SECURITIES AND EXCHANGE COMMISSION

FORM S-1

General form of registration statement for all companies including face-amount certificate companies

Filing Date: **2017-04-13**
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FILER

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SIC: **1311** Crude petroleum & natural gas

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As filed with the Securities and Exchange Commission on April 13, 2017

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-1
REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

Tapstone Energy Inc.

(Exact name of registrant as specified in its charter)

Delaware	1311	81-4684307
(State or other jurisdiction of incorporation or organization)	(Primary standard industrial classification code number)	(I.R.S. Employer Identification Number)

100 East Main Street
Oklahoma City, Oklahoma 73104
(405) 702-1600
(Address, including zip code, and telephone number, including area code, of registrant' s principal executive offices)

Steven C. Dixon
Chief Executive Officer
100 East Main Street
Oklahoma City, Oklahoma 73104
(405) 702-1600
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

G. Michael O' Leary Jon W. Daly Andrews Kurth Kenyon LLP 600 Travis Street, Suite 4200 Houston, Texas 77002 (713) 220-4200	Douglas E. McWilliams Thomas G. Zentner Vinson & Elkins L.L.P. 1001 Fannin Street, Suite 2500 Houston, Texas 77002 (713) 758-2222

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

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☒

CALCULATION OF REGISTRATION FEE

Title Of Each Class of Securities To Be Registered	Proposed Maximum Aggregate Offering Price (1)(2)	Amount of Registration Fee
Common stock, par value $0.01 per share	$100,000,000	$11,590

(1) Includes shares issuable upon exercise of the underwriters' option to purchase additional shares of common stock from the selling stockholder.
(2) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

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

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The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, dated April 13, 2017
Preliminary Prospectus dated , 2017

PROSPECTUS

Shares

TAPSTONE
ENERGY

Tapstone Energy Inc.

Common Stock

This is the initial public offering of our common stock. We are selling shares of our common stock.

Prior to this offering, there has been no public market for our common stock. The initial public offering price of the common stock is expected to be between $ and $ per share. We have applied to list our common stock on the New York Stock Exchange (the "NYSE") under the symbol "TE".

To the extent that the underwriters sell more than shares of common stock, the underwriters have the option to purchase up to an additional shares from the selling stockholder at the public offering price less the underwriting discount and commissions. If the underwriters exercise their option to purchase additional shares of common stock from the selling stockholder, we will not receive any proceeds from the sale of such shares by the selling stockholder.

We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act of 2012, and as such, we have elected to take advantage of certain reduced public company reporting requirements for this prospectus and future filings. See "Risk Factors" and "Summary−Our Company−Emerging Growth Company".

Investing in our common stock involves risks. See "Risk Factors " beginning on page 26.

	Per Share	Total
Public Offering Price	$	$
Underwriting Discounts and Commissions (1)	$	$
Proceeds to Tapstone Energy Inc. (before expenses)	$	$

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

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

The underwriters expect to deliver the shares to purchasers on or about , 2017 through the book-entry facilities of The Depository Trust Company.

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Book-Running Managers

BofA Merrill Lynch **Citigroup**

The date of this prospectus is , 2017.

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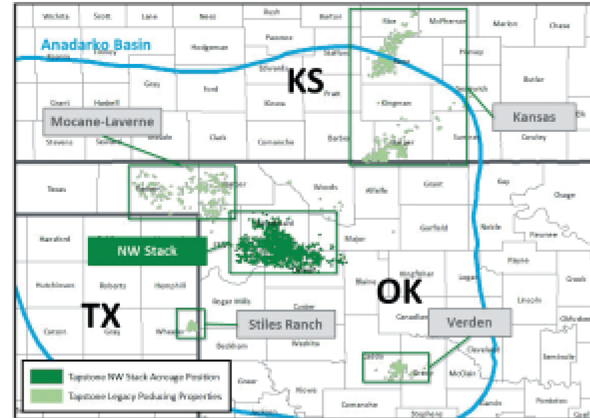
Tapstone Energy Properties Overview

Metrics *As of 12/31/2016*	NW Stack	Legacy Producing Properties	Total Properties
Net Acres	~200,000	~220,000	~420,000
Operated Horizontal Drilling Locations (Gross/Net)	2,778 / 1,990	457 / 364	3,235 / 2,354
Q4 2016 Production (MBoe/d)	5.1	18.2	23.3
Proved Reserves (MMBoe)	28.0	81.6	109.5
% Liquids	*36%*	*43%*	*41%*

Location of the Properties



NW Stack Regional Overview

Oklahoma

Tapstone Operated Horizontal Wells
(# of Wells Drilled & Completed as of 3/23/17)
Upper Meramec (3)
Middle Meramec (4)
Lower Meramec (7)
Upper Osage (12)
Lower Osage (7)
Total: 33

Cross Section Wells
Tapstone NW Stack Acreage Position
Tapstone Legacy Producing Properties

NW Stack
STACK
SCOOP

~1,000 – 1,500' Column of Mississippian Pay Zones
Upper Meramec
Middle Meramec
Lower Meramec
Upper Osage
Lower Osage
Woodford
Hunton

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You should rely only on the information contained in this prospectus and any free writing prospectus prepared by us or on behalf of us or the information to which we have referred you. Neither we, the selling stockholder nor the underwriters have authorized anyone to provide you with information different from that contained in this prospectus and any free writing prospectus. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We, the selling stockholder and the underwriters are offering to sell shares of common stock and seeking offers to buy shares of common stock only in jurisdictions where offers and sales are permitted. The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of the common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

This prospectus contains forward-looking statements that are subject to a number of risks and uncertainties, many of which are beyond our control. Please read “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements”.

Until , 2017 (25 days after commencement of this offering), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealer’ s obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

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Commonly Used Defined Terms

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

"Tapstone", the "Company", "us", "we", "our" or "ours" or like terms refer to Tapstone Energy, LLC before the completion of our corporate reorganization described in "Corporate Reorganization" and to Tapstone Energy Inc. following the completion of our corporate reorganization;

"GSO" refers, as applicable, to GSO Capital Partners LP and its affiliates within the credit-focused business unit of The Blackstone Group L.P., including funds or accounts managed, advised or sub-advised by it or them, including GSO E&P Holdings I LP;

"Management Members" refers, collectively, to our current and former officers and employees who own equity interests in Tapstone Energy, LLC; and

"Existing Owners" refers, collectively, to GSO E&P Holdings I LP and the Management Members.

Industry and Market Data

The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, government publications and other published independent sources. Although we believe these third-party sources are reliable as of their respective dates, neither we, the selling stockholder nor the underwriters have independently verified the accuracy or completeness of this information. Some data is also based on our good faith estimates. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section entitled "Risk Factors". These and other factors could cause results to differ materially from those expressed in these publications.

Trademarks and Trade Names

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

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SUMMARY

This summary highlights information contained elsewhere in this prospectus. You should read the entire prospectus carefully, including the information under the headings "Risk Factors", "Cautionary Statement Regarding Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and the notes to those financial statements appearing elsewhere in this prospectus. The information presented in this prospectus assumes (i) an initial public offering price of $ per common share (the midpoint of the price range set forth on the cover of this prospectus) and (ii) unless otherwise indicated, that the underwriters do not exercise their option to purchase additional shares of common stock from the selling stockholder.

Unless indicated otherwise or the context otherwise requires, references in this prospectus to "Tapstone", the "Company", "us", "we", "our" or "ours" refer to Tapstone Energy, LLC before the completion of our corporate reorganization described in "Corporate Reorganization", and to Tapstone Energy Inc. following the completion of our corporate reorganization. This prospectus includes certain terms commonly used in the oil and natural gas industry, which are defined elsewhere in this prospectus in the "Glossary of Oil and Natural Gas Terms".

Our Company

Business Overview

We are a growth-oriented, independent oil and natural gas company focused on the development and production of oil and natural gas condensate resources in the Anadarko Basin in Oklahoma, Texas and Kansas. Our core development area is located in the northwest continuation of the geographic region commonly known as the STACK play in the Anadarko Basin (the "NW Stack"). We have a large, contiguous acreage position in the NW Stack that is characterized by significant operational control, multiple stacked benches and an extensive inventory of horizontal drilling locations that are expected to offer attractive single-well rates of return. We also own interests in legacy producing oil and natural gas properties in various fields located in the Anadarko Basin with long-lived reserves, predictable production profiles and limited capital expenditure requirements (our "legacy producing properties"). We are focused on maximizing stockholder value by (i) growing production, reserves and cash flow through the development of our multi-decade drilling inventory of over 2,700 gross operated identified horizontal drilling locations in the NW Stack, (ii) optimizing our operational, drilling and completion techniques and (iii) maintaining a disciplined financial strategy to pursue the development of our acreage in the NW Stack.

Tapstone was formed in December 2013 with funding by GSO Capital Partners LP ("GSO"), a subsidiary of The Blackstone Group L.P. ("Blackstone"), with the goal of building a premier oil and natural gas company focused on acquiring and developing producing oil and natural gas properties in the Anadarko Basin. Our management and technical teams have extensive engineering, geoscience, land, marketing and finance capabilities and have collectively participated in the drilling of over 10,000 horizontal wells across multiple unconventional plays in the lower 48 states. Our management team is led by Steven C. Dixon, our Chairman, President and Chief Executive Officer and an industry veteran with over 36 years of experience in managing, developing and growing oil and natural gas businesses in some of the most prolific oil and natural gas plays in the United States.

The NW Stack

At our inception, we targeted the Anadarko Basin due to its established production history, multiple stacked benches, the extensive amount of technical information available and our management team's substantial

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experience operating in the area. In 2014 we began focusing specifically on the NW Stack after results in the SCOOP and STACK plays definitively showed a productive trend towards our current position in the NW Stack. We began assembling our acreage position through a grassroots leasing program that we commenced in September 2014. As a result of our early identification of the resource potential of the NW Stack, as well as the general weakness in the oil and gas industry at the time, we were able to assemble a large, contiguous block of acreage in the NW Stack, which we do not believe would be possible to replicate in today' s market. Our acreage position in the NW Stack consists of approximately 200,000 net acres in the adjacent Oklahoma counties of Dewey, Woodward, Ellis and Major.

As of December 31, 2016, we held the largest contiguous leasehold position in the NW Stack. We have identified five unique stacked benches within the NW Stack in the Meramec and Osage intervals that we refer to as the Upper Meramec, Middle Meramec, Lower Meramec, Upper Osage and Lower Osage. We have tested each of the five benches that we have identified over an area 40 miles east to west and 20 miles north to south across our acreage position, and we believe that each bench presents significant development potential and a sizable drilling inventory. As of December 31, 2016, we had identified over 2,700 gross operated horizontal drilling locations in the NW Stack, providing us with a multi-decade drilling inventory. We believe further upside potential may also exist in additional productive intervals within our acreage in the NW Stack.

Our acreage in the NW Stack has several attractive characteristics that include (i) thick gross pay across our acreage that ranges from approximately 1,000 to 1,500 feet, (ii) five identified stacked benches in the Meramec and Osage intervals, (iii) reservoir depths ranging from approximately 9,000 to 13,000 feet spanning both the oil and natural gas condensate windows and (iv) over-pressured and fractured reservoirs. These characteristics combine to provide strong well deliverability and attractive single-well rates of return.

We have accumulated a significant amount of technical information related to the reservoir potential across our acreage in the NW Stack. We have utilized this information to establish our geological model of the play. The information we have analyzed includes:

- data from over 900 existing vertical wells with Meramec and Osage penetrations previously drilled on or around our acreage;
- core samples and cuttings across each of the five identified benches;
- approximately 900 miles of 2D seismic data and over 300 square miles of 3D seismic data covering a portion of our acreage; and
- borehole imaging, density, porosity, resistivity and mud logs across our acreage.

Since spudding our first well in the NW Stack in March 2015, we have primarily focused our drilling program on further delineating and de-risking our acreage across the full extent of our NW Stack position. We believe we have successfully delineated each of the five benches that we have identified within the Meramec and Osage intervals. We achieved this by:

- drilling and completing 33 Tapstone-operated horizontal wells across our position in each of the five identified benches; and
- analyzing over 50 horizontal wells drilled by offset operators on or around our acreage.

We refer to gross and net acreage where we are designated as operator or expect to be designated as operator based on the size of our working interest relative to other working interest owners as "our operated

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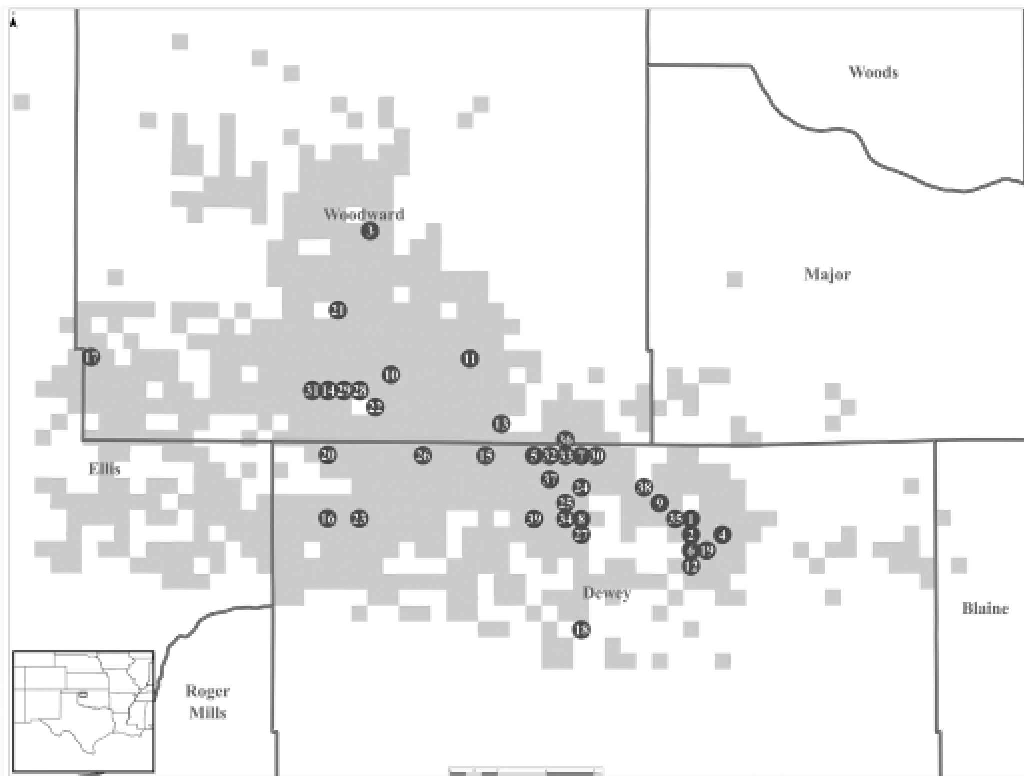
acreage" or acreage that we "operate" in this prospectus. As of December 31, 2016 we operated 78% of our net acreage in the NW Stack and had an average working interest of 72% in the 336 sections that we operated. For the three months ended December 31, 2016, our net production in the NW Stack was 5.1 MBoe/d, of which 14% was oil, 18% was NGLs and 68% was natural gas. Of the 33 Tapstone-operated horizontal wells we have drilled and completed in the NW Stack as of March 23, 2017, three wells were in the Upper Meramec, four wells were in the Middle Meramec, seven wells were in the Lower Meramec, twelve wells were in the Upper Osage and seven wells were in the Lower Osage. Additionally, as of March 23, 2017, two Tapstone-operated horizontal wells were waiting on completion (one in the Lower Meramec and one in the Upper Osage) and four Tapstone-operated horizontal wells were in the process of being drilled (two in the Upper Meramec and two in the Lower Meramec).

The following map indicates the location of our operated horizontal wells that we have drilled and completed and the location of the wells we are drilling in the NW Stack as of March 23, 2017.



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The following table presents data on the operated horizontal wells that we have drilled or are in the process of drilling in the NW Stack as of March 23, 2017. See "Business−Oil and Natural Gas Production Prices and Costs−Drilling Results".

Well Name	Target Bench	First Production	Peak 30 IP (Boe/d) (1)(2)	Peak 30 IP (% Liquids) (1)(2)	Days to Drill	Total D&C ($MM) (3)
1. DENNIS 28-19-16 1H	Lower Osage	6/9/2015	1,911	35 %	71	$ 7.0
2. BOZARTH 33-19-16 1H	Middle Meramec	8/25/2015	1,050	45 %	69	$ 7.6
3. SHAW TRUST 30-22-19 1H	Middle Meramec	9/15/2015	631	67 %	38	$ 5.8
4. WILSON 35-19-16 1H	Lower Osage	10/6/2015	1,328	44 %	46	$ 5.3
5. BRANSTETTER 2-19-18 1H	Lower Meramec	11/26/2015	1,387	60 %	61	$ 6.9
6. SEIFRIED TRUST 4-18-16 1H	Lower Osage	12/14/2015	1,473	30 %	69	$ 6.8
7. HOWARD 5-19-17 1H	Upper Osage	1/9/2016	3,248	70 %	51	$ 6.6
8. CARTER 29-19-17 1H	Lower Meramec	2/4/2016	1,790	43 %	44	$ 5.0
9. IRVING 19-19-16 1H	Lower Osage	2/16/2016	971	45 %	50	$ 5.4
10. WHITE 8-20-19 1H	Upper Osage	3/31/2016	1,359	39 %	51	$ 5.0
11. YOUNG 6-20-18 1H	Middle Meramec	4/6/2016	475	15 %	45	$ 5.4
12. RANDY 9-18-16 1H	Lower Osage	4/13/2016	1,381	33 %	59	$ 5.6
13. CARA 28-20-18 1H	Lower Meramec	5/27/2016	584	48 %	52	$ 5.4
14. RANDALL 15-20-20 1H	Upper Osage	6/3/2016	1,851	52 %	49	$ 5.1
15. SEIDEL 5-19-18 1H	Lower Meramec	6/27/2016	675	36 %	48	$ 5.0
16. SALISBURY 27-19-20 1H	Lower Osage	7/12/2016	1,111	21 %	48	$ 5.4
17. AMPARAN 6-20-22 1H (4)	Lower Meramec	8/10/2016	515	7 %	42	$ 5.0
18. DRINNON 32-18-17 1H	Upper Osage	9/6/2016	621	7 %	61	$ 6.9
19. SPORTSMAN 3-18-16 1H	Lower Meramec	9/20/2016	1,375	44 %	44	$ 4.4
20. MCCORMICK 3-19-20 1H	Upper Osage	10/2/2016	988	27 %	53	$ 6.0
21. STORY 23-21-20 1H	Upper Osage	10/3/2016	855	44 %	54	$ 5.1
22. LINDA 19-20-19 1H	Upper Osage	11/8/2016	1,202	38 %	50	$ 5.0
23. MCALARY 25-19-20 1H	Lower Osage	11/22/2016	806	26 %	72	$ 7.0
24. RUSSELL 17-19-17 1H	Upper Meramec	11/23/2016	1,125	62 %	41	$ 6.0
25. KROWS 19-19-17 1H	Lower Meramec	12/14/2016	1,399	46 %	41	$ 5.8
26. MAIN 3-19-19 1H	Upper Osage	1/17/2017	382	29 %	71	$ 7.7
27. MERLE 32-19-17 1H	Upper Meramec	1/31/2017	746	53 %	28	$ 4.7
28. CRITES 13-20-20 1H	Upper Osage	2/1/2017	1,261	50 %	45	$ 5.8
29. MARILYN 14-20-20 1H	Upper Osage	2/23/2017			38	$ 4.8
30. FRED 4-19-17 1H	Upper Osage	3/6/2017			52	
31. BRUCE 16-20-20 1H	Middle Meramec	3/13/2017			42	
32. RAPP 1-19-18 1H	Upper Meramec	3/23/2017			42	
33. HEDGES 6-19-17 1H	Upper Osage	(5)			48	
34. EARL 30-19-17 1H	Lower Meramec	(6)			29	
35. SEAL TRUST 29-19-16 1H	Upper Osage	(6)			23	
36. BROWN TRUST 31-20-17 1H	Upper Meramec	(7)				
37. ELAINE 12/13-19-18 1H	Upper Meramec - 2 Mile	(7)				
38. AMANDA 13-19-17 1H	Lower Meramec	(7)				
39. ROY 26-19-18 1H	Lower Meramec	(7)				

(1) The peak initial production data is determined by selecting the maximum 30-day rolling averages for days that had recorded production.

(2) Shown on a combined basis for oil, natural gas and NGLs.

(3) Cost data reflects field estimates for wells 26 through 29. Certain high-cost wells reflect certain additional costs related to data acquisition methods such as drilling pilot holes and taking core samples, and in some cases, significant mechanical issues.

(4) Plugged prior to December 31, 2016 due to a tool being lost in the well.

(5) Well is in flowback.

(6) Wells are waiting on completion.

(7) Wells are being drilled.

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We are focused on optimizing our operational practices in order to enhance recoveries, reduce costs and increase single-well rates of return. Our initial drilling program in the NW Stack focused on delineation, and our well design and completion practices utilized consistent methods with limited variability in order to obtain a better understanding of the reservoir potential across our acreage position. These practices included: (i) well location selection designed to test the geographic expanse of our acreage, (ii) consistent, low intensity completion designs and (iii) single-mile lateral lengths for our operated horizontal wells. Our wellbore targeting to date has also lacked the benefit of 3D seismic data. Now that we have successfully delineated the position and have obtained 3D seismic data over a portion of our acreage, we are adjusting our focus to optimize our operational practices by:

- focusing our wellbore targeting with the assistance of 3D seismic data;
- improving drilling efficiencies;
- utilizing advanced completion techniques;
- increasing lateral lengths from one-mile to two-mile laterals; and
- maximizing efficiencies in field development.

As of March 23, 2017, we operated four rigs in the NW Stack and intend to bring our total operated rig count to six operated rigs by the end of 2017. We expect that, at this development pace, we will be capable of drilling approximately 39 gross wells in 2017. At this assumed development pace and with over 2,700 gross operated identified horizontal drilling locations, we estimate that we have a multi-decade inventory of development locations in the NW Stack.

Legacy Producing Properties

Our legacy producing properties in the Anadarko Basin are in the following areas: the Stiles Ranch Field located in Wheeler County, Texas in the Granite Wash play (“Stiles Ranch”); the Verden Field located in Caddo and Grady Counties, Oklahoma (“Verden”); the Mississippian formation in Barber, Harper and Reno Counties, Kansas (“Kansas”); and the Mocane-Laverne Field in Beaver, Harper and Ellis Counties, Oklahoma (“Mocane-Laverne”). For the three months ended December 31, 2016, the average net production from these legacy producing properties was 18.2 MBoe/d, of which 15% was oil, 57% was natural gas and 28% was NGLs. We believe economic development potential exists in our legacy producing properties, as these properties are located in areas that are being actively developed by industry peers with successful results.

All of our acreage holdings outside of the NW Stack and Kansas are held by production, which offers us optionality to develop the properties opportunistically in the future. In addition, these legacy producing properties provide an important source of cash flows to fund a portion of our development drilling activities in the NW Stack and are generally characterized as having long-lived, predictable production profiles. As of December 31, 2016, we owned approximately 9,080 net acres in Stiles Ranch that were all held by production from 223 operated and 10 non-operated gross wells. As of December 31, 2016, our acreage position in Verden consisted of approximately 15,795 net acres that were all held by production from 117 operated and 52 non-operated gross wells. As of December 31, 2016, our acreage position in Kansas consisted of approximately 112,435 net acres, approximately 39,000 of which were held by production from 78 operated gross wells. As of December 31, 2016, our acreage position in Mocane-Laverne consisted of approximately 87,260 net acres that were all held by production from 312 operated and 130 non-operated gross wells.

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Proved Reserves

The following table provides summary information regarding our proved reserves as of December 31, 2016 and our production for the three months ended December 31, 2016. The reserve estimates attributable to our assets as of December 31, 2016 are based on a reserve report prepared by Ryder Scott, independent petroleum engineers, in accordance with the SEC' s rule regarding reserve reporting currently in effect.

	Estimated Total Proved Reserves as of December 31, 2016 (SEC Pricing) (1)							Net Production for the Three Months Ended December 31, 2016
Project Area	**Oil (MMBbls)**	**NGLs (MMBbls)**	**Natural Gas (Bcf)**	**Total (MMBoe)**	**% Oil**	**% NGLs**	**% Natural Gas**	**(MBoe/d)**
NW Stack	4.5	5.5	107.8	28.0	16%	20%	64%	5.1
Stiles Ranch	4.6	15.2	123.2	40.3	11%	38%	51%	10.3
Verden	0.5	0.1	63.3	11.1	4%	1%	95%	2.1
Kansas	8.1	5.0	72.1	25.2	32%	20%	48%	4.1
Mocane-Laverne	0.4	1.3	19.9	5.0	8%	26%	66%	1.7
Total (2)	18.0	27.1	386.2	109.5	16%	25%	59%	23.3

(1) Our estimated total proved reserves were determined using average first-day-of-the-month prices for the prior twelve months in accordance with SEC guidance. For oil and NGLs volumes, the average WTI posted price of $42.75 per barrel as of December 31, 2016, was adjusted for gravity, quality, local conditions, gathering, transportation fees and distance from market. For natural gas volumes, the average Henry Hub spot price of $2.49 per MMBtu as of December 31, 2016, was similarly adjusted for gravity, quality, local conditions, gathering, transportation fees and distance from market. All prices are held constant throughout the lives of the properties. The average adjusted product prices weighted by production over the remaining lives of the properties were $41.85 per barrel of oil, $14.94 per barrel of NGLs and $2.35 per Mcf of natural gas as of December 31, 2016.

(2) Totals may not sum or recalculate due to rounding.

Drilling Inventory

We have received 3D seismic data that we purchased from Devon Energy Corporation ("Devon") covering a 329 square mile area that includes approximately 33,177 net acres in our position in the NW Stack (the "Seiling 3D"). We also have the option and plan to purchase portions of additional 3D seismic data currently being shot by Devon that covers an area of over 700 square miles that includes 80,860 net acres in our position in the NW Stack (the "Moscow Flats 3D"). We expect to begin receiving the preliminary Moscow Flats 3D seismic data in the second half of 2017. We intend to focus our 2017 drilling program on our identified horizontal drilling locations located within the area covered by the Seiling 3D.

Our estimated drilling inventory in the NW Stack is based on drilling ten wells per section across the five identified benches in the Meramec and Osage intervals. The ten wells per section assumes a minimum lateral spacing equivalent to four wells per section in the Upper Meramec, with the remaining wells allocated across the four deeper benches. Additionally, we have adjusted our identified horizontal drilling locations in the NW Stack to account for certain identifiable geologic hazards. Using the Seiling 3D seismic data, we identified and removed locations from our drilling inventory that could potentially be negatively impacted by such geologic hazards. On an unadjusted basis, this equated to approximately 16.5% of the operated identified horizontal drilling locations within the Seiling 3D seismic outline. To account for geologic hazards in our acreage outside of the Seiling 3D seismic outline, the same percentage reduction was applied to our gross identified horizontal drilling locations without current 3D seismic coverage.

In this prospectus, our "identified horizontal drilling locations" in the NW Stack refer to identified horizontal drilling locations that have been adjusted using the above methodology and are presented on a single-mile lateral basis. As of December 31, 2016, we had a drilling inventory consisting of 5,849 gross (2,546 net) identified horizontal drilling locations in the NW Stack. Of such inventory, 558 gross (422 net) operated identified horizontal drilling locations are captured within the Seiling 3D seismic outline and 1,472 gross (1,050

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net) operated identified horizontal drilling locations are within the outline of the Moscow Flats 3D seismic shoot that is currently underway. The remaining 748 gross (519 net) operated identified horizontal drilling locations are outside of any current or planned 3D seismic shoots.

In the NW Stack, we bifurcate our identified horizontal drilling locations between oil and natural gas condensate windows based on subsea total vertical depth ("TVD"). Locations with a subsea TVD greater than 9,150 feet generally exhibit properties consistent with natural gas condensate wells and are classified as such. Locations with a subsea TVD of less than 9,150 feet are classified as oil locations. As of December 31, 2016, we had 1,493 gross (1,084 net) and 1,285 gross (906 net) operated identified horizontal drilling locations in the oil window and natural gas condensate window, respectively.

To date, our horizontal drilling program has been focused primarily on the Meramec and Osage intervals in the NW Stack. The table below sets forth a summary of our identified horizontal drilling locations in the NW Stack as of December 31, 2016. Additionally, our legacy producing properties contain 488 gross (366 net) horizontal drilling locations, of which we operated 457 gross (364 net) locations and 71 gross (67 net) locations were associated with proved undeveloped reserves as of December 31, 2016.

	NW Stack Horizontal Drilling Locations(1)(2)(3)(4)(5)									
			Gross Locations			Net Locations			
	Net Acres	Average Working Interest	Oil	Gas Condensate	Total	Oil	Gas Condensate	Total	Operated Inventory Life (6)
Operated - Seiling 3D	33,177	76 %	341	217	558	265	157	422	11
Operated - Moscow Flats 3D	80,860	71 %	1,008	464	1,472	714	335	1,050	28
Operated - Outside 3D	39,935	69 %	144	604	748	105	414	519	14
Total Operated	153,972	72 %	1,493	1,285	2,778	1,084	906	1,990	53
Non-Operated	42,733	18 %	1,608	1,463	3,071	283	273	556	
Total NW Stack	196,705	44 %	3,101	2,748	5,849	1,367	1,179	2,546	

(1) We have estimated our drilling locations based on well spacing assumptions and upon the evaluation of our horizontal drilling results and those of other operators in our area, combined with our interpretation of available geologic and engineering data. Please read "Business−Our Properties" for more information regarding the process and criteria through which these drilling locations were identified.

(2) The drilling locations that we actually drill will depend on the availability of capital, regulatory approvals, commodity prices, costs, actual drilling results and other factors. Any drilling activities we are able to conduct on these identified locations may not be successful and may not result in additional proved reserves. Further, to the extent the drilling locations are associated with leased acreage with expiration terms, we may lose the right to develop the related locations if a well is not commenced before the end of the primary lease term. Please read "Risk Factors−Risks Related to Our Business−Our identified drilling locations are scheduled out over many years, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling. In addition, we may not be able to generate sufficient cash from operations or obtain required capital or financing on satisfactory terms that would be necessary to drill such locations".

(3) Our total identified horizontal drilling locations include 48 gross (26 net) locations associated with proved undeveloped reserves as of December 31, 2016 in the NW Stack.

(4) Includes locations targeting the Upper Meramec, Middle Meramec, Lower Meramec, Upper Osage and Lower Osage benches. Please read "Business−Our Properties−NW Stack" for a description of these benches.

(5) Totals may not sum or recalculate due to rounding.

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(6) We have estimated inventory life years for our operated locations based on total gross locations and our 2017 development plan to drill 39 gross horizontal wells (approximately 26 of which we anticipate to be single-mile laterals and 13 of which we anticipate to be two-mile laterals, which equates to 52 single-mile equivalent wells).

Transportation and Marketing

Our acreage has access to numerous end markets for oil, natural gas and NGLs, which provides us significant takeaway optionality as well as a regional price advantage. Our acreage is strategically located near well-developed infrastructure with access to almost every major consuming market including markets in the Upper Midwest through the Chicago City Gate and markets to the east of the Mississippi River through the Perryville Hub in Perryville, Louisiana. Both hubs offer optionality in selling natural gas at low basis differentials and provide us with a competitive advantage when compared to other plays in the lower 48 states. Proximity and direct access to the Gulf Coast also allows us to benefit from future LNG exports, petrochemical industry development and potential exports of natural gas to Mexico, as well as any future regional and local demand growth.

A substantial portion of our natural gas production in Stiles Ranch, Verden and the NW Stack is dedicated to Enable Midstream Partners, LP (“Enable”). The majority of natural gas production in each of Verden and Stiles Ranch is dedicated to, gathered and processed by Enable under 15-year gas gathering and processing agreements that commenced in July 2011 and January 2013, respectively. In December 2015, we signed a 15-year gas gathering, processing, and purchase agreement with Enable under which we have dedicated the majority of our NW Stack acreage. The competitive pricing levels under the December 2015 agreement with Enable with no minimum volume commitment allow us to control our pace of development in the NW Stack and eliminate risks associated with transportation and marketing. Plains Marketing, L.P. (“Plains Marketing”) currently purchases all of our oil production, the majority of which is dedicated and purchased under a five-year agreement that commenced in April 2015. Our commitment to Plains Marketing requires us to deliver 4,000 Bbl/d on a gross annual basis from April 1st to March 31st. In March 2017, we delivered over 4,000 Bbl/d. Please read “Business−Operations−Transportation and Marketing” for a description of these agreements.

Owned Infrastructure

In Stiles Ranch, we own and operate a fee-based midstream system consisting of low pressure natural gas gathering pipeline, intermediate/high pressure natural gas gathering pipeline, gas lift pipeline and crude and NGLs gathering pipeline and compression and storage for oil, water and NGLs located in Wheeler County, Texas (“Wheeler Midstream”). We believe our ownership of this midstream infrastructure allows us to reduce our costs in Stiles Ranch, promote overall efficiency of operations and increase our rates of return. Wheeler Midstream is an integrated pipeline gathering system that utilizes centralized compression, stabilization and tankage to support multi-pad drilling in 14 sections across the area. The gathering assets include 60 miles of low pressure gas gathering pipeline, 26 miles of intermediate/high pressure gas gathering pipeline, 24 miles of gas lift pipeline and 23 miles of crude and NGLs gathering pipeline. With respect to storage at Wheeler Midstream, we have 12 MBbls/d of oil gathering capacity and 22 MBbls of oil storage capacity, 30 MBbls/d of water gathering capacity and 30 MBbls of water storage capacity and 2 MBbls of NGLs storage capacity. Wheeler Midstream has four gas driven compressor stations with an aggregate of 28,890 horsepower. We rely exclusively on third-party service providers to gather our oil and natural gas production in the NW Stack, Verden, Kansas and Mocane-Laverne.

Capital Budget

Our 2017 capital budget, which includes estimated expenditures for drilling, completions, leasing activity, the purchase of 3D seismic data, workover and other capitalized items, is approximately $257 million. We intend to allocate $205 million, or 80%, of our 2017 capital budget to the development of our inventory of horizontal drilling locations in the NW Stack. We plan to drill 39 gross horizontal wells, approximately 13 of which we anticipate to be

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two-mile laterals. Approximately 56% of our planned wells in 2017 will be targeting the oil window, with the remaining wells targeting the natural gas condensate window. Of the 39 gross horizontal wells we expect to drill, we expect to bring 29 wells to first sales during 2017. We intend to use the remaining $52 million of our 2017 capital budget for the purchase of 3D seismic data, leasing activities in the NW Stack, workover and additional capitalized items. Our 2017 capital budget excludes any amounts that may be paid for acquisitions.

For the years ended December 31, 2016 and 2015, our aggregate drilling, completion and leaseholds capital expenditures were $185.1 million and $180.3 million, respectively, excluding acquisitions.

Because we operate a high percentage of our acreage, the amount and timing of these capital expenditures is largely discretionary and within our control. We retain the flexibility to defer a portion of these planned capital expenditures depending on a variety of factors, including but not limited to, the success of our drilling activities, prevailing and anticipated prices for oil, natural gas and NGLs, the availability of necessary equipment, infrastructure and capital, the receipt and timing of required regulatory permits and approvals, seasonal conditions, drilling and acquisition costs and the level of participation by other interest owners.

Business Strategies

Our primary objective is to maximize stockholder value across business cycles by pursuing the following strategies:

***Economically grow production, reserves and cash flow by developing our extensive drilling inventory*.** The majority of our development opportunities are concentrated in our contiguous, approximately 200,000 net acre position in the NW Stack. As of December 31, 2016, we had assembled over 2,700 gross operated identified horizontal drilling locations across the oil and natural gas condensate windows of the NW Stack, providing us with a multi-decade development inventory at our current pace of activity. Based on our extensive technical evaluation, including 33 Tapstone-operated horizontal wells, over 50 horizontal wells drilled by offset operators, over 900 existing vertical wells drilled on or around our acreage and 2D and 3D seismic data available in the area, as well as other technical information we have accumulated regarding our NW Stack acreage, we believe our acreage position in the NW Stack is substantially delineated across the Meramec and Osage intervals. Given the initial success of our drilling program, the established consistency of our geologic model, the extensive catalog of technical information and the industry activity around our acreage, we believe our acreage position in the NW Stack provides us with a significant inventory of development locations expected to offer attractive single-well rates of return.

***Focus on advanced operational, drilling and completion techniques that are expected to result in improved capital efficiencies and increased well returns*.** As we accelerate the development of our NW Stack acreage position, our management and technical teams will focus on utilizing advanced operational, drilling and completion techniques, in conjunction with 3D seismic data, to maximize hydrocarbon recovery per well. While maximizing per-well recovery, we expect to minimize our capital and operating costs per Boe, with the ultimate objective of maximizing returns of our large drilling inventory. In order to achieve these objectives, we intend to:

maximize well production and hydrocarbon recovery through advanced drilling, completion and production methods such as optimizing wellbore targeting, lateral lengths and completion design; and

minimize the capital costs per Boe of drilling and completing horizontal wells through knowledge of the target formations, optimization of drilling techniques to reduce cycle times and engagement in best cost management practices.

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Our highly experienced management and technical teams have a substantial track record of developing unconventional plays similar to the NW Stack and will be instrumental in realizing our targeted operational efficiencies.

Take advantage of our balanced acreage position, spanning the oil and natural gas condensate windows of the NW Stack, providing us optionality around our drilling plan, capital program and commodity mix. Our contiguous acreage position spans a highly productive area across the over-pressured oil and natural gas condensate windows of the NW Stack. We believe our balanced mix of oil and natural gas condensate locations provides us with the flexibility to adjust our drilling program and capital expenditure plans in response to the commodity price environment. The natural gas condensate we produce has a high Btu content that typically ranges from 1,100 to 1,300 Btu per standard cubic foot, further enhancing economics of our production as compared to dry natural gas. We believe this diversity of commodity exposure and our ability to modify the development plan and the associated capital expenditures help mitigate commodity price exposure.

Maintain a high degree of operational control over our contiguous acreage position. We were among the first operators to identify the resource potential of the NW Stack and have pursued a focused leasing program there beginning in September 2014. The success of our leasing program and our early entry into the play have uniquely positioned us to hold a high average working interest in wells that we operate. As of December 31, 2016, we operated 78% of our net acreage in the NW Stack and had an average working interest of 72% across the 336 sections we operated. We believe that by retaining operational control over our acreage position we will be able to efficiently manage the timing and amount of our capital expenditures and operating costs, thus optimizing our drilling strategies and completion methods. Additionally, our operational control will allow us to drill longer laterals, which we believe will generate higher EURs and greater rates of return per well.

Maintain a disciplined financial strategy while pursuing growth in the NW Stack. We intend to maintain a disciplined financial profile that will provide us flexibility across various commodity and capital market cycles. Furthermore, we intend to fund the development of our NW Stack acreage position with cash flow from our legacy producing properties, availability under our credit facility and capital markets offerings when appropriate, while prudently managing our capital structure, leverage and liquidity. We expect to maintain an active commodity hedging program with the intent of reducing our exposure to commodity price volatility thereby enabling us to protect our cash flows and returns and maintain liquidity to fund our capital program and investment opportunities.

Our Competitive Strengths

We believe the following strengths will allow us to successfully execute on our business strategies:

Extensive, contiguous and operated acreage position concentrated in the NW Stack that is expected to generate attractive single-well rates of return. As of December 31, 2016, we operated 78% of our approximately 200,000 net acres in the NW Stack, which we believe to be emerging as one of North America' s most prolific, oil and natural gas condensate plays. As evidenced by initial production rates and estimated EURs per well on our Tapstone-operated horizontal wells, we believe the returns from our wells in the NW Stack are competitive with returns generated among other leading plays across the lower 48 states. We operate the majority of our position within the NW Stack, which provides us with control and flexibility to adjust the pace of our development program, as well as the length of our laterals and our drilling and completion techniques, in order to optimize our capital investments.

Our acreage position in the NW Stack has been substantially delineated across multiple productive benches in which we have identified a multi-decade balanced inventory of drilling

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locations. We have substantially delineated our NW Stack acreage through extensive technical evaluation, including 33 Tapstone-operated horizontal wells, over 50 horizontal wells drilled by offset operators, over 900 existing vertical wells drilled on or around our acreage and 2D and 3D seismic data available in the area. As of December 31, 2016, we had identified over 2,700 gross operated horizontal drilling locations in the NW Stack, providing us with a multi-decade drilling inventory. Our drilling activity has been and will continue to be focused on the oil and natural gas condensate windows of the NW Stack, which is expected to produce attractive single-well economics. Additionally, as we accelerate the development of our acreage position, we are optimizing our development plan in order to maximize the value of our resource potential. As of March 23, 2017, we operated four rigs deployed across our acreage position and intend to increase our rig count to a total of six operated rigs by the end of 2017.

Significant operational control in the NW Stack with attractive development opportunities. As of December 31, 2016, we operated 78% of our net acreage in the NW Stack and had an average working interest of 72% in the 336 sections that we operated. We intend to maintain operational control over a majority of our drilling inventory, which we believe will enable us to increase our production and reserves while lowering our development costs. Our control over operations also allows us to utilize cost-effective operating practices, including the selection of drilling locations, timing of development and associated capital expenditures and continuous improvement of drilling, completion and stimulation techniques. In addition, operational control allows us to adjust our development plan to target the most economic locations depending on the then existing commodity price environment. Further, we believe our ability to control costs will allow us to continue to enhance our margins, driven by competitive realized pricing and low-cost development.

Existing legacy producing properties generate predictable production and cash flow to fund our NW Stack drilling program. In addition to our position in the NW Stack, we also own interests throughout the Anadarko Basin in Stiles Ranch, Verden, Kansas and Mocane-Laverne, which we refer to as our legacy producing properties. Substantially all of our acreage outside of the NW Stack and Kansas is held by production, allowing us optionality on the pace of development. These assets are generally characterized by long-lived reserves, with predictable production profiles. Our net production from these assets has generated valuable cash flow that we have reinvested in our business and plan to continue to reinvest in our business, primarily in the development of the NW Stack, thus reducing our reliance on externally sourced capital. Based on the continued development of these areas by offset operators, we believe we have additional development opportunities in our legacy producing properties with the potential to provide attractive rates of return.

Acreage position that is not burdened by onerous takeaway commitments in a geographic location that maximizes realized commodity pricing. Our acreage position offers us optionality and access to numerous end markets for oil, natural gas and NGLs and provides us with a regional price advantage. Our acreage is strategically located near well-developed infrastructure with access to almost every major consuming market, including markets in the Upper Midwest through the Chicago City Gate and markets to the east of the Mississippi River through the Perryville Hub in Perryville, Louisiana. Both hubs offer optionality in selling natural gas at low basis differentials and provide us with a competitive advantage when compared to other plays actively being developed in the lower 48 states. Proximity and direct access to the Gulf Coast also allows us to benefit from future LNG exports, petrochemical industry development and potential exports of natural gas to Mexico, as well as any future regional and local demand growth. Dedication of a substantial portion of our natural gas production in the NW Stack to Enable at competitive pricing levels and no minimum volume commitment allows us to control our pace of development in the NW Stack and eliminate risks associated with the transportation and marketing of our gas production in the NW

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Stack. Our commitment to Plains Marketing requires us to deliver 4,000 Bbl/d pursuant to a five- year agreement that commenced in April 2015. In March 2017, we delivered over 4,000 Bbl/d.

High caliber management and technical teams with deep operating experience and a proven track record. Our management and technical teams have extensive experience and a history of working together on cost-efficient, large scale drilling programs in the Anadarko Basin. Our management and technical teams have collectively participated in the drilling of over 10,000 horizontal wells across multiple unconventional plays in the lower 48 states, were responsible for operating as many as 177 rigs at a given time, and have a successful track record of reserve and production growth. In particular, these teams have been instrumental in driving early stage identification, exploration and, then, accelerated development of unconventional plays similar to the NW Stack by (i) optimizing wellbore targeting based on 3D seismic data, (ii) drilling extended length laterals, (iii) reducing cycle times, (iv) utilizing advanced completion techniques and (v) maximizing efficiencies in field development. Members of our management team have previously held positions with major independent oil and natural gas companies, including Continental Resources, Inc., Chesapeake Energy Corporation and SandRidge Energy, Inc.

Financial strength and flexibility. We have a strong financial position and a prudent financial management strategy, which will allow us to actively allocate capital in order to grow production, reserves and cash flow. After giving effect to this offering and the use of the proceeds, including repayment of our credit facility, we will have approximately $ million of liquidity, with $ million of cash and cash equivalents and $ million of available borrowing capacity under our credit facility. We believe this borrowing capacity, along with our cash flow from operations and existing cash on the balance sheet, will provide us with sufficient liquidity to execute on our capital program. Subject to changes in commodity prices, we would expect the available borrowing capacity to increase as we convert proved undeveloped reserves to proved producing reserves, which may provide us additional flexibility in the future.

Recent Developments

Amendment to Credit Facility

On March 31, 2017, we entered into an amendment to our credit facility, which maintains the $385 million borrowing base under the credit facility, and provides that the lenders will redetermine the borrowing base if we have not applied at least $250 million in net proceeds from this offering to prepay loans outstanding under the credit facility on or prior to May 15, 2017. If such redetermination of the borrowing base occurs, we would not expect such redetermination to be effective sooner than July 2017. See "Management' s Discussion and Analysis of Financial Condition and Results of Operations−Our Credit Facility".

Corporate Reorganization

We were incorporated under the laws of the State of Delaware in December 2016 to become a holding company for Tapstone Energy, LLC and its assets and operations. Tapstone Energy, LLC, which is our accounting predecessor, was formed as a Delaware limited liability company in December 2013. Certain Management Members hold incentive units in Tapstone Energy, LLC that entitle such Management Members to a portion of any proceeds distributed by Tapstone Energy, LLC following the achievement of certain return thresholds by the capital interest owners of Tapstone Energy, LLC.

Pursuant to the terms of certain reorganization transactions that will be completed immediately prior to the closing of this offering, Tapstone Energy, LLC will merge into a subsidiary of Tapstone Energy Inc., with the Existing Owners, including the holders of incentive units, receiving shares of our common stock, with the allocation of such shares among the Existing Owners to be determined pursuant to the terms of the limited liability company agreement of Tapstone Energy, LLC by reference to the volume weighted average price of the

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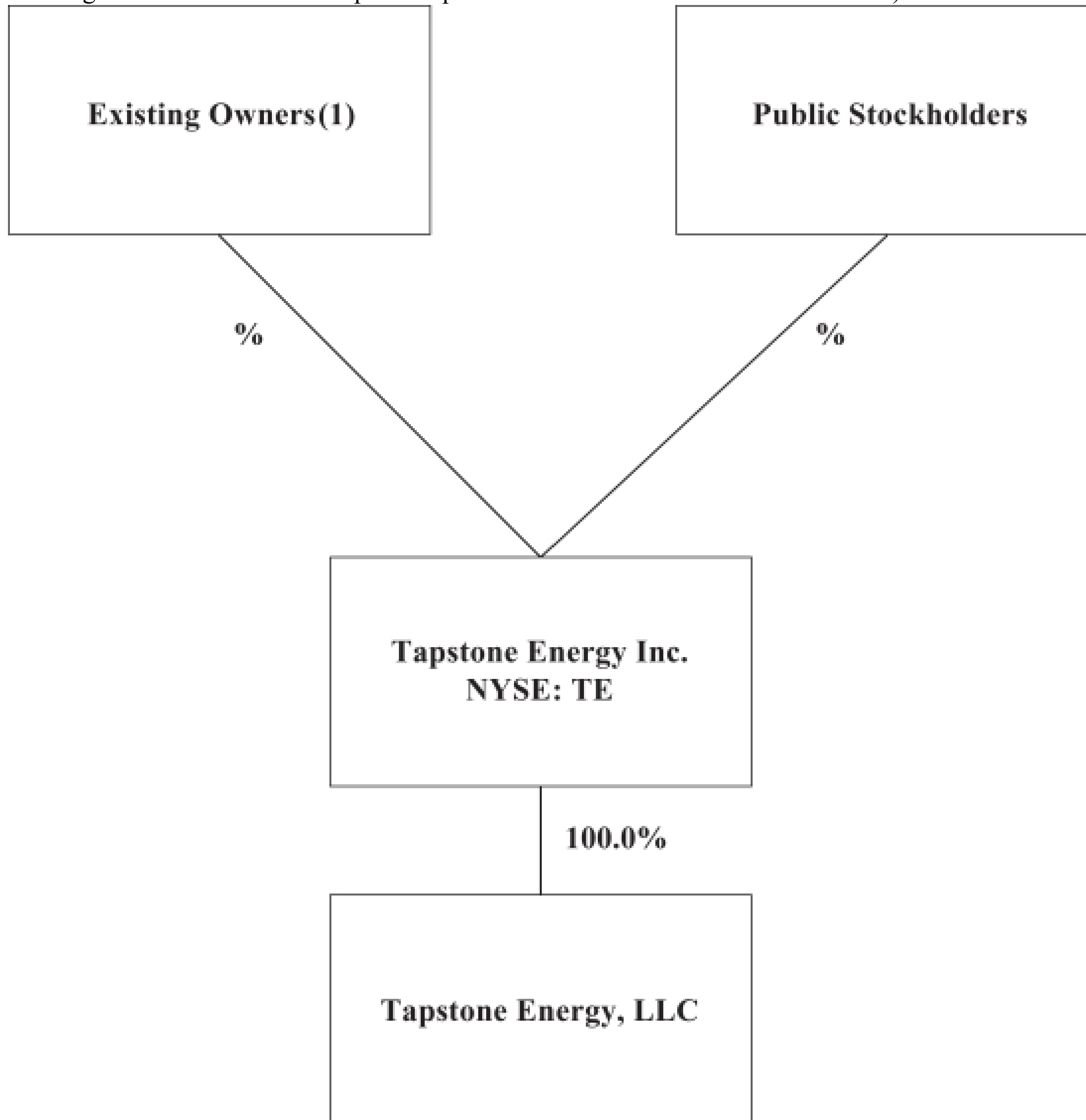
publicly traded shares of our common stock during the initial 20 days during which our common stock is traded on the NYSE. As a result of these transactions, Tapstone Energy, LLC will become a wholly-owned subsidiary of Tapstone Energy Inc. Please read “Corporate Reorganization”.

The following diagram illustrates our simplified ownership structure after giving effect to our corporate reorganization and this offering (assuming that the underwriters’ option to purchase additional shares is not exercised).



(1) Includes GSO and the Management Members.

For more information, please read “Corporate Reorganization”.

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Our Principal Stockholder

GSO is the global credit investment platform of Blackstone. With approximately $93 billion of assets under management as of December 31, 2016, GSO is one of the largest alternative asset managers in the world focused on the leveraged finance marketplace. GSO has a strong track record of investing in the energy sector since its inception in 2005, and it currently manages or sub-advises over $10 billion of assets in the energy sector. GSO is a major provider of credit for small and middle market companies and has substantial upstream E&P holdings in most major North American oil and natural gas basins. Upon completion of this offering, GSO will own approximately % of our common stock (or % if the underwriters exercise in full their option to purchase additional shares).

Risk Factors

Investing in our common stock involves risks that include the speculative nature of oil and natural gas development and production, competition, volatile oil, natural gas and NGLs prices and other material factors. You should read carefully the section of this prospectus entitled "Risk Factors" for an explanation of these risks before investing in our common stock. In particular, the following considerations may offset our competitive strengths or have a negative effect on our strategy or operating activities, which could cause a decrease in the price of our common stock and a loss of all or part of your investment:

- Oil, natural gas and NGLs prices are volatile and have seen significant declines in recent years. A further reduction or sustained decline in oil, natural gas and NGLs prices could adversely affect our business, financial condition and results of operations and our ability to meet our capital expenditure obligations and financial commitments.

- Our development plan and acquisitions require substantial capital expenditures. We may be unable to generate sufficient cash from operations or obtain required capital or financing on satisfactory terms, which could lead to a decline in our ability to access or grow production and reserves.

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

- Drilling for and producing oil and natural gas are high risk activities with many uncertainties that could adversely affect our business, financial condition or results of operations.

- Our identified drilling locations are scheduled out over many years, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling. In addition, we may not be able to generate sufficient cash from operations or obtain required capital or financing on satisfactory terms that would be necessary to drill such locations.

- Reserve estimates depend on many assumptions that may turn out to be inaccurate. Any material inaccuracies in reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves.

- Unless we replace our reserves with new reserves and develop those reserves, our reserves and production will decline, which would adversely affect our future cash flows and results of operations.

- We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under applicable debt instruments, which may not be successful.

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Any significant reduction in our borrowing base under our credit facility as a result of the periodic borrowing base redeterminations or otherwise may negatively impact our ability to fund our operations.

Certain of our undeveloped leasehold acreage is subject to leases that will expire over the next several years unless production is established on units containing the acreage, we pay the lessees option payments to extend the leases for an additional two years or the leases are renewed.

We will not be the operator on all of our acreage or drilling locations, and, therefore, we will not be able to control the timing of exploration or development efforts, associated costs, or the rate of production of any non-operated assets.

The marketability of our production and our price realizations are dependent upon the availability of transportation and other facilities, many of which we do not control. If these facilities are unavailable, our operations could be interrupted and our revenues reduced.

The development of our estimated PUDs may take longer and may require higher levels of capital expenditures than we currently anticipate. Therefore, our estimated PUDs may not be ultimately developed or produced.

Our method of accounting for investments in oil and natural gas properties may result in ceiling test write-downs, which could negatively impact our results of operations.

We depend upon several significant purchasers for the sale of most of our oil, natural gas and NGLs production.

Our operations may be exposed to significant delays, costs and liabilities as a result of environmental and occupational health and safety requirements applicable to our business activities.

We may incur substantial losses and be subject to substantial liability claims as a result of our operations. Additionally, we may not be insured for, or our insurance may be inadequate to protect us against, these risks.

The unavailability or high cost of additional drilling rigs, equipment, supplies, personnel and oilfield services could adversely affect our ability to execute our development plans within our budget and on a timely basis.

We could experience periods of higher costs if commodity prices rise. These increases could reduce our profitability, cash flow and ability to complete development activities as planned.

Climate change laws and regulations restricting emissions of greenhouse gases ("GHGs") could result in increased operating costs and reduced demand for the oil and natural gas that we produce, while potential physical effects of climate change could disrupt our production and cause us to incur significant costs in preparing for or responding to those effects.

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

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The requirements of being a public company, including compliance with the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the requirements of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley"), may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner.

GSO will have the ability to direct the voting of a majority of our common stock, and its interests may conflict with those of our other stockholders.

We expect to be a "controlled company" within the meaning of the New York Stock Exchange (the "NYSE") rules and, as a result, will qualify for and intend to rely on exemptions from certain corporate governance requirements.

Emerging Growth Company

We are an "emerging growth company" as such term is used in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). For as long as we are an emerging growth company, unlike public companies that are not emerging growth companies under the JOBS Act, we will not be required to:

provide an auditor' s attestation report on the effectiveness of our system of internal control over financial reporting pursuant to Section 404(b) of Sarbanes-Oxley;

provide more than two years of audited financial statements and related management' s discussion and analysis of financial condition and results of operations;

comply with any new requirements adopted by the Public Company Accounting Oversight Board (the "PCAOB") requiring mandatory audit firm rotation or a supplement to the auditor' s report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer;

provide certain disclosure regarding executive compensation required of larger public companies or hold stockholder advisory votes on executive compensation required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"); or

obtain stockholder approval of any golden parachute payments not previously approved.

We will cease to be an emerging growth company upon the earliest of:

the last day of the fiscal year in which we have $1.0 billion or more in annual revenues;

the date on which we become a "large accelerated filer" (the fiscal year-end on which the total market value of our common equity securities held by non-affiliates is $700 million or more as of June 30);

the date on which we issue more than $1.0 billion of non-convertible debt over a three-year period; or

the last day of the fiscal year following the fifth anniversary of our initial public offering.

In addition, Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the "Securities Act"), for complying with new or revised accounting standards, but we hereby irrevocably opt out of the extended transition period and, as a result, we will adopt new or revised accounting standards on the relevant dates in which adoption of such standards is required for other public companies.

