filing?**

Chapter 11 is an action under the Bankruptcy Code that is taken by a company to protect its business from legal and financial claims while it obtains court approval for its financial restructuring plan.

- **Why did Chaparral file Chapter 11?**

Given the current and longer-term market environment presented by low oil and gas prices, the company's current debt levels were unsustainable. By voluntarily entering into Chapter 11, Chaparral will be able to significantly reduce our debt and amend our remaining financing agreements to provide us with better long-term financial security and better position us for the future.

- **Is Chaparral going out of business?**

No, Chaparral is **not** closing our doors. The company will continue to operate throughout our restructuring process and we do not expect any interruptions to our day-to-day operations.

A Chapter 11 filing is designed to allow a company to emerge as a reorganized, fully-functional business after the process is complete. Simply put, it allows us to approach our restructuring in a more organized way.

- **Is Chaparral being acquired by or merging with another company?**

No, Chaparral is not pursuing a sale of the company or a merger.



- **Does Chaparral have funding to continue operations?**
Yes, the company has significant cash on our balance sheet to continue operations. In February, Chaparral drew down \$181 million from our revolving credit facility that will help us continue to operate as usual throughout this process, including continuing to work with our vendors.
- **Will there be any changes in management of the company?**
No, our current management team will remain in place and control the company's operations.
- **How long will we be in Chapter 11?**
We do not know for certain how long our restructuring process will take, as it is dependent upon many factors. It is our expectation to emerge as soon as we can and we are committed to keeping you informed when we have more clarity.
- **What should I do if I have additional questions?**
Please visit the [restructuring page](#) of our website or call our restructuring hotline at 888-830-4659 Monday through Friday, 8 a.m. to 5 p.m. Central Standard Time if you have any additional questions. In addition, please do not hesitate to reach out to your usual Chaparral contact.
- **Who is Chaparral's counsel?**
Chaparral's lead counsel is Latham & Watkins LLP in New York. They are located at 885 Third Avenue, New York, NY 10022. You can reach them at 212-906-1200 or visit their website at [lw.com](#).

Chaparral's local Delaware counsel is Richards, Layton & Finger, P.A. They are located at One Rodney Square, 920 North King Street, Wilmington, DE 19801. You can reach them at 302-651-7700 or visit their website at [rlf.com](#).