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Principal Executive Offices and Internet Address

Our principal executive offices are located at 100 East Main Street, Oklahoma City, Oklahoma 73104, and our telephone number at that address is (405) 702-1600.

Our website address is *www.tapstoneenergy.com.* We expect to make our periodic reports and other information filed with or furnished to the SEC available free of charge through our website as soon as reasonably practicable after those reports and other information are electronically filed with or furnished to the SEC. Information on our website or any other website is not incorporated by reference into, and does not constitute a part of, this prospectus.

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The Offering

Issuer	Tapstone Energy Inc.
Common stock offered by us	shares.
Common stock outstanding after this offering	shares.
Option to purchase additional shares	The selling stockholder has granted the underwriters a 30-day option to purchase up to an aggregate of additional shares of our common stock to the extent the underwriters sell more than shares of common stock in this offering. If the underwriters exercise their option to purchase additional shares of common stock from the selling stockholder, we will not receive any proceeds from the sale of such shares.
Use of proceeds	We expect to receive approximately $ million of net proceeds (assuming the midpoint of the price range set forth on the cover of this prospectus) from the sale of common stock offered by us, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Each $1.00 increase (decrease) in the public offering price would increase (decrease) our net proceeds by approximately $ million.
	We intend to use a portion of the net proceeds we receive from this offering to repay the $ million of outstanding indebtedness under our credit facility and the remaining net proceeds to fund a portion of our 2017 capital program. As of April 10, 2017, we had $380.0 million of outstanding borrowings under our credit facility and $5.0 million in outstanding letters of credit. Please read "Use of Proceeds".
Conflicts of interest	An affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated is a lender under our credit facility and will receive more than 5% of the net proceeds of this offering due to the repayment of borrowings thereunder. Accordingly, this offering will be conducted in accordance with Financial Industry Regulatory Authority ("FINRA") Rule 5121. This rule requires, among other things, that a qualified independent underwriter has participated in the preparation of, and has exercised the usual standards of "due diligence" in respect to, the registration statement and this prospectus. has agreed to act as qualified independent underwriter for the offering and to undertake the legal responsibilities and liabilities of an underwriter under the Securities Act, specifically those inherent in Section 11 of the Securities Act. Please read "Underwriting (Conflicts of Interest)".
Dividend policy	We do not anticipate paying any cash dividends on our common stock. In addition, our credit agreement places certain restrictions on our ability to pay cash dividends. Please read "Dividend Policy".

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Reserved share program	The underwriters have reserved for sale at the initial public offering price up to % of the common stock being offered by this prospectus for sale to our employees, executive officers, directors, director nominees, business associates and related persons who have expressed an interest in purchasing common stock in this offering. We do not know if these persons will choose to purchase all or any portion of these reserved shares, but any purchases they do make will reduce the number of shares available to the general public. Please read "Underwriting (Conflicts of Interest)".
Listing and trading symbol	We have applied to list our common stock on the NYSE under the symbol "TE".
Risk factors	You should carefully read and consider the information set forth under the heading "Risk Factors" and all other information set forth in this prospectus before deciding to invest in our common stock.

The information above does not include shares of common stock reserved for issuance pursuant to the Tapstone Energy Inc. 2017 Long-Term Incentive Plan.

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Summary Historical Financial Data

The following table shows the summary historical consolidated financial data for the periods and as of the dates indicated, of Tapstone Energy, LLC, our accounting predecessor. The summary historical consolidated financial data of our predecessor as of and for the years ended December 31, 2016 and 2015 were derived from the audited historical consolidated financial statements of our predecessor included elsewhere in this prospectus.

Our historical results are not necessarily indicative of future results. You should read the following table in conjunction with "Use of Proceeds", "Capitalization", "Management' s Discussion and Analysis of Financial Condition and Results of Operations" and the historical consolidated financial statements of our predecessor and accompanying notes included elsewhere in this prospectus.

	Year Ended December 31,	
	2016	2015
	(in thousands, except per share data)	
Statement of Operations Data:		
Revenues:		
Oil sales	$74,675	$86,082
Natural gas sales	65,577	73,662
Natural gas sales, related parties	8,747	8,017
NGL sales	36,189	31,406
Transportation revenue	3,916	4,711
Total revenues	189,104	203,878
Expenses:		
Production expense	72,687	64,771
Production taxes	4,329	8,274
Transportation cost of service	5,858	6,166
Depreciation and depletion - oil and natural gas	59,855	80,178
Depreciation and amortization - other	8,204	7,561
Accretion of asset retirement obligation	460	422
Impairment of oil and natural gas properties	237,378	282,469
General and administrative	9,749	11,688
General and administrative, related parties	5,060	4,549
Total expenses	403,580	466,078
Loss from operations	(214,476)	(262,200)
Other income (expense):		
Interest expense	(12,643)	(12,249)
Gain/(Loss) on derivative contracts	(17,449)	47,839
Other income, net	81	15
Total other income (expense)	(30,011)	35,605
Net loss	$(244,487)	$(226,595)

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	Year Ended December 31,	
	2016	2015
	(in thousands, except per share data)	
Pro Forma Information (1):		
Net loss	$(244,487)	
Pro forma benefit for income taxes	39,370	
Pro forma net loss	$(205,117)	
Pro forma loss per common share		
Basic and diluted	$	
Weighted average pro forma shares outstanding		
Basic and diluted		
Statements of Cash Flows Data:		
Cash provided by (used in):		
Operating activities	$134,633	$195,536
Investing activities	(190,646)	(196,385)
Financing activities	50,079	(2,500)
Balance Sheets Data (at period end):		
Cash and cash equivalents	$529	$6,463
Total assets	630,570	803,416
Long-term obligations	357,117	414,668
Total liabilities	413,905	457,017
Total members' equity	216,665	346,399
Other Financial Data:		
Adjusted EBITDA (2)	$140,799	$184,306

(1) The pro forma net loss per common share and weighted average pro forma shares outstanding reflect the estimated number of shares of common stock we expect to have outstanding upon the completion of our corporate reorganization described under "Corporate Reorganization". The pro forma per-share data also reflects additional pro forma income tax benefit of $ million for the year ended December 31, 2016, associated with the income tax effects of the corporate reorganization described under "Corporate Reorganization" and this offering. Tapstone Energy Inc. is taxable as a corporation under the Internal Revenue Code of 1986, as amended (the "Code"), and as a result, will be subject to U.S. federal, state and local income taxes. Although our predecessor was subject to franchise tax in the State of Texas, it was treated as a partnership under the Code and generally passed through its taxable income to its owners for income tax purposes and thus was not subject to U.S. federal income taxes or other state or local income taxes.

(2) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, see "–Non-GAAP Financial Measure–Adjusted EBITDA" below.

Non-GAAP Financial Measure

Adjusted EBITDA

Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies.

We define Adjusted EBITDA as net income (loss) before interest expense, depreciation and depletion - oil and natural gas, depreciation and amortization - other, accretion of asset retirement obligation, impairment of

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oil and natural gas properties, income taxes, mark-to-market ("MTM") gains or losses on derivative contracts, incentive unit compensation cost and acquisition and divestiture ("A&D") costs. Adjusted EBITDA is not a measure of net income as determined by United States Generally Accepted Accounting Principles ("GAAP").

Management believes Adjusted EBITDA is useful because it allows them to more effectively evaluate our operating performance and compare the results of our operations from period to period and against our peers without regard to our financing methods or capital structure. We exclude the items listed above from net income or net loss in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income (loss) as determined in accordance with GAAP or as an indicator of our operating performance. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company' s financial performance, such as a company' s cost of capital and tax structure, as well as the historic costs of depletable and depreciable assets, none of which are components of Adjusted EBITDA. Our presentation of Adjusted EBITDA should not be construed as an inference that our results will be unaffected by such items. Our computations of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

The following table presents a reconciliation of Adjusted EBITDA to net income (loss), our most directly comparable financial measure calculated and presented in accordance with GAAP.

	Year Ended December 31,	
	2016	2015
	(in thousands)	
Net loss	$(244,487)	$(226,595)
Adjusted for		
Interest expense	12,643	12,249
Depreciation and depletion - oil and natural gas	59,855	80,178
Depreciation and amortization - other	8,204	7,561
Accretion of asset retirement obligation	460	422
Impairment of oil and natural gas properties	237,378	282,469
Income taxes	–	–
Incentive unit compensation expense	4,757	4,705
MTM loss (gains) on derivative contracts (1)	61,356	21,093
A&D costs	633	2,224
Adjusted EBITDA	$140,799	$184,306

(1) Includes the effect of adjusting net income (loss) for changes in the fair value of derivative instruments, which are recognized at the end of each accounting period because we do not designate commodity derivative instruments as cash flow hedges.

Summary Historical Reserve and Operating Data

The following tables present, for the periods and as of the dates indicated, summary data with respect to our net proved reserves and our production and operating data. The reserve estimates attributable to our properties presented in the table below were prepared based on reports by Ryder Scott, our independent petroleum engineers. The following tables also contain summary unaudited information regarding production and sales of oil, natural gas and NGLs with respect to such properties. Please read "Management' s Discussion and

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Analysis of Financial Condition and Results of Operations" and "Business−Oil and Natural Gas Data−Proved Reserves" in evaluating the material presented below.

	NYMEX (1)	SEC (2)
	As of December 31, 2016	
Proved Developed Reserves:		
Oil (MBbls)	8,580	7,734
Natural gas (MMcf)	279,402	243,766
NGLs (MBbls)	20,244	17,266
Total (MBoe) (3)	75,391	65,628
Proved Undeveloped Reserves:		
Oil (MBbls)	10,930	10,315
Natural gas (MMcf)	153,202	142,444
NGLs (MBbls)	10,598	9,863
Total (MBoe) (3)	47,062	43,919
Total Proved Reserves:		
Oil (MBbls)	19,510	18,049
Natural gas (MMcf)	432,604	386,210
NGLs (MBbls)	30,842	27,129
Total (MBoe) (3)	122,453	109,546
Oil and Natural Gas Prices:		
Oil - WTI posted price per Bbl	NA	$42.75
Natural gas - Henry Hub spot price per MMBtu	NA	$2.49
Standardized Measure (in thousands) (4)	−	$320,720
Pro Forma Standardized Measure (in thousands) (5)	−	$254,699
PV-10 (in thousands) (6)	$670,334	$322,682
Proved Developed % of Total Proved PV-10	67 %	79 %
Proved Undeveloped % of Total Proved PV-10	33 %	21 %

(1) Our estimated net proved NYMEX reserves were prepared on the same basis as our SEC reserves, except for the use of hydrocarbon pricing based on closing monthly futures prices as reported on the NYMEX for oil and natural gas on January 1, 2017 rather than using the average of the first-day-of-the-month prices for the prior 12 months in accordance with SEC guidelines. Prices were in each case adjusted for gravity, quality, local conditions, gathering, transportation fees and distance from market.

Our NYMEX reserves were determined using index prices for oil and natural gas, without giving effect to derivative transactions. The average future prices for benchmark commodities used in determining our NYMEX reserves were $56.19/Bbl for 2017, $56.59/Bbl for 2018, $56.10/Bbl for 2019, $56.05/Bbl for 2020, $56.21/Bbl for 2021, $56.51/Bbl for 2022, $57.23/Bbl for 2023, $57.70/Bbl for 2024, $58.03/Bbl for 2025, and $58.10/Bbl for 2026 and thereafter for oil and $3.61/Mcf for 2017, $3.14/Mcf for 2018, $2.87/Mcf for 2019, $2.88/Mcf for 2020, $2.90/Mcf for 2021, $2.93/Mcf for 2022, $3.02/Mcf for 2023, $3.16/Mcf for 2024, $3.31/Mcf for 2025, and $3.68/Mcf for 2026 and thereafter for natural gas. NGLs pricing used in determining our NYMEX reserves were approximately 35% of future oil prices.

We believe that the use of forward prices provides investors with additional useful information about our reserves, as the forward prices are based on a market-based expectation of oil and natural gas prices as of a certain date. NYMEX futures prices are not necessarily a projection of future oil and natural gas prices. Our estimated net proved NYMEX reserves are intended to illustrate reserve sensitivities to market expectations of commodity prices as of a certain date and should not be confused with SEC prices. Investors should be careful to consider forward prices in addition to, and not as a substitute for, SEC prices, when considering our oil, natural gas and NGLs reserves.

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(2) Our estimated net proved reserves were determined using average first-day-of-the-month prices for the prior twelve months in accordance with SEC guidance. For oil and NGLs volumes, the average WTI posted price of $42.75 per barrel as of December 31, 2016, was adjusted for gravity, quality, local conditions, gathering, transportation fees and distance from market. For natural gas volumes, the average Henry Hub spot price of $2.49 per MMBtu as of December 31, 2016, was similarly adjusted for gravity, quality, local conditions, gathering, transportation fees and distance from market. All prices are held constant throughout the lives of the properties. The average adjusted product prices weighted by production over the remaining lives of the properties were $41.85 per barrel of oil, $14.94 per barrel of NGLs and $2.35 per Mcf of natural gas as of December 31, 2016.

(3) Totals may not sum or recalculate due to rounding.

(4) As of December 31, 2016, we were a limited liability company and as a result, we were not subject to entity-level U.S. federal, state and local income taxes, other than the franchise tax in the State of Texas. Following our corporate reorganization, we will be subject to U.S. federal, state and local income taxes. Accordingly, estimates included herein of future net cash flows may be materially different from the future net cash flows that are ultimately received. Future calculations of standardized measure will include the effects of income taxes on future net cash flow. Please read "Risk Factors−The standardized measure of our estimated reserves is not an accurate estimate of the current fair value of our estimated reserves".

(5) Following our corporate reorganization, we will be subject to U.S. federal, state and local income taxes and our future income taxes will be dependent on our future taxable income. As of December 31, 2016, we estimate that our pro forma standardized measure would have been approximately $255 million, as adjusted to give effect to the present value of approximately $66 million of future income taxes as a result of our being treated as a corporation for federal income tax purposes. We have assumed pro forma tax expense using a 38% blended corporate level federal and state tax rate.

(6) PV-10 is not a financial measure calculated or presented in accordance with GAAP and generally differs from standardized measure, the most directly comparable GAAP financial measure, because it does not include the effects of income taxes on future net revenues. Because Tapstone Energy, LLC has not been subject to entity level U.S. federal, state and local income taxes, other than the franchise tax in the State of Texas, prior to this offering, as of December 31, 2016, the PV-10 value and standardized measure of our properties were substantially equal. Following our corporate reorganization, we will be subject to U.S. federal, state and local income taxes. Accordingly, estimates included herein of future net cash flows may be materially different from the future net cash flows that are ultimately received. Future calculations of standardized measure will include the effects of income taxes on future net cash flow. Please read "Risk Factors−The standardized measure of our estimated reserves is not an accurate estimate of the current fair value of our estimated reserves". Neither PV-10 nor standardized measure represents an estimate of the fair market value of our oil and natural gas properties. We and others in the industry use PV-10 as a measure to compare the relative size and value of proved reserves held by companies without regard to the specific tax characteristics of such entities.

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	Year Ended December 31,	
	2016	2015
Production and Operating Data:		
Production:		
Oil (MBbls)	1,860	1,895
Natural gas (MMcf)	32,484	31,024
NGLs (MBbls)	2,553	2,476
Total (MBoe) (1)	9,827	9,542
Average sales price before impact of cash-settled derivatives:		
Oil (per Bbl)	$40.15	$45.42
Natural gas (per Mcf)	2.29	2.63
NGLs (per Bbl)	14.17	12.68
Average (per Boe)	$18.84	$20.87
Average sales price after impact of cash-settled derivatives:		
Oil (per Bbl)	$48.40	$63.84
Natural gas (per Mcf)	2.92	3.40
NGLs (per Bbl)	17.33	16.83
Average (per Boe)	$23.31	$28.10
Operating expenses (per Boe):		
Production expenses	$7.40	$6.79
Production taxes	0.44	0.87
Depreciation and depletion - oil and natural gas	6.09	8.40
Impairment of oil and natural gas properties	24.16	29.60
General and administrative (2)	1.51	1.70
Total (per Boe)	$39.59	$47.36

(1) Total may not sum or recalculate due to rounding.

(2) General and administrative does not include additional expenses we would have to incur as a result of being a public company.

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RISK FACTORS

Investing in our common stock involves risks. You should carefully consider all of the information in this prospectus, including the matters addressed under "Cautionary Statement Regarding Forward-Looking Statements" and the following risks, before making an investment decision. Our business, financial condition and results of operations could be materially and adversely affected by, and the trading price of our common stock could decline, due to any of these risks, and you may lose all or part of your investment. The risks described below are not the only ones facing us. Additional risks not presently known to us or which we consider immaterial may also adversely affect us.

Risks Related to Our Business

Oil, natural gas and NGLs prices are volatile and have seen significant declines in recent years. A further reduction or sustained decline in oil, natural gas and NGLs prices could adversely affect our business, financial condition and results of operations and our ability to meet our capital expenditure obligations and financial commitments.

Oil, natural gas and NGLs are commodities, and their prices may fluctuate widely in response to market uncertainty and relatively minor changes in the supply of and demand for oil, natural gas and NGLs. Historically, oil, natural gas and NGLs prices have been volatile. For example, during the period from January 1, 2014 through March 23, 2017, the WTI posted price for oil has declined from a high of $107.95 per Bbl on June 20, 2014, to $26.19 per Bbl on February 11, 2016, and the Henry Hub spot price for natural gas has declined from a high of $8.15 per MMBtu on February 10, 2014, to a low of $1.49 per MMBtu on March 4, 2016. Likewise, NGLs, which are comprised of ethane, propane, isobutene, normal butane and natural gasoline, all of which have different uses and different pricing characteristics, have suffered significant recent declines in realized prices. The prices we receive for our oil, natural gas and NGLs production heavily influence our revenue, profitability, access to capital, future rate of growth and carrying value of our properties. The prices we receive for our production, and the levels of our production, depend on numerous factors beyond our control, which include the following:

- worldwide and regional political or economic conditions impacting the global supply and demand for oil, natural gas and NGLs;
- the price and quantity of foreign imports of oil, natural gas and NGLs;
- political and economic conditions in or affecting other producing regions or countries, including the Middle East, Africa, South America and Russia;
- actions of the Organization of the Petroleum Exporting Countries ("OPEC"), its members and state-controlled oil companies relating to oil price and production controls;
- the level of global exploration, development and production;
- the level of global inventories of oil;
- prevailing commodity prices on local price indexes in the area in which we operate;
- the proximity, capacity, cost and availability of gathering and transportation facilities;
- localized and global supply and demand fundamentals and transportation availability;
- the cost of exploring for, developing and producing reserves and transporting production;

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- weather conditions and other natural disasters;
- technological advances affecting energy consumption and production;
- the price and availability of alternative fuels;
- expectations about future commodity prices; and
- U.S. federal, state and local and non-U.S. governmental regulation and taxes.

In the second half of 2014, oil prices began a rapid and significant decline as the global oil supply began to outpace demand. During 2015 and 2016, the global oil supply continued to outpace demand, resulting in a sustained decline in realized prices for oil production. In general, this imbalance between supply and demand reflects the significant supply growth achieved in the United States as a result of shale drilling and oil production increases by certain other countries, including Russia and Saudi Arabia, as part of an effort to retain market share, combined with only modest demand growth in the United States and less-than-expected demand in other parts of the world. Although there has been a dramatic decrease in drilling activity in the industry, oil storage levels in the United States remain at historically high levels. Until supply and demand balance and the overhang in storage levels begins to decline, prices will likely remain under pressure. The U.S. dollar has also strengthened relative to other leading currencies, which has caused oil prices to weaken, as they are U.S. dollar-denominated. In addition, the lifting of economic sanctions on Iran has resulted in increasing supplies of oil, adding further downward pressure to oil prices. Oil prices experienced considerable volatility during the third quarter 2016, with the WTI posted price falling to a low of $39.50 per barrel in early August before rebounding on the news that OPEC had agreed to the framework of an agreement that would limit production by its member countries. Oil prices continued to rise in the fourth quarter 2016 and thus far in 2017 as OPEC formally announced its agreement to cut production by 1,200 MBbl/d on November 30, 2016, followed by the announcement in December that certain non-OPEC countries, including Russia, Mexico, Azerbaijan, Oman and Kazakhstan, had agreed to cut production by 558 MBbl/d. NGLs prices generally correlate to the price of oil. Also adversely affecting the price for NGLs is the supply of NGLs in the United States, which has continued to grow due to an increase in industry participants targeting the development of NGLs-prone acreage in recent years. Prices for domestic natural gas began to decline during the third quarter of 2014 and remained weak throughout 2015, 2016 and thus far in 2017. The declines in natural gas prices are primarily due to an imbalance between supply and demand across North America. Although the current downturn has begun to show signs of improvement, any long-term recovery continues to be uncertain and is dependent on a number of economic, geopolitical and monetary policy factors that are outside our control, and the market is likely to continue to be volatile in the future.

Lower commodity prices may reduce our cash flows and borrowing ability. If we are unable to obtain needed capital or financing on satisfactory terms, our ability to develop our reserves could be adversely affected. Furthermore, using lower prices in estimating proved reserves may result in a reduction in proved reserve volumes due to economic limits. In addition, sustained periods with oil and natural gas prices at levels lower than current WTI or Henry Hub prices may adversely affect our drilling economics and our ability to raise capital, which may require us to re-evaluate and postpone or eliminate our development drilling, and result in the reduction of some of our proved undeveloped reserves and related standardized measure. If we are required to curtail our drilling program, we may be unable to continue to hold leases that are scheduled to expire, which may further reduce our reserves. As a result, a further reduction or sustained decline in commodity prices may materially and adversely affect our future business, financial condition, results of operations, liquidity and ability to finance planned capital expenditures.

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Our development plan and acquisitions require substantial capital expenditures. We may be unable to generate sufficient cash from operations or obtain required capital or financing on satisfactory terms, which could lead to a decline in our ability to access or grow production and reserves.

The oil and natural gas industry is capital intensive. We make and expect to continue to make substantial capital expenditures related to our development plan and acquisitions. In addition, our production costs may increase as we use enhanced drilling and completion techniques and other new drilling technologies, which are capital intensive and may not produce oil and natural gas in paying quantities or at all. Further, we from time to time evaluate potential acquisition opportunities, and any such acquisitions we pursue could require substantial capital expenditures. Our 2017 capital budget is approximately $257 million. We expect to fund our capital expenditures with cash generated by operations, borrowings under our credit facility and a portion of the proceeds from this offering; however, our financing needs may require us to alter or increase our capitalization substantially through the issuance of debt or equity securities or the sale of assets. The issuance of additional indebtedness would require that a portion of our cash flow from operations be used for the payment of interest and principal on our indebtedness, thereby reducing our ability to use cash flow from operations to fund working capital, capital expenditures and acquisitions. The issuance of additional equity securities would be dilutive to all stockholders. The actual amount and timing of our future capital expenditures may differ materially from our estimates as a result of, among other things, oil, natural gas and NGLs prices; actual drilling results; the availability of drilling rigs and other services and equipment; and regulatory, technological and competitive developments. A reduction in commodity prices from current levels may result in a decrease in our actual capital expenditures, which would negatively impact our ability to grow production.

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

- the prices at which our production is sold;
- the levels of our operating expenses;
- the level of hydrocarbons we are able to produce from existing wells;
- our proved reserves;
- our ability to acquire, locate and produce new reserves; and
- our ability to borrow under our credit facility and our ability to access the capital markets.

If our revenues or the borrowing base under our credit facility decrease as a result of lower oil, natural gas and NGLs prices, operating difficulties, declines in reserves or for any other reason, we may have limited ability to obtain the capital necessary to sustain our operations at current levels. If additional capital is needed, we may not be able to obtain debt or equity financing on terms acceptable to us, if at all. For a period of 180 days following the date of this prospectus, we will not be able to sell any shares of our common stock, whether pursuant to a private or public offering, without the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc. Please read "Underwriting (Conflicts of Interest)" for more information. If cash flow generated by our operations or available borrowings under our credit facility are not sufficient to meet our capital requirements, the failure to obtain additional financing could result in a curtailment of our operations relating to development of our properties, which in turn could lead to a decline in our reserves and production, and could materially and adversely affect our business, financial condition and results of operations.

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

Our operations involve utilizing some of the latest available drilling and completion techniques as developed by us and our service providers. The difficulties we face while drilling horizontal wells include:

- landing our wellbore in the desired drilling zone;
- staying in the desired drilling zone while drilling horizontally through the formation;
- running our casing the entire length of the wellbore; and
- being able to run tools and other equipment consistently through the horizontal wellbore.

The difficulties we face while completing our wells include:

- the ability to fracture stimulate the planned number of stages;
- the ability to run tools the entire length of the wellbore during completion operations; and
- the ability to successfully clean out the wellbore after completion of the final fracture stimulation stage.

Additionally, certain of the new techniques we are adopting may cause irregularities or interruptions in production due to offset wells being shut in and the time required to drill and complete multiple wells before any such wells begin producing. If our drilling results in less production than anticipated, the return on our investment for a particular project may not be as attractive as we anticipated, we could incur material write-downs of unevaluated properties, and the value of our undeveloped acreage could decline in the future.

Drilling for and producing oil and natural gas are high risk activities with many uncertainties that could adversely affect our business, financial condition or results of operations.

Our future financial condition and results of operations will depend on the success of our development, acquisition and production activities, which are subject to numerous risks beyond our control, including the risk that drilling will not result in commercially viable oil and natural gas production.

Our decisions to develop or purchase prospects or properties will depend in part on the evaluation of data obtained through geophysical and geological analyses, production data and engineering studies, the results of which are often inconclusive or subject to varying interpretations. For a discussion of the uncertainty involved in these processes, please read "−Reserve estimates depend on many assumptions that may turn out to be inaccurate. Any material inaccuracies in reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves". In addition, our cost of drilling, completing and operating wells is often uncertain.

Further, many factors may curtail, delay or cancel our scheduled drilling activity, including the following:

- delays imposed by or resulting from compliance with regulatory requirements, including limitations on wastewater disposal, additional regulation related to seismic activity, water disposal, discharge of greenhouse gases ("GHGs") and limitations on hydraulic fracturing;
- pressure or irregularities in geological formations;

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- shortages of or delays in obtaining equipment and qualified personnel or in obtaining materials required for our drilling activities, including water for hydraulic fracturing activities;
- equipment failures, accidents or other unexpected operational events;
- lack of available and economic gathering and takeaway capacity, including gathering facilities and interconnecting transmission pipelines;
- adverse weather conditions;
- issues related to compliance with environmental regulations;
- environmental hazards, such as oil and natural gas leaks, oil spills, pipeline and tank ruptures and unauthorized discharges of brine, well stimulation and completion fluids, toxic gases or other pollutants into the surface and subsurface environment;
- declines in oil and natural gas prices;
- limited availability of financing at acceptable terms;
- title problems or legal disputes regarding leasehold rights; and
- limitations in the market for oil and natural gas.

Furthermore, the results of drilling in new or emerging formations are more uncertain initially than drilling results in areas that are more developed and have a longer history of established production.

Finally, the presence of impurities in our produced natural gas (such as hydrogen sulfide ("H_2S") or carbon dioxide ("CO_2")) may adversely affect our ability to produce and market our natural gas and could cause our operating expenses to increase. If we encounter high levels of impurities in wells we drill it could negatively impact our results of operations, including reduced revenues associated with having to shut in wells while marketability is explored and treatment is put in place, increased operating expenses and a further reduction in potential drilling locations.

Our identified drilling locations are scheduled out over many years, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling. In addition, we may not be able to generate sufficient cash from operations or obtain required capital or financing on satisfactory terms that would be necessary to drill such locations.

Our management team has specifically identified and scheduled certain drilling locations as an estimation of our future multi-year drilling activities on our existing acreage. These drilling locations represent a significant part of our growth strategy. Our ability to drill and develop these locations depends on a number of uncertainties, including oil and natural gas prices, the availability and cost of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, gathering system and pipeline transportation constraints, access to and availability of water sourcing and distribution systems, regulatory approvals and other factors. Because of these uncertain factors, we do not know if the numerous drilling locations we have identified will ever be drilled or if we will be able to produce oil or natural gas from these or any other drilling locations. In addition, unless production is established within the spacing units covering the undeveloped acres on which some of the drilling locations are located, the leases for such acreage will expire. As such, our actual drilling activities may materially differ from those presently identified.

As of December 31, 2016, we had a drilling inventory consisting of 6,337 gross (2,912 net) identified horizontal drilling locations. As a result of the limitations described above, we may be unable to drill many of

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our identified locations. In addition, we will require significant additional capital over a prolonged period in order to pursue the development of these locations, and we may not be able to raise or generate the capital required to do so. Please read "−Our development plan and acquisitions require substantial capital expenditures. We may be unable to generate sufficient cash from operations or obtain required capital or financing on satisfactory terms, which could lead to a decline in our ability to access or grow production and reserves". Any drilling activities we are able to conduct on these locations may not be successful or result in our ability to add additional proved reserves to our overall proved reserves or may result in a downward revision of our estimated proved reserves, which could have a material adverse effect on our future business and results of operations. Additionally, if we curtail our drilling program, we may lose a portion of our acreage through lease expirations.

Reserve estimates depend on many assumptions that may turn out to be inaccurate. Any material inaccuracies in reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves.

The process of estimating reserves is complex. It requires interpretations of available technical data and many assumptions, including assumptions relating to current and future economic conditions and commodity prices. Any significant inaccuracies in these interpretations or assumptions could materially affect the estimated quantities and present value of our reserves. In order to prepare reserve estimates, we must project production rates and timing of development expenditures. We must also analyze available geological, geophysical, production and engineering data. The extent, quality and reliability of this data can vary. The process also requires economic assumptions about matters such as oil and natural gas prices, drilling and operating expenses, capital expenditures, taxes and availability of funds.

Actual future production, oil and natural gas prices, revenues, taxes, development expenditures, operating expenses and quantities of recoverable reserves may vary from our estimates. For instance, initial production rates reported by us or other operators may not be indicative of future or long-term production rates, our recovery efficiencies may be worse than expected and production declines may be greater than we estimate and may be more rapid and irregular when compared to initial production rates. In addition, we may adjust reserve estimates to reflect additional production history, results of development activities, current commodity prices and other existing factors. Any significant variance could materially affect the estimated quantities and present value of our reserves. Moreover, there can be no assurance that our reserves will ultimately be produced or that our proved undeveloped reserves will be developed within the periods anticipated.

You should not assume that the present value of future net cash flows from our reserves is the current market value of our estimated reserves. We generally base the estimated discounted future net cash flows from reserves on prices and costs on the date of the estimate. Actual future prices and costs may differ materially from those used in the present value estimate. For example, our estimated proved reserves as of December 31, 2016, and related standardized measure were calculated under SEC rules using twelve-month trailing average benchmark prices of $42.75 per barrel of oil (WTI posted) and $2.49 per MMBtu (Henry Hub spot), which, for certain periods in 2016, were substantially higher than the available spot prices. If spot prices are below such calculated amounts, using more recent prices in estimating proved reserves may result in a reduction in proved reserve volumes due to economic limits.

Unless we replace our reserves with new reserves and develop those reserves, our reserves and production will decline, which would adversely affect our future cash flows and results of operations.

Producing oil and natural gas reservoirs are generally characterized by declining production rates that vary depending upon reservoir characteristics and other factors. Unless we conduct successful ongoing exploration and development activities or continually acquire properties containing proved reserves, our proved reserves will decline as those reserves are produced. Our future reserves and production, and therefore our future cash flow and results of operations, are highly dependent on our success in efficiently developing our current reserves and economically finding or acquiring additional recoverable reserves. We may not be able to develop,

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find or acquire sufficient additional reserves to replace our current and future production. If we are unable to replace our current and future production, the value of our reserves will decrease, and our business, financial condition and results of operations would be materially and adversely affected.

Operating our midstream system involves significant risks, including those related to cost overruns, operational efficiency and mechanical failures.

Operating Wheeler Midstream involves significant risks, including those related to cost overruns, operational efficiency and mechanical failures. These risks can be affected by the availability of capital, materials and qualified personnel, as well as weather conditions, commodity price volatility, delays in obtaining rights-of-way, permits and other government approvals, title and property access problems, geology and other factors.

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under applicable debt instruments, which may not be successful.

Our ability to make scheduled payments on or to refinance our indebtedness obligations, including our credit facility, which matures in 2019, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund debt service obligations, we may be forced to reduce or delay investments and capital expenditures, sell assets, seek additional capital or restructure or refinance indebtedness. Our ability to restructure or refinance indebtedness will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of indebtedness could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. In the absence of sufficient cash flows and capital resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet debt service and other obligations. We may not be able to consummate those dispositions, and the proceeds of any such disposition may not be adequate to meet any debt service obligations then due. These alternative measures may not be successful and may not permit us to meet scheduled debt service obligations.

Restrictions in our existing and future debt agreements could limit our growth and our ability to engage in certain activities.

Our credit agreement contains a number of significant covenants, including restrictive covenants that may limit our ability to, among other things:

- incur additional indebtedness;
- incur liens;
- make investments;
- make loans to others;
- merge or consolidate with another entity;
- sell assets;

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- make certain payments;
- enter into transactions with affiliates;
- enter into swap contracts; and
- engage in certain other transactions without the prior consent of the lenders.

In addition, our credit agreement requires us to maintain certain financial ratios or to reduce our indebtedness if we are unable to comply with such ratios.

The restrictions in our credit agreement may also limit our ability to obtain future financings to withstand a future downturn in our business or the economy in general, to maintain cash balances in excess of certain specified threshold amounts or to otherwise conduct necessary corporate activities. We may also be prevented from taking advantage of business opportunities that arise because of the limitations that the restrictive covenants under our credit agreement impose on us.

A breach of any covenant in our credit agreement would result in a default under the applicable agreement after any applicable grace periods. A default, if not waived or cured, could result in acceleration of the indebtedness outstanding under our credit agreement and in a default with respect to, and an acceleration of, the indebtedness outstanding under other debt agreements. The accelerated indebtedness would become immediately due and payable. If that occurs, we may not be able to make all of the required payments or borrow sufficient funds to refinance such indebtedness. Even if new financing were available at that time, it may not be on terms that are acceptable to us.

Any significant reduction in our borrowing base under our credit facility as a result of the periodic borrowing base redeterminations or otherwise may negatively impact our ability to fund our operations.

Our credit facility limits the amounts we can borrow up to a borrowing base amount, which the lenders, in their sole discretion, determine semiannually on April 1 and October 1. The borrowing base depends on, among other things, the volumes of our proved reserves and estimated cash flows from these reserves and our commodity hedge positions as well as any other outstanding debt. The value of our proved reserves is dependent upon, among other things, the prevailing and expected market prices of the underlying commodities in our estimated reserves. Please read "−Oil, natural gas and NGLs prices are volatile and have seen significant declines in recent years. A further reduction or sustained decline in oil, natural gas and NGLs prices could adversely affect our business, financial condition and results of operations and our ability to meet our capital expenditure obligations and financial commitments", and "−Reserve estimates depend on many assumptions that may turn out to be inaccurate. Any material inaccuracies in reserve estimates or underlying assumptions will materially affect the quantities and present value of our reserves". The lenders can unilaterally adjust the borrowing base and the borrowings permitted to be outstanding under our credit facility. Any increase in the borrowing base requires the consent of the lenders holding 100% of the commitments. Our borrowing base was $385.0 million as of April 10, 2017. Our next scheduled borrowing base redetermination is expected on or about October 1, 2017. However, the lenders will redetermine the borrowing base under our credit facility if we have not applied at least $250 million in net proceeds from this offering to prepay loans outstanding under the credit facility on or prior to May 15, 2017.

In the future, we may not be able to access adequate funding under our credit facility as a result of a decrease in borrowing base due to the issuance of new indebtedness, the outcome of a subsequent borrowing base redetermination or an unwillingness or inability on the part of lending counterparties to meet their funding obligations and the inability of other lenders to provide additional funding to cover the defaulting lender' s portion. Declines in commodity prices could result in a determination to lower the borrowing base in the future and, in such a case, we could be required to repay any indebtedness in excess of the redetermined borrowing

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base. As a result, we may be unable to implement our drilling and development plan, make acquisitions or otherwise carry out business plans, which would have a material adverse effect on our financial condition and results of operations and impair our ability to service our indebtedness.

Certain of our undeveloped leasehold acreage is subject to leases that will expire over the next several years unless production is established on units containing the acreage, we pay the lessees option payments to extend the leases for an additional two years or the leases are renewed.

As of December 31, 2016, approximately 41% of our total net acreage was held by production or drilling operations. The leases for our net acreage not held by production will expire at the end of their primary term unless production is established in paying quantities under the units containing these leases, we pay the lessees option payments on some of the leases to extend the leases for an additional two years or the leases are renewed. If our leases expire and we are unable to renew the leases, we will lose our right to develop the related properties. Our ability to drill and develop these locations depends on a number of uncertainties, including oil and natural gas prices, the availability and cost of capital, drilling and production costs, availability of drilling services and equipment, drilling results, lease expirations, gathering system and pipeline transportation constraints, access to and availability of water sourcing and distribution systems, regulatory approvals and other factors.

Our derivative activities could result in financial losses or could reduce our earnings.

We enter into derivative instrument contracts for a portion of our oil, natural gas and NGLs production. Accordingly, our earnings may fluctuate significantly as a result of changes in fair value of any derivative instruments.

Derivative instruments also expose us to the risk of financial loss in some circumstances, including when:

- production is less than the volume covered by the derivative instruments;
- the counterparty to the derivative instrument defaults on its contractual obligations;
- there is an increase in the differential between the underlying price in the derivative instrument and actual prices received; or
- there are issues with regard to legal enforceability of such instruments.

The use of derivatives may, in some cases, require the posting of cash collateral with counterparties. If we enter into derivative instruments that require cash collateral and commodity prices or interest rates change in a manner adverse to us, our cash otherwise available for use in our operations would be reduced which could limit our ability to make future capital expenditures and make payments on our indebtedness, and which could also limit the size of our borrowing base. Future collateral requirements will depend on arrangements with our counterparties, highly volatile oil and natural gas prices and interest rates. In addition, derivative arrangements could limit the benefit we would receive from increases in the prices for oil and natural gas, which could also have a material adverse effect on our financial condition. Alternatively, higher oil and natural gas prices may result in significant non-cash fair value losses being incurred on our derivatives, which could cause us to experience net losses associated with those hedging contracts when oil and natural gas prices rise.

Our commodity derivative contracts expose us to risk of financial loss if a counterparty fails to perform under a contract. Disruptions in the financial markets could lead to sudden decreases in a counterparty' s liquidity, which could make the counterparty unable to perform under the terms of the contract, and we may not be able to realize the benefit of the contract. We are unable to predict sudden changes in a counterparty' s creditworthiness or ability to perform. Even if we do accurately predict sudden changes, our ability to negate the risk may be limited depending upon market conditions.

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During periods of declining commodity prices, our derivative contract receivable positions generally increase, which increases our counterparty credit exposure. If the creditworthiness of our counterparties deteriorates and results in their nonperformance, we could incur a significant loss with respect to our commodity derivative contracts.

We will not be the operator on all of our acreage or drilling locations, and, therefore, we will not be able to control the timing of exploration or development efforts, associated costs, or the rate of production of any non-operated assets.

As of December 31, 2016, we were the operator on 3,235 of our 6,337 gross identified horizontal drilling locations. We will have limited ability to exercise influence over the operations of the drilling locations operated by other working interest owners, and there is the risk that in such case the operator may at any time have economic, business or legal interests or goals that are inconsistent with ours. Furthermore, the success and timing of development activities operated by other parties will depend on a number of factors that will be largely outside of our control, including:

- the timing and amount of capital expenditures;
- the operator’ s expertise and financial resources;
- the approval of other participants in drilling wells;
- the selection of technology; and
- the rate of production of reserves, if any.

This limited ability to exercise control over the operations and associated costs of some of our drilling locations could prevent the realization of targeted returns on capital in drilling or acquisition activities.

Adverse weather conditions may negatively affect our operating results and our ability to conduct drilling activities.

Adverse weather conditions may cause, among other things, increases in the costs of, and delays in, drilling or completing new wells, power failures, temporary shut-in of production and difficulties in the transportation of our oil, natural gas and NGLs. Any decreases in production due to poor weather conditions will have an adverse effect on our revenues, which will in turn negatively affect our cash flow from operations.

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

Water is an essential component of oil and natural gas development during both the drilling and hydraulic fracturing processes. Drought conditions have persisted in certain of our areas of operation in past years. These drought conditions have led governmental authorities to regulate the use of water subject to their jurisdiction for hydraulic fracturing to protect local water supplies. If we are unable to obtain water to use in our operations, we may be unable to economically produce oil and natural gas, which could have a material and adverse effect on our financial condition, results of operations and cash flows.

Our producing properties are located in the Anadarko Basin in Oklahoma, Texas and Kansas, making us vulnerable to risks associated with operating in a single geographic area.

All of our producing properties are geographically concentrated in the Anadarko Basin in Oklahoma, Texas and Kansas. At December 31, 2016, all of our total estimated proved reserves were attributable to

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properties located in this area. As a result of this concentration, we may be disproportionately exposed to the impact of regional supply and demand factors, delays or interruptions of production from wells in this area caused by governmental regulation, processing or transportation capacity constraints, market limitations, availability of equipment and personnel, water shortages or other drought related conditions or interruption of the processing or transportation of oil, natural gas or NGLs. Such delays or interruptions could have a material adverse effect on our financial condition and results of operations.

The marketability of our production and our price realizations are dependent upon the availability of transportation and other facilities, many of which we do not control. If these facilities are unavailable, our operations could be interrupted and our revenues reduced.

The marketability of our oil and natural gas production depends in part upon the availability, proximity and capacity of transportation facilities owned by third-parties. Insufficient production from our wells to support the construction of pipeline facilities by our customers or a significant disruption in the availability of our or third-party transportation facilities or other production facilities could adversely impact our ability to deliver to market or produce our oil and natural gas and thereby cause a significant interruption in our operations. If, in the future, we are unable, for any sustained period, to implement acceptable delivery or transportation arrangements or encounter production related difficulties, we may be required to shut in or curtail production. Any such shut in or curtailment, or an inability to obtain favorable terms for delivery of the oil and natural gas produced from our fields, would materially and adversely affect our financial condition and results of operations.

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

The existence of a material title deficiency can render a lease worthless and can adversely affect our results of operations and financial condition. While we typically obtain title opinions prior to commencing drilling operations on a lease or in a unit, the failure of title may not be discovered until after a well is drilled, in which case we may lose the lease and the right to produce all or a portion of the interest under the property.

The development of our estimated PUDs may take longer and may require higher levels of capital expenditures than we currently anticipate. Therefore, our estimated PUDs may not be ultimately developed or produced.

As of December 31, 2016, approximately 40.1% of our total estimated proved reserves were classified as proved undeveloped. Development of these proved undeveloped reserves may take longer and require higher levels of capital expenditures than we currently anticipate. Delays in the development of our reserves, increases in costs to drill and develop such reserves or decreases in commodity prices will reduce the value of our estimated PUDs and future net cash flows estimated for such reserves and may result in some projects becoming uneconomic. In addition, delays in the development of reserves could cause us to lose leases through expiration or have to reclassify our PUDs as unproved reserves. Further, we may be required to write-down our PUDs if we do not drill those wells within five years after their respective dates of booking.

Our method of accounting for investments in oil and natural gas properties may result in ceiling test write-downs, which could negatively impact our results of operations.

We account for our oil and natural gas producing activities using the full cost method of accounting. Accordingly, all costs incurred in the acquisition, exploration and development of proved oil and natural gas properties, including the costs of abandoned properties, dry holes, geophysical costs and annual lease rentals are capitalized. All general and administrative corporate costs unrelated to acquisition, exploration and development activities are expensed as incurred. Sales or other dispositions of oil and natural gas properties are generally accounted for as adjustments to capitalized costs, with no gain or loss recorded unless the ratio of cost to proved reserves would significantly change. Depletion of evaluated oil and natural gas properties is computed on the units of production method based on proved reserves. Our average depletion rate per Boe of production was

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$6.09 for 2016. The total depletion expense for our oil and natural gas properties was $59.9 million for 2016. The net capitalized costs of proved oil and natural gas properties are subject to a full cost ceiling limitation in which the costs are not allowed to exceed their related estimated future net cash flows discounted at 10%. The excess, if any, of the net book value above the ceiling limitation is charged to expense in the period in which it occurs and is not subsequently reinstated.

Accounting rules require that we review the net capitalized costs of our properties quarterly, using a single price based on the beginning-of-the-month average of oil and natural gas prices for the preceding twelve months. We also assess investments in unproved properties periodically to determine whether impairment has occurred. The risk that we will be required to further write down the carrying value of our oil and natural gas properties increases when oil and natural gas prices are low or volatile. In addition, write-downs may occur if we experience substantial downward adjustments to our estimated proved reserves or our unproved property values, or if estimated future development costs increase. Our predecessor incurred approximately $237.4 million and $282.5 million of impairment of oil and natural gas property charges during 2016 and 2015, respectively. Historically, oil, natural gas and NGLs prices have been volatile. For example, during the period from January 1, 2014 through March 23, 2017, the WTI posted price for oil has declined from a high of $107.95 per Bbl on June 20, 2014, to $26.19 per Bbl on February 11, 2016, and the Henry Hub spot price for natural gas has declined from a high of $8.15 per MMBtu on February 10, 2014, to a low of $1.49 per MMBtu on March 4, 2016. Lower commodity prices in the future could result in further impairments of our properties, which could have a material adverse effect on our results of operations for the periods in which such charges are taken. Please read “Management’ s Discussion and Analysis of Financial Condition and Results of Operations−Critical Accounting Policies and Estimates” for a more detailed description of our method of accounting.

Conservation measures and technological advances could reduce demand for oil and natural gas.

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, technological advances in fuel economy and energy generation devices could reduce demand for oil and natural gas. The impact of the changing demand for oil and natural gas may have a material adverse effect on our business, financial condition, results of operations and cash flows.

We depend upon several significant customers for the sale of most of our oil, natural gas and NGLs production.

We sell our production to a relatively small number of customers, as is customary in our business. For the year ended December 31, 2016, three customers accounted for more than 10% of our revenue: Plains Marketing (42%), Enable (16%) and Spire Marketing Inc. (“Spire”) (14%). For the year ended December 31, 2015, two customers accounted for more than 10% of our revenue: Plains Marketing (48%) and Spire (17%). During such periods, no other customer accounted for 10% or more of our revenue. The loss of any of these customers, or the failure of any of these customers to live up to their contractual obligations to us, could materially and adversely affect our revenues.

Our operations may be exposed to significant delays, costs and liabilities as a result of environmental and occupational health and safety requirements applicable to our business activities.

Our operations are subject to stringent and complex federal, state and local laws and regulations governing the discharge of materials into the environment, health and safety aspects of our operations or otherwise relating to environmental protection. These laws and regulations may impose numerous obligations applicable to our operations, including the acquisition of a permit or other approval before conducting regulated activities; the restriction of types, quantities and concentration of materials that can be released into the environment; the limitation or prohibition of drilling activities on certain lands lying within wilderness, wetlands and other protected areas; the application of specific health and safety criteria addressing worker protection; and the imposition of substantial liabilities for pollution resulting from our operations. Numerous governmental

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authorities, such as the U.S. Environmental Protection Agency ("EPA") and analogous state agencies, have the power to enforce compliance with these laws and regulations and the permits issued under them. Such enforcement actions often involve taking difficult and costly compliance measures or corrective actions. Failure to comply with these laws and regulations may result in the assessment of sanctions, including administrative, civil or criminal penalties, natural resource damages, the imposition of investigatory or remedial obligations and the issuance of orders limiting or prohibiting some or all of our operations. In addition, we may experience delays in obtaining, or be unable to obtain, required permits, which may delay or interrupt our operations and limit our growth and revenue.

Certain environmental laws impose strict as well as joint and several liability for costs required to remediate and restore sites where hazardous substances, hydrocarbons or solid wastes have been stored or released. We may be required to remediate contaminated properties currently or formerly operated by us or facilities of third parties that received waste generated by our operations regardless of whether such contamination resulted from the conduct of others or from consequences of our own actions that were in compliance with all applicable laws at the time those actions were taken. In connection with certain acquisitions, we could acquire, or be required to provide indemnification against, environmental liabilities that could expose us to material losses. In addition, claims for damages to persons or property, including natural resources, may result from the environmental, health and safety impacts of our operations. Our insurance may not cover all environmental risks and costs or may not provide sufficient coverage if an environmental claim is made against us. Moreover, public interest in the protection of the environment has increased dramatically in recent years. The trend of more expansive and stringent environmental legislation and regulations applied to the crude oil and natural gas industry could continue, resulting in increased costs of doing business and consequently affecting profitability. For example, in May 2016, the EPA finalized rules regarding criteria for aggregating multiple small surface sites into a single source for air-quality permitting purposes applicable to the oil and natural gas industry. This rule could cause small facilities, on an aggregate basis, to be deemed a major source, thereby triggering more stringent air permitting processes and requirements. To the extent laws are enacted or other governmental action is taken that restricts drilling or imposes more stringent and costly permitting, operating, waste handling, disposal and cleanup requirements our business, prospects, financial condition or results of operations could be materially adversely affected.

We may incur substantial losses and be subject to substantial liability claims as a result of our operations. Additionally, we may not be insured for, or our insurance may be inadequate to protect us against, these risks.

We are not insured against all risks. Losses and liabilities arising from uninsured and underinsured events could materially and adversely affect our business, financial condition or results of operations.

Our development activities are subject to all of the operating risks associated with drilling for and producing oil and natural gas, including the possibility of:

- environmental hazards, such as uncontrollable releases of oil, natural gas, brine, well fluids, toxic gas or other pollution into the environment, including groundwater, air and shoreline contamination;
- encountering corrosive elements in the drilling, completion and production process, including but not limited to carbon dioxide and hydrogen sulfide, which may require special equipment and tubulars to safely and efficiently produce the oil and gas;
- abnormally pressured formations;
- mechanical difficulties, such as stuck oilfield drilling and service tools and casing collapse;
- fires, explosions and ruptures of pipelines;

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personal injuries and death;

natural disasters, including earthquakes; and

terrorist attacks targeting oil and natural gas related facilities and infrastructure.

Any of these risks could adversely affect our ability to conduct operations or result in substantial loss to us as a result of claims for:

injury or loss of life;

damage to and destruction of property, natural resources and equipment;

pollution and other environmental damage;

regulatory investigations and penalties;

suspension of our operations; and

repair and remediation costs.

We may elect not to obtain insurance for any or all of these risks if we believe that the cost of available insurance is excessive relative to the risks presented. In addition, pollution and environmental risks generally are not fully insurable. The occurrence of an event that is not fully covered by insurance could have a material adverse effect on our business, financial condition and results of operations.

Properties that we decide to drill may not yield oil or natural gas in commercially viable quantities.

Properties that we decide to drill that do not yield oil or natural gas in commercially viable quantities will adversely affect our results of operations and financial condition. There is no way to predict in advance of drilling and testing whether any particular prospect will yield oil or natural gas in sufficient quantities to recover drilling or completion costs or to be economically viable. The use of technologies and the study of producing fields in the same area will not enable us to know conclusively prior to drilling whether oil or natural gas will be present or, if present, whether oil or natural gas will be present in commercial quantities. We cannot assure you that the analogies we draw from available data from other wells, more fully explored prospects or producing fields will be applicable to our drilling prospects. Further, our drilling operations may be curtailed, delayed or cancelled as a result of numerous factors, including:

unexpected drilling conditions;

title problems;

pressure or lost circulation in formations;

equipment failure or accidents;

adverse weather conditions;

compliance with environmental and other governmental or contractual requirements; and

increases in the cost of, shortages or delays in the availability of, electricity, supplies, materials, drilling or workover rigs, equipment and services.

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We may be unable to successfully integrate acquired businesses, and any inability to do so may disrupt our business.

In the future we may make acquisitions of assets or businesses that complement or expand our current business. In the event we are able to identify attractive acquisition opportunities, we may not be able to complete the acquisition or do so on commercially acceptable terms. Competition for acquisitions may also increase the cost of completing acquisitions.

The success of any completed acquisition will depend on our ability to integrate effectively the acquired business into our existing operations. The process of integrating acquired businesses may involve unforeseen difficulties and may require a disproportionate amount of our managerial and financial resources. In addition, possible future acquisitions may be larger and for purchase prices significantly higher than those paid for earlier acquisitions. No assurance can be given that we will be able to identify additional suitable acquisition opportunities, negotiate acceptable terms, obtain financing for acquisitions on acceptable terms or successfully acquire identified targets. Our failure to achieve consolidation savings, to integrate the acquired businesses and assets into our existing operations successfully or to minimize any unforeseen operational difficulties could have a material adverse effect on our financial condition and results of operations.

In addition, our credit agreement imposes certain limitations on our ability to enter into mergers or combination transactions. Our credit agreement also limits our ability to incur certain indebtedness, which could indirectly limit our ability to engage in acquisitions of businesses.

We may be subject to risks in connection with acquisitions of oil and natural gas properties.

The successful acquisition of oil and natural gas properties requires an assessment of several factors, including:

- recoverable reserves;
- future oil and natural gas prices and their applicable differentials;
- operating costs; and
- potential environmental and other liabilities.

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

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

Acquiring oil and natural gas properties requires us to assess reservoir and infrastructure characteristics, including recoverable reserves, future oil and natural gas prices and their applicable differentials, development and operating costs, and potential liabilities, including environmental liabilities. In connection with these assessments, we perform a review of the subject properties that we believe to be generally consistent with

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industry practices. Such assessments are inexact and inherently uncertain. For these reasons, the properties we have acquired or will acquire in the future may not produce as expected. In connection with the assessments, we perform a review of the subject properties, but such a review may not reveal all existing or potential problems. In the course of our due diligence, we may not review every well, pipeline or associated facility. We cannot necessarily observe structural and environmental problems, such as groundwater contamination, when a review is performed. We may be unable to obtain contractual indemnities from the seller for liabilities created prior to our purchase of the property. We may be required to assume the risk of the physical condition of the properties in addition to the risk that the properties may not perform in accordance with our expectations.

Certain of our properties are subject to land use restrictions, which could limit the manner in which we conduct our business.

Certain of our properties are subject to land use restrictions which could limit the manner in which we conduct our business. Such restrictions could affect, among other things, our access to and the permissible uses of our facilities as well as the manner in which we produce oil and natural gas and may restrict or prohibit drilling in general. The costs we incur to comply with such restrictions may be significant in nature, and we may experience delays or curtailment in the pursuit of development activities and perhaps even be precluded from the drilling of wells.

The unavailability or high cost of additional drilling rigs, equipment, supplies, personnel and oilfield services could adversely affect our ability to execute our development plans within our budget and on a timely basis.

The demand for drilling rigs, pipe and other equipment and supplies, as well as for qualified and experienced field personnel to drill wells and conduct field operations, geologists, geophysicists, engineers and other professionals in the oil and natural gas industry, can fluctuate significantly, often in correlation with oil and natural gas prices, causing periodic shortages. Our operations are located in areas in which industry activity has increased rapidly beginning in the second half of 2016, and as a result, demand for such drilling rigs, equipment and personnel, as well as access to transportation, processing and refining facilities in these areas, has increased, as did the costs for those items. To the extent that industry activity remains high or increases in the future, any delay or inability to secure the personnel, equipment, power, services, resources and facilities access necessary for us to pursue our development activities could result in production volumes being below our forecasted volumes. In addition, any such negative effect on production volumes, or significant increases in costs, could have a material adverse effect on our cash flow and profitability. Furthermore, if we are unable to secure a sufficient number of drilling rigs at reasonable costs, we may not be able to drill all of our acreage before our leases expire.

We could experience periods of higher costs if commodity prices rise. These increases could reduce our profitability, cash flow and ability to complete development activities as planned.

Capital and operating costs typically rise during periods of increasing oil, natural gas and NGLs prices. These cost increases result from a variety of factors beyond our control, such as increases in the cost of electricity, steel and other raw materials that we and our vendors rely upon; increased demand for labor, services and materials as drilling activity increases; and increased taxes. Decreased levels of drilling activity in the oil and natural gas industry in recent periods have led to declining costs of some drilling equipment, materials and supplies. However, such costs may rise faster than increases in our revenue if commodity prices rise, thereby negatively impacting our profitability, cash flow and ability to complete development activities as scheduled and on budget. This impact may be magnified to the extent that our ability to participate in the commodity price increases is limited by our derivative activities.

Should we fail to comply with all applicable FERC administered statutes, rules, regulations and orders, we could be subject to substantial penalties and fines.

Under the Energy Policy Act of 2005 (“EP Act of 2005”), the Federal Energy Regulatory Commission (“FERC”) has civil penalty authority under the Natural Gas Act of 1938 (the “NGA”) and the Natural Gas Policy

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Act ("NGPA") to impose penalties for current violations of up to $1,973,970 per day for each violation and disgorgement of profits associated with any violation. While our operations have not been regulated by FERC as a natural gas company under the NGA, FERC has adopted regulations that may subject certain of our otherwise non-FERC jurisdictional operations to FERC annual reporting and posting requirements. We also must comply with the anti-market manipulation rules enforced by FERC. Additional rules and legislation pertaining to those and other matters may be considered or adopted by FERC from time to time. Failure to comply with those regulations in the future could subject us to civil penalty liability, as described in "Business−Regulation of the Oil and Natural Gas Industry".

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

Section 1(b) of the NGA exempts natural gas gathering facilities from the jurisdiction of FERC. We believe that our natural gas gathering pipelines meet the traditional test that FERC has used to determine whether a pipeline is a gathering pipeline and is, therefore, not subject to FERC jurisdiction. The distinction between FERC-regulated transmission services and federally unregulated gathering services, however, has been the subject of substantial litigation, and FERC determines whether facilities are gathering facilities on a case-by-case basis, so the classification and regulation of our gathering facilities is subject to change based on future determinations by FERC, the courts or Congress. If FERC were to consider the status of an individual facility and determine that the facility or services provided by it are not exempt from FERC regulation under the NGA and that the facility provides interstate service, the rates for, and terms and conditions of, services provided by such facility would be subject to regulation by FERC under the NGA or the NGPA. Such regulation could decrease revenue and increase operating costs. In addition, if any of our facilities were found to have provided services or otherwise operated in violation of the NGA or NGPA, this could result in the imposition of substantial civil penalties, as well as a requirement to disgorge revenues collected for such services in excess of the maximum rates established by FERC.

Our natural gas gathering pipelines are exempt from the jurisdiction of FERC under the NGA, but FERC regulation may indirectly impact gathering services. FERC' s policies and practices across the range of its oil and natural gas regulatory activities, including, for example, its policies on interstate open access transportation, ratemaking, capacity release, and market center promotion may indirectly affect intrastate markets. In recent years, FERC has pursued pro-competitive policies in its regulation of interstate oil and natural gas pipelines. However, we cannot assure you that FERC will continue to pursue this approach as it considers matters such as pipeline rates and rules and policies that may indirectly affect the natural gas gathering services.

Natural gas gathering may receive greater regulatory scrutiny at the state level; therefore, our natural gas gathering operations could be adversely affected should they become subject to the application of state regulation of rates and services. State regulation of gathering facilities generally includes various safety, environmental and, in some circumstances, nondiscriminatory take requirements and complaint-based rate regulation. Our gathering operations could also be subject to safety and operational regulations relating to the design, construction, testing, operation, replacement and maintenance of gathering facilities.

The rates of our regulated asset are subject to review and possible adjustment by federal and state regulators, which could adversely affect our revenues.

The FERC, pursuant to the ICA (as amended), the Energy Policy Act and rules and orders promulgated thereunder, regulates the tariff rates for our interstate common carrier crude oil and NGL pipeline. To be lawful under the ICA, interstate tariff rates, terms and conditions of service must be just and reasonable and not unduly discriminatory and must be on file with the FERC. In addition, pipelines may not confer any undue preference upon any shipper. Shippers may protest (and the FERC may investigate) the lawfulness of new or changed tariff rates. The FERC can suspend those tariff rates for up to seven months. It can also require refunds with interest of

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amounts collected pursuant to rates that are ultimately found to be unlawful and prescribe new rates prospectively. The FERC and interested parties can also challenge tariff rates that have become final and effective. The FERC can also order new rates to take effect prospectively and order reparations for past rates that exceed the just and reasonable level up to two years prior to the date of a complaint. Due to the complexity of ratemaking, the lawfulness of any rate is never assured. A successful challenge of our rates could adversely affect our revenues.

The FERC uses prescribed rate methodologies for approving regulated tariff rate changes for interstate crude oil and NGL pipelines. The FERC' s indexing methodology currently allows a pipeline to increase its rates by a percentage linked to the PPI. However, a pipeline must file to lower its rates in any year in which the index is negative and its rates would be above the indexed rate ceiling. As an alternative to this indexing methodology, we may also choose to support our rates based on a cost-of-service methodology, or by obtaining advance approval to charge "market-based rates," or by charging "settlement rates" agreed to by all affected shippers. These methodologies may limit our ability to set rates based on our actual costs or may delay the use of rates reflecting increased costs. In October 2016, the FERC issued an advance notice of proposed rulemaking seeking comment regarding potential modifications to its policies for evaluating oil pipeline indexed rate changes and to the reporting requirements. The FERC observed that some pipelines continue to obtain additional index rate increases despite reporting on Form No. 6 that their revenues exceed their costs. The FERC is proposing a new policy that would deny proposed index increases if a pipeline' s Form No. 6 reflects that revenues exceed by fifteen percent total cost of service for both of the prior two years or the proposed index increases exceed by five percent the annual cost changes reported by the pipeline. In addition, in December 2016, the FERC issued a Notice of Inquiry ("NOI") in response to a remand from the U.S. Court of Appeals for the D.C. Circuit in United Airlines v. FERC, in which the court determined that FERC had not justified its conclusion that an oil pipeline organized as a partnership would not "double recover" its taxes under the current policy by both including a tax allowance in its cost-based rates and earning a return on equity calculated on a pre-tax basis. We cannot predict whether FERC will successfully justify its conclusion that there is no double recovery of taxes under these circumstances or whether FERC will modify its current policy on either income tax allowances or return on equity calculations.

The intrastate liquid pipeline transportation services we provide are subject to various state laws and regulations that apply to the rates we charge and the terms and conditions of the services we offer. Although state regulation typically is less onerous than FERC regulation, the rates we charge and the provision of our services may be subject to challenge.

Climate change laws and regulations restricting emissions of GHGs could result in increased operating costs and reduced demand for the oil and natural gas that we produce, while potential physical effects of climate change could disrupt our production and cause us to incur significant costs in preparing for or responding to those effects.

In response to findings that emissions of carbon dioxide, methane and other GHGs present an endangerment to public health and the environment, the EPA has adopted regulations pursuant to the federal Clean Air Act that, among other things, require preconstruction and operating permits for certain large stationary sources. Facilities required to obtain preconstruction permits for their GHG emissions are also required to meet "best available control technology" standards that are being established by the states or, in some cases, by the EPA on a case-by-case basis. These regulatory requirements could adversely affect our operations and restrict or delay our ability to obtain air permits for new or modified sources. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified onshore and offshore oil and natural gas production sources in the United States on an annual basis, which include certain of our operations. Furthermore, in May 2016, the EPA finalized rules that establish new controls for emissions of methane from new, modified or reconstructed sources in the oil and natural gas source category, including production, processing, transmission and storage activities. The rules include first-time standards to address emissions of methane from equipment and processes across the source category, including hydraulically fractured oil and natural gas well completions. In

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addition, the rules impose leak detection and repair requirements intended to address methane leaks known as “fugitive emissions” from equipment, such as valves, connectors, open-ended lines, pressure-relief devices, compressors, instruments and meters. Compliance with these rules will require enhanced record-keeping practices, the purchase of new equipment, such as optical gas imaging instruments to detect leaks, and increased frequency of maintenance and repair activities to address emissions leakage. The rules will also likely require additional personnel time to support these activities or the engagement of third-party contractors to assist with and verify compliance. The federal Bureau of Land Management also finalized similar rules regarding the control of methane emissions in November 2016 that apply to oil and natural gas exploration and development activities on public and tribal lands. The rules seek to minimize venting and flaring of emissions from storage tanks and other equipment, and also impose leak detection and repair requirements. These new and proposed rules could result in increased compliance costs on our operations.

While Congress has from time to time considered legislation to reduce emissions of GHGs, there has not been significant legislative activity at the federal level in recent years. In the absence of such federal climate legislation, a number of state and regional efforts have emerged that are aimed at tracking and/or reducing GHG emissions by means of cap and trade programs. These programs typically require major sources of GHG emissions to acquire and surrender emission allowances in return for emitting those GHGs. More recently, in December 2015, the United States and more than 190 other nations agreed to an international climate change agreement in Paris, France that calls for countries to set their own GHG emissions targets and be transparent about the measures each country will use to achieve its GHG emissions targets. The agreement came into effect in November 2016 and the effects of such agreement upon our operations and financial results are uncertain at this time.

Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact our business, any such future laws and regulations imposing reporting obligations on, or limiting emissions of GHGs from, our equipment and operations could require us to incur costs to reduce emissions of GHGs associated with our operations. Demand for our products may also be adversely affected by conservation plans and efforts undertaken in response to global climate change, including plans developed in connection with the recent Paris climate conference in December 2015, which came into effect in November 2016. Many governments also provide, or may in the future provide, tax advantages and other subsidies to support the use and development of alternative energy technologies. Substantial limitations on GHG emissions could also adversely affect demand for the oil and natural gas we produce and lower the value of our reserves.

Finally, increasing concentrations of GHGs in the Earth’ s atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events; if any such effects were to occur, they could have a material adverse effect on our operations. At this time, we have not developed a comprehensive plan to address the legal, economic, social or physical impacts of climate change on our operations.

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

Hydraulic fracturing is an important and common practice that is used to stimulate production of oil and/or natural gas from dense subsurface rock formations. The hydraulic fracturing process involves the injection of water, proppants and chemicals under pressure into targeted subsurface formations to fracture the surrounding rock and stimulate production. We regularly use hydraulic fracturing as part of our operations. Hydraulic fracturing is typically regulated by state oil and natural gas commissions, but federal agencies have asserted jurisdiction over certain aspects of the process. The EPA has asserted federal regulatory authority pursuant to the federal Safe Drinking Water Act (“SDWA”) over certain hydraulic fracturing activities involving the use of diesel fuels and published permitting guidance in February 2014 addressing the performance of such activities

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using diesel fuels. The EPA has also taken the following actions: issued final regulations under the federal Clean Air Act establishing various performance standards, including standards for the capture of air emissions released during hydraulic fracturing, leak detection and permitting; issued an advanced notice of proposed rulemaking under the Toxic Substances Control Act to require companies to disclose information regarding the chemicals used in hydraulic fracturing; and, in June 2016, published an effluent limited guideline final rule prohibiting the discharge of wastewater from onshore unconventional oil and natural gas extraction facilities to publicly owned wastewater treatment plants. In addition, Congress has from time to time considered legislation to provide for federal regulation of hydraulic fracturing under the SDWA and to require disclosure of the chemicals used in the hydraulic fracturing process. It is unclear how any additional federal regulation of hydraulic fracturing activities may affect our operations.

Certain governmental reviews are either underway or being proposed that focus on environmental aspects of hydraulic fracturing practices. For example, in December 2016, the EPA released its final report on the potential impacts of hydraulic fracturing on drinking water resources. The final report concluded that that "water cycle" activities associated with hydraulic fracturing may impact drinking water resources "under some circumstances," noting that the following hydraulic fracturing water cycle activities and local or regional-scale factors are more likely than others to result in more frequent or more severe impacts: water withdrawals for fracturing in times or areas of low water availability; surface spills during the management of fracturing fluids, chemicals or produced water; injection of fracturing fluids into wells with inadequate mechanical integrity; injection of fracturing fluids directly into groundwater resources; discharge of inadequately treated fracturing wastewater to surface waters; and disposal or storage of fracturing wastewater in unlined pits.

At the state level, several states have adopted or are considering legal requirements that could impose more stringent permitting, disclosure and well construction requirements on hydraulic fracturing activities. Local governments also may seek to adopt ordinances within their jurisdictions regulating the time, place and manner of drilling activities in general or hydraulic fracturing activities in particular. In addition, in December 2016 the Oklahoma Corporation Commission (the "OCC") announced that it had identified a link between hydraulic fracturing and seismic events in the SCOOP and STACK plays. The commission linked well completion operations to low-level seismic events that occurred in July 2016 in Blanchard, Oklahoma. In response to these events, the Commission has announced that it intends to issue "seismicity guidelines" for operators in the SCOOP and the STACK. At this time, we cannot predict what measures the OCC may require to reduce the risk of seismic events from hydraulic fracturing. If new or more stringent federal, state or local legal restrictions relating to the hydraulic fracturing process are adopted in areas where we operate, we could incur potentially significant added costs to comply with such requirements, experience delays or curtailment in the pursuit of development activities and perhaps even be precluded from drilling wells.

Federal and state legislative and regulatory initiatives relating to pipeline safety that require the use of new or more stringent safety controls or result in more stringent enforcement of applicable legal requirements could subject us to increased capital costs, operational delays and costs of operation.

Pursuant to the authority under the Natural Gas Pipeline Safety Act ("NGPSA") and the Hazardous Liquid Pipeline Safety Act ("HLPSA"), as amended by the Pipeline Safety Improvement Act of 2002, the Pipeline Inspection, Protection, Enforcement and Safety Act of 2006 and the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011 ("2011 Pipeline Safety Act"), the Pipeline and Hazardous Materials Safety Administration ("PHMSA") has promulgated regulations requiring pipeline operators to develop and implement integrity management programs for certain gas and hazardous liquid pipelines that, in the event of a pipeline leak or rupture could affect "high consequence areas", which are areas where a release could have the most significant adverse consequences, including high-population areas, certain drinking water sources and unusually sensitive ecological areas. These regulations require operators of covered pipelines to:

- perform ongoing assessments of pipeline integrity;

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identify and characterize applicable threats to pipeline segments that could impact a high consequence area;

improve data collection, integration and analysis;

repair and remediate the pipeline as necessary; and

implement preventive and mitigating actions.

In addition, states have adopted regulations similar to existing PHMSA regulations for certain intrastate gas and hazardous liquid pipelines. At this time, we cannot predict the ultimate cost of compliance with applicable pipeline integrity management regulations, as the cost will vary significantly depending on the number and extent of any repairs found to be necessary as a result of pipeline integrity testing, but the results of these tests could cause us to incur significant and unanticipated capital and operating expenditures for repairs or upgrades deemed necessary to ensure the safe and reliable operation of our pipelines.

The 2011 Pipeline Safety Act requires increased safety measures for gas and hazardous liquids pipelines. Among other things, the 2011 Pipeline Safety Act directs the Secretary of Transportation to promulgate regulations relating to expanded integrity management requirements, automatic or remote-controlled valve use, excess flow valve use, leak detection system installation, testing to confirm the material strength of certain pipelines, and operator verification of records confirming the maximum allowable pressure of certain intrastate gas transmission pipelines. On June 22, 2016, President Obama signed into law new legislation entitled Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2016, or the PIPES Act. The PIPES Act reauthorizes PHMSA through 2019, and facilitates greater pipeline safety by providing PHMSA with emergency order authority, including authority to issue prohibitions and safety measures on owners and operators of gas or hazardous liquid pipeline facilities to address imminent hazards, without prior notice or an opportunity for a hearing, as well as enhanced release reporting requirements, requiring a review of both natural gas and hazardous liquid integrity management programs, and mandating the creation of a working group to consider the development of an information-sharing system related to integrity risk analyses. The PIPES Act also requires that PHMSA publish periodic updates on the status of those mandates outstanding from the 2011 Pipeline Safety Act, of which approximately half remain to be completed. The mandates yet to be acted upon include requiring certain shut-off valves on transmission lines, mapping all high consequence areas, and shortening the deadline for accident and incident notifications. Changes to pipeline safety laws by Congress and regulations by PHMSA or states that result in more stringent or costly safety standards could have a significant adverse effect on us and similarly situated midstream operators.

For example, in March of 2015, PHMSA finalized new rules applicable to gas and hazardous liquid pipelines that, among other changes, impose new post-construction inspections, welding, gas component pressure testing requirements, as well as requirements for calculating pressure reductions for immediate repairs on liquid pipelines. Also, in October 2015, PHMSA proposed new regulations for hazardous liquid pipelines that would significantly extend and expand the reach of certain PHMSA integrity management requirements (i.e., periodic assessments, repairs and leak detection), regardless of the pipeline' s proximity to a high consequence area. The proposal also requires new reporting requirements for certain unregulated pipelines, including all gathering lines. Also, in March 2016, pursuant to one of the requirements in 2011 Pipeline Safety Act, PHMSA published a proposed rulemaking that would expand integrity management requirements and impose new pressure testing requirements on currently regulated pipelines. The proposal would also significantly expand the regulation of gathering lines, subjecting previously unregulated pipelines to requirements regarding damage prevention, corrosion control, public education programs, maximum allowable operating pressure limits, and other requirements. More recently, in January 2017, PHMSA issued a final rule for hazardous liquid pipelines that significantly extends and expands the reach of certain PHMSA integrity management requirements (i.e., periodic assessments, leak detection and repairs), regardless of the pipeline' s proximity to a high consequence area. The final rule also imposes new reporting requirements for certain unregulated pipelines, including all hazardous

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liquid gathering lines. However, this final rule remains subject to review and approval by the new administration pursuant to a memorandum issued by the White House to heads of federal agencies. It is unclear whether the final rule will be reissued and when it will be implemented. The safety enhancement requirements and other provisions of the 2011 Pipeline Safety Act as well as any implementation of PHMSA, rules thereunder could require us to install new or modified safety controls, pursue additional capital projects, or conduct maintenance programs on an accelerated basis, any or all of which tasks could result in our incurring increased operating costs that could have a material adverse effect on our results of operations or financial position.

Moreover, effective October 2013, PHMSA adopted new rules increasing the maximum administrative civil penalties for violation of the pipeline safety laws and regulations that occur after January 3, 2012 to $200,000 per violation per day and up to $2 million for a related series of violations. Effective August 1, 2016, to account for inflation, those maximum civil penalties were increased to $205,638 per violation per day, with a maximum of $2,056,380 for a related series of violations. Federal and state legislative and regulatory initiatives relating to pipeline safety that require the use of new or more stringent safety controls or result in more stringent enforcement of applicable legal requirements could subject us to increased capital costs, operational delays and costs of operation.

Legislation or regulatory initiatives intended to address seismic activity could restrict our drilling and production activities, as well as our ability to dispose of produced water gathered from such activities, which could have a material adverse effect on our business.

Large volumes of saltwater produced alongside our oil, natural gas and NGLs in connection with drilling and production operations are disposed of pursuant to permits issued by governmental authorities overseeing such disposal activities. While these permits are issued pursuant to existing laws and regulations, these legal requirements are subject to change, which could result in the imposition of more stringent operating constraints or new monitoring and reporting requirements, owing to, among other things, concerns of the public or governmental authorities regarding such gathering or disposal activities.

Furthermore, in response to recent seismic events near underground disposal wells used for the disposal by injection of produced water resulting from oil and natural gas activities, federal and some state agencies are investigating whether such wells have caused increased seismic activity, and some states have restricted, suspended or shut down the use of such disposal wells. For example, in Oklahoma, the OCC has implemented a variety of measures including adopting the National Academy of Science' s "traffic light system" pursuant to which the agency reviews new disposal well applications for proximity to faults, seismicity in the area and other factors in determining whether such wells should be permitted, permitted only with special restrictions, or not permitted. The OCC also evaluates existing wells to assess their continued operation, or operation with restrictions, based on location relative to such faults, seismicity and other factors, with certain of such existing wells required to make frequent, or even daily, volume and pressure reports. In addition, the OCC has rules requiring operators of certain saltwater disposal wells in the state to, among other things, conduct mechanical integrity testing or make certain demonstrations of such wells' depth that, depending on the depth, could require the plugging back of such wells and/or the reduction of volumes disposed in such wells. As a result of these measures, the OCC from time to time has developed and implemented plans calling for wells within areas of interest where seismic incidents have occurred to restrict or suspend disposal well operations in an attempt to mitigate the occurrence of such incidents. For example, the OCC has established a 15 thousand square mile area of interest in the Arbuckle formation (the "Arbuckle"). Since 2013, the OCC has ordered the reduction of disposal volumes into the Arbuckle and directed the shut in of a number of wells in response to seismic activity in the Arbuckle. In addition, in January 2016, the Governor of Oklahoma announced a grant of $1.38 million in emergency funds to support earthquake research, which research is to be directed by the OCC and the Oklahoma Geological Survey. Most recently, in response to earthquakes in Cushing and Pawnee, Oklahoma, the OCC developed action plans in conjunction with the Oklahoma Geological Survey and the EPA. The plans were developed covering three areas, at six, 10 and 15 miles from the earthquake activity in both Cushing and Pawnee. Within six miles, all Arbuckle disposal wells must cease operations; within 10 miles, all Arbuckle disposal wells

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must reduce volumes by 25 percent of their last 30-day average; and within 15 miles all disposal wells are limited to their last 30-day average. These actions are in addition to any previous orders to shut in wells. In the Pawnee area, the action plan covers a total of 38 Arbuckle disposal wells under OCC jurisdiction and 26 Arbuckle disposal wells under EPA jurisdiction, and in the Cushing area the plan covers a total of 58 Arbuckle disposal wells. Our saltwater disposal wells in Oklahoma are not impacted by these current restrictions. Local residents have also recently filed lawsuits against operators in these areas for damages resulting from the increased seismic activity.

Additionally, the Governor of Kansas has established a task force composed of various administrative agencies to study and develop an action plan for addressing seismic activity in the state. The task force issued a recommended Seismic Action Plan calling for enhanced seismic monitoring and the development of a seismic response plan, and in November 2014, the Governor of Kansas announced a plan to enhance seismic monitoring in the state. In March 2015, the Kansas Corporation Commission (the "KCC") issued its Order Reducing Saltwater Injection Rates (the "2015 Order"). The 2015 Order identified five areas of heightened seismic concern in Harper and Sumner Counties and created a timeframe over which the maximum of 8,000 barrels of saltwater injection daily into each well, including one of our saltwater disposal wells. Further, any injection well drilled deeper than the Arbuckle was required to be plugged back in a manner approved by the KCC. On September 14, 2015, the KCC extended the 2015 Order until March 13, 2016. Most recently, in August 2016, the KCC staff approved an order expanding the areas of heightened seismic concern, which includes an additional schedule of volume reductions to 16,000 barrels of saltwater for Arbuckle disposal wells not previously identified in the 2015 Order, including all of our remaining saltwater disposal wells. To date, these restrictions have not had a material impact on our business.

Evaluation of seismic incidents and whether or to what extent those events are induced by the injection of saltwater into disposal wells continues to evolve, as governmental authorities consider new and/or past seismic incidents in areas where salt water disposal activities occur or are proposed to be performed. The adoption of any new laws, regulations, directives, or orders resulting from litigation that restrict our ability to dispose of saltwater generated by production and development activities, whether by plugging back the depths of disposal wells, reducing the volume of salt water disposed in such wells, restricting disposal well locations or otherwise, or by requiring us to shut down disposal wells, which could negatively affect the economic lives of some of our properties.

The adoption and implementation of any new laws, regulations or legal directives that restrict our ability to dispose of saltwater, by limiting volumes, disposal rates, disposal well locations or otherwise, or requiring us to shut down disposal wells, could require us or the operators of wells in which we have has interests to shut in a substantial number of such wells and, accordingly, could materially and adversely affect our business, financial condition and results of operations.

Competition in the oil and natural gas industry is intense, making it difficult for us to acquire properties, market oil or natural gas and secure trained personnel.

Our ability to acquire additional prospects and to find and develop reserves in the future will depend on our ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment for acquiring properties, marketing oil and natural gas and securing trained personnel. Also, there is substantial competition for capital available for investment in the oil and natural gas industry. Many of our competitors possess and employ financial and technical personnel resources substantially greater than ours. Those companies may be able to pay more for productive properties and exploratory prospects and to evaluate, bid for and purchase a greater number of properties and prospects than our financial or technical personnel resources permit. In addition, other companies may be able to offer better compensation packages to attract and retain qualified personnel than we are able to offer. The cost to attract and retain qualified personnel may increase substantially in the future. We may not be able to compete successfully in the future in acquiring prospective reserves, developing reserves, marketing hydrocarbons, attracting and retaining quality personnel and raising additional capital, which could have a material adverse effect on our business.

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The loss of senior management or technical personnel could adversely affect operations.

We depend on the services of our senior management and technical personnel. We do not maintain, nor do we plan to obtain, any insurance against the loss of any of these individuals. The loss of the services of our senior management or technical personnel could have a material adverse effect on our business, financial condition and results of operations.

Increases in interest rates could adversely affect our business.

Our business and operating results can be harmed by factors such as the availability, terms of and cost of capital, increases in interest rates or a reduction in credit rating. These changes could cause our cost of doing business to increase, limit our ability to pursue acquisition opportunities, reduce cash flow used for drilling and place us at a competitive disadvantage. For example, as of December 31, 2016, outstanding borrowings subject to variable interest rates were approximately $350.0 million, and a 1.0% increase in interest rates would result in an increase in annual interest expense of approximately $3.5 million, assuming the $350.0 million of debt was outstanding for the full year. Recent and continuing disruptions and volatility in the global financial markets may lead to a contraction in credit availability impacting our ability to finance our operations. We require continued access to capital. A significant reduction in cash flows from operations or the availability of credit could materially and adversely affect our ability to achieve our planned growth and operating results.

The present U.S. federal and state income tax laws affecting oil and natural gas exploration, development, and extraction may be modified by administrative, legislative or judicial interpretation at any time. Future legislation may result in the elimination of certain U.S. federal income tax deductions currently available with respect to oil and natural gas exploration and development and may impose new or increased taxes on oil and natural gas extraction.

The present U.S. federal and state income tax laws affecting oil and natural gas exploration, development, and extraction may be modified by administrative, legislative or judicial interpretation at any time. Potential legislation, if enacted into law, could make significant changes to such laws, including the elimination of certain key U.S. federal income tax incentives currently available to oil and natural gas exploration and production companies. These changes include, but are not limited to, (i) the repeal of the percentage depletion allowance for oil and natural gas properties, (ii) the elimination of current deductions for intangible drilling and development costs, (iii) the elimination of the deduction for certain U.S. production activities and (iv) an extension of the amortization period for certain geological and geophysical expenditures. Additionally, future legislation could be enacted that increases the taxes imposed on oil and natural gas extraction. The passage or adoption of these changes, or similar changes, could eliminate or postpone certain tax deductions that are currently available with respect to oil and natural gas exploration and development or could result in increased operating costs. We are unable to predict whether any of these changes or other proposals will be enacted, or whether the current Administration will propose new changes to existing laws, including as a result of fundamental tax reform. Any such changes could adversely affect our business, financial condition and results of operations.

Our use of seismic data is subject to interpretation and may not accurately identify the presence of oil and natural gas, which could adversely affect the results of our drilling operations.

Even when properly used and interpreted, seismic data and visualization techniques are only tools used to assist geoscientists in identifying subsurface structures and hydrocarbon indicators and do not enable the interpreter to know whether hydrocarbons are, in fact, present in those structures. As a result, our drilling activities may not be successful or economical. In addition, the use of advanced technologies, such as 3D seismic data, requires greater pre-drilling expenditures than traditional drilling strategies, and we could incur losses as a result of such expenditures.

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Restrictions on drilling activities intended to protect certain species of wildlife may adversely affect our ability to conduct drilling activities in areas where we operate.

Oil and natural gas operations in our operating areas may be adversely affected by seasonal or permanent restrictions on drilling activities designed to protect various wildlife. Seasonal restrictions may limit our ability to operate in protected areas and can intensify competition for drilling rigs, oilfield equipment, services, supplies and qualified personnel, which may lead to periodic shortages when drilling is allowed. These constraints and the resulting shortages or high costs could delay our operations or materially increase our operating and capital costs. Permanent restrictions imposed to protect endangered species could prohibit drilling in certain areas or require the implementation of expensive mitigation measures. The designation of previously unprotected species in areas where we operate as threatened or endangered could cause us to incur increased costs arising from species protection measures or could result in limitations on our activities that could have a material and adverse impact on our ability to develop and produce our reserves.

Laws regulating the derivatives market could adversely affect our ability to use derivative instruments to reduce the effect of commodity price, interest rate and other risks associated with our business.

The Dodd-Frank Act established federal oversight and regulation of the over-the-counter derivatives market and entities, such as us, that participate in that market. Under the Dodd-Frank Act, the Commodity Futures Trading Commission (“CFTC”) and the SEC have promulgated rules, and are in the process of promulgating other rules, required to implement the derivatives regulatory provisions of the Dodd-Frank Act. Among the rules currently proposed for adoption by the CFTC are proposed rules that would place limits on positions in certain core futures and equivalent swaps contracts for or linked to certain physical commodities, subject to exceptions for certain bona fide hedging transactions. These new position limit rules are not yet final, and the impact of the final position rules on us is uncertain at this time.

The Dodd-Frank Act also made the clearing of swaps over a derivatives clearing organization mandatory and the execution of cleared swaps over a board of trade or swap execution facility mandatory, subject to certain exemptions. The CFTC has designated certain interest rate swaps and credit default swaps for mandatory clearing. The CFTC has not yet proposed rules designating any other classes of swaps, including physical commodity swaps, for mandatory clearing. Although we expect to qualify for the exception from mandatory clearing available to commercial end-users of swaps, if we were to have to clear any swap we enter, we might not have the same flexibility we have with the bilateral swaps we now enter and would have to post margin with the derivatives clearing organization for such cleared swaps, which could adversely our ability to execute hedges to reduce risk and protect our cash flow, could adversely affect our liquidity and could reduce cash available to us for capital expenditures.

Certain banking regulators and the CFTC have recently adopted final rules establishing minimum margin requirements for uncleared swaps. Although we expect to qualify for exemption from such margin requirements available to users of swaps who are non-financial end-users entering into uncleared swaps to hedge their commercial risks with respect to any swaps we enter for such purpose, the application of such requirements to other market participants, such as swap dealers, may change the cost and availability of the swaps that we use for hedging. If we do not qualify for an exemption from the margin rules, we could have to post initial and variation margin with the counterparties to our swaps, which could impact our liquidity and reduce cash available to us for capital expenditures, therefore reducing our ability to execute hedges to reduce risk and protect our cash flow.

The full impact of the Dodd-Frank Act’ s swap regulatory provisions and the related rules of the CFTC and SEC on our business will not be known until all of the rules to be adopted under the Dodd-Frank Act have been adopted and fully implemented and the market for derivatives contracts has adjusted. The Dodd-Frank Act, the existing rules and any new rules could significantly increase the cost of derivative contracts, materially alter the terms of derivative contracts, reduce the availability of derivatives to protect against risks we encounter, and

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reduce our ability to monetize or restructure our existing derivative contracts. If we reduce our use of derivatives as a result of the Dodd-Frank Act' s swap regulatory provisions and the related rules, our results of operations may become more volatile and our cash flows may be less predictable, which could adversely affect our ability to plan for and fund capital expenditures. Finally, the Dodd-Frank Act' s swap regulatory provisions were intended, in part, to reduce the volatility of oil and natural gas prices, which some legislators attributed to speculative trading in derivatives and commodity instruments related to oil and natural gas. Our revenues could therefore be adversely affected if a consequence of the Dodd-Frank Act and implementing rules is to lower commodity prices. Any of these consequences could have a material and adverse effect on us and our financial condition.

The European Union and other non-U.S. jurisdictions have implemented or may implement regulations with respect to the derivatives market. If we enter into swaps with counterparties based in foreign jurisdictions, we may become subject to such regulations, which could have adverse effects on our operations similar to the possible effects on our operations of the Dodd-Frank Act' s swap regulatory provisions and the rules of the CFTC, SEC and U.S. banking regulators.

The standardized measure of our estimated reserves is not an accurate estimate of the current fair value of our estimated reserves.

Standardized measure is a reporting convention that provides a common basis for comparing oil and natural gas companies subject to the rules and regulations of the SEC. Standardized measure requires the use of specific pricing as required by the SEC as well as operating and development costs prevailing as of the date of computation. Consequently, it may not reflect the prices ordinarily received or that will be received for oil and natural gas production because of varying market conditions, nor may it reflect the actual costs that will be required to produce or develop the oil and natural gas properties. In addition, our predecessor generally passed through its taxable income to its owners for income tax purposes and was not subject to U.S. federal, state or local income taxes other than franchise tax in the State of Texas. Accordingly, our standardized measure does not provide for U.S. federal, state or local income taxes other than franchise tax in the State of Texas. However, following our corporate reorganization, we will be subject to U.S. federal, state and local income taxes. Accordingly, estimates included herein of future net cash flow may be materially different from the future net cash flows that are ultimately received. Therefore, the standardized measure of our estimated reserves included in this prospectus should not be construed as accurate estimates of the current fair value of our proved reserves.

Our business is difficult to evaluate because we have a limited operating history and we are susceptible to the potential difficulties associated with rapid growth and expansion.

Our predecessor, Tapstone Energy, LLC, was formed in 2013. As a result, there is only limited historical financial and operating information available upon which to base your evaluation of our performance.

In addition, we have grown rapidly over the last several years. Our management believes that our future success depends on our ability to manage the rapid growth that we have experienced and the demands from increased responsibility on management personnel. The following factors could present difficulties:

- increased responsibilities for our executive level personnel;
- increased administrative burden;
- increased capital requirements; and
- increased organizational challenges common to large, expansive operations.

Our operating results could be adversely affected if we do not successfully manage these potential difficulties. The historical financial information herein is not necessarily indicative of the results that may be realized in the future. In addition, our operating history is limited and the results from our current producing wells are not necessarily indicative of success from our future drilling operations.

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We may not be able to keep pace with technological developments in our industry.

The oil and natural gas industry is characterized by rapid and significant technological advancements and introductions of new products and services using new technologies. As others use or develop new technologies, we may be placed at a competitive disadvantage or may be forced by competitive pressures to implement those new technologies at substantial costs. In addition, other oil and natural gas companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and that may in the future allow them to implement new technologies before we can. We may not be able to respond to these competitive pressures or implement new technologies on a timely basis or at an acceptable cost. If one or more of the technologies we use now or in the future were to become obsolete, our business, financial condition or results of operations could be materially and adversely affected.

Negative public perception regarding us and/or our industry could have an adverse effect on our operations.

Negative public perception regarding us and/or our industry resulting from, among other things, concerns raised by advocacy groups about hydraulic fracturing, oil spills, seismic activity and explosions of natural gas transmission lines may lead to increased regulatory scrutiny, which may, in turn, lead to new state and federal safety and environmental laws, regulations, guidelines and enforcement interpretations. These actions may cause operational delays or restrictions, increased operating costs, additional regulatory burdens and increased risk of litigation. Moreover, governmental authorities exercise considerable discretion in the timing and scope of permit issuance and the public may engage in the permitting process, including through intervention in the courts. Negative public perception could cause the permits we need to conduct our operations to be withheld, delayed, or burdened by requirements that restrict our ability to profitably conduct our business.

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

As an oil and natural gas producer, we face various security threats, including cybersecurity threats to gain unauthorized access to sensitive information or to render data or systems unusable; threats to the security of our facilities and infrastructure or third-party facilities and infrastructure, such as processing plants and pipelines; and threats from terrorist acts. The potential for such security threats has subjected our operations to increased risks that could have a material adverse effect on our business. In particular, our implementation of various procedures and controls to monitor and mitigate security threats and to increase security for our information, facilities and infrastructure may result in increased capital and operating costs. Moreover, there can be no assurance that such procedures and controls will be sufficient to prevent security breaches from occurring. If any of these security breaches were to occur, they could lead to losses of sensitive information, critical infrastructure or capabilities essential to our operations and could have a material adverse effect on our reputation, financial position, results of operations or cash flows. Cybersecurity attacks in particular are becoming more sophisticated and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and systems, and other electronic security breaches that could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information, and corruption of data. These events could lead to financial losses from remedial actions, loss of business or potential liability.

Changes in the legal and regulatory environment governing the oil and natural gas industry, particularly changes in the current Oklahoma forced pooling system, could have a material adverse effect on our business.

Our business is subject to various forms of extensive government regulation, including laws and regulations concerning the location, spacing and permitting of the oil and natural gas wells we drill and the disposal of saltwater produced from such wells, among other matters. In particular, our business relies heavily on a methodology available in Oklahoma known as "statutory forced pooling," which refers to the ability of a holder of an oil and natural gas interest in a particular prospective spacing unit to apply to the OCC for an order forcing all other holders of oil and natural gas interests in such spacing unit into a common pool for purposes of developing that spacing unit. Changes in the legal and regulatory environment governing our industry,

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particularly any changes to Oklahoma statutory forced pooling procedures that make forced pooling more difficult to accomplish, could result in increased compliance costs and adversely affect our business and results of our operations.

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

Like many oil and natural gas companies, we are from time to time involved in various legal and other proceedings, such as title, royalty or contractual disputes, regulatory compliance matters and personal injury or property damage matters, in the ordinary course of our business. In addition, as noted above, some groups in Oklahoma have begun filing lawsuits against operators as a result of increased seismic events. Such legal proceedings are inherently uncertain and their results cannot be predicted. Regardless of the outcome, such proceedings could have an adverse impact on us because of legal costs, diversion of management and other personnel and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in liability, penalties or sanctions, as well as judgments, consent decrees or orders requiring a change in our business practices, which could materially and adversely affect our business, operating results and financial condition. Accruals for such liability, penalties or sanctions may be insufficient, and judgments and estimates to determine accruals or range of losses related to legal and other proceedings could change from one period to the next, and such changes could be material.

Risks Related to this Offering and Our Common Stock

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

As a public company, we will need to comply with new laws, regulations and requirements, certain corporate governance provisions of Sarbanes-Oxley, related regulations of the SEC and the requirements of the NYSE, with which we are not required to comply as a private company. Complying with these statutes, regulations and requirements will occupy a significant amount of time of our board of directors and management and will significantly increase our costs and expenses. We will need to:

- institute a more comprehensive compliance function;
- comply with rules promulgated by the NYSE;
- continue to prepare and distribute periodic public reports in compliance with our obligations under the federal securities laws;
- establish new internal policies, such as those relating to insider trading; and
- involve and retain to a greater degree outside counsel and accountants in the above activities.

Furthermore, while we generally must comply with Section 404 of Sarbanes Oxley for our fiscal year ending December 31, 2017, we are not required to have our independent registered public accounting firm attest to the effectiveness of our internal controls until our first annual report subsequent to our ceasing to be an “emerging growth company” within the meaning of Section 2(a)(19) of the Securities Act. Accordingly, we may not be required to have our independent registered public accounting firm attest to the effectiveness of our internal controls until as late as our annual report for the fiscal year ending December 31, 2022. Once it is required to do so, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed, operated or reviewed. Compliance with these requirements may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost-effective manner.

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

If we fail to develop or maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential stockholders could lose confidence in our financial reporting, which would harm our business and the trading price of our common stock.

Effective internal controls are necessary for us to provide reliable financial reports, prevent fraud and operate successfully as a public company. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results would be harmed. We cannot be certain that our efforts to develop and maintain our internal controls will be successful, that we will be able to maintain adequate controls over our financial processes and reporting in the future or that we will be able to comply with our obligations under Section 404 of Sarbanes Oxley. Any failure to develop or maintain effective internal controls, or difficulties encountered in implementing or improving our internal controls, could harm our operating results or cause us to fail to meet our reporting obligations. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our common stock.

The initial public offering price of our common stock may not be indicative of the market price of our common stock after this offering. In addition, an active, liquid and orderly trading market for our common stock may not develop or be maintained, and our stock price may be volatile.

Prior to this offering, our common stock was not traded on any market. An active, liquid and orderly trading market for our common stock may not develop or be maintained after this offering. Active, liquid and orderly trading markets usually result in less price volatility and more efficiency in carrying out investors' purchase and sale orders. The market price of our common stock could vary significantly as a result of a number of factors, some of which are beyond our control. In the event of a drop in the market price of our common stock, you could lose a substantial part or all of your investment in our common stock. The initial public offering price will be negotiated between us, the selling stockholder and the representatives of the underwriters, based on numerous factors which we discuss in "Underwriting (Conflicts of Interest)", and may not be indicative of the market price of our common stock after this offering. Consequently, you may not be able to sell shares of our common stock at prices equal to or greater than the price paid by you in this offering.

The following factors could affect our stock price:

- our operating and financial performance and drilling locations, including reserve estimates;
- quarterly variations in the rate of growth of our financial indicators, such as net income per share, net income, revenues and Adjusted EBITDA;
- the public reaction to our press releases, our other public announcements and our filings with the SEC;
- strategic actions by our competitors;
- changes in revenue or earnings estimates, or changes in recommendations or withdrawal of research coverage, by equity research analysts;
- speculation in the press or investment community;
- the failure of research analysts to cover our common stock;

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sales of our common stock by us or the selling stockholder or the perception that such sales may occur;

changes in accounting principles, policies, guidance, interpretations or standards;

additions or departures of key management personnel;

actions by our stockholders;

general market conditions, including fluctuations in commodity prices;

domestic and international economic, legal and regulatory factors unrelated to our performance; and

the realization of any risks described under this "Risk Factors" section.

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

GSO will have the ability to direct the voting of a majority of our common stock, and its interests may conflict with those of our other stockholders.

Upon completion of this offering, GSO will beneficially own approximately % of our outstanding common stock (or approximately % if the underwriters' option to purchase additional shares is exercised in full). As a result, GSO will be able to control matters requiring stockholder approval, including the election of directors, changes to our organizational documents and significant corporate transactions. This concentration of ownership makes it unlikely that any other holder or group of holders of our common stock will be able to affect the way we are managed or the direction of our business. The interests of GSO with respect to matters potentially or actually involving or affecting us, such as future acquisitions, financings and other corporate opportunities and attempts to acquire us, may conflict with the interests of our other stockholders. Given this concentrated ownership, GSO would have to approve any potential acquisition of us. In addition, certain of our directors and director nominees are currently employees of or otherwise provide services to GSO. These directors' duties as employees of or service providers to GSO may conflict with their duties as our directors, and the resolution of these conflicts may not always be in our or your best interest. Furthermore, in connection with this offering, we will enter into a stockholders' agreement with GSO. Among other things, the stockholders' agreement will provide GSO with the right to designate a certain number of nominees to our board of directors so long as it and its affiliates collectively beneficially own at least 5% of the outstanding shares of our common stock. Please read "Certain Relationships and Related Party Transactions−Stockholders' Agreement". The existence of a significant stockholder and the stockholders' agreement may have the effect of deterring hostile takeovers, delaying or preventing changes in control or changes in management or limiting the ability of our other stockholders to approve transactions that they may deem to be in our best interests. Moreover, GSO' s concentration of stock ownership may also adversely affect the trading price of our common stock to the extent investors perceive a disadvantage in owning stock of a company with a significant stockholder.

Certain of our directors and director nominees have significant duties with, and spend significant time serving, entities that may compete with us in seeking acquisitions and business opportunities and, accordingly, may have conflicts of interest in allocating time or pursuing business opportunities.

Certain of our directors and director nominees, who are responsible for managing the direction of our operations and acquisition activities, hold positions of responsibility with other entities (including affiliates of

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GSO) that are in the business of identifying and acquiring oil and natural gas properties. For example, two of our directors, Messrs. Scott and Horn, and one of our director nominees, Mr. Posnick, serve as Senior Managing Directors of GSO, which is in the business of loaning money to and investing in oil and natural gas companies that seek to acquire oil and natural gas properties. In addition, another of our director nominees, Mr. Baker, is a practicing attorney whose primary client has been GSO since 2013. The existing positions and commercial relationships held by these directors and director nominees may give rise to fiduciary or other duties that are in conflict with the duties they owe to us. These directors and director nominees may become aware of business opportunities that may be appropriate for presentation to us as well as to the other entities with which they are or may become affiliated. Due to these existing and potential future affiliations, they may present potential business opportunities to other entities prior to presenting them to us, which could cause additional conflicts of interest. They may also decide that certain opportunities are more appropriate for other entities with which they are affiliated, and as a result, they may elect not to present those opportunities to us. These conflicts may not be resolved in our favor. For additional discussion of our management' s business affiliations and the potential conflicts of interest of which our stockholders should be aware, please read "Certain Relationships and Related Party Transactions".

GSO is not limited in its ability to compete with us, and the corporate opportunity provisions in our amended and restated certificate of incorporation could enable GSO to benefit from corporate opportunities that might otherwise be available to us.

Our governing documents will provide that GSO (including portfolio investments of GSO) is not restricted from owning assets or engaging in businesses that compete directly or indirectly with us. In particular, subject to the limitations of applicable law, our amended and restated certificate of incorporation will, among other things:

permit GSO and our non-employee directors to conduct business that competes with us and to make investments in any kind of property in which we may make investments; and

GSO may become aware, from time to time, of certain business opportunities (including acquisition opportunities) and may direct such opportunities to other businesses in which they have invested, in which case we may not become aware of or otherwise have the ability to pursue such opportunities. Further, such businesses may choose to compete with us for these opportunities, possibly causing these opportunities to not be available to us or causing them to be more expensive for us to pursue. In addition, GSO may dispose of oil and natural gas properties or other assets in the future, without any obligation to offer us the opportunity to purchase any of those assets.

GSO is an established participant in the oil and natural gas industry and has resources greater than ours, which may make it more difficult for us to compete with such person with respect to commercial activities as well as for potential acquisitions. We cannot assure you that any conflicts that may arise between us and our stockholders, on the one hand, and GSO, on the other hand, will be resolved in our favor. As a result, competition from GSO could adversely impact our results of operations.

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Our amended and restated certificate of incorporation and amended and restated bylaws, as well as Delaware law, will contain provisions that could discourage acquisition bids or merger proposals, which may adversely affect the market price of our common stock.

Our amended and restated certificate of incorporation will authorize our board of directors to issue preferred stock without stockholder approval. If our board of directors elects to issue preferred stock, it could be more difficult for a third-party to acquire us. In addition, some provisions of our amended and restated certificate of incorporation and amended and restated bylaws could make it more difficult for a third-party to acquire control of us, even if the change of control would be beneficial to our stockholders, including:

- limitations on the removal of directors;
- our classified board of directors, under which a director only comes up for election once every three years;
- limitations on the ability of our stockholders to call special meetings;
- establishing advance notice provisions for stockholder proposals and nominations for elections to the board of directors to be acted upon at meetings of stockholders;
- providing that the board of directors is expressly authorized to adopt, or to alter or repeal our amended and restated bylaws; and
- establishing advance notice and certain information requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings.

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

Our amended and restated certificate of incorporation will provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law (the "DGCL"), our amended and restated certificate of incorporation or our amended and restated bylaws or (iv) any action asserting a claim against us that is governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and consented to, the provisions of our amended and restated certificate of incorporation described in the preceding sentence. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our amended and restated certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or results of operations.

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

Based on an assumed initial public offering price of $ per share (the midpoint of the range set forth on the cover of this prospectus), purchasers of our common stock in this offering will experience an immediate

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and substantial dilution of $ per share in the as adjusted net tangible book value per share of common stock from the initial public offering price, and our as adjusted net tangible book value as of December 31, 2016, after giving effect to this offering would be $ per share. This dilution is due in large part to earlier investors having paid substantially less than the initial public offering price when they purchased their shares. Please read "Dilution".

We do not intend to pay cash dividends on our common stock, and our credit agreement places certain restrictions on our ability to do so. Consequently, your only opportunity to achieve a return on your investment is if the price of our common stock appreciates.

We do not plan to declare cash dividends on shares of our common stock in the foreseeable future. Additionally, our credit agreement places certain restrictions on our ability to pay cash dividends. Consequently, your only opportunity to achieve a return on your investment in us will be if you sell your common stock at a price greater than you paid for it. There is no guarantee that the price of our common stock that will prevail in the market will ever exceed the price that you pay in this offering.

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

We may sell additional shares of common stock in subsequent public offerings. We may also issue additional shares of common stock or securities convertible into shares of our common stock. After the completion of this offering, we will have outstanding shares of common stock. This number includes shares that we are selling in this offering and shares that the selling stockholder may sell in this offering if the underwriters' option to purchase additional shares is fully exercised, which may be resold immediately in the public market. Following the completion of this offering, and assuming full exercise of the underwriters' over-allotment option, GSO will own shares of our common stock, or approximately % of our total outstanding shares, all of which are restricted from immediate resale under the federal securities laws and are subject to the lock-up agreements between them and the underwriters described in "Underwriting (Conflicts of Interest)", but may be sold into the market in the future. GSO will be party to a registration rights agreement, which will require us to effect the registration of its shares in certain circumstances no earlier than the expiration of the lock-up period contained in the underwriting agreement entered into in connection with this offering.

In connection with this offering, we intend to file a registration statement with the SEC on Form S-8 providing for the registration of shares of our common stock issued or reserved for issuance under our Long-Term Incentive Plan. Subject to the satisfaction of vesting conditions, the expiration of lock-up agreements and the requirements of Rule 144, shares registered under the registration statement on Form S-8 may be made available for resale immediately in the public market without restriction.

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

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

We, all of our directors, director nominees and executive officers and the selling stockholder have entered or will enter into lock-up agreements pursuant to which we and they will be subject to certain restrictions with respect to the sale or other disposition of our common stock for a period of 180 days following the date of

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this prospectus. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc., at any time and, except in the case of directors, director nominees and executive officers, without notice, may release all or any portion of the common stock subject to the foregoing lock-up agreements. Please read "Underwriting (Conflicts of Interest)" for more information on these agreements. If the restrictions under the lock-up agreements are waived, then the common stock, subject to compliance with the Securities Act or exceptions therefrom, will be available for sale into the public markets, which could cause the market price of our common stock to decline and impair our ability to raise capital.

We may issue preferred stock the terms of which could adversely affect the voting power or value of our common stock.

Our amended and restated certificate of incorporation will authorize us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over our common stock respecting dividends and distributions, as our board of directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our common stock. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of the common stock.

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

Upon completion of this offering, GSO will beneficially control a majority of the combined voting power of all classes of our outstanding voting stock. As a result, we expect to be a controlled company within the meaning of the NYSE corporate governance standards. Under the NYSE rules, a company of which more than 50% of the voting power is held by another person or group of persons acting together is a controlled company and may elect not to comply with certain NYSE corporate governance requirements, including the requirements that:

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

These requirements will not apply to us as long as we remain a controlled company. Following this offering, we intend to utilize some or all of these exemptions. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE. Please read "Management".

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

In April 2012, President Obama signed into law the JOBS Act. We are classified as an "emerging growth company" under the JOBS Act. For as long as we are an emerging growth company, which may be up to

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five full fiscal years, unlike other public companies, we will not be required to, among other things: (i) provide an auditor' s attestation report on management' s assessment of the effectiveness of our system of internal control over financial reporting pursuant to Section 404(b) of Sarbanes-Oxley, (ii) comply with any new requirements adopted by the PCAOB requiring mandatory audit firm rotation or a supplement to the auditor' s report in which the auditor would be required to provide additional information about the audit and the financial statements of the issuer, (iii) provide certain disclosure regarding executive compensation required of larger public companies or (iv) hold nonbinding advisory votes on executive compensation. We will remain an emerging growth company for up to five years, although we will lose that status sooner if we have more than $1.0 billion of revenues in a fiscal year, have more than $700.0 million in market value of our common stock held by non-affiliates, or issue more than $1.0 billion of non-convertible debt over a three-year period.

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

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

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

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The information in this prospectus includes "forward-looking statements". All statements, other than statements of historical fact included in this prospectus, regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this prospectus, the words "could", "believe", "anticipate", "intend", "estimate", "expect", "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on management' s current expectations and assumptions about future events and are based on currently available information as to the outcome and timing of future events. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading "Risk Factors" and the other information included in this prospectus.

Forward-looking statements may include statements about:

our business strategy;

our reserves;

our drilling prospects, inventories, projects and programs;

our ability to replace the reserves we produce through drilling and property acquisitions;

our financial strategy, liquidity and capital required for our drilling program;

our realized oil, natural gas and NGLs prices;

the timing and amount of our future production of oil, natural gas and NGLs;

our hedging strategy and results;

our future drilling plans;

our competition and government regulations;

our ability to obtain permits and governmental approvals;

our pending legal or environmental matters;

our marketing of oil, natural gas and NGLs;

our leasehold or business acquisitions;

our costs of developing our properties;

general economic conditions;

credit markets;

uncertainty regarding our future operating results; and

our plans, objectives, expectations and intentions contained in this prospectus that are not historical.

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We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the development, production, gathering and sale of oil, natural gas and NGLs. These risks include, but are not limited to, commodity price volatility, inflation, lack of availability of drilling and production equipment and services, environmental risks, drilling and other operating risks, regulatory changes, the uncertainty inherent in estimating reserves and in projecting future rates of production, cash flow and access to capital, the timing of development expenditures and the other risks described under "Risk Factors" and elsewhere in this prospectus.

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

Should one or more of the risks or uncertainties described in this prospectus occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements.

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

Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this prospectus.

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USE OF PROCEEDS

We expect to receive approximately $ million of net proceeds (assuming the midpoint of the price range set forth on the cover of this prospectus) from the sale of the common stock offered by us after deducting underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters exercise their option to purchase additional shares of common stock from the selling stockholder, we will not receive any proceeds from the sale of such shares.

We intend to use a portion of the net proceeds we receive from this offering to repay the $ million of outstanding indebtedness under our credit facility and the remaining net proceeds to fund a portion of our 2017 capital program. The following table illustrates our anticipated use of the net proceeds from this offering:

Sources of Funds (in millions)		Use of Funds (in millions)	
Net proceeds from this offering	$	Repayment of our credit facility	$
		Funding a portion of our 2017 capital program	
Total sources of funds	$	Total uses of funds	$

As of April 10, 2017, we had $380.0 million of outstanding borrowings under our credit facility and $5.0 million in outstanding letters of credit. Our credit facility matures on December 31, 2019, and bears interest at a variable rate. At December 31, 2016, the weighted average interest rate on borrowings under our credit facility was 3.10%. We also pay a commitment fee on unused amounts of our credit facility at an annual rate between 0.375% and 0.50%. The outstanding borrowings under our credit facility were incurred to partially fund previous acquisitions of oil and natural gas properties as well as to fund a portion of our 2015, 2016 and 2017 capital expenditures and general and administrative expenses. We may at any time reborrow amounts repaid under our credit facility, and we expect to do so from time to time following this offering to fund our 2017 capital program. We do not expect to draw down on our credit facility in connection with or shortly following this offering.

A $1.00 increase or decrease in the assumed initial public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus) would cause the net proceeds from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses, received by us to increase or decrease, respectively, by approximately $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. If the proceeds increase due to a higher initial public offering price, we would use the additional net proceeds to fund additional future capital expenditures. If the proceeds decrease due to a lower initial public offering price, then we would first reduce by a corresponding amount the net proceeds directed to funding a portion of our 2017 capital program and then, if necessary, the net proceeds directed to repay outstanding borrowings under our credit facility.

An affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated is a lender under our credit facility and will receive more than 5% of the net proceeds of this offering due to the repayment of borrowings thereunder. Accordingly, this offering is being made in compliance with FINRA Rule 5121. Please read "Underwriting (Conflicts of Interest)".

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DIVIDEND POLICY

We do not anticipate declaring or paying any cash dividends to holders of our common stock in the foreseeable future. We currently intend to retain future earnings, if any, to finance our operations and the growth of our business. Our future dividend policy is within the discretion of our board of directors and will depend upon then-existing conditions, including our results of operations, financial condition, capital requirements, investment opportunities, statutory restrictions on our ability to pay dividends and other factors our board of directors may deem relevant. In addition, our credit agreement places certain restrictions on our ability to pay cash dividends.

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2016:

on an actual basis for our predecessor; and

on an as adjusted basis to give effect to our corporate reorganization as described under "Corporate Reorganization" and the sale of shares of our common stock in this offering at an assumed initial offering price of $ per share (which is the midpoint of the price range set forth on the cover page of this prospectus) and the application of the net proceeds we receive from this offering as set forth under "Use of Proceeds".

The information set forth in the "As Adjusted" column of the table below is illustrative only and will be adjusted based on the actual initial public offering price and other final terms of this offering. This table should be read in conjunction with "Use of Proceeds" and the historical financial statements of our predecessor and accompanying notes included elsewhere in this prospectus.

	As of December 31, 2016	
	Predecessor Actual	As Adjusted (1)
	(in thousands, except number of shares and par value)	
Cash and cash equivalents	$529	$
Long-term debt, including current maturities:		
Credit Facility (2)	$350,000	$
Total long-term debt	$350,000	$
Equity:		
Members' equity	$216,665	
Preferred stock−$0.01 par value; no shares authorized, issued or outstanding, actual; shares authorized, no shares issued and as outstanding, as adjusted	−	
Common stock−$0.01 par value; no shares authorized, issued, or outstanding, actual; shares authorized, shares issued and outstanding, as adjusted	−	
Additional paid-in capital	−	
Accumulated deficit	−	
Total stockholders' equity	$216,665	$
Total capitalization	$566,665	$

(1) A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) additional paid-in capital, total equity and total capitalization by approximately $ million, $ million and $ million, respectively, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting the estimated underwriting discounts and commissions payable by us. We may also increase or decrease the number of shares we are offering. An increase (decrease) of one million shares offered by us at an assumed offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) additional paid-in capital, total equity and total capitalization by approximately $ million, $ million and $ million, respectively, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

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(2) As of April 10, 2017, our borrowing base under our credit facility was $385.0 million. As of April 10, 2017, we had $380.0 million of outstanding borrowings under our credit facility and $5.0 million in outstanding letters of credit (which reduce the availability under the credit facility on a dollar-for-dollar basis). After giving effect to the sale of shares of our common stock in this offering and the application of the anticipated net proceeds we receive from this offering, we expect to have $ million of available borrowing capacity under our credit facility.

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DILUTION

Purchasers of our common stock in this offering will experience immediate and substantial dilution in the net tangible book value (tangible assets less total liabilities) per share of our common stock for accounting purposes. Our net tangible book value as of December 31, 2016, after giving pro forma effect to our corporate reorganization, was approximately $ million, or $ per share.

Pro forma net tangible book value per share is determined by dividing our net tangible book value, or total tangible assets less total liabilities, by our shares of common stock that will be outstanding immediately prior to the closing of this offering, including giving effect to our corporate reorganization. Assuming an initial public offering price of $ per share (which is the midpoint of the price range set forth on the cover page of this prospectus), after giving effect to the sale of the shares in this offering and further assuming the receipt of the estimated net proceeds (after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us), our adjusted pro forma net tangible book value as of December 31, 2016, would have been approximately $ million, or $ per share. This represents an immediate increase in the net tangible book value of $ per share to our existing stockholders and an immediate dilution to new investors purchasing shares in this offering of $ per share, resulting from the difference between the offering price and the pro forma as adjusted net tangible book value after this offering. The following table illustrates the per share dilution to new investors purchasing shares in this offering.

Assumed initial public offering price per share		$
Pro forma net tangible book value per share as of December 31, 2016 (after giving effect to our corporate reorganization)	$	
Increase per share attributable to new investors in this offering		
As adjusted pro forma net tangible book value per share (after giving effect to our corporate reorganization and this offering)		
Dilution in pro forma net tangible book value per share to new investors in this offering		$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) our as adjusted pro forma net tangible book value per share after the offering by $ and increase (decrease) the dilution to new investors in this offering by $ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table summarizes, on an adjusted pro forma basis as of December 31, 2016, the total number of shares of common stock owned by existing stockholders and to be owned by new investors at $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and the total consideration paid and the average price per share paid by our existing stockholders and to be paid by new investors in this offering at $, the midpoint of the price range set forth on the cover page of this prospectus, calculated before deduction of estimated underwriting discounts and commissions.

	Shares Acquired		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New investors in this offering					
Total		100%	$	100%	$

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The data in the table excludes shares of common stock reserved for issuance under our Long-Term Incentive Plan (which amount may be increased each year in accordance with the terms of our Long-Term Incentive Plan). If the underwriters' option to purchase additional shares is exercised in full, the number of shares held by new investors will be increased to , or approximately % of the total number of shares of common stock, and the number of shares held by the existing stockholders will be correspondingly decreased.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table shows the summary historical consolidated financial data and selected unaudited pro forma financial data, for the periods and as of the dates indicated, of Tapstone Energy, LLC, our accounting predecessor. The historical consolidated financial data as of and for the years ended December 31, 2016 and 2015 were derived from the audited historical consolidated financial statements of our predecessor included elsewhere in this prospectus. The selected unaudited pro forma financial data is presented for informational purposes only.

You should read the following table in conjunction with "Use of Proceeds", "Capitalization", "Management' s Discussion and Analysis of Financial Condition and Results of Operations", the historical consolidated financial statements of our predecessor and accompanying notes included elsewhere in this prospectus.

	Year Ended December 31,	
	2016	2015
	(in thousands, except per share data)	
Statement of Operations Data:		
Revenues:		
Oil sales	$74,675	$86,082
Natural gas sales	65,577	73,662
Natural gas sales, related parties	8,747	8,017
NGL sales	36,189	31,406
Transportation revenue	3,916	4,711
Total revenues	189,104	203,878
Expenses:		
Production expense	72,687	64,771
Production taxes	4,329	8,274
Transportation cost of service	5,858	6,166
Depreciation and depletion – oil and natural gas	59,855	80,178
Depreciation and amortization – other	8,204	7,561
Accretion of asset retirement obligation	460	422
Impairment of oil and natural gas properties	237,378	282,469
General and administrative	9,749	11,688
General and administrative, related parties	5,060	4,549
Total expenses	403,580	466,078
Loss from operations	(214,476)	(262,200)
Other income (expense):		
Interest expense	(12,643)	(12,249)
Gain/(Loss) on derivative contracts	(17,449)	47,839
Other income, net	81	15
Total other income (expense)	(30,011)	35,605
Net loss	$(244,487)	$(226,595)

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	Year Ended December 31,	
	2016	2015
	(in thousands, except per share data)	
Pro Forma Information (1):		
Net loss	$(244,487)	
Pro forma benefit for income taxes	39,370	
Pro forma net loss	$(205,117)	
Pro forma loss per common share:		
Basic and diluted	$	
Weighted average pro forma shares outstanding:		
Basic and diluted		
Statements of Cash Flow Data:		
Cash provided by (used in):		
Operating activities	$134,633	$195,536
Investing activities	(190,646)	(196,385)
Financing activities	50,079	(2,500)
Balance Sheet Data (at period end):		
Cash and cash equivalents	$529	$6,463
Total assets	630,570	803,416
Long-term obligations	357,117	414,668
Total liabilities	413,905	457,017
Total members' equity	216,665	346,399
Other Financial Data:		
Adjusted EBITDA (2)	$140,799	$184,306

(1) The net loss per common share and weighted average common shares outstanding reflect the estimated number of shares of common stock we expect to have outstanding upon the completion of our corporate reorganization described under "Corporate Reorganization". The pro forma per-share data also reflects additional pro forma income tax benefit of $ million for the year ended December 31, 2016, associated with the income tax effects of the corporate reorganization described under "Corporate Reorganization" and this offering. Tapstone Energy Inc. is taxable as a corporation under the Internal Revenue Code of 1986, as amended (the "Code"), and as a result, will be subject to U.S. federal, state and local income taxes. Although our predecessor was subject to franchise tax in the State of Texas, it was treated as a partnership under the Code and generally passed through its taxable income to its owners for other income tax purposes and thus was not subject to U.S. federal income taxes or other state or local income taxes.

(2) Adjusted EBITDA is a non-GAAP financial measure. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, please read "Summary−Summary Historical Financial Data−Non-GAAP Financial Measure−Adjusted EBITDA".

Non-GAAP Financial Measures

Adjusted EBITDA

Adjusted EBITDA is a supplemental non-GAAP financial measure that is used by management and external users of our financial statements, such as industry analysts, investors, lenders and rating agencies.

We define Adjusted EBITDA as net income (loss) before interest expense, depreciation and depletion – oil and natural gas, depreciation and amortization – other, accretion of asset retirement obligation, impairment of oil and natural gas properties, income taxes, mark-to-market ("MTM") gains or losses on derivative contracts, incentive unit compensation cost and acquisition and divestiture ("A&D") costs. Adjusted EBITDA is not a measure of net income as determined by United States Generally Accepted Accounting Principles ("GAAP").

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Management believes Adjusted EBITDA is useful because it allows them to more effectively evaluate our operating performance and compare the results of our operations from period to period and against our peers without regard to our financing methods or capital structure. We exclude the items listed above from net income or net loss in arriving at Adjusted EBITDA because these amounts can vary substantially from company to company within our industry depending upon accounting methods and book values of assets, capital structures and the method by which the assets were acquired. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income (loss) as determined in accordance with GAAP or as an indicator of our operating performance. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company' s financial performance, such as a company' s cost of capital and tax structure, as well as the historic costs of depletable and depreciable assets, none of which are components of Adjusted EBITDA. Our presentation of Adjusted EBITDA should not be construed as an inference that our results will be unaffected by such items. Our computations of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies.

The following table presents a reconciliation of Adjusted EBITDA to net income (loss), our most directly comparable financial measure calculated and presented in accordance with GAAP.

	Year Ended December 31,	
	2016	2015
	(in thousands)	
Net loss	$(244,487)	$(226,595)
Adjusted for		
Interest expense	12,643	12,249
Depreciation and depletion - oil and natural gas	59,855	80,178
Depreciation and amortization - other	8,204	7,561
Accretion of asset retirement obligation	460	422
Impairment of oil and natural gas properties	237,378	282,469
Income taxes	–	–
Incentive unit compensation expense	4,757	4,705
MTM loss on derivative contracts (1)	61,356	21,093
A&D costs	633	2,224
Adjusted EBITDA	$140,799	$184,306

(1) Includes the effect of adjusting net loss for changes in the fair value of derivative instruments, which are recognized at the end of each accounting period because we do not designate commodity derivative instruments as cash flow hedges.

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PV-10

PV-10 is a non-GAAP financial measure and generally differs from standardized measure, the most directly comparable GAAP financial measure, because it does not include the effects of income taxes on future net cash flows. Neither PV-10 nor standardized measure represents an estimate of the fair market value of our oil and natural gas properties. We and others in the industry use PV-10 as a measure to compare the relative size and value of proved reserves held by companies without regard to the specific tax characteristics of such entities.

The following table presents a reconciliation of PV-10 to the GAAP financial measure of standardized measure as of the date indicated.

	As of December 31,	
	2016	2015
	(in thousands)	
Standardized measure (1)	$320,720	$472,686
Present value of future income tax discounted at 10%	1,962	2,730
PV-10 of proved reserves	$322,682	$475,416

(1) As of December 31, 2016 and 2015, we were a limited liability company and as a result, we were not subject to entity-level U.S. federal, state and local income taxes, other than the franchise tax in the State of Texas. Following our corporate reorganization, we will be subject to U.S. federal, state and local income taxes. Accordingly, estimates included herein of future net cash flows may be materially different from the future net cash flows that are ultimately received. Future calculations of standardized measure will include the effects of income taxes on future net cash flow. Please read “Risk Factors−The standardized measure of our estimated reserves is not an accurate estimate of the current fair value of our estimated reserves”.

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

The following discussion and analysis should be read in conjunction with the "Selected Historical Consolidated Financial Data" and our consolidated financial statements and related notes appearing elsewhere in this prospectus. The following discussion contains forward-looking statements that reflect our future plans, estimates, beliefs and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, changes in oil, natural gas, and NGLs prices, production volumes, capital expenditures, uncertainties in estimating proved reserves, operational factors affecting the commencement or maintenance of producing wells, economic and competitive conditions, and uncertainties regarding environmental regulations or litigation and other legal or regulatory developments affecting our business, as well as those factors discussed below and elsewhere in this prospectus, particularly in "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements", all of which are difficult to predict. In light of these risks, uncertainties and assumptions, the forward-looking events discussed may not occur. We do not undertake any obligation to update any forward-looking statements except as otherwise required by applicable law.

Overview

We are a growth-oriented, independent oil and natural gas company focused on the development and production of oil and natural gas condensate resources in the Anadarko Basin in Oklahoma, Texas and Kansas. Our core development area is located in the northwest continuation of the geographic region commonly known as the STACK play in the Anadarko Basin (the "NW Stack"). We have a large, contiguous acreage position in the NW Stack that is characterized by significant operational control, multiple stacked benches and an extensive inventory of horizontal drilling locations that are expected to offer attractive single-well rates of return. We also own interests in legacy producing oil and natural gas properties in various fields located in the Anadarko Basin with long-lived reserves, predictable production profiles and limited capital expenditure requirements (our "legacy producing properties"). We are focused on maximizing stockholder value by (i) growing production, reserves and cash flow through the development of our multi-decade drilling inventory of over 2,700 gross operated identified horizontal drilling locations in the NW Stack, (ii) optimizing our operational, drilling and completion techniques and (iii) maintaining a disciplined financial strategy to pursue the development of our acreage in the NW Stack.

Tapstone Energy Inc. ("Tapstone") was formed as a holding company in December 2016 and has not had any operations since its formation. Accordingly, Tapstone Energy Inc. does not have any historical financial operating results. Our accounting predecessor, Tapstone Energy, LLC, was formed as a Delaware limited liability company in September 2013. Pursuant to the terms of certain reorganization transactions that will be completed prior to the closing of this offering, we will acquire all of the membership interests in our predecessor in exchange for the issuance to our existing owners of all of our issued and outstanding shares of common stock (prior to the issuance of shares of common stock in this offering). As a result of these transactions, our predecessor will become our direct, wholly-owned subsidiary.

Market Conditions

The oil and natural gas industry is cyclical and commodity prices are highly volatile. In the second half of 2014, oil prices began a rapid and significant decline as the global oil supply began to outpace demand. During 2015 and 2016, the global oil supply continued to outpace demand, resulting in a sustained decline in realized prices for oil production. In general, the imbalance between supply and demand reflects the significant supply growth achieved in the United States as a result of shale drilling and oil production increases by certain other countries, including Russia and Saudi Arabia, as part of an effort to retain market share, combined with only modest demand growth in the United States and less-than-expected demand in other parts of the world. Although

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there has been a dramatic decrease in drilling activity in the industry, oil storage levels in the United States remain at historically high levels. Until supply and demand balance and the overhang in storage levels begins to decline, prices will likely remain under pressure. The U.S. dollar has also strengthened relative to other leading currencies, which has caused oil prices to weaken, as they are U.S. dollar-denominated. In addition, the lifting of economic sanctions on Iran has resulted in increasing supplies of oil, adding further downward pressure to oil prices. Oil prices experienced considerable volatility during the third quarter 2016, with the WTI posted price falling to a low of $39.50 per barrel in early August before rebounding on the news that OPEC had agreed to the framework of an agreement that would limit production by its member countries. Oil prices have continued to rise in the fourth quarter 2016 and thus far in 2017 as OPEC formally announced its agreement to cut production by 1,200 MBbl/d on November 30, 2016, followed by the announcement in December that certain non-OPEC countries, including Russia, Mexico, Azerbaijan, Oman and Kazakhstan, had agreed to cut production by 558 MBbl/d. NGLs prices generally correlate to the price of oil. Also adversely affecting the price for NGLs is the supply of NGLs in the United States, which has continued to grow due to an increase in industry participants targeting the development of NGLs-prone acreage in recent years. Prices for domestic natural gas began to decline during the third quarter of 2014 and remained weak throughout 2015, 2016 and thus far in 2017, though natural gas prices have risen slightly during the fourth quarter of 2016. The declines in natural gas prices are primarily due to an imbalance between supply and demand across North America. Although the current downturn has begun to show signs of improvement, any long-term recovery continues to be uncertain and is dependent on a number of economic, geopolitical and monetary policy factors that are outside our control, and the market is likely to continue to be volatile in the future.

Our revenue, profitability and future growth are dependent on the prices we receive for our oil and natural gas production, as well as NGLs that are extracted from our natural gas during processing. Lower oil, natural gas and NGLs prices not only may decrease our revenues, but also may reduce the amount of oil, natural gas and NGLs that we can produce economically and therefore potentially decrease our oil, natural gas and NGLs reserves. Lower commodity prices in the future could also result in impairments of our properties and may also reduce the borrowing base of our credit facility, which is determined at the discretion of the lenders and is based on the collateral value of our proved reserves that have been mortgaged to the lenders. Please read "Risk Factors−Risks Related to Our Business−Any significant reduction in our borrowing base under our credit facility as a result of the periodic borrowing base redeterminations or otherwise may negatively impact our ability to fund our operations". To manage risks related to fluctuations in prices attributable to our expected oil, natural gas, and NGLs production, we periodically enter into oil, natural gas and NGLs derivative contracts. While the use of these instruments limits the downside risk of adverse price changes, their use may also limit future revenues from favorable price changes.

Alternatively, higher oil and natural gas prices may result in significant non-cash fair value losses being incurred on our derivatives, which could cause us to experience net losses. Further, our capital and operating costs have historically risen during periods of increasing oil, natural gas and NGLs prices. These cost increases result from a variety of factors beyond our control, such as increases in the cost of electricity, steel and other raw materials that we and our vendors rely upon; increased demand for labor, services and materials as drilling activity increases; and increased taxes. Such costs may rise faster than increases in our revenue if commodity prices rise, thereby negatively impacting our profitability, cash flow and ability to complete development activities as scheduled and on budget. This impact may be magnified to the extent that our ability to participate in the commodity price increases is limited by our derivative activities. See "Risk Factors−Risks Related to Our Business−We could experience periods of higher costs if commodity prices rise. These increases could reduce our profitability, cash flow and ability to complete development activities as planned".

How We Evaluate Our Operations

We use a variety of financial and operating metrics to assess the performance of our oil and gas operations, including:

- the rate at which we replace our reserves;

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production and revenue growth;

realized prices on the sale of oil, natural gas and NGLs (including the effect of our commodity derivative contracts);

production expense;

net income (loss); and

Adjusted EBITDA.

In addition to the operating metrics above, as we increase our reserve base, we will assess our capital spending by calculating our finding and development costs for our proved reserve additions. In evaluating our proved developed reserve additions, any reserve revisions for changes in commodity prices between years are excluded from the assessment, however, any performance related reserve revisions are included. We also evaluate our rates of return on invested capital in our wells. We review changes in drilling and completion costs, production expenses, oil, natural gas and NGLs prices, well production and other factors in order to focus our drilling on the highest rate of return areas within our acreage.

Sources of Our Revenues

Our revenues are derived from the sale of our oil and natural gas production, the sale of NGLs that are extracted from our natural gas during processing, and the transportation charges paid by certain third parties for their share of volumes that flow through our gathering and compression facilities. Revenues from product sales are a function of the volumes produced, product quality, market prices, and gas Btu content. We pay transportation costs either to a third party or as specified under our contract with the purchaser. We record transportation, gathering, and compression costs within production expense. Our revenues from oil, natural gas and NGLs sales do not include the effects of derivatives. For the year ended December 31, 2016, our revenues, excluding transportation revenue, were derived 40% from oil sales, 40% from natural gas sales and 20% from NGLs sales. For the year ended December 31, 2015, our revenues, excluding transportation revenue, were derived 43% from oil sales, 41% from natural gas sales and 16% from NGLs sales. Our revenues may vary significantly from period to period as a result of changes in volumes of production sold or changes in commodity prices.

Production Volumes

The following table presents historical production volumes for our properties for the years ended December 31, 2016 and 2015:

	Year Ended December 31,	
	2016	2015
Oil (MBbls)	1,860	1,895
Natural Gas (MMcf)	32,484	31,024
NGLs (MBbls)	2,553	2,476
Total (MBoe)	9,827	9,542
Average MBoe/d	26.9	26.1

As reservoir pressures decline, production volumes from a given well or formation decreases and production expenses may increase. Growth in our future production and reserves will depend on our ability to continue to add proved reserves in excess of production. Our ability to increase reserves through development projects and acquisitions is dependent on many factors, including infrastructure capacity in our areas of

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operation, our ability to raise capital, our ability to obtain regulatory approvals, and our ability to successfully identify and consummate acquisitions. Please read "−Critical Accounting Policies and Estimates−Oil and Gas Reserves" for further discussion.

Realized Prices on the Sales of Oil, Natural Gas and NGLs Volumes

Oil pricing is predominately determined by the physical market, supply and demand, financial markets and national and international politics. The NYMEX WTI futures price is a widely used benchmark in the pricing of domestic and imported oil in the United States. Our actual prices realized from the sale of oil can differ from the quoted NYMEX WTI price as a result of contract specific index pricing adjustment provisions with our purchaser. In our producing fields, oil is sold under two purchaser contracts tied to NYMEX pricing with monthly pricing provisions.

Natural gas prices vary by region, depending upon the distance to markets, availability of pipeline capacity and supply and demand relationships in that region. The NYMEX Henry Hub price of natural gas is a widely used benchmark for the pricing of natural gas in the United States. Our actual prices realized from the sale of natural gas can differ from the quoted NYMEX Henry Hub price as a result of quality and purchaser contract terms that are tied to a regional pricing index. Our natural gas is sold under multiple contracts tied to a regional pricing index and based on geographic location.

Similar to natural gas, NGLs are sold under multiple contracts and are tied to a regional pricing index based on geographic location. NGLs pricing is a function of the individual byproducts of gas and product quality can vary significantly by operational area.

The following table presents our realized commodity prices, as well as the effects of derivative settlements:

	Year Ended December 31,	
	2016	2015
Crude Oil (per Bbl):		
Unweighted average NYMEX price	$ 43.40	$ 48.79
Realized price, before the effects of derivative settlements	$ 40.15	$ 45.42
Effects of derivative settlements	$ 8.25	$ 18.42
Natural Gas:		
Unweighted average NYMEX price (per MMBtu)	$ 2.55	$ 2.63
Realized price, before the effects of derivative settlements (per Mcf)	$ 2.29	$ 2.63
Effects of derivative settlements (per Mcf)	$ 0.63	$ 0.77
NGLs (per Bbl):		
Realized price, before the effects of derivative settlements	$ 14.17	$ 12.68
Effects of derivative settlements	$ 3.16	$ 4.15

Derivative Contracts Activity

Our primary market risk exposure is in the price we receive for our oil, natural gas, and NGLs production. Pricing for oil, natural gas and NGLs production has been volatile and unpredictable for several years, and we expect this volatility to continue in the future. To achieve more predictable cash flow and to reduce our exposure to adverse fluctuations in commodity prices, from time to time we enter into derivative arrangements for our oil, natural gas and NGLs production. Our hedging instruments allow us to reduce, but not eliminate, the potential effects of the variability in cash flow from operations due to fluctuations in oil, natural gas and NGLs prices and provide increased certainty of cash flows. While the use of these instruments limits the downside risk of adverse price changes, their use may also limit future revenues from favorable price changes.

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We will sustain losses to the extent our derivative contract prices are lower than market prices and, conversely, we will sustain gains to the extent our derivative contract prices are higher than market prices. These derivatives are not designated as a hedging instrument for hedge accounting under GAAP and as such, changes in fair value are recorded in income. Please read "−Quantitative and Qualitative Disclosure About Market Risk−Commodity Price Risk" for further discussion.

Our hedging strategy and future hedging transactions will be determined primarily at our discretion and may differ from historical hedging activity. Further, under our credit agreement, we were required to enter into swap contracts by December 31, 2016 which remain in effect for the calendar year 2017 covering at least 3,300 Bbls/d of oil and at least 5,100 Bbls/d of NGLs. We have satisfied the requirement under our credit agreement to enter into these swaps.

There are a variety of hedging strategies and instruments used to hedge future price risk. Our swap contracts establish that we will receive a fixed price for our production and pay a variable market price to the contract counterparty. When the settlement price is below the fixed price, the counterparty pays us an amount equal to the difference between the settlement price and the fixed price multiplied by the hedged contract volume. When the settlement price is above the fixed price, we pay our counterparty an amount equal to the difference between the settlement price and the fixed price multiplied by the hedged contract volume. We expect to use a variety of hedging strategies and instruments to hedge our price risk in the future.

Our open positions executed as of December 31, 2016 are reflected in the table below.

	Three Months Ended				Year Ended	
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	December 31, 2018	Total
Crude Oil Swaps						
Notional Volumes (Bbl)	270,000	273,000	331,200	331,200	−	1,205,400
Notional Volumes (Bbl/d)	3,000	3,000	3,600	3,600	−	3,302
Weighted average fixed price ($/Bbl)	$52.78	$52.78	$ 53.21	$ 53.21	$ −	$53.02
NGLs Swaps						
Notional Volumes (Bbl)	450,000	455,000	469,200	487,600	−	1,861,800
Notional Volumes (Bbl/d)	5,000	5,000	5,100	5,300	−	5,101
Weighted average fixed price ($/Bbl)	$23.42	$23.42	$ 23.45	$ 23.50	$ −	$23.45

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Our open positions executed as of March 23, 2017 are reflected in the table below.

	Three Months Ending				Year Ending	
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017	December 31, 2018	Total
Crude Oil Swaps						
Notional Volumes (Bbl)	24,000	273,000	331,200	331,200	365,000	1,324,400
Notional Volumes (Bbl/d)	3,000	3,000	3,600	3,600	1,000	2,044
Weighted average fixed price ($/Bbl)	$52.78	$52.78	$53.21	$53.21	$56.10	$53.91
Natural Gas Swaps						
Notional Volumes (MMbtu)	160,000	4,095,000	4,140,000	5,060,000	1,350,000	14,805,000
Notional Volumes (MMbtu/d)	20,000	45,000	45,000	55,000	15,000	39,629
Weighted average fixed price ($/MMbtu)	$3.45	$3.31	$3.31	$3.32	$3.34	$3.32
NGLs Swaps						
Notional Volumes (Bbl)	40,000	455,000	469,200	487,600	–	1,451,800
Notional Volumes (Bbl/d)	5,000	5,000	5,100	5,300	–	5,130
Weighted average fixed price ($/Bbl)	$23.42	$23.42	$23.45	$23.50	$–	$23.46

Our historical derivative positions and the settlement amounts for each of the periods indicated are reflected in the table below.

	Year Ended December 31,	
	2016	2015
Crude Oil Swaps		
Notional Volumes (Bbl)	999,224	1,115,693
Weighted average fixed price ($/Bbl)	$59.68	$80.35
Natural Gas Swaps		
Notional Volumes (MMBtu)	14,366,213	18,928,143
Weighted average fixed price ($/MMBtu)	$3.87	$3.95
NGLs Swaps		
Notional Volumes (Bbl)	1,141,067	1,524,953
Weighted average fixed price ($/Bbl)	$24.86	$24.19

Primary Components of Our Cost Structure

Production expense. Our production expense, also commonly referred to as lease operating expense, is the day-to-day expense incurred to operate and maintain our oil and natural gas properties. The expenses in this category include all direct and allocated indirect costs including utilities, produced waste water disposal, field personnel, compression/dehydration, chemicals, equipment rental, supplies, routine repairs and maintenance and other expenses incurred in bringing hydrocarbons from a producing formation to the surface. Certain of our operating cost components are variable and increase or decrease as the level of produced hydrocarbons and water increases or decreases.

Production expense also includes commodity transportation and gathering fees, ad valorem taxes and insurance expense. Transportation, processing, gathering and other operating expenses principally consist of expenditures to prepare and transport production from the wellhead to a specified sales point and gas processing costs. These costs will fluctuate with increases or decreases in production volumes, contractual fees and changes in fuel and compression costs. We are also subject to ad valorem taxes in the counties where our production is

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located. Ad valorem taxes vary by state and are generally based on either a valuation of our oil and natural gas reserves or a valuation of the surface equipment for our oil and natural gas properties.

Production taxes. Production taxes, also commonly referred to as severance taxes, are paid based on a percentage of revenues from production sold at fixed rates established by federal, state or local taxing authorities. In general, the production taxes we pay correlate to the changes in our oil, natural gas and NGLs revenues.

Transportation cost of service. Transportation cost of service expenses include maintenance, chemical, labor and insurance that are incurred in the operation of our gathering and compression facilities.

Depreciation and depletion - oil and natural gas. Depreciation and depletion - oil and natural gas is the systematic expensing of the capitalized costs incurred to acquire, explore and develop oil, natural gas and NGLs. As a "full cost" company, all costs incurred in the acquisition, exploration and development of properties (including costs of surrendered and abandoned leaseholds, delay lease rentals, dry holes and overhead related to exploration and development activities) are capitalized. Capitalized costs are depleted using the units of production method. Please read "−Critical Accounting Policies and Estimates−Full Cost Method of Accounting" for further discussion.

Depreciation and amortization - other. Depreciation and amortization - other is the systematic expensing of capitalized costs incurred primarily related to our Wheeler Midstream asset. Depreciation of such gathering and compression equipment is computed using the straight-line method over the estimated useful lives of the assets, which range from 20 to 25 years.

Accretion of asset retirement obligation. We record the fair value of the legal liability for an asset retirement obligation ("ARO") in the period in which the liability is incurred (at the time the wells are drilled or acquired) at the asset' s inception, with the offsetting increase to property cost. The liability accretes each period until it is settled or the well is sold, at which time the liability is removed.

Impairment of oil and natural gas properties. Under the full cost method of accounting we are required to perform a ceiling test for each cost center. If the net book value of our oil and natural gas properties exceeds the ceiling, a non-cash impairment is required. Please read "−Critical Accounting Policies and Estimates−Full Cost Method of Accounting" for further discussion.

General and administrative. General and administrative ("G&A") costs include corporate overhead such as payroll and benefits for our corporate staff, incentive unit compensation cost, office rent for our headquarters, audit and other fees for professional services and legal compliance. G&A expenses are reported net of recoveries from other owners in properties operated by us and amounts capitalized pursuant to the full cost method. Please read "−Critical Accounting Policies and Estimates−Full Cost Method of Accounting" for further discussion. We expect that we will incur additional general and administrative expenses as a result of being a publicly-traded company.

Interest expense. We have financed a portion of our working capital requirements and drilling activities with borrowings under our credit facility. As a result, we incur interest expense that is affected by the level of borrowings, as well as fluctuations in interest rates. Interest expense is reported net of amounts capitalized pursuant to the full cost method. Please read "−Critical Accounting Policies and Estimates−Full Cost Method of Accounting" for further discussion.

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss) before interest expense, depreciation and depletion - oil and natural gas, depreciation and amortization - other, accretion of asset retirement obligation, impairment of oil and natural gas properties, income taxes, mark-to-market ("MTM") gains or losses on derivative contracts,

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incentive unit compensation and acquisition and divestiture ("A&D") costs. Adjusted EBITDA is not a measure of net income as determined by GAAP. Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income as determined in accordance with GAAP or as an indicator of our operating performance. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company' s financial performance, such as a company' s cost of capital and tax structure, as well as the historic costs of depreciable assets and exploration expenses, none of which are components of Adjusted EBITDA. Our computations of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. For further discussion, please read "Summary−Summary Historical Financial Data−Non-GAAP Financial Measure".

Factors That Significantly Affect Comparability of Our Financial Condition and Results of Operations

Our historical financial condition and results of operations for the periods presented may not be comparable, either from period to period or going forward, primarily for the reasons described below.

Impairment Charges

Under the full cost method, the net book value of the oil and natural gas properties may not exceed the estimated after-tax future net cash flows from proved oil and natural gas properties, discounted at 10% (known as the ceiling test limitation). An amount of any future impairments from ceiling test limitations is difficult to reasonably predict and will depend upon not only commodity prices but also other factors that include, but are not limited to, incremental proved reserves that may be added each period, revisions to previous reserve estimates, capital expenditures, operating costs and all related tax effects. The ceiling limitation calculation is not intended to be indicative of the fair market value of our proved reserves or future results. Impairment charges do not affect cash flow from operating activities, but do adversely affect our net income (loss) and various components of our balance sheet. Any recorded impairment of oil and natural gas properties is not reversible at a later date. Please read "−Critical Accounting Policies and Estimates−Full Cost Method of Accounting" for further discussion.

Public Company Expenses

Upon completion of this offering, we expect to incur direct, incremental G&A expenses as a result of being a publicly traded company, including, but not limited to, costs associated with hiring new personnel, Sarbanes-Oxley compliance, implementation of compensation programs that are competitive with our public company peer group, costs associated with annual and quarterly reports and our other filings with the SEC, exchange listing fees, tax return preparation, independent auditor fees, investor relations activities, registrar and transfer agent fees, incremental director and officer liability insurance costs and independent director compensation. These direct, incremental G&A expenses are not included in our historical results of operations.

Incentive Unit Compensation

The governing documents of our predecessor provide for the issuance of incentive units, which are intended to constitute "profits interests" for federal income tax purposes, to certain employees and contractors. These equity-based awards are subject to time-based vesting requirements, as well as accelerated vesting upon the occurrence of a change of control. Payouts are triggered after the recovery of specified members' capital contributions plus satisfaction of a certain internal rate of return. GAAP generally requires that all equity awards granted to employees be accounted for at fair value and recognized as compensation cost over the vesting period. In determining the appropriate accounting treatment of incentive units, we considered the characteristics of the incentive units in terms of treatment as stock-based compensation.

Due to vesting provisions within our incentive unit agreements, incentive units granted to employees are accounted for at grant date fair value and recognized as compensation cost ratably over the vesting period. Total

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compensation cost related to the incentive units was $5.1 million and $5.0 million for the years ended December 31, 2016 and 2015, respectively. For the years ended December 31, 2016 and 2015, we capitalized incentive unit compensation of $0.4 million and $0.3 million, respectively, relating to exploration and development efforts. As of December 31, 2016, we had $2.6 million of total unrecognized compensation cost related to incentive units.

In connection with the completion of this offering, it is possible that the financial internal rate of return threshold associated with incentive unitholder participation in distributions will be satisfied. As part of the transactions described under "Corporate Reorganization," our direct, wholly-owned subsidiary will merge with and into our predecessor, and our predecessor will be the surviving entity in such merger, with the equity holders in our predecessor, including the holders of incentive units, receiving an aggregate number of shares of our common stock. The actual allocation of shares between the equity holders of our predecessor will be determined after the closing of this offering based on the volume weighted average price of the publicly traded shares of our common stock during the initial 20 days during which our common stock is traded on the NYSE though the aggregate number of shares held by all of our Existing Owners will not be affected by such volume weighted average. All of the incentive units held by employees (and certain former employees and consultants) of Tapstone Energy, LLC will vest in full and convert into shares of our common stock in connection with the closing of this offering. As a result, unrecognized compensation costs associated with unvested incentive units would accelerate and become fully recognized.

Income Taxes

Tapstone is a corporation for federal income tax purposes, and as a result, will be subject to U.S. federal, state and local income taxes. Although our predecessor was subject to franchise tax in the state of Texas (at less than 1% of modified pre-tax earnings), it generally passed through its taxable income to its owners for other income tax purposes and thus was not subject to U.S. federal income taxes or other state or local income taxes. Accordingly, the financial data attributable to our predecessor contains no provision for U.S. federal income taxes or income taxes in any state or locality other than franchise tax in the State of Texas. We estimate that we will be subject to U.S. federal, state and local taxes at a blended statutory rate of approximately 38% of pre-tax earnings.

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Historical Results of Operations and Operating Expenses

Year Ended December 31, 2016 Compared to the Year Ended December 31, 2015

Revenues. The following table provides the components of our revenues for the periods indicated, as well as each period' s respective average prices and production volumes:

	Year Ended December 31,			
	2016	2015	Change	% Change
Revenues (in thousands):				
Oil sales	$74,675	$86,082	$(11,407)	(13%)
Natural gas sales	74,324	81,679	(7,355)	(9%)
NGL sales	36,189	31,406	4,783	15%
Transportation revenue	3,916	4,711	(795)	(17%)
Total revenues	$189,104	$203,878	$(14,774)	(7%)
Average sales price:				
Oil (per Bbl)	$40.15	$45.42	$(5.27)	(12%)
Natural gas (per Mcf)	2.29	2.63	(0.34)	(13%)
NGL (per Bbl)	14.17	12.68	1.49	12%
Total (per Boe)	$18.84	$20.87	$(2.03)	(10%)
Production:				
Oil (MBbls)	1,860	1,895	(35)	(2%)
Natural gas (MMcf)	32,484	31,024	1,460	5%
NGL (MBbls)	2,553	2,476	77	3%
Total (MBoe)	9,827	9,542	285	3%
Average daily production volume:				
Oil (Bbls/d)	5,082	5,192	(110)	(2%)
Natural gas (Mcf/d)	88,753	84,997	3,756	4%
NGL (Bbls/d)	6,976	6,784	192	3%
Total (Boe/d)	26,850	26,142	708	3%

As reflected in the table above, our total revenues for the year ended December 31, 2016 were 7%, or $14.8 million, lower than total revenues for the year ended December 31, 2015. The decrease was primarily due to a decrease in commodity prices, resulting in a 10% decrease in average sales price per Boe, which was slightly offset by a 3% increase in production volumes sold in the year ended December 31, 2016 compared to the year ended December 31, 2015. The change in average sales price is primarily a result of both the fluctuation in the price of NYMEX WTI and the Panhandle Natural Gas Index (or similar regional index). Our volumes increased primarily as a result of the development of our NW Stack properties.

Oil sales decreased 13%, or $11.4 million, for the year ended December 31, 2016 compared to the prior year primarily due to a 12% decrease in the average sales price per Bbl. Natural gas sales decreased 9%, or $7.4 million, for the year ended December 31, 2016 compared to the prior year primarily due to a 13% decrease in the average sales price per Mcf, which was slightly offset by a 5% increase in natural gas volumes sold. NGLs sales increased 15%, or $4.8 million, for the year ended December 31, 2016 compared to the prior year due to a 12% increase in the average sales price per Bbl and a 3% increase in NGLs volumes sold.

Transportation revenue decreased 17%, or $0.8 million, for the year ended December 31, 2016 compared to the prior year primarily due to a decrease in oil and natural gas production volumes from our Stiles Ranch wells that are associated with our operated gathering and compression facilities. Transportation revenue is derived from charges paid by certain third parties for their share of volumes that flow through our gathering and compression facilities and represents approximately 21% of the gross fees charged to applicable revenue interest owners for each of the years ended December 31, 2016 and 2015.

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The following table summarizes our expenses for the periods indicated and includes per Boe information we use to evaluate our performance relative to our peers and to identify and measure trends we believe may require additional analysis:

	Year Ended December 31,			
	2016	2015	Change	% Change
Expenses (in thousands):				
Production expense	$72,687	$64,771	$7,916	12%
Production taxes	4,329	8,274	(3,945)	(48%)
Transportation cost of service	5,858	6,166	(308)	(5%)
Depreciation and depletion - oil and natural gas	59,855	80,178	(20,323)	(25%)
Depreciation and amortization - other	8,204	7,561	643	9%
Accretion of asset retirement obligation	460	422	38	9%
Impairment of oil and natural gas properties	237,378	282,469	(45,091)	(16%)
General and administrative	9,749	11,688	(1,939)	(17%)
General and administrative, related parties	5,060	4,549	511	11%
Total expenses	$403,580	$466,078	$(62,498)	(13%)
Expenses (per Boe):				
Production expense	$7.40	$6.79	0.61	9%
Production taxes	0.44	0.87	(0.43)	(49%)
Transportation cost of service	0.60	0.65	(0.05)	(8%)
Depreciation and depletion - oil and natural gas	6.09	8.40	(2.31)	(28%)
Depreciation and amortization - other	0.83	0.79	0.04	5%
Accretion of asset retirement obligation	0.05	0.04	0.01	5%
Impairment of oil and natural gas properties	24.16	29.60	(5.44)	(18%)
General and administrative	0.99	1.22	(0.23)	(19%)
General and administrative, related parties	0.51	0.48	0.03	6%
Total expenses	$41.07	$48.84	$(7.77)	(16%)

Production expense. Production expenses increased 12%, or $7.9 million, for the year ended December 31, 2016 compared to the prior year. The increase is primarily related to a 3% increase in production sold for the year ended December 31, 2016 compared to the prior year. We experience increases in operating expenses as our well count increases. In addition, certain of our production expense components are variable and increase as production volumes increase. Production expense per Boe increased 9% for the year ended December 31, 2016 compared to the prior year. This increase is primarily related to an increase in production expense per Boe in the NW Stack compared to our legacy producing properties. Cost efficiencies associated with the production of our legacy producing properties are anticipated to be realized in the NW Stack as our operational expertise increases with continued development.

Production taxes. Production taxes decreased 48%, or $3.9 million, for the year ended December 31, 2016 compared to the prior year. The decrease is primarily related to lower sales revenues from lower realized

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commodity prices in all areas and lower tax rates associated with Oklahoma and Texas exemptions on new horizontally-drilled wells. Production taxes as a percentage of our revenue was 2.3% for the year ended December 31, 2016 compared to 4.2% for the prior year.

Transportation cost of service. Transportation cost of service, which represents the cost incurred in the operation of our Wheeler Midstream gathering and compression facilities, was flat for the periods presented.

Depreciation and depletion – oil and natural gas. Depreciation and depletion – oil and natural gas expenses decreased 25% to $59.9 million for the year ended December 31, 2016 from $80.2 million for the year ended December 31, 2015. The decrease is primarily the result of $237.4 million and $282.5 million in impairment charges incurred for the years ended December 31, 2016 and 2015, respectively, which contributed to a decrease in the depletion rate to $6.09 per Boe for the year ended December 31, 2016 from $8.40 per Boe for the year ended December 31, 2015.

Depreciation and amortization – other. Depreciation and amortization – other expenses increased 9% to $8.2 million for the year ended December 31, 2016 from $7.6 million for the year ended December 31, 2015. The increase is primarily due to an increase in the related corporate overhead capital costs.

Accretion of asset retirement obligation. Accretion of asset retirement obligation expenses increased 9% to $0.46 million for the year ended December 31, 2016 from $0.42 million for the year ended December 31, 2015. The increase is primarily the result of the associated ARO liability increase from new wells being drilled in NW Stack.

Impairment of oil and natural gas properties. Impairment expenses for the year ended December 31, 2016 were $237.4 million, compared to $282.5 million for the year ended December 31, 2015. The impairment is primarily the result of decreases in the trailing twelve-month average prices for oil and natural gas. If pricing conditions decline further, we may incur full cost ceiling impairments in future quarters, the magnitude of which will be affected by one or more of the other components of the ceiling test calculations, until prices stabilize or improve over a twelve-month period.

General and administrative. G&A expenses decreased 17%, or $1.9 million, for the year ended December 31, 2016 compared to the prior year. The change is primarily related to a three-month service agreement that provided corporate overhead functions in connection with an acquisition during the first quarter 2015 totaling $1.5 million. G&A expenses are reported net of overhead recoveries from third parties and capitalized general and administrative expenses of $14.1 million and $13.3 million for the years ended December 31, 2016 and 2015, respectively.

General and administrative, related parties. General and administrative, related parties expenses increased 11%, or $0.5 million, for the year ended December 31, 2016 compared to the prior year. The increase is primarily related to an increase in rent expense attributable to the relocation of our corporate headquarters that occurred in the first half of 2015.

Other income and expenses. The following table provides the components of our other income and expenses for the periods indicated:

	Year Ended December 31,			
	2016	2015	Change	% Change
Other income (expense) (in thousands):				
Interest expense	$(12,643)	$(12,249)	$(394)	3%
Gain (loss) on derivative contracts, net	(17,449)	47,839	(65,288)	(136%)
Other income (expense), net	81	15	66	440%
Total other income (expense)	(30,011)	35,605	(65,616)	(184%)

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Interest expense. Interest expense increased 3%, or $0.4 million, primarily due to a decrease in our borrowing base in April 2016 that placed us in a higher interest rate tier during the year ended December 31, 2016 compared to the prior year. Additionally, the LIBOR rate associated with our credit facility increased during the year ended December 31, 2016. These increases were offset by a decrease in the weighted average monthly outstanding borrowing balance during December 31, 2016 compared to the prior year. Our interest expense consists of interest expense on our long term debt, amortization of debt issuance costs, and is net of capitalized interest.

Gain (loss) on derivative contracts, net. For the year ended December 31, 2016, we recognized a $17.4 million derivative net loss, of which $43.9 million was cash settlements, offset by a $61.4 million MTM loss on derivatives. For the year ended December 31, 2015, we recognized a $47.8 million derivative net gain, of which $68.9 million was cash settlements, offset by a $21.1 million MTM loss on derivatives. Net losses and gains on our derivatives are a function of fluctuations in the underlying commodity prices and the monthly settlement of the instruments.

Liquidity and Capital Resources

We expect that our primary sources of liquidity and capital resources after the consummation of this offering will be internally generated cash flow from operations and borrowings under our credit facility. To the extent our capital requirements exceed our cash on hand, we may also issue debt or equity securities to fund these requirements. Long-term cash flows are subject to a number of variables including the level of production and prices we receive for our production as well as various economic conditions that have historically affected the oil and natural gas business. There can be no assurance that internal cash flows and other capital sources will provide sufficient funds to maintain capital expenditures that we believe are necessary to offset inherent declines in production and proven reserves.

Historically, our primary sources of liquidity have been capital contributions from our members, borrowings under our credit facility and cash flows from operations. To date, our primary use of capital has been for the acquisition, exploration and development of proved and unproved oil and natural gas properties. Our borrowings under our credit facility were $350.0 million and $408.0 million at December 31, 2016 and December 31, 2015, respectively. As of April 10, 2017, our borrowing base under our credit facility was $385.0 million. As of April 10, 2017, we had $380.0 million of outstanding borrowings under our credit facility and $5.0 million in outstanding letters of credit (which reduce the availability under the credit facility on a dollar-for-dollar basis). Subject to changes in commodity prices, we would expect the available borrowing capacity under our credit facility to increase as we convert proved undeveloped reserves to proved developed producing reserves, which may provide us additional flexibility in the future. Prior to this offering, we may seek to raise additional capital through equity financing or secured or unsecured debt financing.

We plan to continue our practice of entering into hedging arrangements to reduce the impact of commodity price volatility on our cash flow from operations. Under this strategy, we expect to maintain an active hedging program that seeks to reduce our exposure to commodity prices and protect our cash flow.

Because we are the operator of a high percentage of our acreage, the amount and timing of our capital expenditures is largely discretionary and within our control. We could choose to defer a portion of these planned capital expenditures depending on a variety of factors, including, but not limited to, the success of our drilling activities, and prevailing and anticipated prices for oil and natural gas. A deferral of planned capital expenditures, particularly with respect to drilling and completing new wells, could result in a reduction in anticipated production and cash flows and loss of acreage through lease expirations. In addition, we may be required to reclassify some portion of our reserves currently booked as proved undeveloped reserves to no longer be proved reserves if such a deferral of planned capital expenditures means we will be unable to develop such reserves within five years of their initial booking.

For the years ended December 31, 2016 and 2015, our aggregate drilling, completion and leaseholds capital expenditures were approximately $185.1 million and $180.3 million, respectively, excluding acquisitions.

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Our 2017 capital budget, which includes estimated expenditures for drilling, completions, leasing activity, the purchase of 3D seismic data, workover and other capitalized items is approximately $257 million. We intend to allocate $205 million, or 80%, of our 2017 capital budget to the development of our inventory of identified horizontal drilling locations in the NW Stack. We plan to drill 39 gross wells, 13 of which we anticipate to be two-mile laterals. Approximately 56% of our planned wells in 2017 will be targeting the oil window, with the remaining wells targeting the natural gas condensate window. Of the 39 gross wells we expect to drill, we expect to bring 29 wells to first sales during 2017. We intend to use the remaining $52 million of our capital budget for the purchase of 3D seismic data, leasing activities in the NW Stack and additional capitalized items. Our 2017 capital budget excludes any amounts that may be paid for acquisitions.

Cash Flows

Year Ended December 31, 2016 Compared to the Year Ended December 31, 2015

The following table provides the components of our cash flows for the periods indicated (in thousands).

	Year Ended December 31,			
	2016	2015	Change	% Change
Net cash provided by operating activities	134,633	195,536	(60,903)	(31%)
Net cash used in investing activities	(190,646)	(196,385)	5,739	(3%)
Net cash provided by (used in) financing activities	50,079	(2,500)	52,579	2,103%

Net cash provided by operating activities. Net cash provided by operating activities is primarily affected by the price of oil, natural gas and NGLs production volumes and changes in working capital. The decrease of 31%, or $60.9 million, in net cash provided by operating activities for the year ended December 31, 2016 compared to the year ended December 31, 2015 was primarily due to a $25.0 million decrease in derivatives settlements, a $18.7 million decrease in cash flow from working capital and a $14.8 million decrease in revenue attributable to a decline in commodity prices.

Net cash used in investing activities. Net cash used in investing activities is primarily affected by our capital budget for oil and natural gas properties. The decrease of 3%, or $5.7 million, in net cash used in investing activities for the year ended December 31, 2016, compared to the year ended December 31, 2015, is primarily related to a $11.8 million decrease in oil and natural gas property acquisition costs and a $5.5 million decrease in corporate overhead capitalized costs. The decrease in net cash used in investing activities was offset by an increase of $9.4 million in drilling and leasehold acquisition activity in the NW Stack area.

Net cash provided by (used in) financing activities. Net cash provided by or used in financing activities is primarily affected by activity with our credit facility and contributions from members. The increase of 2,103%, or $52.6 million, in net cash provided by financing for the year ended December 31, 2016, compared to the year ended December 31, 2015, is primarily the result of an increase of $109.6 million in capital contributions and an increase of $21.0 million in borrowings under our credit facility, offset by a $76.5 million increase in credit facility repayments.

Segment Reporting

Operating segments are defined as components of an enterprise that engage in activities from which it may earn revenues and incur expenses for which separate operational financial information is available, and this information is regularly evaluated by the chief operating decision maker for the purpose of allocating resources and assessing performance.

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We operate in only one operating segment, which is the exploration and production of oil, natural gas and NGLs and related midstream activities. All revenues are derived from customers located in the United States. In addition, we have a single, company-wide management team that allocates capital resources to maximize profitability and measures financial performance as a single enterprise.

Our Credit Facility

On December 31, 2014, we entered into an amended and restated credit agreement (as amended, our "credit agreement") with Bank of America, N.A., as administrative agent and issuing lender, and the lenders named therein, that provides for a revolving credit facility (our "credit facility") with commitments of $1.0 billion (subject to the borrowing base). The credit agreement was amended on (a) November 17, 2016 pursuant to the First Amendment to Amended and Restated Credit Agreement and (b) March 31, 2017 pursuant to the Second Amendment to Amended and Restated Credit Agreement. This credit facility provides for borrowings to be used for the purpose of funding working capital, acquisitions, exploration and production operations, development (including the drilling and completion of producing wells), and for general business purposes and has a letter of credit sublimit of $50.0 million. As of April 10, 2017, the borrowing base under our credit facility was $385.0 million. On December 31, 2016, we had $350.0 million of outstanding borrowings under our credit facility and $5.0 million in outstanding letters of credit (which reduce the availability under the credit facility on a dollar-for-dollar basis). On April 10, 2017, we had $380.0 million of outstanding borrowings under our credit facility and $5.0 million in outstanding letters of credit. We intend to use a portion of the net proceeds from this offering to reduce amounts borrowed under our credit facility. Our credit facility matures on December 31, 2019 or, if December 31, 2019 is not a business day, on the next business day.

The amount available to be borrowed under our credit facility is subject to a borrowing base that is redetermined semiannually each April 1 and October 1 in an amount by the lenders at their sole discretion. Our next scheduled borrowing base redetermination is expected on or about October 1, 2017. However, the lenders will redetermine the borrowing base under our credit facility if we have not applied at least $250 million in net proceeds from this offering to prepay loans outstanding under the credit facility on or prior to May 15, 2017. If such a redetermination of the borrowing base occurs, we would not expect such redetermination to be effective sooner than July 2017. Additionally, at our option, we may request up to two additional redeterminations per year. The borrowing base depends on, among other things, the volumes of our proved reserves and estimated cash flows from these reserves and our commodity hedge positions as well as any other outstanding debt. Upon a redetermination of the borrowing base, if borrowings in excess of the revised borrowing capacity are outstanding, we could be required to immediately repay a portion of the debt outstanding under our credit agreement.

At our election, interest under the credit facility is determined by reference to (a) the London Interbank Offered Rate ("LIBOR") plus an applicable margin between 1.50% and 2.50% per annum or (b) the "base rate," which is the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate published by Bank of America or (iii) the Eurodollar rate (as defined in the credit facility) plus 1.00% per annum, plus, in each case under scenario (b), an applicable margin between 0.50% and 1.50% per annum. Interest is payable quarterly for base rate loans and at the applicable maturity date for LIBOR loans, except that if the interest period for a LIBOR loan is greater than three months, interest is paid at the end of each three-month period. Quarterly, we pay a commitment fee assessed at an annual rate between 0.375% and 0.50% on any available portion of the credit facility. We may repay any amounts borrowed prior to the maturity date without any premium or penalty other than customary LIBOR breakage costs.

The obligations under the credit facility are secured by substantially all our assets, including (i) proved oil, natural gas and NGLs reserves representing at least 80.0% of the discounted present value (as defined in the credit facility) of proved oil, natural gas and NGLs reserves considered by the lenders in determining the borrowing base for the credit facility, (ii) our gathering and compression facilities and (iii) the issued and outstanding equity interests directly owned by the borrower.

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Our credit agreement contains restrictive covenants that limit our ability to, among other things:

- incur certain additional indebtedness;
- incur certain liens;
- make certain investments;
- make loans to others;
- merge or consolidate with another entity;
- sell assets;
- make certain payments;
- enter into transactions with affiliates;
- enter into swap contracts; and
- engage in certain other transactions without the prior consent of the lenders.

Each of the foregoing restrictions is subject to certain exceptions.

Our credit agreement also requires us to maintain compliance with a consolidated leverage ratio, which is the ratio of our Consolidated Funded Debt (as defined in our credit agreement) as of the last day of each fiscal quarter, subject to certain exclusions (as described in our credit agreement) to Consolidated EBITDAX (as defined in our credit agreement) for the period of four consecutive fiscal quarters ending on the last day of that fiscal quarter, of not greater than 4.0 to 1.0. As of December 31, 2016, we were in compliance with all financial covenants contained in our credit agreement.

Further, under our credit agreement, we were required to enter into swap contracts by December 31, 2016, which remain in effect for the calendar year 2017 covering at least 3,300 Bbls/d of oil and at least 5,100 Bbls/d of NGLs. We have satisfied the requirement under our credit agreement to enter into these swap contracts.

Contractual Obligations

A summary of our contractual obligations as of December 31, 2016, is provided in the following table (in thousands).

	Payments due by Period for the Year Ending December 31,						
	2017	2018	2019	2020	2021	Thereafter	Total
Contractual Obligations:							
Office lease - headquarters (1)	$ 1,103	$ 1,103	$ 1,103	$ 276	−	−	$3,585
Volume commitment - crude oil (2)	2,300	2,300	2,300	575	−	−	7,475
Volume commitment - natural gas (3)	4,739	−	−	−	−	−	4,739
Credit facility and interest payable (4)	11,550	11,550	361,550	−	−	−	384,650
Total	$ 19,692	$ 14,953	$ 364,953	$ 851	−	$ −	$400,449

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(1) We lease our headquarters office under an operating lease agreement terminating in March 2020. Base rent through the term of the lease is $1.1 million annually. Additionally, we lease our field offices for minimal amounts under agreements terminating in 2020.

(2) Our crude oil sales agreement with Plains Marketing contains a minimum volume commitment requiring us to deliver 4,000 Bbl/d. The commitment, which has a five-year term ending March 2020, requires us to pay a per-barrel deficiency rate when delivery falls below 4,000 Bbl/d on a gross annual basis from April 1st through March 31st. The amounts represented above reflect the maximum liability under the commitment as if we produced zero volumes under the periods listed. Please read "Business−Operations−Transportation and Marketing."

(3) We are subject to a commitment requiring delivery of certain natural gas volumes to Enable under a 15-year agreement that terminates in December 2027. Such agreement requires us to pay per-MMBtu deficiency fees if the volume of natural gas we deliver from the applicable dedicated area during any six-month period beginning on either January 1 or July 1 of each year is less than 95% of the volume of natural gas we delivered from the dedicated area during the immediately preceding six-month period (subject to certain exceptions). The amount represented above reflects the maximum liability under the commitment as if we delivered no natural gas during the six-month period beginning January 1, 2017. Additionally, we incur minimal amounts related to a firm transportation agreement terminating in June 2018. Please read "Business−Operations−Transportation and Marketing."

(4) Calculated based on December 31, 2016 outstanding borrowings under our credit facility of $350.0 million and assumes no principal repayment until the maturity date December 2019. On a quarterly basis, interest is payable for base rate loans as well as commitment fees on the available portion of the credit facility. As of December 31, 2016, the borrowing base was $385.0 million and the interest rate under the credit facility was 3.25%. Please read "−Liquidity and Capital Resources−Our Credit Facility" for further discussion.

Quantitative and Qualitative Disclosure About Market Risk

We are exposed to market risk, including the effects of adverse changes in commodity prices and interest rates as described below. The primary objective of the following information is to provide quantitative and qualitative information about our potential exposure to market risks. The term "market risk" refers to the risk of loss arising from adverse changes in oil, natural gas and NGLs prices and interest rates. This forward-looking information provides indicators of how we view and manage our ongoing market-risk exposure. All of our market-risk sensitive instruments were entered into for purposes other than trading.

Commodity Price Risk

We are exposed to market risks related to the volatility of oil, natural gas and NGLs prices. Realized prices are primarily driven by worldwide prices for oil and spot market prices for North American gas production. The prices we receive for our oil, natural gas and NGLs production depend on many factors outside of our control, such as the strength of the global economy and global supply and demand for the commodities we produce.

To reduce the impact of fluctuations in oil prices on our revenues, we have periodically entered into commodity derivative contracts with respect to certain of our oil and natural gas production through various transactions that limit the downside of future prices received. We plan to continue our practice of entering into such transactions to reduce the impact of commodity price volatility on our cash flow from operations. For a discussion of how we use financial commodity derivative contracts to mitigate some of the potential negative impact on our cash flow caused by changes in natural gas prices, please read "−Critical Accounting Policies and Estimates−Commodity Derivative Instruments".

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Counterparty and Customer Credit Risk

Our cash and cash equivalents are exposed to concentrations of credit risk. We manage and control this risk by investing these funds with major financial institutions. We often have balances in excess of the federally insured limits.

The area within the Anadarko Basin in which we operate is served by multiple oil and natural gas customers, also called purchasers. Credit is extended based on an evaluation of the purchaser' s financial conditions and historical payment record. The future availability of a ready market for oil, natural gas and NGLs depends on numerous factors outside of our control, none of which can be predicted with certainty. Please read "Risk Factors−Risks Related to Our Business−We depend upon several significant customers for the sale of most of our oil, natural gas and NGLs production". We do not believe the loss of any single purchaser would have a materially adverse effect on our ability to sell oil and natural gas production.

At December 31, 2016, we had commodity derivative contracts with two counterparties. We do not require collateral or other security from counterparties to support derivative instruments; however, to minimize the credit risk in derivative instruments, it is our policy to enter into derivative contracts only with counterparties that are creditworthy financial institutions deemed by management as competent and competitive market-makers. The creditworthiness of our counterparties is subject to periodic review. For the year ended December 31, 2016, we did not incur any losses with respect to counterparties failing to fulfill their payment obligations with our contracts.

Interest Rate Risk

We will be exposed to interest rate risk in the future if we draw on our credit facility. Interest on outstanding borrowings under our credit facility will accrue based on, at our option, LIBOR or the alternate base rate, in each case, plus an applicable margin that is determined based on our utilization of commitments under our credit facility. Please read "−Liquidity and Capital Resources−Our Credit Facility" for further discussion.

Critical Accounting Policies and Estimates

Use of Estimates in the Preparation of Financial Statements

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include proved oil and natural gas reserves, the use of these oil and natural gas reserves in calculating depletion, the use of the estimates of future net cash flows in computing ceiling test limitations, incentive unit compensation cost, fair value of assets and liabilities acquired in business combinations, and estimates of future abandonment obligations used in recording asset retirement obligations. Estimates and judgments are also required in determining allowance for doubtful accounts, impairments of undeveloped properties and other assets, fair value of derivative financial instruments, and amounts of commitments and contingencies, if any. Although management believes these estimates are reasonable, actual results could differ from these estimates.

Full Cost Method of Accounting

We use the full cost method of accounting for oil and natural gas properties whereby productive and nonproductive costs incurred in connection with the acquisition, exploration, and development of oil and natural gas reserves are capitalized. Salaries and benefits paid to employees and a portion of interest expense incurred from our credit facility that can be directly identified with acquisition, exploration, and development activities are also capitalized. Capitalized costs are depreciated using the unit-of-production method. Under this method,

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depletion is computed at the end of each period by multiplying total production for the period by a depletion rate. The depletion rate is determined by dividing the total unamortized cost base plus future development costs by net equivalent proved reserves at the beginning of the period.

Capitalized costs associated with unproved properties are initially excluded from the amortizable cost base until a determination has been made as to the existence of proved reserves. The excluded costs are reviewed at the end of each period to determine whether the costs incurred should be reclassified to the full cost pool and, thereby, subjected to amortization. The costs associated with unproved activity relate primarily to costs to acquire unproved acreage. Unproved leasehold costs are transferred to the amortization base upon determination of the existence of proved reserves or upon impairment of a lease.

Under the full cost method, the net book value of the oil and natural gas properties may not exceed the estimated after-tax future net cash flows from proved oil and natural gas properties, using the preceding twelve-months' average price based on closing prices on the first day of each month, discounted at 10%, plus the lower of cost or fair value of unproved properties, plus estimated salvage value (the ceiling limitation). The net book value is compared to the ceiling limitation on a quarterly and yearly basis. The excess, if any, of the net book value above the ceiling limitation is charged to expense in the period in which it occurs and is not subsequently reinstated. The ceiling limitation calculation is not intended to be indicative of the fair market value of our proved reserves or future results. Impairment charges do not affect cash flow from operating activities, but do adversely affect net income. For the years ended December 31, 2016 and 2015, we incurred a non-cash ceiling limitation write-down of our oil and natural gas properties of $237.4 million and $282.5 million, respectively.

Proceeds from the disposal of properties are normally deducted from the full-cost pool without recognition of gains or losses, except under circumstances where the deduction would significantly alter the relationship between capitalized costs and proved reserves of the cost center, in which case a gain or loss is recorded.

Oil and Gas Reserves

Our independent petroleum engineers and internal technical staff prepare the estimates of oil, natural gas and NGLs reserves and associated future net cash flows. Current accounting guidance allows only proved oil, natural gas and NGLs reserves to be included in our financial statement disclosures. Proved reserves are defined as the estimated quantities of oil, natural gas, and NGLs which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions.

One of the most significant estimates we make is the estimate of oil, natural gas and NGLs reserves. Oil, natural gas and NGLs reserve estimates require significant judgments in the evaluation of all available geological, geophysical, engineering and economic data. The data for a given field may change substantially over time as a result of numerous factors including, but not limited to, additional development activity, production history, projected future production and economic assumptions relating to commodity prices, operating expenses, severance and other taxes, and capital expenditures, which assumptions are inherently uncertain. Accordingly, reserve estimates are generally different from the quantities of oil, natural gas and NGLs that are ultimately recovered. We cannot predict the amounts or timing of future reserve revisions.

Depreciation, Depletion, Amortization and Accretion

Our depletion rate, described above, is dependent upon our estimates of total proved reserves, which incorporate various assumptions and future projections. If our estimates of total proved reserves decline, the rate at which we record depletion expense increases, which in turn reduces our net income. Such a decline in reserves may result from lower commodity prices or other changes to reserve estimates, as discussed above, and we are unable to predict changes in reserve quantity estimates as such quantities are dependent on the success of our exploration and development program, as well as future economic conditions.

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Commodity Derivative Instruments

To manage risks related to fluctuations in prices attributable to our expected oil, natural gas and NGLs production, we enter into oil, natural gas and NGLs derivative contracts. The objective of our use of commodity derivative instruments is to achieve more predictable cash flows in an environment of volatile oil and natural gas prices and to manage our exposure to commodity price risk. While the use of these commodity derivative instruments limits the downside risk of adverse price movements, such use may also limit our ability to benefit from favorable price movements.

Our derivatives are not designated as a hedging instrument for hedge accounting under GAAP and as such, changes in fair value are recorded in income. Net gains and losses on commodity derivative instruments are recorded based on the changes in the fair values of the derivative instruments. Our cash flow is only impacted when the actual settlements under the commodity derivative contracts result in making or receiving a payment to or from the counterparty.

Asset Retirement Obligations

Our AROs consist of estimated future costs associated with the plugging and abandonment of oil, natural gas and NGLs wells, removal of pipelines, equipment and facilities and land restoration in accordance with applicable local, state and federal laws. The fair value of an ARO liability is required to be recognized in the period in which it is incurred, with the associated asset retirement cost capitalized as part of the carrying cost of the oil and gas asset. The recognition of an ARO requires that management make numerous assumptions regarding such factors as the estimated probabilities, amounts and timing of settlements; the credit-adjusted risk-free discount rate to be used; and inflation rates. The liability is accreted each period and the capitalized cost is depleted as part of the full cost pool.

Revenue Recognition

Revenues from the sale of oil, natural gas and NGLs are recognized when the product is delivered at a fixed or determinable price, title has transferred, and collectability is reasonably assured and evidenced by a contract. We recognize revenues from the sale of oil, natural gas and NGLs using the sales method of accounting, whereby revenue is recorded based on our share of volume sold, regardless of whether we have taken our proportional share of volume produced. These differences result in gas imbalances. Liabilities are recorded for the imbalances greater than our proportionate share of remaining estimated natural gas reserves. At the end of the month, we estimate the amount of production delivered to purchasers and the price we will receive. We use our knowledge of our properties, contractual arrangements, NYMEX and regional spot market prices and other factors as the basis for these estimates. Variances between our estimates and the actual amounts received are recorded in the month payment is received.

Income Taxes

Prior to our conversion into a corporation in connection with this offering, we were organized as a Delaware limited liability company and were treated as a flow-through entity for U.S. federal and state income tax purposes. As a result, our net taxable income and any related tax credits were passed through to the members and were included in their tax returns even though such net taxable income or tax credits may not have actually been distributed.

Recently Issued Accounting Pronouncements

In August 2016, the FASB issued ASU 2016-15, "Classification of Certain Cash Receipts and Cash Payments", which amends ASC Topic No. 230 "Statement of Cash Flows" and provides guidance and clarification on presentation of certain cash flow items. ASU 2016-15 is effective for fiscal years beginning after

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December 15, 2017, and for interim periods within those fiscal years. We are currently assessing the impact of the adoption of ASU 2016-15. However, we do not expect adoption to have a material impact on our consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, "Measurement of Credit Losses on Financial Instruments", which changes the impairment model for most financial assets and certain other instruments, including trade and other receivables, held-to-maturity debt securities and loans, and requires entities to use a new forward-looking expected loss model that will result in the earlier recognition of allowances for losses. ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted for a fiscal year beginning after December 15, 2018, including interim periods within that fiscal year. Entities will apply the standard' s provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is adopted. We do not believe this standard will have a material impact on our consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)". ASU 2016-02 establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. We are currently evaluating the impact of this new standard on our consolidated financial statements.

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)," which outlines a new, single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. This new revenue recognition model provides a five-step analysis in determining when and how revenue is recognized. The new model will require revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration a company expects to receive in exchange for those goods or services.

In August 2015, the FASB issued ASU 2015-14, "Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date," which deferred the effective date of ASU 2014-09 by one year. That new standard is now effective for annual reporting periods beginning after December 15, 2017. We are currently evaluating the impact of this new standard. We do not expect adoption of the new standard to have a material impact on our consolidated financial statements, but additional financial statement disclosure is expected.

Inflation

Inflation in the United States has been relatively low in recent years and did not have a material impact on our results of operations for the years ended December 31, 2016 and 2015. Although the impact of inflation has been insignificant in recent years, it is still a factor in the United States economy, and we tend to experience inflationary pressure on the cost of oilfield services and equipment as increasing oil and natural gas prices increase drilling activity in our areas of operations.

Off-Balance Sheet Arrangements

Currently, we do not have any off-balance sheet arrangements.

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BUSINESS

The following discussion should be read in conjunction with the "Selected Historical Consolidated Financial Data" and the accompanying financial statements and related notes included elsewhere in this prospectus.

The estimated proved reserve information for our properties as of December 31, 2016 contained in this prospectus are based on reserve reports relating to our properties prepared by Ryder Scott Company, L.P., independent petroleum engineers. The estimated proved reserve information for our properties as of December 31, 2015, contained in this prospectus is based on a reserve report relating to our properties prepared by Lee Keeling and Associates, Inc., independent petroleum engineers.

Our Company

Business Overview

We are a growth-oriented, independent oil and natural gas company focused on the development and production of oil and natural gas condensate resources in the Anadarko Basin in Oklahoma, Texas and Kansas. Our core development area is located in the northwest continuation of the geographic region commonly known as the STACK play in the Anadarko Basin (the "NW Stack"). We have a large, contiguous acreage position in the NW Stack that is characterized by significant operational control, multiple stacked benches and an extensive inventory of horizontal drilling locations that are expected to offer attractive single-well rates of return. We also own interests in legacy producing oil and natural gas properties in various fields located in the Anadarko Basin with long-lived reserves, predictable production profiles and limited capital expenditure requirements (our "legacy producing properties"). We are focused on maximizing stockholder value by (i) growing production, reserves and cash flow through the development of our multi-decade drilling inventory of over 2,700 gross operated identified horizontal drilling locations in the NW Stack, (ii) optimizing our operational, drilling and completion techniques and (iii) maintaining a disciplined financial strategy to pursue the development of our acreage in the NW Stack.

Tapstone was formed in December 2013 with funding by GSO, a subsidiary of The Blackstone Group L.P. ("Blackstone"), with the goal of building a premier oil and natural gas company focused on acquiring and developing producing oil and natural gas properties in the Anadarko Basin. Our management and technical teams have extensive engineering, geoscience, land, marketing and finance capabilities and have collectively participated in the drilling of over 10,000 horizontal wells across multiple unconventional plays in the lower 48 states. Our management team is led by Steven C. Dixon, our Chairman, President and Chief Executive Officer and an industry veteran with over 36 years of experience in managing, developing and growing oil and natural gas business in some of the most prolific oil and natural gas plays in the United States.

The NW Stack

At our inception, we targeted the Anadarko Basin due to its established production history, multiple stacked benches, the extensive amount of technical information available and our management team's substantial experience operating in the area. In 2014 we began focusing specifically on the NW Stack after results in the SCOOP and STACK plays definitively showed a productive trend towards our current position in the NW Stack. We began assembling our acreage position through a grassroots leasing program that we commenced in September 2014. As a result of our early identification of the resource potential of the NW Stack, as well as the general weakness in the oil and gas industry at the time, we were able to assemble a large, contiguous block of acreage in the NW Stack, which we do not believe would be possible to replicate in today's market. Our acreage position in the NW Stack consists of approximately 200,000 net acres in the adjacent Oklahoma counties of Dewey, Woodward, Ellis and Major.

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As of December 31, 2016, we held the largest contiguous leasehold position in the NW Stack. We have identified five unique stacked benches within the NW Stack in the Meramec and Osage intervals that we refer to as the Upper Meramec, Middle Meramec, Lower Meramec, Upper Osage and Lower Osage. We have tested each of the five benches that we have identified over an area 40 miles east to west and 20 miles north to south across our acreage position, and we believe that each bench presents significant development potential and a sizable drilling inventory. As of December 31, 2016, we had identified over 2,700 gross operated horizontal drilling locations in the NW Stack, providing us with a multi-decade drilling inventory. We believe further upside potential may also exist in additional productive intervals within our acreage in the NW Stack.

Our acreage in the NW Stack has several attractive characteristics that include (i) thick gross pay across our acreage that ranges from approximately 1,000 to 1,500 feet, (ii) five identified stacked benches in the Meramec and Osage intervals, (iii) reservoir depths ranging from approximately 9,000 to 13,000 feet spanning both the oil and natural gas condensate windows and (iv) over-pressured and fractured reservoirs. These characteristics combine to provide strong well deliverability and attractive single-well rates of return.

We have accumulated a significant amount of technical information related to the reservoir potential across our acreage in the NW Stack. We have utilized this information to establish our geological model of the play. The information we have analyzed includes:

- data from over 900 existing vertical wells with Meramec and Osage penetrations previously drilled on or around our acreage;
- core samples and cuttings across each of the five identified benches;
- approximately 900 miles of 2D seismic data and over 300 square miles of 3D seismic data covering a portion of our acreage; and
- borehole imaging, density, porosity, resistivity and mud logs across our acreage.

Since spudding our first well in the NW Stack in March 2015, we have primarily focused our drilling program on further delineating and de-risking our acreage across the full extent of our NW Stack position. We believe we have successfully delineated each of the five benches that we have identified within the Meramec and Osage intervals. We achieved this by:

- drilling and completing 33 Tapstone-operated horizontal wells across our position in each of the five identified benches; and
- analyzing over 50 horizontal wells drilled by offset operators on or around our acreage.

We refer to gross and net acreage where we are designated as operator or expect to be designated as operator based on the size of our working interest relative to other working interest owners as "our operated acreage" or acreage that we "operate" in this prospectus. As of December 31, 2016 we operated 78% of our net acreage in the NW Stack and had an average working interest of 72% in the 336 sections that we operated. For the three months ended December 31, 2016, our net production in the NW Stack was 5.1 MBoe/d, of which 14% was oil, 18% was NGLs and 68% was natural gas. For the year ended December 31, 2016, our net production in the NW Stack was 5.6 MBoe/d, of which 20% was oil, 18% was NGLs and 62% was natural gas. Of the 33 Tapstone-operated horizontal wells we have drilled and completed in the NW Stack as of March 23, 2017, three wells were in the Upper Meramec, four wells were in the Middle Meramec, seven wells were in the Lower Meramec, twelve wells were in the Upper Osage and seven wells were in the Lower Osage. Additionally, as of March 23, 2017, two Tapstone-operated horizontal wells were waiting on completion (one in the Lower Meramec and one in the Upper Osage) and four Tapstone-operated horizontal wells were in the process of being drilled (two in the Upper Meramec and two in the Lower Meramec).

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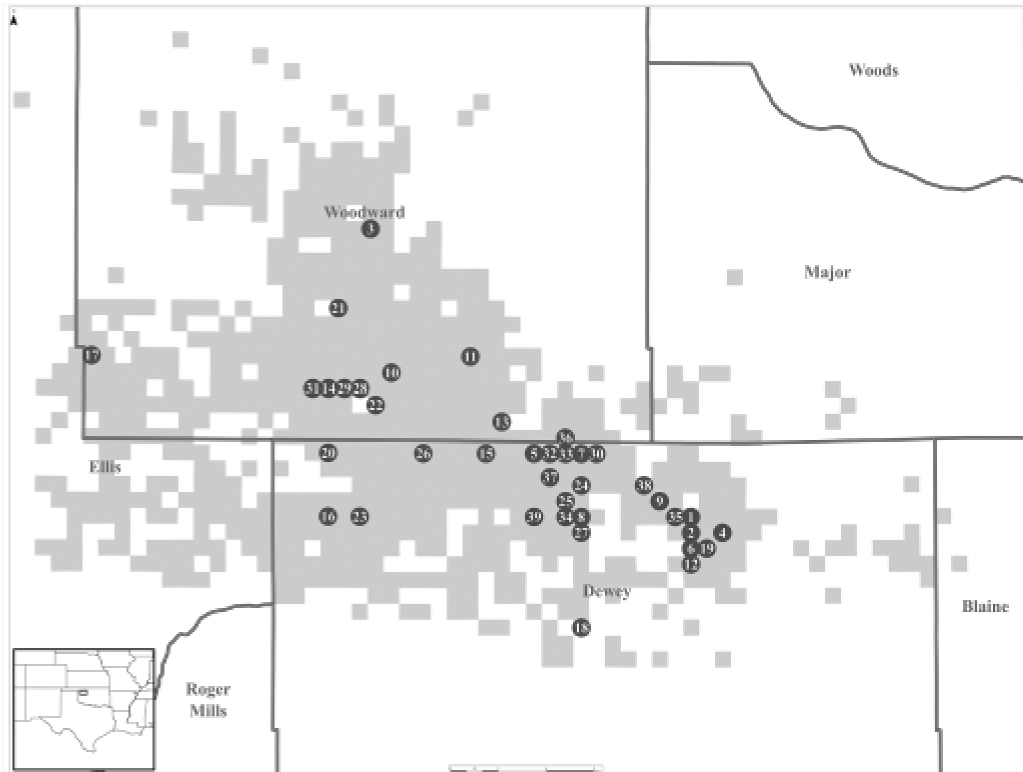
The following map indicates the location of our operated horizontal wells that we have drilled and completed or are currently drilling in the NW Stack as of March 23, 2017.



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The following table presents data on the operated horizontal wells that we have drilled or are in the process of drilling in the NW Stack as of March 23, 2017. See “−Oil and Natural Gas Production Prices and Costs−Drilling Results”.

Well Name	Target Bench	First Production	Peak 30 IP (Boe/d) (1)(2)	Peak 30 IP (% Liquids) (1)(2)	Days to Drill	Total D&C ($MM) (3)
1. DENNIS 28-19-16 1H	Lower Osage	6/9/2015	1,911	35 %	71	$ 7.0
2. BOZARTH 33-19-16 1H	Middle Meramec	8/25/2015	1,050	45 %	69	$ 7.6
3. SHAW TRUST 30-22-19 1H	Middle Meramec	9/15/2015	631	67 %	38	$ 5.8
4. WILSON 35-19-16 1H	Lower Osage	10/6/2015	1,328	44 %	46	$ 5.3
5. BRANSTETTER 2-19-18 1H	Lower Meramec	11/26/2015	1,387	60 %	61	$ 6.9
6. SEIFRIED TRUST 4-18-16 1H	Lower Osage	12/14/2015	1,473	30 %	69	$ 6.8
7. HOWARD 5-19-17 1H	Upper Osage	1/9/2016	3,248	70 %	51	$ 6.6
8. CARTER 29-19-17 1H	Lower Meramec	2/4/2016	1,790	43 %	44	$ 5.0
9. IRVING 19-19-16 1H	Lower Osage	2/16/2016	971	45 %	50	$ 5.4
10. WHITE 8-20-19 1H	Upper Osage	3/31/2016	1,359	39 %	51	$ 5.0
11. YOUNG 6-20-18 1H	Middle Meramec	4/6/2016	475	15 %	45	$ 5.4
12. RANDY 9-18-16 1H	Lower Osage	4/13/2016	1,381	33 %	59	$ 5.6
13. CARA 28-20-18 1H	Lower Meramec	5/27/2016	584	48 %	52	$ 5.4
14. RANDALL 15-20-20 1H	Upper Osage	6/3/2016	1,851	52 %	49	$ 5.1
15. SEIDEL 5-19-18 1H	Lower Meramec	6/27/2016	675	36 %	48	$ 5.0
16. SALISBURY 27-19-20 1H	Lower Osage	7/12/2016	1,111	21 %	48	$ 5.4
17. AMPARAN 6-20-22 1H (4)	Lower Meramec	8/10/2016	515	7 %	42	$ 5.0
18. DRINNON 32-18-17 1H	Upper Osage	9/6/2016	621	7 %	61	$ 6.9
19. SPORTSMAN 3-18-16 1H	Lower Meramec	9/20/2016	1,375	44 %	44	$ 4.4
20. MCCORMICK 3-19-20 1H	Upper Osage	10/2/2016	988	27 %	53	$ 6.0
21. STORY 23-21-20 1H	Upper Osage	10/3/2016	855	44 %	54	$ 5.1
22. LINDA 19-20-19 1H	Upper Osage	11/8/2016	1,202	38 %	50	$ 5.0
23. MCALARY 25-19-20 1H	Lower Osage	11/22/2016	806	26 %	72	$ 7.0
24. RUSSELL 17-19-17 1H	Upper Meramec	11/23/2016	1,125	62 %	41	$ 6.0
25. KROWS 19-19-17 1H	Lower Meramec	12/14/2016	1,399	46 %	41	$ 5.8
26. MAIN 3-19-19 1H	Upper Osage	1/17/2017	382	29 %	71	$ 7.7
27. MERLE 32-19-17 1H	Upper Meramec	1/31/2017	746	54 %	28	$ 4.7
28. CRITES 13-20-20 1H	Upper Osage	2/1/2017	1,261	53 %	45	$ 5.8
29. MARILYN 14-20-20 1H	Upper Osage	2/23/2017			38	$ 4.8
30. FRED 4-19-17 1H	Upper Osage	3/6/2017			52	
31. BRUCE 16-20-20 1H	Middle Meramec	3/13/2017			42	
32. RAPP 1-19-18 1H	Upper Meramec	3/23/2017			42	
33. HEDGES 6-19-17 1H	Upper Osage	(5)			48	
34. EARL 30-19-17 1H	Lower Meramec	(6)			29	
35. SEAL TRUST 29-19-16 1H	Upper Osage	(6)			23	
36. BROWN TRUST 31-20-17 1H	Upper Meramec	(7)				
37. ELAINE 12/13-19-18 1H	Upper Meramec - 2 Mile	(7)				
38. AMANDA 13-19-17 1H	Lower Meramec	(7)				
39. ROY 26-19-18 1H	Lower Meramec	(7)				

(1) The peak initial production data is determined by selecting the maximum 30-day rolling averages for days that had recorded production.

(2) Shown on a combined basis for oil, natural gas and NGLs.

(3) Cost data reflects field estimates for wells 26 through 29. Certain high-cost wells reflect certain additional costs related to data acquisition methods such as drilling pilot holes and taking core samples, and in some cases, significant mechanical issues.

(4) Plugged prior to December 31, 2016 due to a tool being lost in the well.

(5) Well is in flowback.

(6) Wells are waiting on completion.

(7) Wells are being drilled.

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We are focused on optimizing our operational practices in order to enhance recoveries, reduce costs and increase single-well rates of return. Our initial drilling program in the NW Stack focused on delineation, and our well design and completion practices utilized consistent methods with limited variability in order to obtain a better understanding of the reservoir potential across our acreage position. These practices included: (i) well location selection designed to test the geographic expanse of our acreage, (ii) consistent, low intensity completion designs and (iii) single-mile lateral lengths for our operated horizontal wells. Our wellbore targeting to date has also lacked the benefit of 3D seismic data. Now that we have successfully delineated the position and have obtained 3D seismic data over a portion of our acreage, we are adjusting our focus to optimize our operational practices by:

- focusing our wellbore targeting with the assistance of 3D seismic data;
- improving drilling efficiencies;
- utilizing advanced completion techniques;
- increasing lateral lengths from one-mile to two-mile laterals; and
- maximizing efficiencies in field development.

As of March 23, 2017, we operated four rigs in the NW Stack and intend to bring our total operated rig count to six operated rigs by the end of 2017. We expect that, at this development pace, we will be capable of drilling approximately 39 gross wells in 2017. At this assumed development pace and with over 2,700 gross operated identified horizontal drilling locations, we estimate that we have a multi-decade inventory of development locations in the NW Stack.

In addition, industry activity in and around our acreage block continues to intensify. In this regard, on February 21, 2017, we entered into a farmout agreement with Chesapeake Exploration, L.L.C. (“Chesapeake Exploration”), whereby Chesapeake Exploration has committed to drill multiple wells in an area in our NW Stack acreage outside of our existing 3D seismic shoot. The farmout covers an area that would permit Chesapeake Exploration to earn up to approximately 6,000 net leasehold acres under a 90-day continuous drilling obligation. To earn all of the farmout acreage, Chesapeake Exploration would have to drill a total of 15 wells. We will retain an overriding royalty interest of approximately 1.25% on all leases assigned and a 10% carried working interest in each earning well drilled by Chesapeake Exploration. We will also retain the right to drill offset units from each earning well drilled by Chesapeake Exploration in the farmout area.

Legacy Producing Properties

Our legacy producing properties in the Anadarko Basin are in the following areas: the Stiles Ranch Field located in Wheeler County, Texas in the Granite Wash play (“Stiles Ranch”); the Verden Field located in Caddo and Grady Counties, Oklahoma (“Verden”); the Mississippian formation in Barber, Harper and Reno Counties, Kansas (“Kansas”); and the Mocane-Laverne Field in Beaver, Harper and Ellis Counties, Oklahoma (“Mocane-Laverne”). For the three months ended December 31, 2016, the average net production from these legacy producing properties was 18.2 MBoe/d, of which 15% was oil, 57% was natural gas and 28% was NGLs. For the year ended December 31, 2016, the average net production from these legacy producing properties was 21.2 MBoe/d, of which 19% was oil, 53% was natural gas and 28% was NGLs. We believe economic development potential exists in our legacy producing properties, as these properties are located in areas that are being actively developed by industry peers with successful results.

All of our acreage holdings outside of the NW Stack and Kansas are held by production, which offers us optionality to develop the properties opportunistically in the future. In addition, these legacy producing properties provide an important source of cash flows to fund a portion of our development drilling activities in the NW

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Stack and are generally characterized as having long-lived, predictable production profiles. As of December 31, 2016, we owned approximately 9,080 net acres in Stiles Ranch that were all held by production from 223 operated and 10 non-operated gross wells. As of December 31, 2016, our acreage position in Verden consisted of approximately 15,795 net acres that were all held by production from 117 operated and 52 non-operated gross wells. As of December 31, 2016, our acreage position in Kansas consisted of approximately 112,435 net acres, approximately 39,000 of which were held by production from 78 operated gross wells. As of December 31, 2016, our acreage position in Mocane-Laverne consisted of approximately 87,260 net acres that were all held by production from 312 operated and 130 non-operated gross wells.

Proved Reserves

The following tables provide summary information regarding our proved reserves as of December 31, 2016 and our production for the three months ended December 31, 2016. The reserve estimates attributable to our assets as of December 31, 2016 are based on reserve reports prepared by Ryder Scott Company, L.P. ("Ryder Scott"), independent petroleum engineers, in accordance with the SEC' s rule regarding reserve reporting currently in effect.

	SEC (1)							
	Estimated Total Proved Reserves as of December 31, 2016							Net Production for the Three Months Ended December 31, 2016 (MBoe/d)
Project Area	Oil (MMBbls)	NGLs (MMBbls)	Natural Gas (Bcf)	Total (MMBoe)	% Oil	% NGLs	% Natural Gas	
NW Stack	4.5	5.5	107.8	28.0	16%	20%	64%	5.1
Stiles Ranch	4.6	15.2	123.2	40.3	11%	38%	51%	10.3
Verden	0.5	0.1	63.3	11.1	4%	1%	95%	2.1
Kansas	8.1	5.0	72.1	25.2	32%	20%	48%	4.1
Mocane-Laverne	0.4	1.3	19.9	5.0	8%	26%	66%	1.7
Total (2)	18.0	27.1	386.2	109.5	16%	25%	59%	23.3

(1) Our estimated total proved reserves were determined using average first-day-of-the-month prices for the prior twelve months in accordance with SEC guidance. For oil and NGLs volumes, the average WTI posted price of $42.75 per barrel as of December 31, 2016, was adjusted for gravity, quality, local conditions, gathering, transportation fees and distance from market. For natural gas volumes, the average Henry Hub spot price of $2.49 per MMBtu as of December 31, 2016, was similarly adjusted for gravity, quality, local conditions, gathering, transportation fees and distance from market. All prices are held constant throughout the lives of the properties. The average adjusted product prices weighted by production over the remaining lives of the properties were $41.85 per barrel of oil, $14.94 per barrel of NGLs and $2.35 per Mcf of natural gas as of December 31, 2016.

(2) Totals may not sum or recalculate due to rounding.

	NYMEX (1)						
	Estimated Total Proved Reserves as of December 31, 2016						
Project Area	Oil (MMBbls)	NGLs (MMBbls)	Natural Gas (Bcf)	Total (MMBoe)	% Oil	% NGLs	% Natural Gas
NW Stack	4.9	6.0	118.5	30.6	16%	20%	64%
Stiles Ranch	4.9	17.4	141.0	45.8	11%	38%	51%
Verden	0.5	0.1	66.2	11.6	`4%	1%	95%
Kansas	8.8	5.6	79.6	27.6	32%	20%	48%
Mocane-Laverne	0.4	1.8	27.4	6.8	7%	26%	67%
Total (2)	19.5	30.8	432.6	122.5	16%	25%	59%

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(1) Our estimated net proved NYMEX reserves were prepared on the same basis as our SEC reserves, except for the use of hydrocarbon pricing based on closing monthly futures prices as reported on the NYMEX for oil and natural gas on January 1, 2017 rather than using the average of the first-day-of-the-month prices for the prior 12 months in accordance with SEC guidelines. Prices were in each case adjusted for gravity, quality, local conditions, gathering, transportation fees and distance from market.

Our NYMEX reserves were determined using index prices for oil and natural gas, without giving effect to derivative transactions. The average future prices for benchmark commodities used in determining our NYMEX reserves were $56.19/Bbl for 2017, $56.59/Bbl for 2018, $56.10/Bbl for 2019, $56.05/Bbl for 2020, $56.21/Bbl for 2021, $56.51/Bbl for 2022, $57.23/Bbl for 2023, $57.70/Bbl for 2024, $58.03/Bbl for 2025, and $58.10/Bbl for 2026 and thereafter for oil and $3.61/Mcf for 2017, $3.14/Mcf for 2018, $2.87/Mcf for 2019, $2.88/Mcf for 2020, $2.90/Mcf for 2021, $2.93/Mcf for 2022, $3.02/Mcf for 2023, $3.16/Mcf for 2024, $3.31/Mcf for 2025, and $3.68/Mcf for 2026 and thereafter for natural gas.NGLs pricing used in determining our NYMEX reserves were approximately 35% of future oil prices.

We believe that the use of forward prices provides investors with additional useful information about our reserves, as the forward prices are based on a market-based expectation of oil and natural gas prices as of a certain date. NYMEX futures prices are not necessarily a projection of future oil and natural gas prices. Our estimated net proved NYMEX reserves are intended to illustrate reserve sensitivities to market expectations of commodity prices as of a certain date and should not be confused with SEC prices. Investors should be careful to consider forward prices in addition to, and not as a substitute for, SEC prices, when considering our oil, natural gas and NGLs reserves.

(2) Totals may not sum or recalculate due to rounding.

Drilling Inventory

We have received 3D seismic data that we purchased from Devon Energy Corporation ("Devon") covering a 329 square mile area that includes approximately 33,177 net acres in our position in the NW Stack (the "Seiling 3D"). We also have the option and plan to purchase portions of additional 3D seismic data currently being shot by Devon that covers an area of over 700 square miles that includes 80,860 net acres in our position in the NW Stack (the "Moscow Flats 3D"). We expect to begin receiving the preliminary Moscow Flats 3D seismic data in the second half of 2017. We intend to focus our 2017 drilling program on our identified horizontal drilling locations located within the area covered by the Seiling 3D.

Our estimated drilling inventory in the NW Stack is based on drilling ten wells per section across the five identified benches in the Meramec and Osage intervals. The ten wells per section assumes a minimum lateral spacing equivalent to four wells per section in the Upper Meramec, with the remaining wells allocated across the four deeper benches. Additionally, we have adjusted our identified horizontal drilling locations in the NW Stack to account for certain identifiable geologic hazards. Using the Seiling 3D seismic data, we identified and removed locations from our drilling inventory that could potentially be negatively impacted by such geologic hazards. On an unadjusted basis, this equated to approximately 16.5% of the operated identified horizontal drilling locations within the Seiling 3D seismic outline. To account for geologic hazards in our acreage outside of the Seiling 3D seismic outline, the same percentage reduction was applied to our gross identified horizontal drilling locations without current 3D seismic coverage.

In this prospectus, our "identified horizontal drilling locations" in the NW Stack refer to identified horizontal drilling locations that have been adjusted using the above methodology and are presented on a single-mile lateral basis. As of December 31, 2016, we had a drilling inventory consisting of 5,849 gross (2,546 net) identified horizontal drilling locations in the NW Stack. Of such inventory, 558 gross (422 net) operated identified horizontal drilling locations are within the Seiling 3D seismic outline and 1,472 gross (1,050 net) operated identified horizontal drilling locations are captured within the outline of the Moscow Flats 3D seismic shoot that is currently

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underway. The remaining 748 gross (519 net) operated identified horizontal drilling locations are outside of any current or planned 3D seismic shoots.

In the NW Stack, we bifurcate our identified horizontal drilling locations between oil and natural gas condensate windows based on subsea total vertical depth (“TVD”). Locations with a subsea TVD greater than 9,150 feet generally exhibit properties consistent with natural gas condensate wells and are classified as such. Locations with a subsea TVD of less than 9,150 feet are classified as oil locations. As of December 31, 2016, we had 1,493 gross (1,084 net) and 1,285 gross (906 net) operated identified horizontal drilling locations in the oil window and natural gas condensate window, respectively.

To date, our horizontal drilling program has been focused primarily on the Meramec and Osage intervals in the NW Stack. The table below sets forth a summary of our identified horizontal drilling locations in the NW Stack as of December 31, 2016. Additionally, our legacy producing properties contain 488 gross (366 net) horizontal drilling locations, of which we operated 457 gross (364 net) locations and 71 gross (67 net) locations were associated with proved undeveloped reserves as of December 31, 2016.

	NW Stack Horizontal Drilling Locations(1)(2)(3)(4)(5)								
			Gross Locations			Net Locations			
	Net Acres	Average Working Interest	Oil	Gas Condensate	Total	Oil	Gas Condensate	Total	Operated Inventory Life (6)
Operated - Seiling 3D	33,177	76 %	341	217	558	265	157	422	11
Operated - Moscow Flats 3D	80,860	71 %	1,008	464	1,472	714	335	1,050	28
Operated - Outside 3D	39,935	69 %	144	604	748	105	414	519	14
Total Operated	153,972	72 %	1,493	1,285	2,778	1,084	906	1,990	53
Non-Operated	42,733	18 %	1,608	1,463	3,071	283	273	556	
Total NW Stack	196,705	44 %	3,101	2,748	5,849	1,367	1,179	2,546	

(1) We have estimated our drilling locations based on well spacing assumptions and upon the evaluation of our horizontal drilling results and those of other operators in our area, combined with our interpretation of available geologic and engineering data. Please read “−Our Properties” for more information regarding the process and criteria through which these drilling locations were identified.

(2) The drilling locations that we actually drill will depend on the availability of capital, regulatory approvals, commodity prices, costs, actual drilling results and other factors. Any drilling activities we are able to conduct on these identified locations may not be successful and may not result in additional proved reserves. Further, to the extent the drilling locations are associated with leased acreage with expiration terms, we may lose the right to develop the related locations if a well is not commenced before the end of the primary lease term. Please read “Risk Factors−Risks Related to Our Business−Our identified drilling locations are scheduled out over many years, making them susceptible to uncertainties that could materially alter the occurrence or timing of their drilling. In addition, we may not be able to generate sufficient cash from operations or obtain required capital or financing on satisfactory terms that would be necessary to drill such locations”.

(3) Our total identified horizontal drilling locations include 48 gross (26 net) locations associated with proved undeveloped reserves as of December 31, 2016 in the NW Stack.

(4) Includes locations targeting the Upper Meramec, Middle Meramec, Lower Meramec, Upper Osage and Lower Osage benches. Please read “−Our Properties−NW Stack” for a description of these benches.

(5) Totals may not sum or recalculate due to rounding.

(6) We have estimated inventory life years for our operated locations based on total gross locations and our 2017 development plan to drill 39 gross horizontal wells (approximately 26 of which we anticipate to be

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single-mile laterals and 13 of which we anticipate to be two-mile laterals, which equates to 52 single-mile equivalent wells).

Business Strategies

Our primary objective is to maximize stockholder value across business cycles by pursuing the following strategies:

Economically grow production, reserves and cash flow by developing our extensive drilling inventory. The majority of our development opportunities are concentrated in our contiguous, approximately 200,000 net acre position in the NW Stack. As of December 31, 2016, we had assembled over 2,700 gross operated identified horizontal drilling locations across the oil and natural gas condensate windows of the NW Stack, providing us with a multi-decade development inventory at our current pace of activity. Based on our extensive technical evaluation, including 33 Tapstone-operated horizontal wells, over 50 horizontal wells drilled by offset operators, over 900 existing vertical wells drilled on or around our acreage and 2D and 3D seismic data available in the area, as well as other technical information we have accumulated regarding our NW Stack acreage, we believe our acreage position in the NW Stack is substantially delineated across the Meramec and Osage intervals. Given the initial success of our drilling program, the established consistency of our geologic model, the extensive catalog of technical information and the industry activity around our acreage, we believe our acreage position in the NW Stack provides us with a significant inventory of development locations expected to offer attractive single-well rates of return.

Focus on advanced operational, drilling and completion techniques that are expected to result in improved capital efficiencies and increased well returns. As we accelerate the development of our NW Stack acreage position, our management and technical teams will focus on utilizing advanced operational, drilling and completion techniques, in conjunction with 3D seismic data, to maximize hydrocarbon recovery per well. While maximizing per-well recovery, we expect to minimize our capital and operating cost per Boe, with the ultimate objective of maximizing returns of our large drilling inventory. In order to achieve these objectives, we intend to:

- maximize well production and hydrocarbon recovery through advanced drilling, completion and production methods such as optimizing wellbore targeting, lateral lengths and completion design; and

- minimize the capital cost per Boe of drilling and completing horizontal wells through knowledge of the target formations, optimization of drilling techniques to reduce cycle times and engagement in best cost management practices.

Our highly experienced management and technical teams have a substantial track record of developing unconventional plays similar to the NW Stack and will be instrumental in realizing our targeted operational efficiencies.

Take advantage of our balanced acreage position, spanning the oil and natural gas condensate windows of the NW Stack, providing us optionality around our drilling plan, capital program and commodity mix. Our contiguous acreage position spans a highly productive area across the over-pressured oil and natural gas condensate windows of the NW Stack. We believe our balanced mix of oil and natural gas condensate locations provides us with the flexibility to adjust our drilling program and capital expenditure plans in response to the commodity price environment. The natural gas condensate we produce has a high Btu content that typically ranges from 1,100 to 1,300 Btu per standard cubic foot, further enhancing economics of our production as compared to dry natural gas.

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We believe this diversity of commodity exposure and our ability to modify the development plan and the associated capital expenditures help mitigate commodity price exposure.

Maintain a high degree of operational control over our contiguous acreage position. We were among the first operators to identify the resource potential of the NW Stack and have pursued a focused leasing program there beginning in September 2014. The success of our leasing program and our early entry into the play have uniquely positioned us to hold a high average working interest in wells that we operate. As of December 31, 2016, we operated 78% of our net acreage in the NW Stack and had an average working interest of 72% across the 336 sections we operated. We believe that by retaining operational control over our acreage position we will be able to efficiently manage the timing and amount of our capital expenditures and operating costs, thus optimizing our drilling strategies and completion methods. Additionally, our operational control will allow us to drill longer laterals, which we believe will generate higher EURs and greater rates of return per well.

Maintain a disciplined financial strategy while pursuing growth in the NW Stack. We intend to maintain a disciplined financial profile that will provide us flexibility across various commodity and capital market cycles. Furthermore, we intend to fund the development of our NW Stack acreage position with cash flow from our legacy producing properties, availability under our credit facility and capital markets offerings when appropriate, while prudently managing our capital structure, leverage and liquidity. We expect to maintain an active commodity hedging program with the intent of reducing our exposure to commodity price volatility thereby enabling us to protect our cash flows and returns and maintain liquidity to fund our capital program and investment opportunities.

Our Competitive Strengths

We believe the following strengths will allow us to successfully execute on our business strategies:

Extensive, contiguous and operated acreage position concentrated in the NW Stack that is expected to generate attractive single-well rates of return. As of December 31, 2016, we operated 78% of our approximately 200,000 net acres in the NW Stack, which we believe to be emerging as one of North America' s most prolific, oil and natural gas condensate plays. As evidenced by initial production rates and estimated EURs per well on our 33 Tapstone-operated horizontal wells, we believe the returns from our wells in the NW Stack are competitive with returns generated among other leading plays across the lower 48 states. We operate the majority of our position within the NW Stack, which provides us with control and flexibility to adjust the pace of our development program, as well as the length of our laterals and our drilling and completion techniques, in order to optimize our capital investments.

Our acreage position in the NW Stack has been substantially delineated across multiple productive benches in which we have identified a multi-decade balanced inventory of drilling locations. We have substantially delineated our NW Stack acreage through extensive technical evaluation, including Tapstone-operated horizontal wells, over 50 horizontal wells drilled by offset operators, over 900 existing vertical wells drilled on or around our acreage and 2D and 3D seismic data available in the area. As of December 31, 2016, we had identified over 2,700 gross operated horizontal drilling locations in the NW Stack, providing us with a multi-decade drilling inventory. Our drilling activity has been and will continue to be focused on the oil and natural gas condensate windows of the NW Stack, which is expected to produce attractive single-well economics. Additionally, as we accelerate the development of our acreage position, we are optimizing our development plan in order to maximize the value of our resource potential. As of March 23, 2017, we operated four rigs deployed across our acreage position and intend to increase our rig count to a total of six operated rigs by the end of 2017.

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Significant operational control in the NW Stack with attractive development opportunities. As of December 31, 2016, we operated 78% of our net acreage in the NW Stack and had an average working interest of 72% in the 336 sections that we operated. We intend to maintain operational control over a majority of our drilling inventory, which we believe will enable us to increase our production and reserves while lowering our development costs. Our control over operations also allows us to utilize cost-effective operating practices, including the selection of drilling locations, timing of development and associated capital expenditures and continuous improvement of drilling, completion and stimulation techniques. In addition, operational control allows us to adjust our development plan to target the most economic locations depending on the then existing commodity price environment. Further, we believe our ability to control costs will allow us to continue to enhance our margins, driven by competitive realized pricing and low-cost development.

Existing legacy producing properties generate predictable production and cash flow to fund our NW Stack drilling program. In addition to our position in the NW Stack, we also own interests throughout the Anadarko Basin in Stiles Ranch, Verden, Kansas and Mocane-Laverne, which we refer to as our legacy producing properties. Substantially all of our acreage outside of the NW Stack and Kansas is held by production, allowing us optionality on the pace of development. These assets are generally characterized by long-lived reserves, with predictable production profiles. Our net production from these assets has generated valuable cash flow that we have reinvested in our business and plan to continue to reinvest in our business, primarily in the development of the NW Stack, thus reducing our reliance on externally sourced capital. Based on the continued development of these areas by offset operators, we believe we have additional development opportunities in our legacy producing properties with the potential to provide attractive rates of return.

Acreage position that is not burdened by onerous takeaway commitments in a geographic location that maximizes realized commodity pricing. Our acreage position offers us optionality and access to numerous end markets for oil, natural gas and NGLs and provides us with a regional price advantage. Our acreage is strategically located near well-developed infrastructure with access to almost every major consuming market, including markets in the Upper Midwest through the Chicago City Gate and markets to the east of the Mississippi River through the Perryville Hub in Perryville, Louisiana. Both hubs offer optionality in selling natural gas at low basis differentials and provide us with a competitive advantage when compared to other plays actively being developed in the lower 48 states. Proximity and direct access to the Gulf Coast also allows us to benefit from future LNG exports, petrochemical industry development and potential exports of natural gas to Mexico, as well as any future regional and local demand growth. Dedication of a substantial portion of our natural gas production in the NW Stack to Enable at competitive pricing levels and no minimum volume commitment allows us to control our pace of development in the NW Stack and eliminate risks associated with the transportation and marketing of our gas production in the NW Stack. Our commitment to Plains Marketing requires us to deliver 4,000 Bbl/d pursuant to a five-year agreement that commenced in April 2015. In March 2017, we delivered over 4,000 Bbl/d.

High caliber management and technical teams with deep operating experience and a proven track record. Our management and technical teams have extensive experience and a history of working together on cost-efficient, large scale drilling programs in the Anadarko Basin. Our management and technical teams have collectively participated in the drilling of over 10,000 horizontal wells across multiple unconventional plays in the lower 48 states, were responsible for operating as many as 177 rigs at a given time, and have a successful track record of reserve and production growth. In particular, these teams have been instrumental in driving early stage identification, exploration and, then, accelerated development of unconventional plays similar to the NW Stack by (i) optimizing wellbore targeting based on 3D seismic data, (ii) drilling extended length laterals, (iii) reducing cycle times, (iv) utilizing advanced completion techniques and

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(v) maximizing efficiencies in field development. Members of our management team have previously held positions with major independent oil and natural gas companies, including Continental Resources, Inc., Chesapeake Energy Corporation and SandRidge Energy, Inc.

Financial strength and flexibility. We have a strong financial position and a prudent financial management strategy, which will allow us to actively allocate capital in order to grow production, reserves and cash flow. After giving effect to this offering and the use of the proceeds, including repayment of our credit facility, we will have approximately $ million of liquidity, with $ million of cash and cash equivalents and $ million of available borrowing capacity under our credit facility. We believe this borrowing capacity, along with our cash flow from operations and existing cash on the balance sheet, will provide us with sufficient liquidity to execute on our capital program. Subject to changes in commodity prices, we would expect the available borrowing capacity to increase as we convert proved undeveloped reserves to proved producing reserves, which may provide us additional flexibility in the future.

Recent Developments

Amendment to Credit Facility

On March 31, 2017, we entered into an amendment to our credit facility, which maintains the $385 million borrowing base under the credit facility, and provides that the lenders will redetermine the borrowing base if we have not applied at least $250 million in net proceeds from this offering to prepay loans outstanding under the credit facility on or prior to May 15, 2017. If such redetermination of the borrowing base occurs, we would not expect such redetermination to be effective sooner than July 2017. See “Management’ s Discussion and Analysis of Financial Condition and Results of Operations−Our Credit Facility”.

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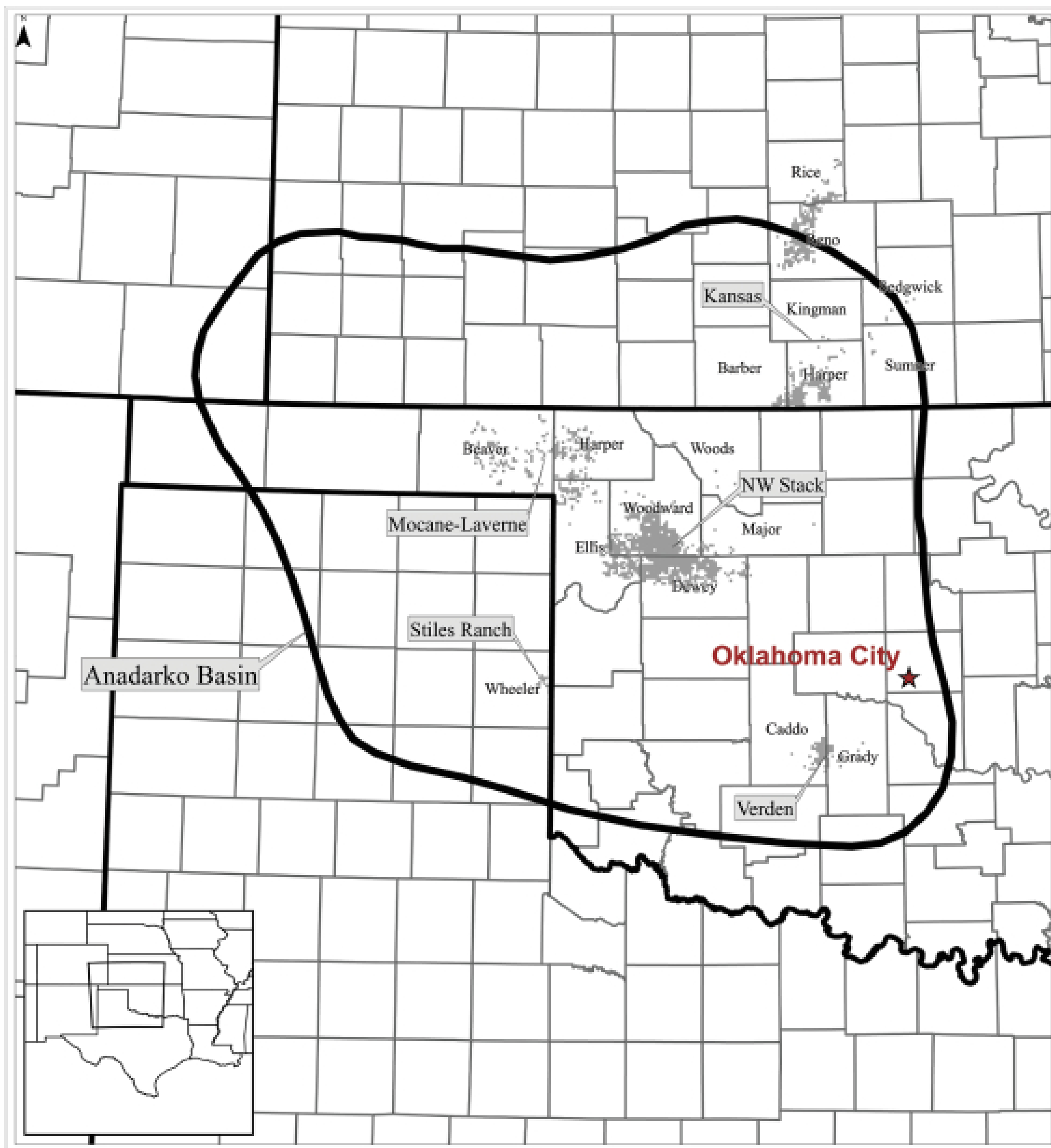
Our Properties

Anadarko Basin. The Anadarko Basin, which covers approximately 56,000 square miles across portions of Texas, Colorado, Kansas and Oklahoma, is one of the most prolific and largest onshore producing oil and natural gas basins in the United States, featuring multiple producing horizons and extensive well control demonstrated over seven decades of development. The formations we target are generally characterized by oil and natural gas condensate content, extensive production histories, long-lived reserves, high drilling success rates and attractive production rates. We focus on formations in our operating areas that we believe offer significant development and acquisition opportunities and to which we can apply our technical experience and operational expertise to increase proved reserves and production to deliver compelling economic rates of return.

The map below depicts the location of our properties as of December 31, 2016, which include working interests in approximately 567,444 gross (421,275 net) acres, all of which are located in the Anadarko Basin in Oklahoma, Texas and Kansas.



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The following table summarizes our acreage by project area as of December 31, 2016.

	Gross	Net
Project Area:		
NW Stack	296,730	196,705
Stiles Ranch	10,564	9,080
Verden	39,680	15,795
Kansas	115,951	112,435
Mocane-Laverne	104,518	87,260
Total	567,443	421,274

We refer to gross and net acreage where we are designated as operator or expect to be designated as operator based on the size of our working interest relative to other working interest owners as “our operated acreage” or acreage we “operate” in this prospectus. We have an average working interest of approximately 84% in all of our operated acreage, which includes approximately 70% of our total net acreage. This operational control gives us flexibility in development strategy and pace. As of March 23, 2017, we operated four rigs deployed across our acreage position and intend to increase our operated rig count to a total of six operated rigs by the end of 2017. During the years ended December 31, 2016 and 2015, we operated an average of 3.5 and 3 rigs across all of our properties, respectively, and placed 25 and 40 horizontal wells on production, respectively. Our development drilling plan is comprised exclusively of horizontal drilling with an ongoing focus on reducing drilling times, optimizing completions and lowering drilling costs.

While economic development potential exists in Kansas, Stiles Ranch and Verden, the focus of our drilling program is on deploying our capital in the NW Stack. To date, our NW Stack drilling program has focused on delineating our acreage both geologically and geographically. We intend to adjust our focus to the development of our acreage in the NW Stack by (i) transitioning away from our delineation phase, (ii) optimized wellbore targeting based on 3D seismic data, (iii) utilizing advanced completion techniques, (iv) increasing lateral lengths and (v) maximizing efficiencies in field development.

The effective execution of completion design, target identification and refined geosteering are the predominant factors that dictate relative well performance in an area or zone. In developing our acreage in the NW Stack, we intend to pursue a strategy that includes methodical adjustments of completion parameters, experimentation of different designs on wells with similar rock characteristics and constant monitoring and re-evaluation of results that ultimately tailor completions to the conditions specific to an area or zone. We expect that our focus on improving our completion techniques will serve to further increase stockholder value.

As of December 31, 2016, our total estimated proved reserves net to our interest in our properties were approximately 109,546 MBoe, of which 59.9% were classified as proved developed (of which 98.9% are proved developed producing and 1.1% proved developed non-producing). Our proved reserves are generally characterized as long-lived, with predictable production profiles and are estimated to contain 16.5% oil, 58.8% natural gas and 24.8% NGLs. As of December 31, 2016, the standardized measure and PV-10 of our total estimated proved reserves, in accordance with the SEC’ s rule regarding reserve reporting currently in effect was $320.7 million and $322.7 million, respectively. Please read “Selected Historical Consolidated Financial Data−Non-GAAP Financial Measures−PV-10”.

For the year ended December 31, 2016, our average net daily production was 26,850 Boe/d (approximately 19% oil, 55% natural gas and 26% NGLs). As of December 31, 2016, we produced from 290 gross horizontal wells, 254 of which we operated (75 of which we drilled and completed) and 676 gross vertical wells, 500 of which we operated.

During the year ended December 31, 2016, 35 gross (22.8 net) wells were placed on production on our acreage. All of these wells were horizontal wells.

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As of December 31, 2016, we had identified 6,337 gross (2,912 net) horizontal drilling locations on our acreage. As of December 31, 2016, 119 gross (93 net) horizontal drilling locations were associated with proved undeveloped reserves across all of our acreage. We continue to improve our well economics as we begin to drill longer laterals. In this prospectus, we define identified gross drilling locations as locations specifically identified by management as an estimation of our multi-year drilling activities on existing acreage, based on an evaluation of applicable geologic and engineering data. We have estimated our identified horizontal drilling locations based on well spacing assumptions and upon the evaluation of our horizontal drilling results as well as those of other operators in our area, along with our interpretation of available geologic and engineering data. In particular, we have analyzed and interpreted open-hole logs, whole and sidewall core data, production data and drill cuttings that were acquired through our horizontal drilling program. The horizontal drilling locations for which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, oil and natural gas prices, operating costs, actual drilling results and other factors.

NW Stack. Our approximately 200,000 net acres in the NW Stack consist of large, contiguous blocks in the adjacent Oklahoma counties of Dewey, Woodward, Ellis and Major that we acquired through our organic leasing program. The NW Stack is trending along the basin ramp from the Anadarko Shelf to the Anadarko Deep Basin and is characterized by brittle lithology that is susceptible to fracturing. We believe the geological characteristics and structural nature of the NW Stack have resulted in attractive well results across our acreage position in the NW Stack. The NW Stack reservoir depths range from approximately 9,000 to 13,000 feet and are characterized by higher than normal reservoir pressures, which result in high production deliverability and attractive single-well rates of return.

Additionally, the NW Stack is characterized as having multiple stacked pay carbonate reservoir targets, and we are focused on developing the Upper, Middle and Lower benches in the Meramec interval and the Upper and Lower benches in the Osage interval, with a gross thickness of 1,000 to 1,500 feet across each of these five stacked benches. We believe this layered nature presents significant development potential with sizable drilling inventory. Within the NW Stack, the Meramec interval has a thickness range of 700 to 1,000 feet and is characterized by a lithology that is conducive for reduced drilling times when compared to deeper targets in the Mississippian formation. The top of the Meramec interval ranges from approximately 9,000 feet to 11,500 feet. The Osage interval has a thickness that ranges from 300 to 500 feet and the carbonate section is more brittle in nature, providing increased porosity and permeability. The top of the Osage interval ranges from approximately 10,000 feet to 13,000 feet.

As of December 31, 2016, we had 39 gross (21.4 net) horizontal producing wells in the NW Stack with an average working interest of 54.8%, of which we operated 24 gross (21.0 net) wells with an average working interest of 87.7%. Our NW Stack properties contained 28.0 MMBoe of estimated net proved reserves as of December 31, 2016, approximately 16% of which were oil, 64% of which were natural gas and 20% of which were NGLs, and generated an average daily net production of 5,634 Boe/d for the year ended December 31, 2016. We have successfully tested each of the five benches that we have identified over 40 miles east to west and 20 miles north to south across our acreage position in the NW Stack. As of December 31, 2016, our NW Stack properties accounted for approximately 19.8% of the standardized measure of our total estimated proved reserves. A large portion of our leases in the NW Stack have three-year primary terms with optional two year extensions or contractual rights to renew, giving us ample optionality into 2020. As of December 31, 2016, approximately 21,000 net acres in our NW Stack acreage position were held by production. As of December 31, 2016, we had identified 5,849 gross (2,546 net) horizontal drilling locations in the NW Stack. Of these locations, 5% are attributable to acreage that is currently held by production. As of December 31, 2016, 48 gross (26 net) horizontal drilling locations were associated with proved undeveloped reserves in the NW Stack. We plan to drill 39 gross (31.2 net) horizontal wells in the NW Stack in 2017, at an estimated cost to us of approximately $205 million.

Stiles Ranch. The Stiles Ranch field, located in Wheeler County, Texas, is an established field in the Granite Wash. The Granite Wash is a tight sand play located in the Texas panhandle and western Oklahoma. The

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Granite Wash is characterized by multiple target horizons, extensive production histories, long-lived reserves, high drilling success rates and high initial production rates.

As of December 31, 2016, we controlled approximately 9,080 net acres in Stiles Ranch that are all held by production and had 233 gross (192.2 net) producing wells with an average working interest of 82.5%, of which we operated 223 gross (191.5 net) wells with an average working interest of 85.9%. Our Stiles Ranch properties contained 40.3 MMBoe of estimated net proved reserves as of December 31, 2016, approximately 11% of which were oil, 51% of which were natural gas and 38% of which were NGLs, and generated an average daily net production of 11,776 and 15,878 Boe/d for the years ended December 31, 2016 and 2015, respectively. As of December 31, 2016, our Stiles Ranch properties accounted for approximately 32.2% of the standardized measure of our total estimated proved reserves. As of December 31, 2016, we had identified 113 gross (100 net) horizontal drilling locations in Stiles Ranch. All of these locations are attributable to acreage that is currently held by production. As of December 31, 2016, 17 gross (15 net) horizontal drilling locations were associated with proved undeveloped reserves in Stiles Ranch.

Verden. Our Verden acreage is located in Caddo and Grady Counties in western Oklahoma and has produced gas from multiple intervals of the Springer formation. Currently, there is ongoing delineation activity by our peers in Verden with highly encouraging results from a series of shallow intervals in the Hoxbar formation oil reservoirs, at a depth of approximately 11,000 feet.

As of December 31, 2016, we controlled approximately 15,795 net acres in the Verden that are all held by production and had 169 gross (78.6 net) producing wells with an average working interest of 46.5%, of which we operated 117 gross (71.1 net) wells with an average working interest of 60.7%. Our Verden properties contained 11.1 MMBoe of estimated net proved reserves as of December 31, 2016, approximately 4% of which were oil, 95% of which were natural gas and 1% of which were NGLs, and generated an average daily net production of 2,179 Boe/d and 2,308 Boe/d for the years ended December 31, 2016 and 2015, respectively. As of December 31, 2016, our Verden properties accounted for approximately 13.0% of the standardized measure of our total estimated proved reserves. As of December 31, 2016, we had identified 144 gross (54 net) horizontal drilling locations in Verden. All of these locations are attributable to acreage that is currently held by production. As of December 31, 2016, 2 gross (0 net) horizontal drilling locations were associated with proved undeveloped reserves in Verden.

Kansas. Our Kansas acreage is located in Barber, Harper and Reno Counties in south-central Kansas, where the Mississippian formation is the main target for exploration and development within the Anadarko Basin. Our Kansas acreage is situated on the Anadarko Shelf, which is located in northern Oklahoma and southern Kansas and is an expansive hydrocarbon system consisting of carbonate rocks (limestone, dolomite and chert) that have primary and secondary porosity and permeability. The top of this formation is encountered between approximately 4,000 and 5,000 feet and lies stratigraphically above the Devonian-aged Woodford Shale and below the Pennsylvanian-aged shales. The Mississippian formation can reach up to 500 feet in gross thickness and has a targeted interval of up to 150 feet in thickness.

As of December 31, 2016, we controlled approximately 112,435 net acres in Kansas, approximately 39,000 of which were held by production, and had 78 gross (78 net) producing wells with 100% working interests, all of which we operated. Our Kansas properties contained 25.2 MMBoe of estimated net proved reserves as of December 31, 2016, approximately 32% of which were oil, 48% of which were natural gas and 20% of which were NGLs, and generated an average daily net production of 5,408 Boe/d and 5,097 Boe/d for the years ended December 31, 2016 and 2015, respectively. As of December 31, 2016, our Kansas properties accounted for approximately 31.6% of the standardized measure of our total estimated proved reserves. As of December 31, 2016, we had identified 231 gross (212 net) horizontal drilling locations in Kansas. Approximately 46% of these locations are attributable to acreage that is currently held by production. As of December 31, 2016, 52 gross (51 net) horizontal drilling locations were associated with proved undeveloped reserves in Kansas.

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Mocane-Laverne. As of December 31, 2016, we controlled approximately 87,260 net acres in the Mocane-Laverne that are all held by production and had 442 gross (290.0 net) producing wells with an average working interest of 65.6%, of which we operated 312 gross (261.2 net) wells with an average working interest of 83.7%. Our Mocane-Laverne properties contained 5.0 MMBoe of estimated net proved reserves as of December 31, 2016, approximately 8% of which were oil, 66% of which were natural gas and 26% of which were NGLs, and generated an average daily net production of 1,842 Boe/d and 1,872 Boe/d for the years ended December 31, 2016 and 2015, respectively. As of December 31, 2016, our Mocane-Laverne properties accounted for approximately 3.4% of the standardized measure of our total estimated proved reserves.

Oil and Natural Gas Data

Proved Reserves

Evaluation of Proved Reserves. Our proved reserve estimates as of December 31, 2016 were prepared by Ryder Scott, our independent petroleum engineers. Within Ryder Scott, the technical persons primarily responsible for preparing the estimates set forth in the Ryder Scott proved reserve reports incorporated herein are Daniel R. Olds, Eric T. Nelson and Stuart L. Filler. Mr. Olds, an employee of Ryder Scott since 2001, is a Managing Senior Vice President and also serves as an Engineering Group Coordinator responsible for coordinating and supervising Ryder Scott' s staff and consulting engineers in ongoing reservoir evaluation studies worldwide. He is also a member of Ryder Scott' s board of directors. Before joining Ryder Scott, Mr. Olds served in a number of engineering and evaluation positions with PricewaterhouseCoopers, Wintershall Oil and Gas Company and Cities Service Oil Company. Mr. Olds earned a Bachelor of Science degree in Petroleum Engineering from West Virginia University in 1981, a Master of Business Administration from the University of Houston in 1991 and is a licensed Professional Engineer in the State of Texas. He is also a member of the Society of Petroleum Evaluation Engineers and the Society of Petroleum Engineers and has been licensed by the Texas Board of Professional Engineers (the "TBPE").

Based on Mr. Olds' educational background, professional training and more than 35 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Olds has attained the professional qualifications as a Reserves Estimator and Reserves Auditor set forth in Article III of the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information (the "Standards") promulgated by the Society of Petroleum Engineers on February 19, 2007.

Mr. Nelson, an employee of Ryder Scott since 2005, is a Managing Senior Vice President responsible for ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Nelson served in a number of engineering positions with Exxon Mobil Corporation. Mr. Nelson earned a Bachelor of Science degree in Chemical Engineering from the University of Tulsa in 2002 (summa cum laude) and a Master of Business Administration from the University of Texas in 2007 (Dean' s Award). He is a licensed Professional Engineer in the State of Texas, a member of the Society of Petroleum Engineers and has been licensed by the TBPE.

Based on Mr. Nelson' s educational background, professional training and more than eleven years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Nelson has attained the professional qualifications as a Reserves Estimator set forth in Article III of the Standards promulgated by the Society of Petroleum Engineers.

Mr. Filler, an employee of Ryder Scott since 2014, is a Vice President and also serves as Project Coordinator, responsible for coordinating and supervising staff and consulting engineers in ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Filler served in a number of engineering positions with Golden Engineering, Core Laboratories, CSX Oil and Gas, Energy Development Corporation, Devon Energy Corporation, Southwestern Energy Company and HighMount Exploration and Production. Mr. Filler earned a Bachelor of Science degree in Petroleum Engineering from the Texas A&M University in 1974, a Master of Science degree from the University of Houston – University Park in 1986 and completed course work

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and qualifying examinations at the University of Texas. He is a licensed Professional Engineer in the State of Texas, a member and past president of the Society of Petroleum Evaluation Engineers, an associate member of the American Association of Petroleum Geologists, a member of the Society of Petroleum Engineers and has been licensed by the TBPE.

Based on Mr. Filler' s educational background, professional training and more than 39 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Filler has attained the professional qualifications as a Reserves Estimator set forth in Article III of the Standards promulgated by the Society of Petroleum Engineers.

Ryder Scott does not own an interest in any of our properties, nor is it employed by us on a contingent basis. Copies of Ryder Scott' s proved reserve reports as of December 31, 2016 and beginning January 1, 2017 are included as exhibits to the registration statement of which this prospectus forms a part.

Our proved reserve estimates as of December 31, 2015 were prepared by Lee Keeling and Associates, Inc. ("Lee Keeling"), our independent petroleum engineers. Within Lee Keeling, the technical person primarily responsible for preparing the estimates set forth in the Lee Keeling summary reserve reports incorporated herein is John R. Wheeler. Mr. Wheeler has been with Lee Keeling since 2001 and became the firm' s Vice President in 2011. Mr. Wheeler graduated from the University of Oklahoma with a Bachelor of Science Degree in Geology in 1984 and from the University of Tulsa with a Master of Science Degree in Geology in 1989 and has over 25 years of oil and natural gas experience. Mr. Wheeler meets or exceeds the education, training and experience requirements outlined in the Standards promulgated by the Society of Petroleum Engineers and is proficient in applying industry standard practices to engineering evaluations as well as applying SEC and other industry reserves definitions and guidelines. Lee Keeling does not own an interest in any of our properties, nor is it employed by us on a contingent basis. A copy of Lee Keeling' s proved reserve report as of December 31, 2015 is included as an exhibit to the registration statement of which this prospectus forms a part.

We maintain an internal staff of petroleum engineers and geoscience professionals who work closely with our independent petroleum engineers to ensure the integrity, accuracy and timeliness of the data used to calculate our proved reserves. Our internal technical team members meet periodically with our independent petroleum engineers during the period covered by the proved reserve report to discuss the assumptions and methods used in the proved reserve estimation process. We provide historical information to our independent petroleum engineers for our properties, such as ownership interests, oil and natural gas production, well test data, commodity prices and operating and development costs. Roger A. Harrod, our Senior Reservoir Engineer, is primarily responsible for overseeing the preparation of all of our reserve estimates. Mr. Harrod is a reservoir engineer with over 20 years of reservoir and operations experience.

The preparation of our proved reserve estimates were completed in accordance with our internal control procedures. These procedures, which are intended to ensure reliability of reserve estimations, include the following:

- review and verification of historical production data, which data is based on actual production as reported by us;
- verification of property ownership by our land department;
- review and verification of lease operating statements;
- review of reserve estimates by Mr. Harrod or under his direct supervision; and
- review by our Chief Executive Officer of all of our reported proved reserves, including the review of all significant reserve changes and all new PUDs additions.

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Estimation of Proved Reserves. Under SEC rules, proved reserves are those quantities of oil and natural gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible. If deterministic methods are used, the SEC has defined reasonable certainty for proved reserves as a "high degree of confidence that the quantities will be recovered". All of our proved reserves as of December 31, 2016 and 2015 were estimated using a deterministic method. The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and natural gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the SEC' s regulations. The process of estimating the quantities of recoverable oil and natural gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (i) performance-based methods, (ii) volumetric-based methods and (iii) analogy. These methods may be used individually or in combination by the reserve evaluator in the process of estimating the quantities of reserves. Proved reserves for our properties were estimated by performance methods for the majority of our properties. Certain new producing properties with inadequate historical production data were forecast using analogy or a combination of methods. Non-producing reserve estimates, for developed and undeveloped properties, were forecast using analogy methods.

To estimate economically recoverable proved oil and natural gas reserves and related future net cash flows, our independent petroleum engineers each considered many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data that cannot be measured directly, economic criteria based on current costs and the SEC pricing requirements and forecasts of future production rates.

Under SEC rules, reasonable certainty can be established using techniques that have been proven effective by actual production from projects in the same reservoir or an analogous reservoir or by other evidence using reliable technology that establishes reasonable certainty. Reliable technology is a grouping of one or more technologies (including computational methods) that have been field tested and have been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation. To establish reasonable certainty with respect to our estimated proved reserves, the technologies and economic data used in the estimation of our proved reserves have been demonstrated to yield results with consistency and repeatability, and include production and well test data, downhole completion information, geologic data, electrical logs, radioactivity logs, core analyses, available seismic data and historical well cost and operating expense data.

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Summary of Reserves. The following table presents our estimated net proved reserves as of December 31, 2016 and 2015, based on the proved reserve reports as of such dates prepared by our independent petroleum engineers. A copy of each proved reserve report as of December 31, 2016 prepared by Ryder Scott and the reserve report as of December 31, 2015 prepared by Lee Keeling, respectively, with respect to our properties are included as exhibits to the registration statement of which this prospectus forms a part. All of our proved reserves are located in the United States.

	NYMEX	SEC	
	As of December 31,		
	2016 (1)	2016 (2)	2015 (3)
Proved Developed Reserves:			
Oil (MBbls)	8,580	7,734	11,024
Natural gas (MMcf)	279,402	243,766	286,632
NGLs (MBbls)	20,244	17,266	21,146
Total (MBoe) (4)	75,391	65,628	79,942
Proved Undeveloped Reserves:			
Oil (MBbls)	10,930	10,315	12,535
Natural gas (MMcf)	153,202	142,444	114,221
NGLs (MBbls)	10,598	9,863	9,058
Total (MBoe) (4)	47,062	43,919	40,629
Total Proved Reserves:			
Oil (MBbls)	19,510	18,049	23,559
Natural gas (MMcf)	432,604	386,210	400,853
NGLs (MBbls)	30,842	27,129	30,203
Total (MBoe) (4)	122,453	109,546	120,571
Oil and Natural Gas Prices:			
Oil – WTI posted price per Bbl	NA	$42.75	$50.28
Natural gas – Henry Hub spot price per MMBtu	NA	$2.49	$2.59
Standardized Measure (in thousands) (5)	–	$320,720	$472,686
Pro Forma Standardized Measure (in thousands) (6)	–	$254,699	$358,064
PV-10 (in thousands) (7)	$670,334	$322,682	$475,416
Proved Developed % of Total Proved PV-10	67 %	79 %	83 %
Proved Undeveloped % of Total Proved PV-10	33 %	21 %	17 %

(1) Our estimated net proved NYMEX reserves were prepared on the same basis as our SEC reserves, except for the use of hydrocarbon pricing based on closing monthly futures prices as reported on the NYMEX for oil and natural gas on January 1, 2017 rather than using the average of the first-day-of-the-month prices for the prior 12 months in accordance with SEC guidelines. Prices were in each case adjusted for gravity, quality, local conditions, gathering, transportation fees and distance from market.

Our NYMEX reserves were determined using index prices for oil and natural gas, without giving effect to derivative transactions. The average future prices for benchmark commodities used in determining our NYMEX reserves were $56.19/Bbl for 2017, $56.59/Bbl for 2018, $56.10/Bbl for 2019, $56.05/Bbl for 2020, $56.21/Bbl for 2021, $56.51/Bbl for 2022, $57.23/Bbl for 2023, $57.70/Bbl for 2024, $58.03/Bbl for 2025, and $58.10/Bbl for 2026 and thereafter for oil and $3.61/Mcf for 2017, $3.14/Mcf for 2018, $2.87/Mcf for 2019, $2.88/Mcf for 2020, $2.90/Mcf for 2021, $2.93/Mcf for 2022, $3.02/Mcf for 2023, $3.16/Mcf for 2024, $3.31/Mcf for 2025, and $3.68/Mcf for 2026 and thereafter for natural gas. NGLs pricing used in determining our NYMEX reserves were approximately 35% of future oil prices.

We believe that the use of forward prices provides investors with additional useful information about our reserves, as the forward prices are based on a market-based expectation of oil and natural gas prices as of a certain date. NYMEX futures prices are not necessarily a projection of future oil and natural gas prices. Our estimated net proved NYMEX reserves are intended to illustrate reserve sensitivities to market expectations

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of commodity prices as of a certain date and should not be confused with SEC prices. Investors should be careful to consider forward prices in addition to, and not as a substitute for, SEC prices, when considering our oil, natural gas and NGLs reserves.

(2) Our estimated net proved reserves as of December 31, 2016 were determined using average first-day-of-the-month prices for the prior twelve months in accordance with SEC guidance. For oil and NGLs volumes, the average WTI posted price of $42.75 per barrel as of December 31, 2016, was adjusted for gravity, quality, local conditions, gathering, transportation fees and distance from market. For natural gas volumes, the average Henry Hub spot price of $2.49 per MMBtu as of December 31, 2016, was similarly adjusted for gravity, quality, local conditions, gathering, transportation fees and distance from market. All prices are held constant throughout the lives of the properties. The average adjusted product prices weighted by production over the remaining lives of the properties are $41.85 per barrel of oil, $14.94 per barrel of NGLs and $2.35 per Mcf of natural gas as of December 31, 2016.

(3) Our estimated net proved reserves as of December 31, 2015 were determined using average first-day-of-the-month prices for the prior twelve months in accordance with SEC guidance. For oil and NGLs volumes, the average WTI posted price of $50.28 per barrel as of December 31, 2015, was adjusted for gravity, quality, local conditions, gathering, transportation fees and distance from market. For natural gas volumes, the average Henry Hub spot price of $2.587 per MMBtu as of December 31, 2015, was similarly adjusted for gravity, quality, local conditions, gathering, transportation fees and distance from market. All prices are held constant throughout the lives of the properties. The average adjusted product prices weighted by production over the remaining lives of the properties are $48.33 per barrel of oil, $16.59 per barrel of NGLs and $2.54 per Mcf of natural gas as of December 31, 2015.

(4) Totals may not sum or recalculate due to rounding.

(5) As of December 31, 2016 and 2015, we were a limited liability company and as a result, we were not subject to entity-level U.S. federal, state and local income taxes, other than the franchise tax in the State of Texas. Following our corporate reorganization, we will be subject to U.S. federal, state and local income taxes. Accordingly, estimates included herein of future net cash flows may be materially different from the future net cash flows that are ultimately received. Future calculations of standardized measure will include the effects of income taxes on future net cash flow. Please read "Risk Factors−The standardized measure of our estimated reserves is not an accurate estimate of the current fair value of our estimated reserves".

(6) Following our corporate reorganization, we will be subject to U.S. federal, state and local income taxes and our future income taxes will be dependent on our future taxable income. As of December 31, 2016, we estimate that our pro forma standardized measure would have been approximately $255 million, as adjusted to give effect to the present value of approximately $66 million of future income taxes as a result of our being treated as a corporation for federal income tax purposes. We have assumed pro forma tax expense using a 38% blended corporate level federal and state tax rate. As of December 31, 2015, we estimate that our pro forma standardized measure would have been approximately $358 million, as adjusted to give effect to the present value of approximately $115 million of future income taxes as a result of our being treated as a corporation for federal income tax purposes.

(7) PV-10 is not a financial measure calculated or presented in accordance with GAAP and generally differs from standardized measure, the most directly comparable GAAP financial measure, because it does not include the effects of income taxes on future net revenues. Because Tapstone Energy, LLC has not been subject to entity level U.S. federal, state and local income taxes, other than the franchise tax in the State of Texas, prior to this offering, as of December 31, 2016, the PV-10 value and standardized measure of our properties were substantially equal. Following our corporate reorganization, we will be subject to U.S. federal, state and local income taxes. Accordingly, estimates included herein of future net cash flows may be materially different from the future net cash flows that are ultimately received. Future calculations of standardized measure will include the effects of income taxes on future net cash flow. Please read "Risk Factors−The standardized measure of our estimated reserves is not an accurate estimate of the current fair value of our estimated reserves". Neither PV-10 nor standardized measure represents an estimate of the fair

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market value of our oil and natural gas properties. We and others in the industry use PV-10 as a measure to compare the relative size and value of proved reserves held by companies without regard to the specific tax characteristics of such entities

Reserve engineering is and must be recognized as a subjective process of estimating volumes of economically recoverable oil and natural gas that cannot be measured in an exact manner. The accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation. As a result, the estimates of different engineers often vary. In addition, the results of drilling, testing and production may justify revisions of such estimates. Accordingly, reserve estimates often differ from the quantities of oil and natural gas that are ultimately recovered. Estimates of economically recoverable oil and natural gas and of future net cash flows are based on a number of variables and assumptions, all of which may vary from actual results, including geologic interpretation, prices and future production rates and costs. Please read “Risk Factors” appearing elsewhere in this prospectus.

Additional information regarding our proved reserves can be found in the notes to our financial statements included elsewhere in this prospectus.

PUDs

As of December 31, 2016, our PUDs totaled 10,315 MBbls of oil, 142,445 MMcf of natural gas and 9,863 MBbls of NGLs, for a total of 43,918 MBoe. As of December 31, 2015, our PUDs totaled 12,535 MBbls of oil, 114,221 MMcf of natural gas and 9,058 MBbls of NGLs, for a total of 40,629 MBoe. PUDs will be converted from undeveloped to developed as the applicable wells are drilled and completed and begin production.

Of the 3,289 MBoe of PUDs we added during the year ended December 31, 2016, 20,810 MBoe were added due to extensions and discoveries, 15,968 MBoe were removed due to revisions of previous estimates and 1,554 MBoe were removed due to transfers to proved developed reserves. The 20,810 MBoe added due to extensions and discoveries resulted primarily from new proved undeveloped locations added as a result of the drilling and completion of new wells. The 15,968 MBoe removed due to revisions of previous estimates consists of 15,060 MBoe removed due to downward revisions of oil and natural gas prices, 795 MBoe removed due to changes in a previously adopted development plan and 7,806 MBoe removed due to well performance, offset by 7,693 MBoe added due to all other changes.

During the year ended December 31, 2016, we spent $7.3 million converting PUDs to proved developed reserves. During the year ended December 31, 2015, we spent $43.5 million converting PUDs to proved developed reserves.

All of our PUD drilling locations are scheduled to be drilled within five years of their initial booking. As of December 31, 2016, 0.6% of our total proved reserves were classified as proved developed non-producing.

Our reserve report for the year ended December 31, 2015 included capital costs of approximately $100.3 million for 2016, including approximately $38.2 million for PUDs. For the year ended December 31, 2016, we incurred approximately $131.5 million in drilling and completion capital expenditures. The variance between (A) each of (1) the amount scheduled in our reserve report to be spent on converting PUDs to proved developed reserves for 2016, (2) the amount we incurred on drilling and completion capital expenditures for the year ended December 31, 2016 and (3) the amount we spent converting PUDs to proved developed reserves for the year ended December 31, 2015 and (B) the amount we spent converting PUDs to proved developed reserves for the year ended December 31, 2016 is primarily related to our strategic shift in the first quarter of 2016 to focus our drilling program and related capital expenditures on the delineation of our NW Stack acreage. Our objective is to develop our PUDs within five years of initial booking. The final decision to proceed with the development of PUDs is based on a comprehensive analysis of multiple factors, including but not limited to projected cash flow, capital budget constraints, leasehold obligations, vertical and areal resource assessment and

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single-well rates of return, and is intended to align our development and capital expenditure plans to focus on projects that our management team believes will provide the greatest long-term returns for our stockholders. In the first quarter of 2016, we believed that shifting the focus of our drilling program from the development of our PUDs in our legacy producing properties to the comprehensive delineation of our NW Stack acreage would provide greater returns after initial delineation efforts identified the economic potential of the play. As a result of this strategic shift, we reallocated our rig activity and associated capital expenditures to the NW Stack primarily from Kansas and Stiles Ranch. As of December 31, 2015, six gross (four net) drilling locations in the NW Stack were PUD locations. Given the small number of booked PUD locations associated with our NW Stack acreage and our shift to focus our capital expenditures in the delineation of our NW Stack acreage, a limited amount of our drilling and completion capital expenditures on 2016 resulted in the conversion of PUDs to proved developed reserves. We believe that our strategic shift to the NW Stack and our subsequent efforts related thereto resulted in the successful delineation of each of the five benches that we have identified within the Meramec and Osage intervals. With the delineation of our NW Stack acreage complete, we remain committed to converting the PUDs we have booked to proved developed reserves and are now focused on optimizing our operational practices in order to enhance recoveries, reduce costs and increase single-well rates of return across our properties. As of December 31, 2016, we had a total of 119 gross (93 net) PUD locations across our properties consisting of 48 gross (26 net) locations in the NW Stack, 17 gross (15 net) locations in Stiles Ranch, two gross (0 net) locations in Verden and 52 gross (51 net) locations in Kansas. Based on our planned future drilling pace and capital budget allocated to the development of our PUDs, all of our gross PUD locations are scheduled to be developed within five years of their initial booking. As a result, we believe our decision to shift our capital expenditures from the development of our legacy producing properties to the delineation of the NW Stack in 2016 has not impacted our ability to convert PUDs to proved developed reserves within five years of their initial booking.

Our decision to proceed with the development of the PUDs at December 31, 2015 was based on the commodity prices reflected in our reserve report for the year ended December 31, 2015, which we believed was indicative of the commodity prices that we anticipated would be in effect at the time of the development of such locations. Specifically, our reserve report for the year ended December 31, 2015 estimated future net cash flows based on average adjusted product prices weighted by production over the remaining lives of the properties of $48.33 per barrel of oil, $16.59 per barrel of NGLs and $2.54 per Mcf of natural gas, in each case as of December 31, 2015. SEC first-day-of-the-month prices during the fourth quarter of 2015 and through February 24, 2016, the date of our reserve report for the year ended December 31, 2015, averaged $40.37 per barrel of oil and $2.21 per MMBtu of natural gas compared to twelve-month trailing average benchmark prices of $50.28 per barrel of oil (WTI posted) and $2.587 per MMBtu (Henry Hub spot). While the net reserves related to our PUDs are based on SEC pricing, the pace of development of our PUDs is based primarily on pricing observed from the commodities futures market (in particular NYMEX futures curve prices adjusted for field quality and location differentials) and management' s expectation of drilling and completion capital expenditures over the planned development period. As of February 24, 2016, the commodities futures market was such that the PUD development was still economically viable at the planned spud dates given in the reserve report for the year ended December 31, 2015, and the pace of development was also consistent with management' s expectation of drilling activity levels over the planned development period. Based on those assumptions and the commodities futures market, we believed that the PUDs reported would be economically viable.

At December 31, 2015, we believed there was a reasonable expectation that we would have the financing required to develop all of our undeveloped reserves disclosed as of December 31, 2015. The capital expenditures required to develop our undeveloped reserves as of December 31, 2015 over the remainder of the years in our reserve report were within the level of cash flows from operations that we expected to generate based on estimated average adjusted product prices weighted by production over the remaining lives of our properties of $48.33 per barrel of oil, $16.59 per barrel of NGLs and $2.54 per Mcf of natural gas. In addition, we had $47 million of available borrowing capacity under our credit facility at December 31, 2015 that could have been utilized to fund drilling expenses in the event of any unexpected shortfalls in cash flow from operations. Finally, we believed that we would have been able to access outside equity or debt financing from various financing sources, including GSO and third party financing sources, to develop our undeveloped reserves, if necessary.

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Our reserve report for the year ended December 31, 2016 included capital costs of approximately $104.2 million for 2017, including approximately $104.1 million for PUDs. Our decision to proceed with the development of the PUDs at December 31, 2016 was based on the commodity prices reflected in our reserve report for the year ended December 31, 2016, which we believed was indicative of the commodity prices that we anticipated would be in effect at the time of the development of such locations. Specifically, our reserve report for the year ended December 31, 2016 estimated future net cash flows based on average adjusted product prices weighted by production over the remaining lives of the properties of $41.85 per barrel of oil, $14.94 per barrel of NGLs and $2.35 per Mcf of natural gas, in each case as of December 31, 2016. SEC first-day-of-the-month prices during the fourth quarter of 2016 and through February 22, 2017, the date of our reserve report for the year ended December 31, 2016, averaged $50.71 per barrel of oil and $3.12 per MMBtu of natural gas compared to twelve-month trailing average benchmark prices of $42.75 per barrel of oil (WTI posted) and $2.49 per MMBtu (Henry Hub spot). While the net reserves related to our PUDs are based on SEC pricing, the pace of development of our PUDs is based primarily on pricing observed from the commodities futures market (in particular NYMEX futures curve prices adjusted for field quality and location differentials) and management' s expectation of drilling and completion capital expenditures over the planned development period. As of February 22, 2017, the commodities futures market was such that the PUD development was still economically viable at the planned spud dates given in the reserve report for the year ended December 31, 2016, and the pace of development was also consistent with management' s expectation of drilling activity levels over the planned development period. Based on those assumptions and the commodities futures market, we believed that the PUDs reported would be economically viable.

At December 31, 2016, we believed there was a reasonable expectation that we would have the financing required to develop all of our undeveloped reserves disclosed as of December 31, 2016. The capital expenditures required to develop our undeveloped reserves as of December 31, 2016 over the remainder of the years in our reserve report were within the level of cash flows from operations that we expected to generate based on estimated average adjusted product prices weighted by production over the remaining lives of our properties of $41.85 per barrel of oil, $14.94 per barrel of NGLs and $2.35 per Mcf of natural gas. In addition, we believed that we would have been able to access outside equity or debt financing from various financing sources, including GSO and third party financing sources, to develop our undeveloped reserves, if necessary. Finally, we intend to use a portion of the net proceeds we receive from this offering to repay the $ million of outstanding indebtedness under our credit facility, which will provide additional available borrowing capacity to develop our undeveloped reserves, and the remaining net proceeds to fund a portion of our 2017 capital program.

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Oil and Natural Gas Production Prices and Costs

Production and Price History

The following table sets forth information regarding net production of oil, natural gas and NGLs and certain price and cost information for each of the periods indicated:

	Year Ended December 31,		
	2016	2015	2014
Production:			
Oil (MBbls)	1,860	1,895	236
Natural gas (MMcf)	32,484	31,024	2,049
NGLs (MBbls)	2,553	2,476	117
Total (MBoe) (1)	9,827	9,542	694
Average sales price before impact of cash-settled derivatives:			
Oil (per Bbl)	$40.15	$45.42	$81.86
Natural gas (per Mcf)	2.29	2.63	3.97
NGLs (per Bbl)	14.17	12.68	39.14
Average (per Boe)	$18.84	$20.87	$46.11
Average sales price after impact of cash-settled derivatives:			
Oil (per Bbl)	$48.40	$63.84	$88.36
Natural gas (per Mcf)	2.92	3.40	4.08
NGLs (per Bbl)	17.33	16.83	39.14
Average (per Boe)	$23.31	$28.10	$48.65
Operating Expenses (per Boe):			
Production expenses	$7.40	$6.79	$9.58
Production taxes	0.44	0.87	2.03
Depreciation and depletion – oil and natural gas	6.09	8.40	11.51
Impairment of oil and natural gas properties	24.16	29.60	–
General and administrative (2)	1.51	1.70	19.70
Total operating expenses (per Boe)	$39.59	$47.36	$42.83

(1) Total may not sum or recalculate due to rounding.

(2) General and administrative does not include additional expenses we will incur in the future as a result of being a public company.

Our Stiles Ranch, NW Stack and Kansas acreage were the only fields in which we operated that, as of December 31, 2016, each accounted for more than 15% of our total estimated proved reserves. Our Stiles Ranch acreage contained approximately 36.8% of our estimated proved reserves as of December 31, 2016. Production for the year ended December 31, 2016 was comprised of 570 MBbls of oil, 12,970 MMcf of natural gas and 1,578 MBbls of NGLs. Production for the year ended December 31, 2015 was comprised of 866 MBbls of oil, 17,251 MMcf of natural gas and 2,054 MBbls of NGLs. There was no production associated with Stiles Ranch in 2014. Our NW Stack acreage contained approximately 25.5% of our estimated proved reserves as of December 31, 2016. Production for the year ended December 31, 2016 was comprised of 407 MBbls of oil, 7,655 MMcf of natural gas and 379 MBbls of NGLs. Production for the year ended December 31, 2015 was comprised of 75 MBbls of oil, 1,197 MMcf of natural gas and 64 MBbls of NGLs. There was no production associated with NW Stack in 2014. Our Kansas acreage contained approximately 23.0% of our estimated proved reserves as of December 31, 2016. Production for the year ended December 31, 2016 was comprised of 782 MBbls of oil, 4,923 MMcf of natural gas and 377 MBbls of NGLs. Production for the year ended December 31, 2015 was comprised of 830 MBbls of oil, 4,605 MMcf of natural gas and 263 MBbls of NGLs. Production for the year ended December 31, 2014 was comprised of 236 MBbls of oil, 1,946 MMcf of natural gas and 117 MBbls of NGLs.

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Productive Wells

The following table sets forth information as of December 31, 2016 relating to the productive wells in which we owned a working interest as of that date. Gross wells are the total number of producing wells in which we have an interest, operated and non-operated, and net wells are the sum of our fractional working interests owned in gross wells.

	Oil		Natural Gas	
	Gross	Net	Gross	Net
NW Stack				
Operated	7	6.1	17	14.9
Non-operated	2	–	13	0.3
Total	9	6.1	30	15.2
Legacy Producing Properties				
Operated	171	156.6	559	445.2
Non-operated	24	4.7	173	32.2
Total	195	161.3	732	477.4

Acreage

The following table sets forth information as of December 31, 2016, relating to our leasehold acreage. Developed acreage consists of acres spaced or assigned to productive wells and does not include undrilled acreage held by production under the terms of the lease. Undeveloped acreage is defined as acres on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil or natural gas, regardless of whether such acreage contains proved reserves.

	Developed Acreage		Undeveloped Acreage		Total Acreage	
	Gross (1)	Net (2)	Gross (1)	Net (2)	Gross (1)	Net (2)
NW Stack	28,288	20,843	268,442	175,862	296,730	196,705
Legacy Producing Properties	193,658	150,493	77,055	74,077	270,713	224,570
Total	221,946	171,336	345,497	249,939	567,443	421,275

(1) A gross acre is the portion of the total tract size of a lease from which a working interest is derived. The total number of gross acres is the total number of acres of all tracts described in all leases in which a working interest is owned. A working interest in a producing well is determined by the number of net acres expressed as percentage of the size of an established unit from which a well is producing.

(2) The number of net acres is the sum of the fractional working interests owned in gross acres expressed as whole numbers and fractions thereof.

Certain of the leases comprising the undeveloped acreage set forth in the table above will expire at the end of their respective primary terms unless production from the leasehold acreage has been established prior to such date, in which event the lease will remain in effect until the cessation of production. All of the acreage in Stiles Ranch, Verden and Mocane-Lavern is developed acreage and is held by production. On our NW Stack and Kansas acreage, we have undeveloped leases which may expire unless production is established. In addition, in lieu of establishing production on a portion of the NW Stack and Kansas acreage, payments may be made pursuant to the provisions of certain of the leases to extend the term of such leases for an additional period of time. None of our horizontal drilling locations associated with proved undeveloped reserves are scheduled for drilling outside of a lease term or any extensions thereof.

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The following table sets forth the gross and net undeveloped acreage, as of December 31, 2016, that will expire over the next five years and beyond unless production is established within the spacing units covering the acreage or the lease is renewed or extended prior to the primary term expiration dates.

	2017		2018		2019		2020		2021 and Thereafter	
Project Area	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
NW Stack	44,443	28,287	140,406	88,043	82,615	58,415	619	200	1,645	916
Stiles Ranch	–	–	–	–	–	–	–	–	–	–
Verden	–	–	–	–	–	–	–	–	–	–
Kansas	62,119	60,348	8,296	8,296	4,889	4,889	–	–	–	–
Mocane-Laverne	–	–	–	–	–	–	–	–	–	–
Total	106,562	88,635	148,702	96,339	87,504	63,304	619	200	1,645	916

We intend to extend substantially all of the net acreage associated with our inventory of drilling locations through a combination of development drilling and leasehold extension and renewal payments. Of the 28,287 net acres expiring in the NW Stack in 2017 and the 88,043 net acres expiring in the NW Stack in 2018, we have the right to extend on 15,276 and 76,610 net acres, respectively, at a cost of approximately $10.3 million and $27.2 million, respectively. Of the 58,415 net acres expiring in the NW Stack in 2019, we have the right to extend on 43,119 net acres at a cost of approximately $15.6 million. With respect to the remaining 40,856 net acres for which we do not have an option to extend or renew in the NW Stack, 806 net acres are associated with 11 gross (3.9 net) wells of proved undeveloped reserves where the leases covering such expected wells will expire prior to our expected drilling date though we intend to negotiate extensions or renewals of such leases.

Of the 60,348 net acres expiring in Kansas in 2017 and the 8,296 net acres expiring in Kansas in 2018, we have options to extend on 6,495 and 2,119 net acres, respectively, at a cost of approximately $2 million and $0.4 million, respectively. Of the 4,889 net acres expiring in Kansas in 2019, we have an option to extend on 2,412 net acres at a cost of approximately $0.5 million. With respect to the remaining 62,507 net acres for which we do not have an option to extend or renew in Kansas, 3,201 net acres are associated with 8 gross (7.3 net) wells of proved undeveloped reserves where the leases covering such expected wells will expire prior to our expected drilling date, though we intend to negotiate extensions or renewals of such leases. We do not expect to renew the remaining expiring acreage in Kansas, none of which is associated with any proved undeveloped reserves. Please read “Risk Factors−Risks Related to Our Business−Certain of our undeveloped leasehold acreage is subject to leases that will expire over the next several years unless production is established on units containing the acreage, we pay the lessees option payments to extend the leases for an additional two years or the leases are renewed.”

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Drilling Results

The following table sets forth the drilling results of Tapstone-operated wells, as defined by wells having been placed on production, for the periods indicated. The information should not be considered indicative of future performance, nor should it be assumed that there is necessarily any correlation among the number of productive wells drilled, quantities of reserves found or economic value. Productive wells are those that produce, or are capable of producing, commercial quantities of hydrocarbons, regardless of whether they produce a reasonable rate of return. Dry wells are those that prove to be incapable of producing hydrocarbons in sufficient quantities to justify completion.

	Year Ended December 31,					
	2016		2015		2014	
	Gross	Net	Gross	Net	Gross	Net
NW Stack:						
Exploratory Wells:						
Productive (1)	16	14.2	6	5.2	–	–
Dry	–	–	–	–	–	–
Total Exploratory	16	14.2	6	5.2	–	–
Development Wells:						
Productive (1)	3	2.6	–	–	–	–
Dry	–	–	–	–	–	–
Total Development	3	2.6	–	–	–	–
Total Wells:						
Productive (1)	19	16.8	6	5.2	–	–
Dry	–	–	–	–	–	–
Total	19	16.8	6	5.2	–	–
Legacy Producing Properties:						
Exploratory Wells:						
Productive (1)	–	–	–	–	–	–
Dry	–	–	–	–	–	–
Total Exploratory	–	–	–	–	–	–
Development Wells:						
Productive (1)	6	5.8	34	33.6	47	44.5
Dry	–	–	–	–	–	–
Total Development	6	5.8	34	33.6	47	44.5
Total Wells:						
Productive (1)	6	5.8	34	33.6	47	44.5
Dry	–	–	–	–	–	–
Total	6	5.8	34	33.6	47	44.5
Combined Total	25	22.6	40	38.8	47	44.5

(1) Although a well may be classified as productive upon completion, future changes in oil and natural gas prices, operating costs and production may result in the well becoming uneconomical, particularly exploratory wells where there is no production history.

As of March 23, 2017, we had 4 gross (3.0 net) wells in the process of being drilled and 2 gross (1.9 net) wells waiting on completion. Each of the wells is located in the NW Stack.

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Operations

General

As of December 31, 2016, we had an average working interest of approximately 84% in all of our operated acreage, which included approximately 70% of our total net acreage. As operator, we design and manage the development of our wells and supervise operation and maintenance activities on a day-to-day basis. Independent contractors engaged by us provide all the equipment and personnel associated with these activities. We employ petroleum engineers, geologists and land professionals who work to improve production rates, increase reserves, acquire properties, obtain permitting and lower the cost of operating our oil and natural gas properties.

Transportation and Marketing

During the acquisition or initial development of fields, we consider all gathering and delivery infrastructure in the vicinity. Our oil is collected from the wellhead to our tank batteries and then transported by the purchaser by truck or pipeline to another pipeline or a refinery. Our natural gas is transported from the wellhead to the purchaser’ s meter and pipeline interconnection points.

The majority of our natural gas production in Stiles Ranch and Verden is dedicated to, gathered and processed by Enable under certain gas gathering and processing agreements. Under these agreements, we sell the residue gas at market prices pursuant to our right to take in-kind and the NGLs at market prices. With respect to our Stiles Ranch acreage, we are subject to two agreements, each dated January 2013, which together cover approximately 11,000 gross acres. With respect to our Verden acreage, we are subject to one agreement dated March 2008 and a second agreement dated July 2011, which together cover approximately 27,000 gross acres. In each of the agreements described herein, we are required to deliver to Enable for gathering and processing all of our natural gas production from the dedicated areas described in each such agreement. Under the 15-year agreement that pertains to approximately 10,000 gross acres of Stiles Ranch, if the volume of natural gas that we deliver from the dedicated area during any six-month period beginning on either January 1 or July 1 of each year is less than 95% of the volume of natural gas we delivered from such dedicated area during the immediately preceding six-month period (subject to certain exceptions), we are required to pay Enable for the difference at a rate of $0.40 per MMBtu we fail to deliver. This deficiency fee is Enable’ s sole and exclusive remedy for our failure to deliver required volumes from such under such agreement, and no similar provision is contained in any of our other agreements with Enable.

In December 2015, we signed a 15-year gas gathering, processing, and purchase agreement with Enable under which we have dedicated the majority of our NW Stack acreage. We currently sell the residue and NGLs to Enable at market prices, with a contract option to take in-kind. Under the December 2015 Enable agreement, the dedicated area consists of approximately 236,000 gross acres of our NW Stack acreage.

December 2016 volumes of gas production dedicated to Enable under each of the March 2008 agreement, July 2011 agreement, January 2013 agreements and December 2015 agreement were 164,328 Mcf, 557,827 Mcf, 1,605,519 Mcf and 995,219 Mcf, respectively, which represent delivery to Enable of 100% of our total production for Verden, 98% of our total production for Stiles Ranch, and 80% of our total production for the NW Stack, all of which is subject to our contractual right to take the residue gas in-kind. These volumes are indicative of our current volume deliveries to Enable on a monthly basis.

Our Mocane-Laverne production is dedicated to, gathered, processed and purchased by DCP Midstream, L.P. under ten-year agreements, which commenced in December 2012. The majority of our Kansas gas production is dedicated to, gathered, processed and purchased by Targa Resources, LLC (“Targa”) under a five-year agreement, effective as of May 2014.

Plains Marketing currently purchases all of our oil production. Our Stiles Ranch, Verden, Mocane-Laverne and NW Stack production is dedicated and purchased under a five-year agreement that commenced in

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April 2015. This agreement contains a minimum volume commitment requiring us to deliver 4,000 Bb1/d, with shortfall payments of $1.55 per barrel (subject to annual escalation in accordance with the FERC Indexing Methodology due on a gross annual basis from April 1st through March 31st). Our Kansas production is covered by a separate three-year agreement with Plains Marketing, effective as of November 2015. There are no minimum volume commitments under this agreement.

We are currently party to a firm intrastate transportation service agreement ("FSTSA") with Enable Oklahoma Intrastate Transmission, LLC for a portion of our natural gas production in Verden. The FSTSA runs for a primary term of 41 months, commenced in February 2015 and delivers into Natural Gas Pipeline Company of America. We continuously monitor the need to secure additional firm transportation contracts for incremental volumes from our Verden acreage but do not expect additional contracts in 2017.

Customers

We sell our oil, natural gas and NGLs production to customers at market prices. We sell our production to a relatively small number of customers, as is customary in our business. For the year ended December 31, 2016, three customers accounted for more than 10% of our revenue: Plains Marketing (42%), Enable (16%) and Spire (14%). For the year ended December 31, 2015, two customers accounted for more than 10% of our revenue: Plains Marketing (48%) and Spire (17%). For the year ended December 31, 2014, three customers accounted for more than 10% of our revenue: Plains Marketing (37%), Targa (35%) and Shell Trading (US) Company (24%). During such periods, no other customer accounted for 10% or more of our revenue. The loss of any of these customers could materially and adversely affect our revenues in the short-term. However, based on the current demand for oil and natural gas and the availability of other customers, we believe that the loss of any of our purchasers would not have a long-term material adverse effect on our financial condition and results of operations because crude oil and natural gas are fungible products with well-established markets.

Owned Infrastructure

In Stiles Ranch, we have a fee-based midstream system, which we refer to as "Wheeler Midstream," consisting of low pressure natural gas gathering, intermediate/high pressure gas gathering, gas lift crude and liquids gathering and compression and storage for oil, water and NGLs located in Wheeler County, Texas. Our crude oil and NGL pipeline is subject to FERC jurisdiction, and although its rates are subject to regulation, it currently charges a contractual rate to third parties. Our acreage in Kansas is located along an established productive trend, and we have a saltwater disposal system (our "SWD System") and related infrastructure in place that reduces our capital requirements and mitigates our saltwater disposal limitation risk.

Our infrastructure strategy includes utilizing Wheeler Midstream and our SWD System to continue to operate efficiently within the Stiles Ranch and Kansas, respectively. By keeping costs down in these locations, we can maximize cash flows directed towards our efforts in the NW Stack. Wheeler Midstream provides us with additional cash flow support with limited commodity price exposure.

With respect to Wheeler Midstream, we believe our ownership of this midstream infrastructure allows us to reduce our costs, promote overall efficiency of operations and increase our rates of return. Wheeler Midstream is an integrated pipeline gathering system that utilizes centralized compression, stabilization and tankage to support multi-pad drilling in 14 sections across the area. The gathering assets include 60 miles of low pressure gas gathering pipeline, 26 miles of intermediate/high pressure gas gathering pipeline, 24 miles of gas lift pipeline and 23 miles of crude and NGLs gathering pipeline. With respect to storage at Wheeler Midstream, we have 12 MBbls/d of oil capacity and 22 MBbls of storage, 30 MBbls/d of water capacity and 30 MBbls of storage and 90,000 gallons of NGLs storage. Wheeler Midstream has four gas driven compressor stations with an aggregate of 28,890 horsepower. The system was built to capture additional volumes in a high natural gas producing environment as well as additional third-party volumes, and currently has throughput capacity of over 126 MMcf/d.

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We believe our SWD System in Kansas provides us with a distinct competitive advantage. There are very few other operators leasing in Kansas, and we believe it is because prospective operators view it as uneconomical to develop an adequate saltwater disposal system, whereas we already have our SWD System in place. Our lease operating expenses in Kansas are very low, which we partially attribute to our SWD System.

We do not currently own or operate midstream infrastructure in the NW Stack, Verden or Mocane-Laverne and rely on third-party service providers to gather our production in those plays.

Competition

The oil and natural gas industry is intensely competitive, and we compete with other companies that have greater resources. Many of these companies not only explore for and produce oil and natural gas, but also carry on midstream and refining operations and market petroleum and other products on a regional, national or worldwide basis. These companies may be able to pay more for productive oil and natural gas properties and exploratory prospects or to define, evaluate, bid for and purchase a greater number of properties and prospects than our financial or human resources permit. Our larger or more integrated competitors may be able to absorb the burden of existing, and any changes to, federal, state and local laws and regulations more easily than we can, which would adversely affect our competitive position. Our ability to acquire additional properties and to discover reserves in the future will be dependent upon our ability to evaluate and select suitable properties and to consummate transactions in a highly competitive environment. In addition, because we have fewer financial and human resources than many companies in our industry, we may be at a disadvantage in bidding for exploratory prospects and producing oil and natural gas properties.

There is also competition between oil and natural gas producers and other industries producing energy and fuel. Furthermore, competitive conditions may be substantially affected by various forms of energy legislation and/or regulation considered from time to time by the governments of the United States and the jurisdictions in which we operate. It is not possible to predict the nature of any such legislation or regulation which may ultimately be adopted or its effects upon our future operations.

Such laws and regulations may substantially increase the costs of developing oil and natural gas and may prevent or delay the commencement or continuation of a given operation. Our larger competitors may be able to absorb the burden of existing, and any changes to, federal, state and local laws and regulations more easily than we can, which would adversely affect our competitive position.

Seasonality of Business

Weather conditions affect the demand for, and prices of, oil and natural gas. Demand for natural gas is typically higher in the fourth and first quarters resulting in higher prices. Due to these seasonal fluctuations, results of operations for individual quarterly periods may not be indicative of the results that may be realized on an annual basis.

Title to Properties

As is customary in the oil and natural gas industry, we initially conduct only a cursory review of the title to our properties in connection with acquisition of leasehold acreage. At such time as we determine to conduct drilling operations on those properties, we conduct a thorough title examination and perform curative work with respect to significant defects prior to commencement of drilling operations. To the extent title opinions or other investigations reflect title defects on those properties, we are typically responsible for curing any title defects at our expense. We generally will not commence drilling operations on a property until we have cured any material title defects on such property. We have obtained title opinions on substantially all of our producing properties and believe that we have satisfactory title to our producing properties in accordance with standards generally accepted in the oil and natural gas industry.

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Prior to completing an acquisition of producing oil and natural gas leases, we perform title reviews on the most significant leases and, depending on the materiality of the underlying properties, we may obtain a title opinion, obtain an updated title review or opinion or review previously obtained title opinions. Our oil and natural gas properties are subject to customary royalty and other interests, liens for current taxes and other burdens which we believe do not materially interfere with the use of or affect our carrying value of the properties.

We believe that we have satisfactory title to all of our material assets. Although title to these properties is subject to encumbrances in some cases, such as customary interests generally retained in connection with the acquisition of real property, customary royalty interests and contract terms and restrictions, liens under operating agreements, liens related to environmental liabilities associated with historical operations, liens for current taxes and other burdens, easements, restrictions and minor encumbrances customary in the oil and natural gas industry, we believe that none of these liens, restrictions, easements, burdens and encumbrances will materially detract from the value of these properties or from our interest in these properties or materially interfere with our use of these properties in the operation of our business. In addition, we believe that we have obtained sufficient rights-of-way grants and permits from public authorities and private parties for us to operate our business in all material respects as described in this prospectus.

Oil and Natural Gas Leases

The typical oil and natural gas lease agreement covering our properties provides for the payment of royalties to the mineral owner for all oil and natural gas produced from any wells drilled on the leased premises. The lessor royalties and other leasehold burdens on our properties generally range from 12.50% to 25%, resulting in a net revenue interest to us generally ranging from 75% to 87.5%.

Regulation of the Oil and Natural Gas Industry

Our operations are substantially affected by federal, state and local laws and regulations. In particular, natural gas production and related operations are, or have been, subject to price controls, taxes and numerous other laws and regulations. All of the jurisdictions in which we own or operate producing oil and natural gas properties have statutory provisions regulating the development and production of oil and natural gas, including provisions related to permits for the drilling of wells, bonding requirements to drill or operate wells, the location of wells, the method of drilling and casing wells, the surface use and restoration of properties upon which wells are drilled, sourcing and disposal of water used in the drilling and completion process and the abandonment of wells. Our operations are also subject to various conservation laws and regulations. These include the regulation of the size of drilling and spacing units or proration units, the number of wells which may be drilled in an area and the unitization or pooling of crude oil or natural gas wells, as well as regulations that generally prohibit the venting or flaring of natural gas and impose certain requirements regarding the ratability or fair apportionment of production from fields and individual wells.

Failure to comply with applicable laws and regulations can result in substantial penalties. The regulatory burden on the industry increases the cost of doing business and affects profitability. Although we believe we are in substantial compliance with all applicable laws and regulations, such laws and regulations are frequently amended or reinterpreted. Therefore, we are unable to predict the future costs or impact of compliance. Additional proposals and proceedings that affect the oil and natural gas industry are regularly considered by Congress, the states, the Federal Energy Regulatory Commission (the "FERC") and the courts. We cannot predict when or whether any such proposals may become effective. We do not believe that we would be affected by any such action materially differently than similarly situated competitors.

We believe we are in substantial compliance with currently applicable laws and regulations and that continued substantial compliance with existing requirements will not have a material adverse effect on our financial position, cash flows or results of operations. However, current regulatory requirements may change, currently unforeseen environmental incidents may occur or past non-compliance with environmental laws or regulations may be discovered.

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Regulation of Production of Oil and Natural Gas

The production of oil and natural gas is subject to regulation under a wide range of local, state and federal statutes, rules, orders and regulations. Federal, state and local statutes and regulations require permits for drilling operations, drilling bonds and reports concerning operations. We own interests in properties located in Oklahoma, Texas and Kansas, each of which regulates drilling and operating activities by requiring, among other things, permits for the drilling of wells, maintaining bonding requirements in order to drill or operate wells, and regulating the location of wells, the method of drilling and casing wells, the surface use and restoration of properties upon which wells are drilled and the plugging and abandonment of wells. The laws of each of Oklahoma, Texas and Kansas also govern a number of conservation matters, including provisions for the unitization or pooling of oil and natural gas properties, the establishment of maximum allowable rates of production from oil and natural gas wells, the regulation of well spacing or density and plugging and abandonment of wells. The effect of these regulations is to limit the amount of oil and natural gas that we can produce from our wells and to limit the number of wells or the locations at which we can drill, although we can apply for exceptions to such regulations or to have reductions in well spacing or density. Moreover, each of Oklahoma, Texas and Kansas imposes a production or severance tax with respect to the production and sale of oil, natural gas and NGLs within its jurisdiction. We do not believe that we are impacted any differently by these regulations than similarly situated competitors.

The failure to comply with these rules and regulations can result in substantial penalties. Our competitors in the oil and natural gas industry are subject to the same regulatory requirements and restrictions that affect our operations.

Regulation of Oil Sales and Oil Pipelines

Sales of oil, condensate and NGLs are not currently regulated and are made at negotiated prices. Although prices of these energy commodities are currently unregulated, United States Congress could reenact price controls in the future. We cannot predict whether new legislation to regulate oil and NGLs, or the prices charged for these commodities might be proposed, what proposals, if any, might actually be enacted by the United States Congress or the various state legislatures and what effect, if any, the proposals might have on the our operations. Additionally, such sales may be subject to certain state, and potentially federal, reporting requirements.

Our sales of oil are affected by the availability, terms and cost of transportation. Prices received from the sale of oil liquids may be affected by the cost of transporting those products to market. Our crude oil and NGL pipeline is an interstate common carrier pipeline subject to regulation by the FERC under the Interstate Commerce Act (“ICA”), the Energy Policy Act of 1992 and related rules and orders. The ICA requires, among other things, that the tariff rates for common carrier oil pipelines be “just and reasonable” and must not be unduly discriminatory or confer any undue preference upon any shipper. FERC regulations require that such rates and terms and conditions of service be filed with the FERC.

The ICA permits interested persons to challenge proposed new or changed rates or rules and authorizes the FERC to investigate such changes and to suspend their effectiveness for a period of up to seven months. If, upon completion of an investigation, the FERC finds that the new or changed rate is unlawful, it may require the carrier to refund the revenues with interest in excess of the prior tariff during the term of the investigation. The FERC may also investigate, upon complaint or on its own motion, rates and related rules that are already in effect and may order a carrier to change them prospectively. Upon an appropriate showing, a shipper may obtain reparations for damages sustained for a period of up to two years prior to the filing of its complaint.

The rates for our interstate oil and NGL pipeline are charged based on a FERC-approved indexing methodology, which allows a pipeline to charge rates up to a prescribed ceiling that changes annually based on the change from year to year in the Producer Price Index for Finished Goods (“PPI”). A rate increase within the

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indexed rate ceiling is presumed to be just and reasonable unless a protesting party can demonstrate that the rate increase is substantially in excess of the pipeline' s costs. During the five-year period commencing July 1, 2016, crude oil and NGL pipelines charging indexed rates are permitted to adjust their indexed ceilings annually by the PPI plus 1.23%. The FERC' s order determining that pipelines charging indexed rates may adjust their indexed ceiling rates by PPI plus 1.23% is subject to ongoing judicial review. As an alternative to using the indexing methodogy, interstate crude oil and NGL pipelines rates may elect to support rates by using a cost of service methodology, by establishing settlement rates when agreed to by all affected shippers and by obtaining advance approval for market-based rates in certain circumstances. Shippers have the power to challenge new and existing rates and terms and conditions of service before FERC.

In October 2016, the FERC issued an advance notice of proposed rulemaking seeking comment regarding potential modifications to its policies for evaluating oil pipeline indexed rate changes and to the reporting requirements. The FERC observed that some pipelines continue to obtain additional index rate increases despite reporting on Form No. 6 that their revenues exceed their costs. The FERC is proposing a new policy that would deny proposed index increases if a pipeline' s Form No. 6 reflects that revenues exceed by fifteen percent total cost of service for both of the prior two years or the proposed index increases exceed by five percent the annual cost changes reported by the pipeline. In addition, in December 2016, the FERC issued a NOI in response to a remand from the U.S. Court of Appeals for the D.C. Circuit in United Airlines v. FERC, in which the court determined that FERC had not justified its conclusion that an oil pipeline organized as a partnership would not "double recover" its taxes under the current policy by both including a tax allowance in its cost-based rates and earning a return on equity calculated on a pre-tax basis. We cannot predict whether FERC will successfully justify its conclusion that there is no double recovery of taxes under these circumstances or whether FERC will modify its current policy on either income tax allowances or return on equity calculations.

Due to the complexity of ratemaking, the lawfulness of any rate is never assured. Prescribed rate methodologies for approving regulated tariff rates may limit our ability to set rates based on our actual costs or may delay the use of rates reflecting higher costs. Changes in the FERC' s methodology for approving rates could adversely affect us. In addition, challenges to our tariff rates could be filed with the FERC and decisions by the FERC in approving our rates could adversely affect our cash flow. We believe the transportation rates currently charged by our interstate common carrier crude oil and NGL pipeline are in accordance with the ICA. However, we cannot predict that rates we will be allowed to charge in the future for transportation services by our pipeline.

Intrastate oil pipeline transportation rates are subject to regulation by state regulatory commissions. The basis for intrastate oil pipeline regulation, and the degree of regulatory oversight and scrutiny given to intrastate oil pipeline rates, varies from state to state. Insofar as effective interstate and intrastate rates and regulations regarding access are equally applicable to all comparable shippers, we believe that the regulation of oil transportation will not affect our operations in any way that is of material difference from those of our competitors who are similarly situated.

Regulation of Natural Gas Pipelines and Sales of Natural Gas

Historically, the transportation and sale for resale of natural gas in interstate commerce has been regulated by the FERC under the NGA, the NGPA and regulations and orders issued under those statutes. The regulation of pipeline transportation services and natural gas sales in interstate commerce by the FERC affects certain aspects of our business and the market for our products and services.

Among other matters, the EP Act of 2005 amended the NGA to add an anti-market manipulation provision. Pursuant to FERC' s rules promulgated under EP Act 2005, it is unlawful for any entity, directly or indirectly, in connection with the purchase or sale of natural gas subject to the jurisdiction of the FERC, or the purchase or sale of transportation services subject to FERC jurisdiction: (1) to use or employ any device, scheme or artifice to defraud; (2) to make any untrue statement of material fact or omit a material fact; or (3) to engage in any act or practice that operates as a fraud or deceit upon any person. EP Act 2005 also provided the FERC with

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substantial enforcement authority, including the power to assess civil penalties of up to $1,000,000 per day per violation, to order disgorgement of profits and to recommend criminal penalties. Effective August 1, 2016, to account for inflation, the maximum penalty increased to $1,973,970 per day. The anti-market manipulation rule and enhanced civil penalty authority reflect an expansion of FERC' s NGA enforcement authority.

Gathering service, which occurs upstream of jurisdictional transmission services, is regulated by the states onshore and in state waters. Section 1(b) of the NGA exempts natural gas gathering facilities from regulation by FERC under the NGA. The distinction between FERC-regulated transmission services and federally unregulated gathering services has been the subject of substantial litigation and varying interpretations and the FERC determines whether facilities are gathering facilities on a case by case basis, so the classification and regulation of our gathering facilities may be subject to change based on future determinations by the FERC, the courts, or United States Congress. If the FERC were to determine that all or some of our gathering facilities or services provided by us are not exempt from FERC regulation, the rates for, and terms and conditions of, services provided by such facilities would be subject to regulation by the FERC, and depending on the scope of that decision, our costs of getting natural gas to point of sale locations may increase. We believe that our natural gas pipelines meet the traditional test FERC has used to establish a pipeline' s status as gathering facilities and are, therefore, not subject to FERC jurisdiction.

State regulation of natural gas gathering facilities generally includes various occupational safety, environmental and, in some circumstances, nondiscriminatory-take requirements. Although such regulation has not generally been affirmatively applied by state agencies, natural gas gathering may receive greater regulatory scrutiny in the future.

The FERC has issued rules establishing annual natural gas transaction reporting requirements for entities with respect to sales or purchases of natural gas. Under Order No. 704, as amended by subsequent orders on rehearing, any market participant that engages in wholesale sales or purchases of natural gas that equal or exceed 2.2 million MMBtus of physical natural gas in the previous calendar year, including natural gas producers, gatherers and marketers, is required to report, on May 1 of each year, aggregate volumes of natural gas purchased or sold at wholesale in the prior calendar year to the extent such transactions utilize, contribute to, or may contribute to the formation of price indices to FERC on Form No. 552. It is the responsibility of the reporting entity to determine which individual transactions should be reported based on the guidance of Order No. 704. Order No. 704 also requires market participants to indicate whether they report prices to any index publishers, and if so, whether their reporting complies with FERC' s policy statement on price reporting.

In the past, the federal government has regulated the prices at which natural gas could be sold. While sales by producers of natural gas can currently be made at market prices, Congress could reenact price controls in the future. Deregulation of wellhead natural gas sales began with the enactment of the Natural Gas Policy Act (the "NGPA"), and culminated in adoption of the Natural Gas Wellhead Decontrol Act which removed controls affecting wellhead sales of natural gas effective January 1, 1993. In certain limited circumstances, intrastate transportation and wholesale sales of natural gas may also be affected directly or indirectly by laws enacted by Congress and by FERC rules and regulations.

The price at which we sell natural gas is not currently subject to federal rate regulation and, for the most part, is not subject to state regulation. However, with regard to our physical sales of these energy commodities, we are required to observe anti-market manipulation laws and related regulations enforced by FERC under the EP Act of 2005 and under the Commodity Exchange Act ("CEA"), and regulations promulgated thereunder by the United States Commodities Futures Trading Commission. The CEA prohibits any person from manipulating or attempting to manipulate the price of any commodity in interstate commerce or futures on such commodity. The CEA also prohibits knowingly delivering or causing to be delivered false or misleading or knowingly inaccurate reports concerning market information or conditions that affect or tend to affect the price of a commodity. Should we violate the anti-market manipulation laws and regulations, we could also be subject to related third-party damage claims by, among others, sellers, royalty owners and taxing authorities.

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Intrastate natural gas transportation is also subject to regulation by state regulatory agencies. The basis for intrastate regulation of natural gas transportation and the degree of regulatory oversight and scrutiny given to intrastate natural gas pipeline rates and services varies from state to state. Insofar as such regulation within a particular state will generally affect all intrastate natural gas shippers within the state on a comparable basis, we believe that the regulation of similarly situated intrastate natural gas transportation in any states in which we operate and ship natural gas on an intrastate basis will not affect our operations in any way that is of material difference from those of our competitors. Like the regulation of interstate transportation rates, the regulation of intrastate transportation rates affects the marketing of natural gas that we produce, as well as the revenues we receive for sales of our natural gas.

Changes in law and to FERC or state policies and regulations may adversely affect the availability and reliability of firm and/or interruptible transportation service on interstate and intrastate pipelines, and we cannot predict what future action FERC or state regulatory bodies will take. We do not believe, however, that any regulatory changes will affect us in a way that materially differs from the way they will affect other natural gas producers and marketers with which we compete.

Regulation of Environmental and Occupational Safety and Health Matters

Our oil and natural gas development operations are subject to numerous stringent federal, regional, state and local statutes and regulations governing occupational safety and health, the discharge of materials into the environment or otherwise relating to environmental protection, some of which carry substantial administrative, civil and criminal penalties for failure to comply. These laws and regulations may require the acquisition of a permit before drilling or other regulated activity commences; restrict the types, quantities and concentrations of various substances that can be released into the environment in connection with drilling, production and transporting through pipelines; govern the sourcing and disposal of water used in the drilling and completion process; limit or prohibit drilling activities in certain areas and on certain lands lying within wilderness, wetlands, frontier and other protected areas; require some form of remedial action to prevent or mitigate pollution from former operations such as plugging abandoned wells or closing earthen pits; establish specific safety and health criteria addressing worker protection; and impose substantial liabilities for pollution resulting from operations or failure to comply with regulatory filings. In addition, these laws and regulations may restrict the rate of production.

The following is a summary of the more significant existing environmental and occupational health and safety laws and regulations, as amended from time to time, to which our business operations are subject and for which compliance may have a material adverse impact on our capital expenditures, results of operations or financial position.

Hazardous Substances and Waste Handling

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (“CERCLA”), also known as the “Superfund” law, and comparable state laws impose liability, without regard to fault or the legality of the original conduct, on certain classes of persons that are considered to have contributed to the release of a “hazardous substance” into the environment. These persons include the current and past owner or operator of the disposal site or the site where the release occurred and companies that disposed or arranged for the disposal of the hazardous substances at the site where the release occurred. Under CERCLA, such persons may be subject to joint and several strict liability for the costs of cleaning up the hazardous substances that have been released into the environment and for damages to natural resources, and it is not uncommon for neighboring landowners and other third parties to file claims for personal injury and property damage allegedly caused by the hazardous substances released into the environment. We are able to control directly the operation of only those wells with respect to which we act as operator. Notwithstanding our lack of direct control over wells operated by others, the failure of an operator other than us to comply with applicable environmental regulations may, in certain circumstances, be attributed to us and result in CERCLA liability.

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The Resource Conservation and Recovery Act (“RCRA”) and analogous state laws, impose detailed requirements for the generation, handling, storage, treatment and disposal of nonhazardous and hazardous solid wastes. RCRA specifically excludes drilling fluids, produced waters and other wastes associated with the development or production of crude oil, natural gas or geothermal energy from regulation as hazardous wastes. However, these wastes may be regulated by the EPA or state agencies under RCRA’ s less stringent nonhazardous solid waste provisions, state laws or other federal laws. Moreover, it is possible that these particular oil and natural gas development and production wastes now classified as nonhazardous solid wastes could be classified as hazardous wastes in the future. For example, from time to time various environmental groups have challenged the EPA’ s exemption of certain oil and natural gas wastes from RCRA and in December 2016 the EPA agreed in a consent decree to review its regulation of oil and gas waste. A loss of the RCRA exclusion for drilling fluids, produced waters and related wastes could result in an increase in our costs to manage and dispose of generated wastes, which could have a material adverse effect on our results of operations and financial position. In addition, in the course of our operations, we generate some amounts of ordinary industrial wastes, such as paint wastes, waste solvents, laboratory wastes and waste compressor oils that may be regulated as hazardous wastes if such wastes have hazardous characteristics.

We currently own, lease or operate numerous properties that have been used for oil and natural gas development and production activities for many years. Although we believe that we have utilized operating and waste disposal practices that were standard in the industry at the time, hazardous substances, wastes or petroleum hydrocarbons may have been released on, under or from the properties owned or leased by us, or on, under or from other locations, including off-site locations, where such substances have been taken for recycling or disposal. In addition, some of our properties have been operated by third parties or by previous owners or operators whose treatment and disposal of hazardous substances, wastes or petroleum hydrocarbons was not under our control. These properties and the substances disposed or released on, under or from them may be subject to CERCLA, RCRA and analogous state laws. Under such laws, we could be required to undertake response or corrective measures, which could include removal of previously disposed substances and wastes, cleanup of contaminated property or performance of remedial plugging or pit closure operations to prevent future contamination.

Water Discharges and Subsurface Injection

The Clean Water Act and comparable state laws impose restrictions and strict controls regarding the discharge of pollutants, including produced waters and other oil and natural gas wastes, into or near navigable waters. The discharge of pollutants into regulated waters is prohibited, except in accordance with the terms of a permit issued by the EPA or the state. The discharge of dredge and fill material in regulated waters, including wetlands, is also prohibited, unless authorized by a permit issued by the U.S. Army Corps of Engineers (the “Corps”). In September 2015, the EPA and the Corps issued new rules defining the scope of the EPA’ s and the Corps’ jurisdiction under the Clean Water Act with respect to certain types of waterbodies and classifying these waterbodies as regulated wetlands. To the extent the rule expands the scope of the Clean Water Act’ s jurisdiction, we could face increased costs and delays with respect to obtaining permits for dredge and fill activities in wetland areas. The rule has been challenged in court on the grounds that it unlawfully expands the reach of the Clean Water Act, and implementation of the rule has been stayed pending resolution of the court challenge. Obtaining permits has the potential to delay the development of oil and natural gas projects. These laws and any implementing regulations provide for administrative, civil and criminal penalties for any unauthorized discharges of oil and other substances in reportable quantities and may impose substantial potential liability for the costs of removal, remediation and damages.

Pursuant to these laws and regulations, we may be required to obtain and maintain approvals or permits for the discharge of wastewater or storm water and are required to develop and implement spill prevention, control and countermeasure plans, also referred to as “SPCC plans”, in connection with on-site storage of significant quantities of oil. We are currently undertaking a review of our properties to determine the need for new or updated SPCC plans and, where necessary, we will be developing or upgrading such plans implementing the physical and operation controls imposed by these plans, the costs of which are not expected to be substantial.

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The primary federal law related specifically to oil spill liability is the Oil Pollution Act of 1990 (the “OPA”), which amends and augments the oil spill provisions of the Clean Water Act and imposes certain duties and liabilities on certain “responsible parties” related to the prevention of oil spills and damages resulting from such spills in or threatening waters of the United States or adjoining shorelines. For example, operators of certain oil and natural gas facilities must develop, implement and maintain facility response plans, conduct annual spill training for certain employees and provide varying degrees of financial assurance. Owners or operators of a facility, vessel or pipeline that is a source of an oil discharge or that poses the substantial threat of discharge is one type of “responsible party” who is liable. The OPA applies joint and several liability, without regard to fault, to each liable party for oil removal costs and a variety of public and private damages. Although defenses exist, they are limited. As such, a violation of the OPA has the potential to adversely affect our operations.

Large volumes of saltwater produced alongside our oil, natural gas and NGLs in connection with drilling and production operations are disposed of pursuant to permits issued by governmental authorities under the Safe Drinking Water Act (the “SDWA”) and analogous state laws and regulations. Under the SDWA, the EPA established the Underground Injection Control (the “UIC”) program which includes requirements for testing monitoring, record keeping and reporting of underground injection activities as well as a prohibition against the migration of fluid containing any contaminant into underground sources of drinking water. The injection of fluids containing diesel is also prohibited. Although we monitor the injection process of our wells, any leakage from the subsurface portions of the injection wells could cause degradation of fresh groundwater resources, potentially resulting in suspension of a UIC permit, issuance of fines and penalties from governmental agencies, incurrence of expenditures for remediation of the affected resource and imposition of liability by third-parties claiming damages for alternative water supplies, property damages and personal injuries. Additionally, some states have considered laws mandating the recycling of flowback and produced water.

In response to recent seismic events near underground disposal wells used for the disposal by injection of produced water resulting from oil and natural gas activities, federal and some state agencies are investigating whether such wells have caused increased seismic activity, and some states have restricted, suspended or shut down the use of such disposal wells. For example, in Oklahoma, the Oklahoma Corporation Commission (“OCC”) has implemented a variety of measures including adopting the National Academy of Science’ s “traffic light system,” pursuant to which the agency reviews new disposal well applications for proximity to faults, seismicity in the area and other factors in determining whether such wells should be permitted, permitted only with special restrictions, or not permitted. The OCC also evaluates existing wells to assess their continued operation, or operation with restrictions, based on location relative to such faults, seismicity and other factors, with certain of such existing wells required to make frequent, or even daily, volume and pressure reports. In addition, the OCC has rules requiring operators of certain saltwater disposal wells in the state to, among other things, conduct mechanical integrity testing or make certain demonstrations of such wells’ depth that, depending on the depth, could require the plugging back of such wells and/or the reduction of volumes disposed in such wells. As a result of these measures, the OCC from time to time has developed and implemented plans calling for wells within Areas of Interest where seismic incidents have occurred to restrict or suspend disposal well operations in an attempt to mitigate the occurrence of such incidents. For example, OCC has established a 15 thousand square mile Area of Interest in the Arbuckle formation. Since 2013, OCC has ordered the reduction of disposal volumes into the Arbuckle and directed the shut in of a number of wells in response to seismic activity in the Arbuckle formation. In addition, in January 2016, the Governor of Oklahoma announced a grant of $1.38 million in emergency funds to support earthquake research, which research is to be directed by the OCC and the Oklahoma Geological Survey. Most recently, in response to earthquakes in Cushing and Pawnee, Oklahoma, OCC developed action plans in conjunction with the Oklahoma Geological Survey and the EPA. The plans were developed covering 3 areas, at 6, 10 and 15 miles from the earthquake activity in both Cushing and Pawnee, Oklahoma. Within 6 miles, all Arbuckle disposal wells must cease operations; within 10 miles, all Arbuckle disposal wells must reduce volumes by 25 percent of their last 30 day average and within 15 miles all disposal wells are limited to their last 30 day average. These actions are in addition to any previous orders to shut in wells or reduce injection volumes. Prior measures had already reduced injection volumes in the areas of concern by 40 percent. In the Pawnee area, the action plan covers a total of 38 Arbuckle disposal wells under

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OCC jurisdiction and 26 Arbuckle disposal wells under EPA jurisdiction and in the Cushing area the plan covers a total of 58 Arbuckle disposal wells. We do not have disposal wells completed in the Arbuckle and do not operate in the Arbuckle formation. Local residents have also recently filed lawsuits against operators in these areas for damages resulting from the increased seismic activity.

Additionally, the Governor of Kansas has established a task force composed of various administrative agencies to study and develop an action plan for addressing seismic activity in the state. The task force issued a recommended Seismic Action Plan calling for enhanced seismic monitoring and the development of a seismic response plan, and in November 2014, the Governor of Kansas announced a plan to enhance seismic monitoring in the state. In March 2015, the Kansas Corporation Commission issued its Order Reducing Saltwater Injection Rates. The Order identified five areas of heightened seismic concern in Harper and Sumner Counties and created a timeframe over which the maximum of 8,000 barrels of saltwater injection daily into each well, including one of our saltwater disposal wells. Further, any injection well drilled deeper than the Arbuckle Formation was required to be plugged back in a manner approved by the Kansas Corporation Commission. On September 14, 2015, the Kansas Corporation Commission extended the Order Reducing Saltwater Injection Rates until March 13, 2016. Most recently, in August 2016, the Kansas Corporation Commission approved an order which expands the areas of heightened seismic concern, and which include an additional schedule of volume reductions for Arbuckle disposal wells not previously identified in the Order released in March 2015. Within the 2016 Specified Area which includes Harper and Sumner counties as well as parts of Kingman, Sedgwick and Barber counties, injection into each well is limited to a maximum of 16,000 barrels of saltwater, including all of our remaining saltwater disposal wells. In addition, in response to a case finding the liability of parties legally responsible for the plugging and abandonment of oil and natural gas wells is joint and several, the Kansas Corporation Commission is considering the need for regulations concerning the responsibility for abandoned oil and natural gas wells.

Air Emissions

The federal Clean Air Act and comparable state laws restrict the emission of air pollutants from many sources, such as compressor stations, through air emissions standards, construction and operating permitting programs and the imposition of other compliance requirements. These laws and regulations may require us to obtain pre-approval for the construction or modification of certain projects or facilities expected to produce or significantly increase air emissions, obtain and strictly comply with stringent air permit requirements or utilize specific equipment or technologies to control emissions of certain pollutants. Over the next several years, we may be required to incur certain capital expenditures for air pollution control equipment or other air emissions related issues. For example, in October 2015, the EPA lowered the National Ambient Air Quality Standard (“NAAQS”) for ozone from 75 to 70 parts per billion. State implementation of the revised NAAQS could result in stricter permitting requirements, delay or prohibit our ability to obtain such permits and result in increased expenditures for pollution control equipment, the costs of which could be significant. In addition, the EPA has adopted new rules under the Clean Air Act that require the reduction of volatile organic compound emissions from certain fractured and refractured oil and natural gas wells for which well completion operations are conducted and further require that most wells use reduced emission completions, also known as “green completions”. These regulations also establish specific new requirements regarding emissions from production-related wet seal and reciprocating compressors and from pneumatic controllers and storage vessels. More recently, in May 2016, the EPA finalized rules regarding criteria for aggregating multiple small surface sites into a single source for air-quality permitting purposes applicable to the oil and natural gas industry. This rule could cause small facilities, on an aggregate basis, to be deemed a major source, thereby triggering more stringent air permitting processes and requirements. See also “−Regulation of GHG Emissions”. Compliance with these and other air pollution control and permitting requirements has the potential to delay the development of oil and natural gas projects and increase our costs of development, which costs could be significant.

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Regulation of GHG Emissions

In response to findings that emissions of carbon dioxide, methane and other greenhouse gases ("GHGs") present an endangerment to public health and the environment, the EPA has adopted regulations pursuant to the federal Clean Air Act that, among other things, require preconstruction and operating permits for certain large stationary sources. Facilities required to obtain preconstruction permits for their GHG emissions are also required to meet "best available control technology" standards that are being established by the states or, in some cases, by the EPA on a case-by-case basis. These regulatory requirements could adversely affect our operations and restrict or delay our ability to obtain air permits for new or modified sources. In addition, the EPA has adopted rules requiring the monitoring and reporting of GHG emissions from specified onshore and offshore oil and natural gas production sources in the United States on an annual basis, which include certain of our operations. Furthermore, in May 2016, the EPA finalized rules that establish new controls for emissions of methane from new, modified or reconstructed sources in the oil and natural gas source category, including production, processing, transmission and storage activities. The rules include first-time standards to address emissions of methane from equipment and processes across the source category, including hydraulically fractured oil and natural gas well completions. In addition, the rules impose leak detection and repair requirements intended to address methane leaks known as "fugitive emissions" from equipment, such as valves, connectors, open-ended lines, pressure-relief devices, compressors, instruments and meters. Compliance with these rules will require enhanced record-keeping practices, the purchase of new equipment such as optical gas imaging instruments to detect leaks and increased frequency of maintenance and repair activities to address emissions leakage. The rules will also likely require hiring additional personnel to support these activities or the engagement of third party contractors to assist with and verify compliance. These new and proposed rules could result in increased compliance costs on our operations.

While Congress has from time to time considered legislation to reduce emissions of GHGs, there has not been significant activity in the form of adopted legislation to reduce GHG emissions at the federal level in recent years. In the absence of such federal climate legislation, a number of state and regional efforts have emerged that are aimed at tracking and/or reducing GHG emissions by means of cap and trade programs. These programs typically require major sources of GHG emissions to acquire and surrender emission allowances in return for emitting those GHGs. More recently, in December 2015, the United States and more than 190 other nations, agreed to an international climate change agreement in Paris, France that calls for countries to set their own GHG emissions targets and be transparent about the measures each country will use to achieve its GHG emissions targets. The agreement came into effect in November 2016.

Although it is not possible at this time to predict how legislation or new regulations that may be adopted to address GHG emissions would impact our business, any such future laws and regulations imposing reporting obligations on, or limiting emissions of GHGs from, our equipment and operations could require us to incur costs to reduce emissions of GHGs associated with our operations. Substantial limitations on GHG emissions could also adversely affect demand for the oil and natural gas we produce and lower the value of our reserves.

Finally, increasing concentrations of GHGs in the Earth's atmosphere may produce climate changes that have significant physical effects, such as increased frequency and severity of storms, floods and other climatic events; if any such effects were to occur, they could have a material adverse effect on our operations.

Hydraulic Fracturing Activities

Hydraulic fracturing is an important and common practice that is used to stimulate production of oil and/or natural gas from dense subsurface rock formations. The hydraulic fracturing process involves the injection of water, proppants and chemicals under pressure into targeted subsurface formations to fracture the surrounding rock and stimulate production. We regularly use hydraulic fracturing as part of our operations. Hydraulic fracturing is typically regulated by state oil and natural gas commissions, but federal agencies have asserted jurisdiction over certain aspects of the process. The EPA has asserted federal regulatory authority pursuant to the

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SDWA over certain hydraulic fracturing activities involving the use of diesel fuels and published permitting guidance in February 2014 addressing the performance of such activities using diesel fuels. The EPA has also taken the following actions: issued final regulations under the federal Clean Air Act establishing performance standards, including standards for the capture of air emissions released during hydraulic fracturing; issued an advanced notice of proposed rulemaking under the Toxic Substances Control Act to require companies to disclose information regarding the chemicals used in hydraulic fracturing; and, in June 2016, published an effluent limited guideline final rule prohibiting the discharge of wastewater from onshore unconventional oil and natural gas extraction facilities to publicly owned wastewater treatment plants. In addition, Congress has from time to time considered legislation to provide for federal regulation of hydraulic fracturing under the SDWA and to require disclosure of the chemicals used in the hydraulic fracturing process. It is unclear how any additional federal regulation of hydraulic fracturing activities may affect our operations.

Certain governmental reviews are either underway or being proposed that focus on environmental aspects of hydraulic fracturing practices. For example, in December 2016, the EPA released its final report on the potential impacts of hydraulic fracturing on drinking water resources. The final report concluded that “water cycle” activities associated with hydraulic fracturing may impact drinking water resources “under some circumstances,” noting that the following hydraulic fracturing water cycle activities and local or regional-scale factors are more likely than others to result in more frequent or more severe impacts: water withdrawals for fracturing in times or areas of low water availability; surface spills during the management of fracturing fluids, chemicals or produced water; injection of fracturing fluids into wells with inadequate mechanical integrity; injection of fracturing fluids directly into groundwater resources; discharge of inadequately treated fracturing wastewater to surface waters; and disposal or storage of fracturing wastewater in unlined pits.

At the state level, several states have adopted or are considering legal requirements that could impose more stringent permitting, disclosure and well construction requirements on hydraulic fracturing activities. In addition, in December 2016 the OCC announced that it had identified a link between hydraulic fracturing and seismic events in the SCOOP and STACK. The commission linked well completion operations to low-level seismic events that occurred in July 2016 in Blanchard, Oklahoma. In response to these events, the Commission has issued “seismicity guidelines” for operators in the SCOOP and the STACK. At this time, we cannot predict what additional measures the OCC may require to reduce the risk of seismic events from hydraulic fracturing. If new or more stringent federal, state or local legal restrictions relating to the hydraulic fracturing process are adopted in areas where we operate, we could incur potentially significant added costs to comply with such requirements, experience delays or curtailment in the pursuit of development activities and perhaps even be precluded from drilling wells.

ESA and Migratory Birds

The Endangered Species Act (the “ESA”) and (in some cases) comparable state laws were established to protect endangered and threatened species. Pursuant to the ESA, if a species is listed as threatened or endangered, restrictions may be imposed on activities adversely affecting that species’ habitat. Similar protections are offered to migratory birds under the Migratory Bird Treaty Act. We may conduct operations on oil and natural gas leases in areas where certain species that are listed as threatened or endangered are known to exist and where other species, such as the sage grouse, that potentially could be listed as threatened or endangered under the ESA may exist. The U.S. Fish and Wildlife Service may designate critical habitat and suitable habitat areas that it believes are necessary for survival of a threatened or endangered species. A critical habitat or suitable habitat designation could result in further material restrictions to federal land use and may materially delay or prohibit land access for oil and natural gas development. Moreover, as a result of a settlement approved by the U.S. District Court for the District of Columbia in September 2011, the U.S. Fish and Wildlife Service is required to make a determination on listing of more than 250 species as endangered or threatened under the ESA by no later than completion of the agency’ s 2017 fiscal year. Similar protections are offered to migratory birds under the Migratory Bird Treaty Act. The federal government recently issued indictments under the Migratory Bird Treaty Act to several oil and natural gas companies after dead migratory birds were found near reserve pits associated

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with drilling activities. The identification or designation of previously unprotected species as threatened or endangered in areas where underlying property operations are conducted could cause us to incur increased costs arising from species protection measures or could result in limitations on our development activities that could have an adverse impact on our ability to develop and produce reserves. If we were to have a portion of our leases designated as critical or suitable habitat, it could adversely impact the value of our leases.

OSHA

We are subject to the requirements of the Occupational Safety and Health Act (“OSHA”) and comparable state statutes whose purpose is to protect the health and safety of workers. In addition, the OSHA hazard communication standard, the Emergency Planning and Community Right-to-Know Act and comparable state statutes and any implementing regulations require that we organize and/or disclose information about hazardous materials used or produced in our operations and that this information be provided to employees, state and local governmental authorities and citizens.

Related Permits and Authorizations

Many environmental laws require us to obtain permits or other authorizations from state and/or federal agencies before initiating certain drilling, construction, production, operation or other oil and natural gas activities, and to maintain these permits and compliance with their requirements for on-going operations. These permits are generally subject to protest, appeal or litigation, which can in certain cases delay or halt projects and cease production or operation of wells, pipelines and other operations.

We have not experienced any material adverse effect from compliance with environmental requirements. However, there is no assurance that this will continue. We did not have any material capital or other non-recurring expenditures in connection with complying with environmental laws or environmental remediation matters in 2016, nor do we anticipate that such expenditures will be material in 2017.

Related Insurance

We maintain insurance against risks associated with above or underground contamination that may occur as a result from our oil and natural gas operations. Coverage provides for third-party liability claims for bodily injury, property damage or remediation expenses arising from a pollution incident under or migrating from covered property or results from covered operations. Coverage is also provided for first-party remediation expenses such as emergency response expenses, evacuation expenses and image restoration expenses. Defense costs are included in the policy limit.

Employees

As of December 31, 2016, we had 140 full-time employees. We have no collective bargaining agreements with our employees. We believe that our employee relationships are satisfactory.

Legal Proceedings

We are party to lawsuits arising in the ordinary course of our business. We cannot predict the outcome of any such lawsuits with certainty, but management believes it is unlikely that pending or threatened legal matters will have a material adverse impact on our financial condition.

Due to the nature of our business, we are, from time to time, involved in other routine litigation or subject to disputes or claims related to our business activities, including workers’ compensation claims and

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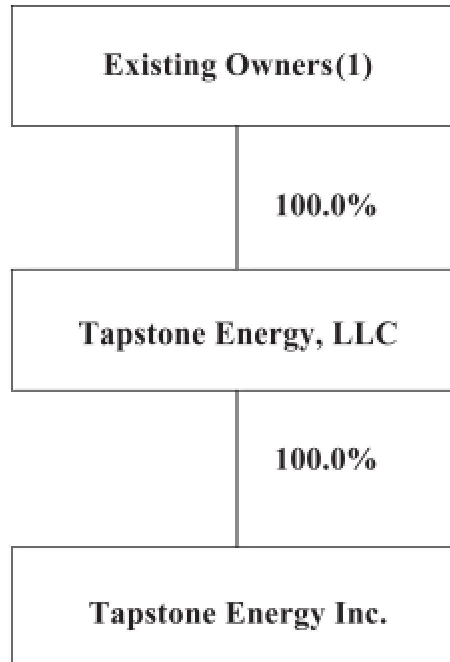
employment related disputes. In the opinion of our management, none of these other pending litigation, disputes or claims against us, if decided adversely, will have a material adverse effect on our financial condition, cash flows or results of operations.

CORPORATE REORGANIZATION

We were incorporated under the laws of the State of Delaware in December 2016 to become a holding company for Tapstone Energy, LLC and its assets and operations. Tapstone Energy, LLC, which is our accounting predecessor, was formed as a Delaware limited liability company in December 2013. Certain Management Members hold incentive units in Tapstone Energy, LLC that entitle such Management Members to a portion of any proceeds distributed by Tapstone Energy, LLC following the achievement of certain return thresholds by the capital interest owners of Tapstone Energy, LLC.

Pursuant to the terms of certain reorganization transactions that will be completed immediately prior to the closing of this offering, Tapstone Energy, LLC will merge into a subsidiary of Tapstone Energy Inc., with the Existing Owners, including the holders of incentive units, receiving shares of our common stock, with the allocation of such shares among the Existing Owners being determined, pursuant to the terms of the limited liability company agreement of Tapstone Energy, LLC, by reference to the volume weighted average price of the publicly traded shares of our common stock during the initial 20 days during which our common stock is traded on the NYSE. As a result of these transactions, Tapstone Energy, LLC will become a wholly-owned subsidiary of Tapstone Energy Inc.

The following diagram illustrates our simplified ownership structure immediately before this offering and the transactions described above.



(1) Please read "–Existing Owners' Ownership" for a discussion of the interests held by our Existing Owners.

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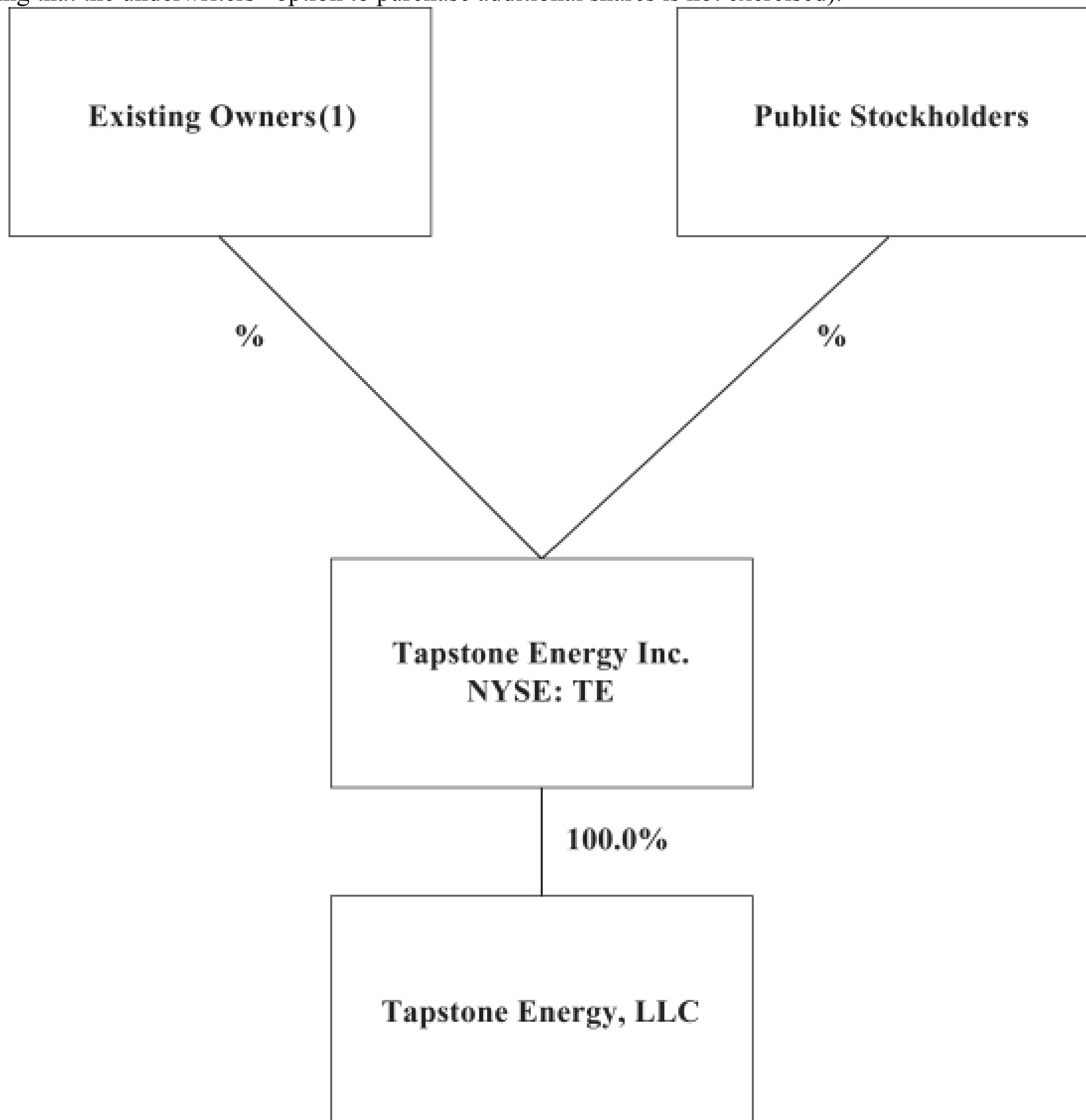
The following diagram illustrates our simplified ownership structure after giving effect to our corporate reorganization and this offering (assuming that the underwriters' option to purchase additional shares is not exercised).



(1) Includes GSO and the Management Members.

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Existing Owners' Ownership

The table below sets forth the percentage ownership of our Existing Owners prior to this offering and after the consummation of this offering (assuming that the underwriters' option to purchase additional shares is not exercised).

Existing Owners (1)	Percentage Ownership in Tapstone Energy, LLC Prior to this Offering (2)	Equity Interests in Tapstone Energy Inc. Following this Offering	
		Common Stock (3)	Voting Power (%) (3)
GSO E&P Holdings I LP			
Management Members who are executive officers (4)			
Other Management Members			
	100 %		

(1) The number of shares of common stock to be issued to our Existing Owners is based on an implied equity value of Tapstone Energy, LLC immediately prior to this offering, based on an initial public offering price of $ per share of common stock, the midpoint of the price range set forth on the cover page of this prospectus. The actual allocation of the shares among our Existing Owners will be determined by the volume weighted average price of the publicly traded shares of our common stock during the initial 20 days during which our common stock is traded on the NYSE. Any increase in such volume weighted average price will result in an increase in the number of shares of common stock to be received by the holders of incentive units in Tapstone Energy, LLC and a corresponding decrease in the number of shares of common stock to be received by our other existing investors. Any decrease in such volume weighted average price will result in a decrease in the number of shares of common stock to be received by the holders of incentive units in Tapstone Energy, LLC and a corresponding increase in the number of shares of common stock to be received by our other existing investors. However, such volume weighted average price will not affect the aggregate numbers of shares of common stock received by our Existing Owners in the reorganization. Assuming that the volume weighted average price of the publicly traded shares of our common stock during the initial 20 days during which our common stock is traded on the NYSE is equal to the public offering price of $ per share (the midpoint of the price range set forth on the cover page of this prospectus), incentive unit holders will receive million shares of our common stock. A $1.00 increase (decrease) in this assumed common stock price would increase (decrease) the aggregate number of shares to be received by the incentive unit holders by ( ) million shares.

(2) Does not include incentive units.

(3) Totals may not sum or recalculate due to rounding.

(4) Includes Messrs. Dixon, Edwards, Duginski, Miller and Costello.

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MANAGEMENT

The following table sets forth the names, ages and titles of our directors, director nominees and executive officers:

Name	Age	Position
Steven C. Dixon	58	Chairman, Chief Executive Officer and President
David M. Edwards	35	Senior Vice President and Chief Financial Officer
Charles Duginski	45	Senior Vice President and Chief Operating Officer
Stephen W. Miller	60	Senior Vice President – Drilling
Robert P. Costello	58	General Counsel and Vice President – Land
D. Dwight Scott	53	Director
Robert Horn	35	Director
Robert W. Baker	60	Director Nominee
Martha A. Burger	65	Director Nominee
David F. Posnick	51	Director Nominee
David A. Reed	69	Director Nominee

Steven C. Dixon has served as the Chief Executive Officer of Tapstone Energy, LLC since December 2016. He was appointed as the President and Chief Executive Officer and as Chairman of the board of directors of Tapstone Energy Inc. in December 2016. Prior to joining Tapstone, Mr. Dixon served in various roles for Chesapeake Energy Corporation ("Chesapeake") from 1991 to September 2013, including acting Chief Executive Officer from April 2013 until September 2013, Executive Vice President – Operations and Geosciences and Chief Operating Officer from February 2010 to April 2013, Executive Vice President – Operations and Chief Operating Officer from 2006 to February 2010, Senior Vice President – Production from 1995 to 2006 and Vice President – Exploration from 1991 to 1995. From September 2013 to December 2016, Mr. Dixon managed his private investments. Mr. Dixon has more than 36 years of experience in the oil and natural gas industry. Mr. Dixon holds a Bachelor of Science degree in Geology from the University of Kansas. Mr. Dixon served as a member of the Board of Directors for Rice Energy Inc. from December 2014 to December 2016. He is a member of the Society of Petroleum Engineers, the American Association of Petroleum Geologists and the Advisory Board to the University of Kansas.

We believe that Mr. Dixon's extensive experience in the energy industry, including his past experiences as an executive of a publicly traded oil and gas company, brings valuable strategic, managerial and leadership skills to the board of directors and us.

David M. Edwards joined Tapstone Energy, LLC in February 2014 as Senior Vice President – Finance and has served as Senior Vice President and Chief Financial Officer since October 2014. He was appointed as the Senior Vice President and Chief Financial Officer of Tapstone Energy Inc. in December 2016. Prior to joining Tapstone, Mr. Edwards held various roles in the Finance department of SandRidge Energy, Inc. ("SandRidge") from October 2010 until February 2014. From 2007 until 2010, Mr. Edwards worked in Equity Research at UBS Investment Bank, covering publicly traded companies in the Energy sector. Mr. Edwards holds a Bachelor of Science degree in Applied Mathematics from Brown University.

Charles Duginski joined Tapstone Energy, LLC and was appointed as Senior Vice President and Chief Operating Officer of Tapstone Energy Inc. in February 2017. Prior to joining Tapstone, he served as Chief Operating Officer of Echo Energy from July 2016 to February 2017. From October 2013 to June 2016, Mr. Duginski served as Vice President – Southern Region Production of Continental Resources, Inc., where he had both operational and technical responsibility for completion and production of wells in the southern region (Oklahoma, Texas and Louisiana), including the SCOOP and STACK plays. From November 2004 until October 2013, Mr. Duginski held various positions at Chesapeake, including District Manager – Haynesville, then Vice President – Haynesville/ Barnett Business Unit from July 2009 until October 2013. Prior to 2004, Mr. Duginski

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held various engineering positions. All together, Mr. Duginski has more than 22 years of experience in the in the oil and natural gas industry. Mr. Duginski holds a Bachelor of Science in Mechanical Engineering from the University of Oklahoma.

Stephen W. Miller has served as the Senior Vice President ‑ Drilling at Tapstone Energy, LLC since October 2016 and was appointed as the Senior Vice President ‑ Drilling of Tapstone Energy Inc. in December 2016. Prior to joining Tapstone in October of 2016, he served as COO for Crescent Consulting LLC from March 2014 to October 2016. From August 2013 to March 2014, Mr. Miller managed his private investments. Mr. Miller served as Senior Vice President ‑ Drilling for Chesapeake from 2001 to August 2013 where he was responsible for managing all drilling operations in North America and related aspects for the company. He served as Vice President, Drilling of Chesapeake from 1996 to 2001 and as District Manager, College Station District of Chesapeake from 1994 to 1996. Mr. Miller, prior to 1994, held various engineering positions and has more than thirty-five years of experience in the oil and natural gas industry. Mr. Miller holds a Bachelor of Science degree in Petroleum Engineering from Texas A&M University. He is on the Industry Board of the Harold Vance Department of Petroleum Engineering at Texas A&M University. He is a registered Professional Engineer and a member of the Society of Petroleum Engineers.

Robert P. Costello has served as General Counsel and Vice President ‑ Land of Tapstone Energy, LLC since November 2013 and was appointed as the General Counsel and Vice President ‑ Land of Tapstone Energy Inc. in December 2016. Prior to joining Tapstone in November 2013, Mr. Costello was Division Counsel at Chesapeake from 2006 until November 2013, where he was responsible for the legal affairs of land and operations within the Mid-Continent area. He also served as senior counsel in support of litigation at Chesapeake. From 1988 to 2000, Mr. Costello was in the private practice of law in Oklahoma City focused primarily on oil and gas litigation and transactions representing various larger operators in Oklahoma. Prior to graduating from the University of Tulsa' s College of Law in 1988, he was a landman with Getty Oil Company in its New Orleans district office, and with AMR Energy Corp. in Dallas, Texas. He graduated from the University of Oklahoma in 1981 with a Bachelor of Business Administration in Petroleum Land Management.

D. Dwight Scott has served as a member of the board of directors of Tapstone Energy, LLC since December 2013 and was appointed as a member of the board of directors of Tapstone Energy Inc. in December 2016. Mr. Scott is currently a Senior Managing Director of Blackstone and GSO. Mr. Scott sits on the investment committees for GSO' s energy funds, mezzanine funds and rescue lending funds. Before joining GSO in 2005, Mr. Scott was an Executive Vice President and Chief Financial Officer of El Paso Corporation ("El Paso"). Prior to joining El Paso, Mr. Scott served as a Managing Director in the energy investment banking practice of Donaldson, Lufkin & Jenrette. Mr. Scott currently serves on the board of directors of several other GSO portfolio companies, including 3Bear Energy, LLC, Energy Alloys LLC, FourPoint Energy, LLC, Twin Eagle Resource Management, LLC, Legacy Reserves LP and GEP Haynesville, LLC. He is a member of the board of trustees of KIPP, Inc., the board of directors of the Blackstone Charitable Foundation and the board of directors of Wall Street for McCombs.

We believe that Mr. Scott' s extensive experience, including his executive roles in the energy and the finance industry and as director for several GSO portfolio companies, brings important and valuable skills to our board of directors.

Robert Horn has served as a member of the board of directors of Tapstone Energy, LLC since December 2013 and was appointed as a member of the board of directors of Tapstone Energy Inc. in December 2016. Mr. Horn is currently a Senior Managing Director of Blackstone and GSO. Mr. Horn helps oversee GSO' s activities in the energy and power sectors and sits on the investment committees for GSO' s energy funds. Prior to joining GSO in 2005, Mr. Horn worked in the Global Energy Group of Credit Suisse Securities (USA) LLC ("Credit Suisse"), where he advised on high-yield financings and merger and acquisition assignments for companies in the power and utilities sector. Mr. Horn currently serves on the board of directors of several other GSO portfolio companies involved in oil and gas production, oilfield services and midstream, including FourPoint Energy, LLC, GEP Haynesville, LLC, Riverbend Oil & Gas, LLC, MR Italia, LLC, Gulftex Energy, LLC, Compass Well Services, LLC and SN EF UnSub, LP.

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We believe that Mr. Horn' s extensive experience, including his roles in the finance industry and as director for several GSO portfolio companies, brings important and valuable skills to our board of directors.

Robert W. Baker will become a member of our board of directors in connection with our listing on the NYSE. Mr. Baker is a practicing attorney, specializing in legal support for energy and finance related transactions and whose primary client has been GSO since July 2013. Prior to his current role, Mr. Baker served as acting general counsel for Rosetta Resources, Inc. from September 2012 to July 2013 and served as Executive Vice President and General Counsel of El Paso Corporation ("El Paso") and its subsidiaries from January 2004 to May 2012. Prior to January 2004, he was the President of El Paso Merchant Energy-Petroleum Company, which was responsible for El Paso' s power generation, refinery, chemical, trading, telecom, international pipeline and LNG merchant terminals and shipping business. Prior to 2003, Mr. Baker held various legal positions at El Paso, Tenneco Inc. and Texaco, Inc. Mr. Baker currently serves on the board of 3Bear Energy, LLC, a private midstream company.

We believe that Mr. Baker' s extensive experience, including his roles as an attorney and consultant for several GSO portfolio companies, brings important and valuable skills to our board of directors.

Martha A. Burger will become a member of our board of directors and a member of our audit committee in connection with our listing on the NYSE. Currently, Ms. Burger is a Managing Member of Amethyst Investments LLC ("Amethyst"), which she co-founded in June 2014. Prior to co-founding Amethyst, from August 2013 to June 2014, Ms. Burger managed her personal investments. From 1994 to April 2013, Ms. Burger held several positions at Chesapeake, including Senior Vice President, Human and Corporate Resources and Treasurer. From 1989 to 1994, Ms. Burger served in various roles for Hadson Corporation ("Hadson"), including as Vice President and Controller and as Assistant Treasurer. Prior to joining Hadson, Ms. Burger was employed by The Phoenix Resource Companies, Inc. as Assistant Treasurer and by Arthur Andersen & Co. as Staff Accountant and Senior Accountant. Ms. Burger currently serves as a Trustee at Oklahoma City University and as President of the Oklahoma State Board of Health.

We believe that Ms. Burger' s extensive experience, including her roles in the energy and finance industry, brings important and valuable skills to our board of directors.

David F. Posnick will become a member of our board of directors in connection with our listing on the NYSE. Mr. Posnick is currently a Senior Managing Director with Blackstone and GSO. Mr. Posnick is the Chief Investment Officer and a Joint Portfolio Manager of the GSO Capital Solutions Funds and a member of the Capital Solutions Funds Investment Committee. Prior to joining GSO in 2007, Mr. Posnick was a Managing Director and Vice Chairman of the Corporate and Investment Banking Division of Credit Suisse. Mr. Posnick spent 15 years in Credit Suisse and Donaldson, Lufkin & Jenrette' s Los Angeles office, where he helped to build Credit Suisse' s leveraged finance and sponsor coverage businesses and also served as Head of the Financial Sponsors Coverage Group and of Credit Suisse' s Los Angeles office. Mr. Posnick began his career in the investment banking division at Drexel Burnham Lambert. Mr. Posnick received a Bachelor of Science degree in Economics from the Wharton School at the University of Pennsylvania and a Master of Business Administration from the University of California, Los Angeles. He is currently a member of the board of directors of Lobo Leasing Limited.

We believe that Mr. Posnick' s extensive experience, including his roles in the finance industry and as a director for several GSO portfolio companies, brings important and valuable skills to our board of directors.

David A. Reed will become a member of our board of directors and the chairman of our audit committee in connection with our listing on the NYSE. Mr. Reed currently serves as president of a privately-held family investment management company, a position he has held since 2004, and is a member of the board of directors of LCI Industries, Inc. ("LCI"). Since joining the board of directors of LCI in 2003, Mr. Reed has served as the chairman of the audit committee, and he currently serves as a member of the risk committee. Prior to joining

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LCI, Mr. Reed was a Senior Vice Chair for Ernst & Young LLP. Mr. Reed spent 26 years with Ernst & Young LLP where he held several senior U.S. and global operating, administrative and marketing roles, including serving on the Management Committee and Global Executive Council from 1991-2000.

We believe that Mr. Reed' s extensive experience, including his roles in the finance industry, brings significant knowledge of accounting, capital structures, financial reporting, strategic planning and forecasting to our board of directors. In addition, we anticipate that Mr. Reed will satisfy the definition of an "audit committee financial expert".

There are no family relationships among any of our directors, director nominees or executive officers.

Board of Directors

Our board of directors currently consists of three members, including our Chief Executive Officer and President, who serves as Chairman. Concurrently with the consummation of this offering, we will increase the size of our board of directors to seven members, including our Chief Executive Officer and President, who will continue to serve as Chairman.

In connection with this offering, we will enter into a stockholders' agreement with GSO. The stockholders' agreement will provide GSO with the right to designate a certain number of nominees to our board of directors so long as it and its affiliates collectively beneficially own at least 5% of the outstanding shares of our common stock. Please read "Certain Relationships and Related Party Transactions−Stockholders' Agreement" and "Risk Factors−Risks Related to this Offering and Our Common Stock−GSO will have the ability to direct the voting of a majority of our common stock, and its interests may conflict with those of our other stockholders".

Initially, our board of directors will be divided into three classes of directors, with each class as equal in number as possible, serving staggered three-year terms. For so long as GSO beneficially owns or controls more than 50% of the voting power of our issued and outstanding common stock, such directors will generally be removable at any time, either for or without "cause", upon the affirmative vote of the holders of a majority of the outstanding shares of our issued and outstanding common stock entitled to vote generally for the election of directors. Once GSO ceases to beneficially own or control more than 50% of the voting power of our issued and outstanding common stock, such directors will be removable only for "cause" upon the affirmative vote of the holders of at least 66 ⅔% of the outstanding shares of our issued and outstanding common stock entitled to vote generally for the election of directors.

In evaluating director candidates, we will assess whether a candidate possesses the integrity, judgment, knowledge, experience, skills and expertise that are likely to enhance the board of directors' ability to manage and direct our affairs and business, including, when applicable, to enhance the ability of the committees of the board of directors to fulfill their duties. Our directors hold office until their successors have been duly elected and qualified or until their earlier death, resignation, or removal.

Director Independence

We intend to appoint Mr. Reed and Ms. Burger as independent directors to our board of directors contemporaneously with the completion of this offering. In making such appointments, our board of directors will review the independence of our directors using the independence standards of the NYSE.

Status as a Controlled Company

Because GSO will beneficially own a majority of our outstanding common stock following the completion of this offering, we expect to be a controlled company under the NYSE corporate governance

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standards. A controlled company need not comply with NYSE corporate governance rules that require its board of directors to have a majority of independent directors and independent compensation and nominating and governance committees. Notwithstanding our status as a controlled company, we will remain subject to the NYSE corporate governance standard that requires us to have an audit committee composed entirely of independent directors. As a result, we must have at least one independent director on our audit committee by the effective date of the registration statement of which this prospectus forms a part, at least two independent directors within 90 days of such effective date and at least three independent directors within one year of such effective date.

If at any time we cease to be a controlled company, we will take all action necessary to comply with the rules, including appointing a majority of independent directors to our board of directors and ensuring we have a compensation committee and a nominating and corporate governance committee, each composed entirely of independent directors, subject to a permitted "phase-in" period. We will cease to qualify as a controlled company once GSO ceases to control a majority of our voting stock.

Committees of the Board of Directors

Upon the conclusion of this offering, we intend to have an audit committee of our board of directors, and may have such other committees as the board of directors shall determine from time to time. We anticipate that each of the standing committees of the board of directors will have the composition and responsibilities described below.

Audit Committee

We will establish an audit committee prior to the completion of this offering. Messrs. Dixon and Reed and Ms. Burger will serve as the members of our audit committee. Mr. Reed and Ms. Burger will be independent under the independence standards of the NYSE. As required by the rules of the SEC and listing standards of the NYSE, the audit committee will consist solely of independent directors within one year of the listing date. SEC rules also require that a public company disclose whether or not its audit committee has an "audit committee financial expert" as a member. An "audit committee financial expert" is defined as a person who, based on his or her experience, possesses the attributes outlined in such rules. We anticipate that Mr. Reed, who we expect to serve as the chairman of our audit committee, will satisfy the definition of "audit committee financial expert".

The audit committee will oversee, review, act on and report on various auditing and accounting matters to our board of directors, including: the selection of our independent accountants, the scope of our annual audits, fees to be paid to the independent accountants, the performance of our independent accountants and our accounting practices. In addition, the audit committee will oversee our compliance programs relating to legal and regulatory requirements. We expect to adopt an audit committee charter defining the committee' s primary duties in a manner consistent with the rules of the SEC and NYSE.

Compensation Committee

Because we will be a "controlled company" within the meaning of the NYSE corporate governance standards, we will not be required to, and do not currently expect to, have a compensation committee.

If and when we are no longer a "controlled company" within the meaning of the NYSE corporate governance standards, we will be required to establish a compensation committee. We anticipate that such a compensation committee would consist of three directors who will be "independent" under the rules of the SEC. This committee would establish salaries, incentives and other forms of compensation for officers and other employees. Any compensation committee would also administer our incentive compensation and benefit plans. Upon formation of a compensation committee, we would expect to adopt a compensation committee charter defining the committee' s primary duties in a manner consistent with the rules of the SEC and applicable stock exchange or market standards.

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Nominating and Corporate Governance Committee

Because we will be a "controlled company" within the meaning of the NYSE corporate governance standards, we will not be required to, and do not currently expect to, have a nominating and corporate governance committee.

If and when we are no longer a "controlled company" within the meaning of the NYSE corporate governance standards, we will be required to establish a nominating and corporate governance committee. We anticipate that such a nominating and corporate governance committee would consist of three directors who will be "independent" under the rules of the SEC. This committee would identify, evaluate and recommend qualified nominees to serve on our board of directors, develop and oversee our internal corporate governance processes and maintain a management succession plan. Upon formation of a nominating and corporate governance committee, we would expect to adopt a nominating and corporate governance committee charter defining the committee' s primary duties in a manner consistent with the rules of the SEC and applicable stock exchange or market standards.

Compensation Committee Interlocks and Insider Participation

Because we will be a "controlled company" within the meaning of the NYSE corporate governance standards, we will not be required to, and do not currently expect to, have a compensation committee at the completion of this offering. None of our executive officers serve on the board of directors or compensation committee of a company that has an executive officer that serves on our board of directors or compensation committee. No member of our board of directors is an executive officer of a company in which one of our executive officers serves as a member of the board of directors or compensation committee of that company.

Code of Business Conduct and Ethics

Prior to the completion of this offering, our board of directors will adopt a code of business conduct and ethics applicable to our employees, directors and officers, in accordance with applicable U.S. federal securities laws and the corporate governance rules of the NYSE. Any waiver of this code may be made only by our board of directors and will be promptly disclosed as required by applicable U.S. federal securities laws and the corporate governance rules of the NYSE.

Corporate Governance Guidelines

Prior to the completion of this offering, our board of directors will adopt corporate governance guidelines in accordance with the corporate governance rules of the NYSE.

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EXECUTIVE COMPENSATION

We are an "emerging growth company," as defined in the JOBS Act. In accordance with such rules, we are required to provide a Summary Compensation Table and an Outstanding Equity Awards at Fiscal Year-End Table, as well as limited narrative disclosures regarding executive compensation for our fiscal year ended December 31, 2016. Further, our reporting obligations extend to only our "named executive officers," who are the individuals who served as our principal executive officer and our next two most highly compensated officers who served as executive officers during the last completed fiscal year. Our named executive officers (our "NEOs") for 2016 were:

Name	Principal Position
Steven C. Dixon	Chairman of the Board, Chief Executive Officer and President
Robert P. Costello	General Counsel and Vice President – Land
Richard D. Hughes	Vice President – Production

Summary Compensation Table

The following table summarizes compensation that was earned by our NEOs for the fiscal years ended December 31, 2016 and 2015.

Name and Principal Position	Year	Salary ($)	Bonus ($) (1)	Option Awards (2)	All Other Compensation ($) (3)	Total ($)
Steven C. Dixon (4)	2016	20,125	50,000	–	2,625	72,750
(*Chairman, Chief Executive Officer and President*)	2015	–	–	–	–	–
Robert P. Costello	2016	324,243	109,180	13,875	26,465	473,763
(*General Counsel and Vice President – Land*)	2015	315,499	106,000	–	27,158	448,657
Richard D. Hughes	2016	372,834	177,416	18,500	18,360	587,110
(*Vice President – Production*)	2015	362,500	172,250	–	21,123	555,873
Tom L. Ward (5)	2016	1,043,230	250,000	–	378,877	1,672,107
(*Former Chairman and Chief Executive Officer*)	2015	1,023,999	500,000	–	727,469	2,251,468
Gary L. Poulain (6)	2016	358,362	95,532	11,100	130,697	595,691
(*Former Senior Vice President – Drilling*)	2015	394,499	185,500	–	26,994	606,993

(1) Except with respect to Mr. Dixon, the amounts in this column represent the payment of annual bonuses earned during 2016. For a description of annual bonuses for 2016, please read "–Narrative Disclosures–Cash Bonus" below. For Mr. Dixon, the amount represents a sign-on bonus earned when he joined our predecessor on December 15, 2016.

(2) We believe that, despite the fact that incentive units do not require the payment of an exercise price, they are most similar economically to stock options, and as such they are properly classified as "options" under the definition provided in Item 402(m)(5)(i) of Regulation S-K as an instrument with an "option-like feature." Amounts reported in this column reflect the grant date fair value of $185 per unit, determined in accordance with ASC Topic 718. These awards do not have maximum payout levels. These amounts do not correspond to the actual value that will be recognized by our NEOs. See Note 10 to the consolidated financial

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statements included in this prospectus for additional detail regarding assumptions underlying the value of these awards and for a description of their accounting treatment under ASC Topic 718.

(3) Amounts in this column include (i) for Mr. Dixon, contributions by Tapstone to the 401(k) plan of $2,625, (ii) for Mr. Costello, contributions by Tapstone to the 401(k) plan of $24,000 and $1,042 for sporting tickets (plus $392 for related tax reimbursements), (iii) for Mr. Hughes, contributions by Tapstone to the 401(k) plan of $18,000, (iv) for Mr. Ward, contributions by Tapstone to the 401(k) plan of $24,000, a $250,000 severance payment in conjunction with his termination of employment, which was paid to compensate him for the bonus payment he would have received in January 2017 had he remained employed at that time, and a $103,846 payment for accrued vacation which was paid in connection with his termination of employment, and (v) for Mr. Poulain, contributions by Tapstone to the 401(k) plan of $24,000, $1,042 for sporting tickets (plus $327 for related tax reimbursements), a $95,533 severance payment and $8,455 for continuation of health benefits in connection with his termination of employment.

(4) Mr. Dixon joined our predecessor on December 15, 2016 and was appointed Chief Executive Officer, President and Chairman effective as of December 31, 2016.

(5) Mr. Ward stepped down as Chief Executive Officer of our predecessor in conjunction with Mr. Dixon being hired, and his employment with our predecessor was terminated on December 31, 2016.

(6) Mr. Poulain' s employment with our predecessor was terminated on October 24, 2016.

Outstanding Equity Awards at 2016 Fiscal Year-End

The following table summarizes outstanding incentive units held by our NEOs as of December 31, 2016. See "−Narrative Disclosures−Pre-Existing Incentive Units" for more information on such incentive units.

		Option Awards (1)			
Name	**Grant Date**	**Number of Securities Underlying Unexercised Options, Exercisable (#)**	**Number of Securities Underlying Unexercised Options, Unexercisable (#)**	**Option Exercise Price ($)**	**Option Expiration Date**
Steve C. Dixon	−	−	−	N/A	N/A
Robert P. Costello	03/27/14	75	50	N/A	N/A
	08/16/16	−	75	N/A	N/A
Richard D. Hughes	03/27/14	60	40	N/A	N/A
	08/16/16	−	100	N/A	N/A
Tom L. Ward	01/23/14	5,000	−	N/A	N/A
Gary L. Poulain	−	−	−	N/A	N/A

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(1) The incentive units are intended to constitute "profits interests" and represent actual equity interests that have no liquidation value for U.S. federal income tax purposes on the date of grant but are designed to gain value only after the underlying assets have realized a certain level of growth and return to those persons who hold certain other classes of equity. We believe that, despite the fact that the incentive units do not require the payment of an exercise price, these awards are most similar economically to stock options and, as such, they are properly classified as "options" for purposes of the SEC' s executive compensation disclosure rules under the definition provided in Item 402(m)(5)(i) of Regulation S-K since these awards have "option-like features." Awards reflected as "Exercisable" are incentive units that have vested, and awards reflected as "Unexercisable" are incentive units that have not yet vested. The incentive units vest on an annual basis, pro rata over a three to five year period. All of the incentive units held by employees of Tapstone Energy, LLC will vest in full and convert into shares of our common stock in connection with the closing of this offering. Following this offering, there will be no outstanding incentive units and no executive officers will receive grants of incentive units as compensation.

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Narrative Disclosures

Employment Agreements with Named Executive Officers

Steve Dixon

We entered into an amended and restated employment agreement with Mr. Dixon effective April 12, 2017. The initial term of the amended and restated employment agreement will end on December 15, 2018. The term of the employment agreement will be automatically renewed for additional one-year terms, unless we or Mr. Dixon provides 60-days' notice. Mr. Dixon's base salary under the amended and restated employment agreement will be $650,000. Under the amended and restated employment agreement, Mr. Dixon is eligible for an annual cash incentive bonus with a target amount equal to 100% of his base salary, up to a maximum of 200% of base salary, based upon performance, as determined by our board of directors from time to time. Mr. Dixon is eligible to receive benefits that are substantially similar to those of our other senior executive officers. The amended and restated employment agreement also contains certain standard non-competition, non-solicitation and confidentiality provisions.

Pursuant to the terms of the amended and restated employment agreement, Mr. Dixon received an initial award consisting of the following grants: (i) a capital interest in Tapstone Energy, LLC equal to 1% of all membership interests in Tapstone Energy, LLC outstanding as of December 31, 2016, subject to a 4-year graded vesting schedule commencing on December 15, 2016; (ii) options to purchase common stock of Tapstone Energy Inc. equal to 0.5% of all membership interests in Tapstone Energy, LLC outstanding as of December 31, 2016, with an exercise price per share of common stock equal to 1.15 times the initial public offering price, subject to a 4-year graded vesting schedule commencing on December 15, 2016; and (iii) a cash award equal to (A) the value of the number of shares of our common stock that would have resulted from a hypothetical grant of 250 pre-offering incentive units of Tapstone Energy, LLC, plus (B) 15.8% of the dollar amount of such award; provided that if the offering is not effective within 180 days from February 1, 2017, then in lieu of any cash payment, Mr. Dixon will receive either: (y) a fully vested profits interest equity award covering 250 incentive units of Tapstone Energy, LLC with a threshold value at or near $0.00, or (z) a fully vested capital interest equity award covering 250 incentive units of Tapstone Energy, LLC plus a cash payment equal to 15.8% of the fair market value of such award.

Mr. Dixon's amended and restated employment agreement provides that, in the event that his employment is terminated by us without "cause" (as defined in his amended and restated employment agreement) or Mr. Dixon terminates employment for "good reason" (as defined in his amended and restated employment agreement) subject to the execution and effectiveness of a general release of claims in our favor, he will be entitled to receive the base salary and annual target bonus that would have otherwise been due to him through the expiration of his then-current employment term.

In the event that Mr. Dixon terminates his employment on account of a "change in control" (as defined in his amended and restated employment agreement), subject to the execution and effectiveness of a general release of claims in our favor, he will be entitled to receive: (i) an amount equal to the sum of (x) his base salary and (y) his target annual cash incentive bonus; and (ii) one-year incremental vesting of his initial equity award. Notwithstanding the foregoing, if such termination on account of a change in control occurs prior to the first anniversary of the commencement of Mr. Dixon's initial employment term and the total change of control benefits are less than $7,000,000, Mr. Dixon will be entitled to such additional vesting of his initial equity award sufficient to bring the total change of control benefits to $7,000,000.

Upon a termination due to death or "disability" (as defined in his amended and restated employment agreement), Mr. Dixon will be entitled to: (i) an amount equal to the sum of (x) his base salary and (y) his target annual cash incentive bonus; and (ii) one-year incremental vesting of his initial award of interests and options.

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Robert Costello

We will enter into an employment agreement with Mr. Costello prior to the completion of this offering. Mr. Costello' s base salary under the employment agreement will be $309,252. The employment agreement will have an initial two-year term and will be automatically renewed for additional one-year terms, unless we or Mr. Costello provides 60-days' notice. Under the employment agreement, Mr. Costello will be eligible for an annual cash incentive bonus with a target amount equal to 50% of his base salary, based upon our and Mr. Costello' s performance, as determined by our board of directors. Mr. Costello is eligible to receive benefits that are substantially similar to those of our other senior executive officers. The employment agreement also contains certain standard non-solicitation, confidentiality and non-disparagement provisions.

Mr. Costello' s employment agreement will provide that, in the event that his employment is terminated by us without "cause" (as defined in his employment agreement), or Mr. Costello terminates employment for "good reason" (as defined in his employment agreement) subject to the execution and effectiveness of a general release of claims in our favor, he will be entitled to receive: (i) an amount equal to 1.5 times the sum of (x) his annual base salary and (y) his target annual cash incentive bonus; (ii) pro-rata vesting of equity awards, with performance goals, if applicable, deemed met at target; and (iii) a lump sum payment equal to 12 months of the costs to continue existing healthcare coverage under COBRA.

In lieu of the payments and benefits described in the preceding paragraph, if Mr. Costello' s employment is terminated by us without cause or Mr. Costello terminates employment for good reason, in either case, within 12 months following a "change in control" (as defined in his employment agreement), subject to the execution and effectiveness of a general release of claims in our favor, he will be entitled to receive: (i) an amount equal to 2.5 times the sum of (x) his base salary and (y) his target annual cash incentive bonus; (ii) full vesting of equity awards, with performance goals, if applicable, deemed met at maximum; and (iii) a lump sum payment equal to 12 months' of the costs to continue existing healthcare coverage under COBRA.

Upon a termination due to death or "disability" (as defined in his employment agreement), Mr. Costello will be entitled to receive pro-rata vesting of equity awards, with performance goals, if applicable, deemed met at target.

Richard Hughes

We do not currently anticipate entering into an employment agreement with Mr. Hughes. Mr. Hughes' base salary is a fixed component of compensation for each year, which may be increased from time to time based on his individual performance. Mr. Hughes' base salary was originally set pursuant to negotiations with our Chief Executive Officer. Mr. Hughes is eligible to receive an annual cash bonus, in the discretion of the board of directors of our predecessor, based on numerous factors, including performance of Tapstone Energy, LLC and individual performance. Mr. Hughes' current base salary is $365,480 and his target annual cash bonus is 50% of his base salary.

It is anticipated that Mr. Hughes will be eligible to participate in a severance plan that will be adopted by our board of directors prior to the completion of this offering, which is available for those persons holding the position of vice president (and above) who do not otherwise have an employment agreement providing for severance benefits.

Employment Agreements with Other Executive Officers

Our board of directors will adopt an employment agreement with each of Mr. Duginski and Mr. Edwards prior to the completion of this offering. It is expected that Mr. Duginski and Mr. Edwards may become NEOs for 2017. The materials terms of the employment agreements for Mr. Duginski and Mr. Edwards are summarized below.

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Charles Duginski

The employment agreement of Mr. Duginski will provide for an initial two-year term and will be automatically renewed for additional one-year terms, unless we or Mr. Duginski provides 60-days' notice. Mr. Duginski' s base salary under the employment agreement will be $400,000. Under the employment agreement, Mr. Duginski will be eligible for an annual cash incentive bonus with a target amount equal to 100% of his base salary, based upon our and Mr. Duginski' s performance, as determined by our board of directors. Mr. Duginski is eligible to receive benefits that are substantially similar to those of our other senior executive officers. The employment agreement also contains certain standard non-solicitation, confidentiality and non-disparagement provisions.

Mr. Duginski' s employment agreement provides that, in the event that his employment is terminated by us without "cause" (as defined in his employment agreement) or Mr. Duginski terminates employment for "good reason" (as defined in his employment agreement) subject to the execution and effectiveness of a general release of claims in our favor, he will be entitled to receive: (i) an amount equal to 2.5 times the sum of (x) his annual base salary and (y) his target annual cash incentive bonus; (ii) pro-rata vesting of equity awards, with performance goals, if applicable, deemed met at target; and (iii) a lump sum payment equal to 12 months' of the costs to continue existing healthcare coverage under COBRA.

In lieu of the payments and benefits described in the preceding paragraph, if Mr. Duginski' s employment is terminated by us without cause or Mr. Duginski terminates employment for good reason, in either case within 12 months following a "change in control" (as defined in his employment agreement) subject to the execution and effectiveness of a general release of claims in our favor, he will be entitled to receive: (i) an amount equal to 2.5 times the sum of (x) his base salary and (y) his target annual cash incentive bonus; (ii) full vesting of equity awards, with performance goals, if applicable, deemed met at maximum; and (iii) a lump sum payment equal to 12 months' of the costs to continue existing healthcare coverage under COBRA.

Upon a termination due to death or "disability" (as defined in his employment agreement), Mr. Duginski will be entitled to receive pro-rata vesting of equity awards, with performance goals, if applicable, deemed met at target.

David M. Edwards

The employment agreement of Mr. Edwards will provide for an initial two-year term and will be automatically renewed for additional one-year terms, unless we or Mr. Edwards provides 60-days' notice. Mr. Edwards' base salary under the employment agreement will be $375,000. Under the employment agreement, Mr. Edwards will be eligible for an annual cash incentive bonus with a target amount equal to 50% of his base salary, up to a maximum of 100% of base salary, based upon our and Mr. Edwards' performance, as determined by our board of directors. Mr. Edwards is eligible to receive benefits that are substantially similar to those of our other senior executive officers. The employment agreement also contains certain standard non-solicitation, confidentiality and non-disparagement provisions.

Pursuant to the terms of the employment agreement, Mr. Edwards is entitled to an initial award consisting of the following grants: (i) a capital interest in Tapstone Energy, LLC (to be granted immediately prior to the closing of this offering) equal to 0.20% of all membership interests in Tapstone Energy, LLC outstanding as of December 31, 2016, subject to a 4-year graded vesting schedule commencing on January 1, 2017; and (ii) options to purchase common stock of Tapstone Energy Inc. equal to 0.1% of all membership interests in Tapstone Energy, LLC outstanding as of December 31, 2016, with an exercise price per share of common stock equal to 1.15 times of the initial public offering price, subject to a 4-year graded vesting schedule commencing on January 1, 2017.

Mr. Edwards' employment agreement provides that, in the event that his employment is terminated by us without "cause" (as defined in his employment agreement) or Mr. Edwards terminates employment for "good reason" (as defined in his employment agreement), subject to the execution and effectiveness of a general release

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of claims in our favor, he will be entitled to receive: (i) an amount equal to 2.5 times the sum of (x) his annual base salary and (y) his target annual cash incentive bonus; (ii) pro-rata vesting of equity awards, with performance goals, if applicable, deemed met at target; and (iii) a lump sum payment equal to 12 months' of the costs to continue existing healthcare coverage under COBRA.

In lieu of the payments and benefits described in the preceding paragraph, in the event that Mr. Edwards' employment is terminated by us without cause or Mr. Edwards terminates employment for good reason, in either case within 12 months following a "change in control" (as defined in his employment agreement), subject to the execution and effectiveness of a general release of claims in our favor, he will be entitled to receive: (i) an amount equal to 2.5 times the sum of (x) his base salary and (y) his target annual cash incentive bonus; (ii) full vesting of equity awards, with performance goals, if applicable, deemed met at maximum; and (iii) a lump sum payment equal to 12 months' of the costs to continue existing healthcare coverage under COBRA.

Upon a termination due to death or "disability" (as defined in his employment agreement), Mr. Edwards will be entitled to receive pro-rata vesting of equity awards, with performance goals, if applicable, deemed met at target.

Pre-Existing Incentive Units

Prior to 2017, we have historically offered long-term incentives to our NEOs through grants of incentive units in Tapstone Energy, LLC. The incentive units represent an interest in the future profits of Tapstone Energy, LLC and are intended to be treated as "profits interests" for federal income tax purposes. The incentive units are subject to time-vesting requirements and vesting upon certain corporate events (as described in further detail below). The incentive units participate in tax distributions and, provided certain conditions are satisfied, participate in distributions that are provided to all equity holders.

The incentive units vest on an annual basis, pro rata over a five year period for Mr. Costello and Mr. Hughes. Generally, the incentive units held by our NEOs are subject to full accelerated vesting upon a "change in control" of Tapstone, a termination of the NEO's employment by Tapstone without "cause," or a resignation by our NEO for "good reason." These terms are defined in "−Additional Narrative Disclosure−Potential Payments Upon Termination or a Change in Control" below. The unvested portion of the incentive units are forfeited if the NEO's employment is terminated for any reason not stated above. Notwithstanding the foregoing, it is expected that our outstanding incentive units will become fully vested in connection with this offering and will be exchanged for shares of our common stock, calculated using an implied equity valuation for Tapstone Energy, LLC based on the volume weighted average price of the publicly traded shares of our common stock during the initial 20 days during which our common stock is traded on the NYSE. The aggregate number of shares issued to the Existing Owners will not change based on such volume weighted average price; however, the allocation of shares of our common stock among our Existing Owners, including with respect to the outstanding incentive units held by our NEOs, will be determined based on such volume weighted average price. Assuming that the volume weighted average price of the publicly traded shares of our common stock during the initial 20 days during which our common stock is traded on the NYSE is equal to the public offering price of $ (the midpoint of the price range set forth on the cover page of this prospectus) Messrs. Costello and Hughes would receive approximately and shares of common stock, respectively, with respect to the incentive units they hold. A $1.00 increase (decrease) in this assumed common stock price would increase (decrease) the number of shares of our common stock Messrs. Costello and Hughes would receive by ( ) and ( ) shares, respectively.

Following the closing of this offering, it is expected that our NEOs will no longer receive, pursuant to the limited liability company agreement of Tapstone Energy, LLC, incentive units for services rendered to us or our subsidiaries; rather, it is expected that any such long-term incentive compensation will be awarded to our NEOs pursuant to the long-term incentive plan that our board of directors will adopt in connection with this offering, as described in the succeeding paragraphs below.

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New Long-Term Incentive Plan

Prior to the completion of this offering, our board of directors will have adopted the Tapstone Energy Inc. 2017 Long-Term Incentive Plan (the "Long-Term Incentive Plan"), which will become effective immediately prior to the date this offering becomes effective. The following is a brief summary of the material terms of our Long-Term Incentive Plan.

Purpose. The purpose of our Long-Term Incentive Plan is to attract and retain employees by providing them with additional incentives, and to promote the success of Tapstone' s business.

Administration. Our board of directors or one or more committees appointed by our board of directors will administer the Long-Term Incentive Plan. Our board of directors or a committee appointed by our board of directors may delegate some or all of its authority with respect to the Long-Term Incentive Plan to another committee of directors and may delegate certain limited award grant authority to one or more of our officers. Along with other authority granted to the administrator under the Long-Term Incentive Plan, the administrator may (i) determine the fair market value of awards, (ii) select recipients of awards, (iii) determine the number of shares of common stock subject to awards, (iv) approve form award agreements, (v) determine the terms and conditions of awards, (vi) reduce the exercise price of outstanding awards without participant consent, (vii) amend outstanding awards, (viii) institute an exchange program by which outstanding awards may be surrendered in exchange for awards of the same type which may have a higher or lower exercise price or different terms, awards of a different type or cash and (ix) allow participants to satisfy withholding tax obligations through a reduction of shares.

Eligibility. Persons eligible to receive awards under the Long-Term Incentive Plan include our officers, employees, consultants and members of our board of directors. Our board of directors or one or more committees appointed by our board of directors will determine from time to time the participants to whom awards will be granted.

Authorized Shares; Limits on Awards. The maximum number of common shares that may be issued or transferred pursuant to awards under the Long-Term Incentive Plan equals , all of which may be subject to incentive stock option treatment. The maximum aggregate number of common shares that may be issued pursuant to all awards under the Long-Term Incentive Plan shall increase annually on the first day of each fiscal year following the adoption of the Long-Term Incentive Plan by the number of common shares equal to the lesser of (i) shares, (ii) percent of the total issued and outstanding common shares on the first day of such fiscal year, or (iii) such lesser amount determined by our board of directors. Additionally, the maximum number of shares of common stock that may be issued for awards to any single officer, employee or consultant during a calendar year (i) for stock options and stock appreciation rights is (for non-employee members of our board of directors) and (ii) for other stock-based awards (excluding stock options and stock appreciation rights) is (for non-employee members of our board of directors). The maximum dollar amount that may be subject to cash awards granted to any service provider in any calendar year is . To the extent that an award is settled in cash or a form of consideration other than shares of common stock, the shares that would have been delivered had there been no such cash or other settlement will not be counted against the shares available for issuance under the Long-Term Incentive Plan. To the extent that shares of common stock are delivered pursuant to the exercise of a stock appreciation right or stock option, or to satisfy the tax withholding obligations under an award, then only the shares actually issued shall be counted against the applicable share limits. Shares that are subject to or underlie awards that expire or for any reason are cancelled or terminated, are forfeited, fail to vest, or for any other reason are not paid or delivered under the Long-Term Incentive Plan will again be available for subsequent awards under the Long-Term Incentive Plan.

Adjustments or Changes in Capitalization. In the event of any change in the outstanding common shares by reason of a stock split, stock dividend or other non-recurring dividends or distributions, recapitalization, merger, consolidation, spin-off, combination, repurchase or exchange of stock, reorganization, liquidation,

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dissolution or other similar corporate transaction that affects our common stock, the aggregate number of shares of common stock available under the Long-Term Incentive Plan or subject to outstanding awards (including the exercise price of any awards) shall be adjusted as our board of directors deems necessary or appropriate.

Incentive Awards. The Long-Term Incentive Plan authorizes stock options, stock appreciation rights ("*SARs*"), restricted stock, restricted stock units, performance-based awards, as well as other awards (described in the Long-Term Incentive Plan) that are responsive to changing developments in management compensation. The Long-Term Incentive Plan retains the flexibility to offer competitive incentives and to tailor benefits to specific needs and circumstances. Any award may be paid or settled in cash. An option or SAR will expire, or other award will vest, in accordance with the schedule set forth in the applicable award agreement.

Stock Option. A stock option is the right to purchase common shares at a future date at a specified price per share generally equal to, but no less than, the fair market value of a share on the date of grant. An option may either be an Incentive Stock Option ("*ISO*") or a nonstatutory stock option ("*NSO*"). ISO benefits are taxed differently from NSOs, as described under "−Federal Income Tax Treatment of Awards under the Long-Term Incentive Plan," below. ISOs also are subject to more restrictive terms and are limited in amount by the Code and the Long-Term Incentive Plan. Full payment for shares purchased on the exercise of any option must be made at the time of such exercise in a manner approved by our board of directors.

SARs. A SAR is the right to receive payment of an amount equal to the excess of the fair market value of a common share on the date of exercise of the SAR over the base price of the SAR. The base price will be established by our board of directors at the time of grant of the SAR but will not be less than the fair market value of a share on the date of grant. SARs may be granted in connection with other awards or independently.

Restricted Stock. A restricted stock award is typically for a fixed number of common shares subject to restrictions. Our board of directors specifies the price, if any, the participant must pay for such shares and the restrictions (which may include, for example, continued service and/or performance standards) imposed on such shares.

Restricted Stock Units. A restricted stock unit is similar to a SAR except that it entitles the recipient to receive an amount equal to the fair market value of a common share.

Performance-Based Awards. Our board of directors may designate any award, the exercisability or settlement of which is subject to the achievement of performance conditions, as a performance-based award that is intended to qualify as performance-based compensation within the meaning of Section 162(m) of the Code. In order to qualify as performance-based compensation, the performance objective(s) used for the performance-based award must be from the list of performance objectives set forth in the Long-Term Incentive Plan. The performance objectives set forth in the Long-Term Incentive Plan are: net income; cash flow; cash flow on investment; cash flow from operations; pre-tax or post-tax profit levels or earnings; operating income or earnings; closings; return on investment; earned value added; expenses; free cash flow; free cash flow per share; earnings; earnings per share; net earnings per share; net earnings from continuing operations; sales growth; sales volume; economic profit; expense reduction; return on assets; return on net assets; return on equity; return on capital; return on sales; return on invested capital; organic revenue; growth in managed assets; total stockholder return; stock price; stock price appreciation; EBITDA; adjusted EBITDA; return in excess of cost of capital; profit in excess of cost of capital; capital expended; working capital; net operating profit after tax; operating margin; profit margin; adjusted revenue; revenue; net revenue; operating revenue; cash provided by operating activities; net cash provided by operating activities per share; cash conversion percentage; new sales; net new sales; cancellations; gross margin; gross margin percentage; revenue before deferral; implementation or completion of critical projects; research; in-licensing; out-licensing; product development; government relations; compliance; mergers; acquisitions or sales of assets or subsidiaries; health; safety; environmental; debt level; debt/proved developed reserves; debt/proved reserves; cost reduction targets; equity ratios; amount of oil and gas reserves; oil and gas reserve additions; oil and/or gas replacement ratios; lease operating expense or lease

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operating expense/Boe; costs of finding and developing oil and natural gas reserves; natural gas and oil production or sales; reserve value or reserve value per share; production volumes; development capital expenditures; total capital expenditures or depletion; depreciation and amortization; production per share; production per share growth; debt-adjusted reserve or production growth per share; general and administrative ("G&A") expense or adjusted G&A measures; and charge offs. Our board of directors may select any number of performance objectives from this list of performance objectives when establishing the performance measures of a performance-based award, but such objectives must be set no later than 90 days after the beginning of the applicable performance period. The Long-Term Incentive Plan allows performance objectives to be described in terms of objectives that are related to an individual participant or objectives that are company-wide or related to a subsidiary, division, department, region, function or business unit and may be measured on an absolute or cumulative basis or on the basis of percentage of improvement over time, and may be measured in terms of company performance (or performance of the applicable subsidiary, division, department, region, function or business unit) or measured relative to selected peer companies or a market index.

Acceleration of Awards; Possible Early Termination of Awards. Upon a change in control of Tapstone, outstanding awards under the Long-Term Incentive Plan will be assumed or substituted on the same terms. However, if the successor corporation does not assume or substitute the outstanding awards, then vesting of these awards will fully accelerate, and in the case of options or stock appreciation rights, will become immediately exercisable. Awards granted to non-employee members of our board of directors that are assumed or substituted by a successor corporation shall fully vest, and in the case of options or stock appreciation rights, will become immediately exercisable, if such director is involuntarily terminated following the change in control. For this purpose a change in control is defined to include certain changes in the majority of our board of directors, the sale of all or substantially all of Tapstone' s assets, and the consummation of certain mergers or consolidations.

Transfer Restrictions. Subject to certain exceptions, awards under the Long-Term Incentive Plan are not transferable by the recipient other than by will or the laws of descent and distribution and are generally exercisable, during the recipient' s lifetime, only by him or her.

Termination of or Changes to the Long-Term Incentive Plan. Our board of directors may amend or terminate the Long-Term Incentive Plan at any time and in any manner. Unless required by applicable law or listing agency rule, stockholder approval for any amendment will not be required. Unless previously terminated by our board of directors, the Long-Term Incentive Plan will terminate on   , 2027. Generally speaking, outstanding awards may be amended, subject, however, to the consent of the holder if the amendment materially and adversely affects the holder.

Federal Income Tax Treatment of Awards under the Long-Term Incentive Plan. Federal income tax consequences (subject to change) relating to awards under the Long-Term Incentive Plan are summarized in the following discussion. This summary is not intended to be exhaustive and, among other considerations, does not describe the deferred compensation provisions of Section 409A of the Code to the extent an award is subject to and does not satisfy those rules, nor does it describe state, local, or international tax consequences.

For "NSOs", Tapstone is generally entitled to deduct (and the optionee recognizes taxable income in) an amount equal to the difference between the option exercise price and the fair market value of the shares at the time of exercise. For ISOs, Tapstone is generally not entitled to a deduction nor does the participant recognize income at the time of exercise. The current federal income tax consequences of other awards authorized under the Long-Term Incentive Plan generally follow certain basic patterns: SARs are taxed and deductible in substantially the same manner as NSOs; nontransferable restricted stock subject to a substantial risk of forfeiture results in income recognition equal to the excess of the fair market value over the price paid (if any) only at the time the restrictions lapse (unless the recipient elects to accelerate recognition as of the date of grant); bonuses and performance share awards are generally subject to tax at the time of payment; cash-based awards are generally subject to tax at the time of payment; and compensation otherwise effectively deferred is taxed when paid. Tapstone will generally have a corresponding deduction at the time the participant recognizes income. However, as for those awards subject to ISO treatment, Tapstone would generally have no corresponding compensation deduction.

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Annual Bonus Plan

Prior to the completion of this offering, our board of directors will have adopted the Tapstone Energy Inc. Annual Bonus Plan (the "Bonus Plan"), which is a subplan of the Long-Term Incentive Plan and which will become effective immediately prior to the date of this offering. Our board of directors, or a committee thereof, will determine the terms and conditions of awards and will designate the employee or employees who will participate in the Bonus Plan. Payments to our executive officers under the Bonus Plan are based on the level of achievement of performance goals during the applicable calendar year.

Eligibility. Officers and other employees who have been selected by our board of directors are eligible to receive awards under the Bonus Plan.

Determination of Award. At the beginning of each performance period, our board of directors will establish, at its discretion, the performance goal, the target award and the payout formula for each participant.

Determination of Payout. Participants will receive payouts in semi-annual, annual or such other installments as determined by our board of directors. At the end of each performance period, our board of directors will certify the extent to which the performance goals applicable to each participant were satisfied. The payments are subject to (i) a $ annual limit set forth in the Long-Term Incentive Plan and (ii) our board of directors' unilateral discretion to eliminate or reduce any award that would otherwise be payable to a participant.

Payouts. Unless otherwise determined by our board of directors, the payments under the Bonus Plan will be made shortly after receipt of our audited annual financial statements. Payouts are intended to be made in cash; however, our board of directors has the discretion to convert a cash-based award into a stock-based award, subject to applicable limits set forth in the Long-Term Incentive Plan.

If an award is accelerated under the Long-Term Incentive Plan in connection with a change in control (as this term is used under the Code), Tapstone may not be permitted to deduct the portion of the compensation attributable to the acceleration ("parachute payments") if it exceeds certain threshold limits under the Code (and certain related excise taxes may be triggered). Furthermore, the aggregate compensation in excess of $1,000,000 attributable to awards which are not "performance-based" within the meaning of Section 162(m) of the Code, unless an exception applies, may not be permitted to be deducted by Tapstone in certain circumstances.

Additional Narrative Disclosure

Employee Benefits

We have not maintained, and do not currently maintain a defined benefit pension plan or nonqualified deferred compensation plan. We currently maintain a defined contribution plan intended to provide benefits under section 401(k) of the Internal Revenue Code of 1986, as amended (the "Code"), where employees, including our NEOs, are allowed to contribute portions of their base compensation into a tax-qualified retirement account. We provide a matching contribution in amounts up to 15% of the employees' eligible compensation contributed by the employee to the plan. Additionally, we provide standard employee benefits to our employees, including our NEOs, such as health and welfare plans.

We do not provide perquisites to our NEOs, except with respect to tickets to certain sporting events (addressed above in "−Summary Compensation Table−Footnote 3").

New Severance Plan

Prior to the completion of this offering, our board of directors will adopt one or more severance plan(s) that will cover full-time employees that are not a party to an individually-negotiated employment agreement.

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Potential Payments upon Termination or a Change in Control

Payments to our NEOs in the event of their termination of employment with Tapstone or upon a change in control of Tapstone are described above in "−Narrative Disclosures−Employment Agreements−Named Executive Officers". In addition, with respect to our incentive units, vesting is fully accelerated upon the earlier of (i) a "change in control" of Tapstone, (ii) a termination of our NEO' s employment by Tapstone without "cause," (iii) a termination of employment with Tapstone by the NEO for "good reason" and (iv) the termination of the master services agreement between TLW Management Company LLC and our predecessor. As a result of the termination of the master services agreement, it is expected that the incentive units will become fully accelerated.

The term "change in control" generally means (i) the transfer (in one or a series of related transactions) of all or substantially all of the consolidated assets of Tapstone Energy, LLC and its subsidiaries, taken as a whole, to a person or a group of persons acting in concert (other than to a subsidiary of Tapstone Energy, LLC), (ii) the transfer (in one or a series of related transactions) of a majority of equity securities of Tapstone Energy, LLC to one person or a group of persons acting in concert or (iii) a merger or consolidation of Tapstone Energy, LLC.

The term "cause" generally means any of the following (i) our NEO' s conviction of, or entering into a plea agreement for, a felony or crime involving moral turpitude, (ii) alcohol or substance abuse by our NEO, (iii) an act of fraud upon Tapstone by our NEO, (iv) the embezzlement or misappropriation by our NEO of funds or other assets of Tapstone, (v) a material act of dishonesty by our NEO that is materially injurious to Tapstone or (vi) the gross negligence in the performance of, or the willful, material and repeated nonperformance by, our NEO in his duties to Tapstone.

The term "good reason" generally means any of the following (i) a material diminution of our NEO' s title, duties and responsibilities to Tapstone without his consent, (ii) a material reduction in the aggregate welfare benefits provided to our NEO, without his consent, that is not accompanied by a corresponding reduction in the aggregate welfare benefits provided to other similarly situated eligible participants, (iii) a material breach by Tapstone of the incentive unit agreement, (iv) a relocation of the principal location our NEO currently provides services by more than 50 miles or (v) the sale of all or substantially all of Tapstone' s assets or a merger, combination, share exchange or other similar transaction occurs pursuant to which the incentive unit award is not assumed by the successor entity.

Director Compensation

We did not award any compensation to our non-employee directors during 2016. Going forward, we believe that attracting and retaining qualified non-employee independent directors will be critical to the future value of our growth and governance. We also believe that the compensation package for our non-employee independent directors should require that a portion of the total compensation package be equity-based to align the interests of these directors with our equity holders.

We will be reviewing the non-employee independent director compensation paid by our peers in establishing the appropriate mix and amount of compensation payable to our non-employee independent directors in the future.

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PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth the beneficial ownership of our common stock that, upon the consummation of our corporate reorganization and this offering, will be owned by:

- the selling stockholder;
- each person known to us to beneficially own more than 5% of any class of our outstanding common stock;
- each of our directors and director nominees;
- our Named Executive Officers; and
- all of our directors, director nominees and executive officers as a group.

All information with respect to beneficial ownership has been furnished by the respective selling stockholder, 5% or more stockholders, directors, director nominees or Named Executive Officers, as the case may be. Unless otherwise noted, the mailing address of each listed beneficial owner is c/o Tapstone Energy Inc., 100 East Main Street, Oklahoma City, Oklahoma 73104.

The underwriters have an option to purchase a maximum of additional shares from the selling stockholder. The selling stockholder is deemed under federal securities laws to be an underwriter with respect to any shares of common stock that it may sell pursuant to the underwriters' option to purchase additional shares of our common stock. For further information regarding material transactions between us and the selling stockholder, see "Certain Relationships and Related Party Transactions".

The table below does not reflect any shares of common stock that our directors, director nominees and executive officers may purchase in this offering through the reserved share program described under "Underwriting (Conflicts of Interest)−Reserved Share Program".

Name of Beneficial Owner (1)	Shares Beneficially Owned Before this Offering		Shares Beneficially Owned After this Offering (Assuming No Exercise of the Underwriters' Option to Purchase Additional Shares) (2)		Shares Offered in the Option to Purchase Additional Shares	Shares Beneficially Owned After this Offering (Assuming the Underwriters' Option to Purchase Additional Shares is Exercised in Full) (2)	
	Number	Percentage	Number	Percentage		Number	Percentage
GSO E&P Holdings I LP (3)		%		%			%
Tom L. Ward (4)		%		%			%
Steven C. Dixon		%		%			%
D. Dwight Scott		%		%			%
Robert Horn		%		%			%
Robert W. Baker		%		%			%
Martha A. Burger		%		%			%
David F. Posnick		%		%			%
David A. Reed		%		%			%
Richard D. Hughes		%		%			%
Gary Poulain (5)		%		%			%
All Directors, and director nominees and executive officers as a group (eleven persons):		%		%			%

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(1) The amounts and percentages of common stock beneficially owned are reported on the bases of regulations of the SEC governing the determination of beneficial ownership of securities. Under the rules of the SEC, a person is deemed to be a "beneficial owner" of a security if that person has or shares voting power, which includes the power to vote or direct the voting of such security, or investment power, which includes the power to dispose of or to direct the disposition of such security. Securities that can be so acquired are deemed to be outstanding for purposes of computing such person' s ownership percentage, but not for purposes of computing any other person' s ownership percentage. Under these rules, more than one person may be deemed beneficial owner of the same securities, and a person may be deemed to be a beneficial owner of securities as to which such person has no economic interest. Except as otherwise indicated in these footnotes, each of the beneficial owners has, to our knowledge, sole voting and investment power with respect to the indicated shares of common stock, except to the extent this power may be shared with a spouse.

(2) The number of shares of common stock to be issued to the beneficial holders is based on an implied equity value of Tapstone Energy, LLC immediately prior to this offering, based on an initial public offering price of $ per share of common stock, the midpoint of the price range set forth on the cover of this prospectus. The actual allocation of shares among our Existing Owners will be determined after the closing of this offering based on the volume weighted average price of the publicly traded shares of our common stock during the initial 20 days during which our common stock is traded on the NYSE, though the aggregate number of shares held by all of our Existing Owners will not be affected by such volume weighted average price. Please read "Corporate Reorganization−Existing Owners' Ownership".

(3) Reflects securities directly held by GSO E&P Holdings I LP ("GSO E&P Holdings I"). The general partner of GSO E&P Holdings I is GSO Capital Solutions Associates II LLC. The managing member of GSO Capital Solutions Associates II LLC is GSO Holdings I L.L.C., an affiliate of GSO and Blackstone. Blackstone Holdings II L.P. is a managing member of GSO Holdings I L.L.C. with respect to securities beneficially owned by GSO Capital Solutions Associates II LLC. Blackstone Holdings I/II GP Inc. is the general partner of Blackstone Holdings II L.P. Blackstone is the controlling shareholder of Blackstone Holdings I/II GP Inc. Blackstone Group Management L.L.C. is the general partner of Blackstone. Blackstone Group Management L.L.C. is wholly-owned by Blackstone' s senior managing directors and controlled by its founder, Stephen A. Schwarzman. In addition, each of Bennett J. Goodman and J. Albert Smith III serves as an executive of GSO Holdings I L.L.C. and GSO and may be deemed to have shared voting power and/or investment power with respect to the securities held by GSO E&P Holdings I. Each of Messrs. Scott, Horn and Posnick, who are Senior Managing Directors of Blackstone, disclaims beneficial ownership of any of our common stock held by GSO E&P Holdings I. In the ordinary course of business, GSO manages, advises or sub-advises certain funds whose portfolio companies may have relationships with us. The address of GSO E&P Holdings I is 345 Park Avenue, 31st Floor, New York, New York 10154.

(4) Mr. Ward was appointed Chairman and Chief Executive Officer of our predecessor in December 2013 and resigned effective December 31, 2016.

(5) Mr. Poulain was appointed Senior Vice President – Drilling of our predecessor on March 25, 2014 and resigned effective October 24, 2016.

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CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Historical Transactions with Affiliates

Since its inception, our predecessor has issued membership interests as consideration for capital contributions received from its members, GSO and Tom L. Ward. Capital contributions for the twelve months ended December 31, 2014 and 2016 were approximately $490.4 million and $109.6 million, respectively. There were no capital contributions made in 2015. In addition, our predecessor has paid for the reasonable out-of-pocket expenses, including legal fees, of each member in connection with these transactions.

GSO employs certain members of our board of directors and, after giving effect to this offering, will own % of our common stock.

WCT Resources, LLC ("WCT"), of which children of Tom L. Ward, the Chief Executive Officer of our predecessor until December 31, 2016, have a 100% beneficial ownership interest in, has non-operated ownership interests in certain oil and gas properties that we operate. These non-operated interests resulted from WCT owning pre-existing small interests in assets we acquired from a public energy company and WCT acquiring the working interest in a proposed well in transactions from parties' subject to being force pooled in Oklahoma. Since January 1, 2013, revenues and joint interest billings distributed to WCT totaled $0.7 million and $1.2 million, respectively. We purchased non-producing oil and natural gas leases from WCT for approximately $4.8 million, or approximately $250.00 per net acre acquired, during the year ended December 31, 2015. We also purchased furniture from WCT totaling $0.08 million during 2017.

In March 2015, we entered into a commercial sublease for space in an office facility leased by TLW Real Estate Investments, LLC ("TLWR") of which Tom L. Ward has a 100% ownership interest. Tom L. Ward owns a 25% interest in Mideke Partners, LLC ("Mideke"), the owner of the office facility. Base rent through the term of the lease will range from $1.1 million to $1.4 million annually with a termination date of March 2022. We believe that the terms of the sublease and the rent expense to be paid under the lease are at fair market rates. We have paid TLWR an aggregate of $4.7 million for rent and tenant improvements since March 1, 2015.

Virginia L. Howard 2008 Revocable Trust ("Virginia Howard Trust"), of which Tom L. Ward is a beneficiary along with his siblings, is a mineral owner/lessor in certain oil and gas properties that we own and operate. Since, January 1, 2013, royalty and bonus payments distributed to the Virginia Howard Trust totaled $0.2 million. This related party relationship has been excluded from the Consolidated Financial Statements included in this registration statement, as the transactions were immaterial to the periods presented.

White Fields Inc. ("White Fields"), of which Tom L. Ward is President, is a non-profit organization to which the Company provides contributions and sponsorship of various events each year. Since January 1, 2013, contributions and sponsorship payments to White Fields totaled $0.2 million. This related party relationship has been excluded from the Consolidated Financial Statements included in this registration statement, as the transactions were immaterial to the periods presented.

TLW Trading, LLC ("TLWT"), of which Tom L. Ward has a 99% ownership interest, provides air transportation to certain of our employees. TLWT bills us for air transportation at what we believe to be a fair market rate. Since January 1, 2013, we have incurred expenses to TLWT for air transportation services totaling $2.4 million. We expect to terminate our arrangement with TLWT upon the completion of this offering.

Draw Energy, LLC ("Draw"), of which the brother of Tom L. Ward has a 100% ownership interest in, has non-operated ownership interests in certain oil and gas properties that we operate. Since January 1, 2013, revenues and joint interest billings distributed to Draw totaled $0.2 million and $0.6 million, respectively. We also purchased non-producing oil and natural gas leases from Draw for an immaterial amount (less than $30,000) during the year ended December 31, 2015.

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On December 31, 2013, we entered into a management service agreement (the "TLW MSA") with TLW Management Company, LLC ("TLWM") of which Tom L. Ward has a 100% ownership interest in. Pursuant to the TLW MSA, TLWM provides certain employees of TLWM to serve as our executives, for which we reimburse TLWM for the salary and benefits of employees engaged in providing management services. Since January 1, 2013, we have incurred expenses to TLWM for salary and benefits totaling $8.2 million. The TLW MSA has been terminated.

Fourpoint Energy, LLC ("Fourpoint"), in which GSO has a greater than 10% voting interest, has non-operated ownership interests in certain oil and gas properties that we operate. Since January 1, 2013, revenues and joint interest billings distributed to Fourpoint totaled $0.5 million and $0.2 million, respectively. This related party relationship has been excluded from the Consolidated Financial Statements included in this registration statement, as the transactions were immaterial to the periods presented.

Twin Eagle Resource Management, LLC ("Twin Eagle"), in which GSO has a greater than 10% voting interest, purchases gas from certain oil and gas properties that we operate. Since January 1, 2013, we have sold gas to Twin Eagle for an aggregate purchase price of $20 million.

Corporate Reorganization

Pursuant to the terms of certain reorganization transactions that will be completed prior to the closing of this offering, as described in further detail under "Corporate Reorganization", we will acquire all of the membership interests in our predecessor in exchange for the issuance of shares of our common stock (prior to the issuance of shares of our common stock in this offering) to the Existing Owners. As a result of these transactions, our predecessor will become our direct, wholly-owned subsidiary.

Registration Rights Agreement

In connection with the closing of this offering, we will enter into a registration rights agreement with GSO and certain of our existing stockholders, including certain members of our management team. Pursuant to the registration rights agreement, we have agreed to register the sale of shares of our common stock under certain circumstances.

Demand Rights

At any time after the 180-day lock-up period described in "Underwriting (Conflicts of Interest)−No Sales of Similar Securities", and subject to the limitations set forth below, GSO (or its permitted transferees) will have the right to require us by written notice to prepare and file a registration statement registering the offer and sale of a certain number of its shares of our common stock. Generally, we will be required to file such registration statement within 30 days of such written notice. Subject to certain exceptions, we will not be obligated to effect a demand registration within 90 days after the closing of any underwritten offering of shares of our common stock.

We will also not be obligated to effect any demand registration in which the amount of common stock to be registered has an aggregate value of less than $50 million. Once we are eligible to effect a registration on Form S-3, any such demand registration may be for a shelf registration statement. We will be required to use all reasonable best efforts to maintain the effectiveness of any such registration statement until all shares covered by such registration statement have been sold.

In addition, GSO (or its permitted transferees) will have the right to require us, subject to certain limitations, to effect a distribution of any or all of its shares of our common stock by means of an underwritten offering. In general, any demand for an underwritten offering (other than the first requested underwritten offering

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made in respect of a prior demand registration, a requested underwritten offering made concurrently with a demand registration or a requested underwritten offering for less than certain specified amounts) will constitute a demand request subject to the limitations set forth above.

Piggyback Rights

Subject to certain exceptions, if at any time we propose to register an offering of our common stock or conduct an underwritten offering, whether or not for our own account, then we will be required to notify GSO of such proposal at least five business days before the anticipated filing date or commencement of the underwritten offering, as applicable, to allow it to include a specified number of its shares of our common stock in such registration statement or underwritten offering, as applicable.

Conditions and Limitations; Expenses

These registration rights will be subject to certain conditions and limitations, including the right of the underwriters to limit the number of shares to be included in a registration and our right to delay or withdraw a registration statement under certain circumstances. We will generally be required to pay all registration expenses in connection with our obligations under the registration rights agreement, regardless of whether a registration statement is filed or becomes effective.

Stockholders' Agreement

In connection with this offering, we will enter into a stockholders' agreement with GSO. Summaries of certain material terms of the stockholders' agreement are set forth below.

Voting and Governance Matters

Among other things, the stockholders' agreement will provide GSO with the right to designate a number of nominees (each, a "GSO Director") to our board of directors such that:

- at least a majority of the directors on the board are GSO Directors for so long as GSO collectively beneficially owns at least 50% of the outstanding shares of our common stock;
- at least 35% of the directors of the board are GSO Directors for so long as GSO collectively beneficially owns less than 50% but at least 25% of the outstanding shares of our common stock;
- at least one director of the board is a GSO Director for so long as GSO collectively beneficially owns less than 25% but at least 5% of the outstanding shares of our common stock; and
- once GSO collectively owns less than 5% of our common stock, GSO will not have any board designation rights.

Pursuant to the stockholders' agreement, we will be required to take all necessary action, to the fullest extent permitted by applicable law (including with respect to any fiduciary duties under Delaware law), to cause the election of the director nominees designated by GSO.

The rights granted to GSO to designate directors will be additive to, and not intended to limit in any way, the rights that GSO or any of its affiliates may have to nominate, elect or remove our directors under our amended and restated certificate of incorporation, amended and restated bylaws or the DGCL.

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Procedures for Approval of Related Party Transactions

Prior to the closing of this offering, we have not maintained a policy for approval of Related Party Transactions. A "Related Party Transaction" is a transaction, arrangement or relationship in which we or any of our subsidiaries was, is or will be a participant, the amount of which involved exceeds $120,000, and in which any Related Person had, has or will have a direct or indirect material interest. A "Related Person" means:

- any person who is, or at any time during the applicable period was, one of our executive officers or one of our directors;
- any person who is known by us to be the beneficial owner of more than 5% of our common stock;
- any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of a director, executive officer or a beneficial owner of more than 5% of our common stock, and any person (other than a tenant or employee) sharing the household of such director, executive officer or beneficial owner of more than 5% of our common stock; and
- any firm, corporation or other entity in which any of the foregoing persons is a partner or principal or in a similar position or in which such person has a 10% or greater beneficial ownership interest.

We anticipate that our board of directors will adopt a written related party transactions policy prior to the completion of this offering. Pursuant to this policy, we expect that our audit committee will review all material facts of all Related Party Transactions.

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DESCRIPTION OF CAPITAL STOCK

Upon completion of this offering, the authorized capital stock of Tapstone Energy Inc. will consist of shares of common stock, $0.01 par value per share, of which shares will be issued and outstanding, and shares of preferred stock, $0.01 par value per share, of which no shares will be issued and outstanding.

The following summary of the capital stock and amended and restated certificate of incorporation and amended and restated bylaws of Tapstone Energy Inc. does not purport to be complete and is qualified in its entirety by reference to the provisions of applicable law and to our amended and restated certificate of incorporation and amended and restated bylaws, which are filed as exhibits to the registration statement of which this prospectus is a part.

Common Stock

Except as provided by law or in a preferred stock designation, holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, will have the exclusive right to vote for the election of directors and do not have cumulative voting rights. Except as otherwise required by law, holders of common stock are not entitled to vote on any amendment to the amended and restated certificate of incorporation (including any certificate of designations relating to any series of preferred stock) that relates solely to the terms of any outstanding series of preferred stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to our amended and restated certificate of incorporation (including any certificate of designations relating to any series of preferred stock) or pursuant to the DGCL. Subject to prior rights and preferences that may be applicable to any outstanding shares or series of preferred stock, holders of common stock are entitled to receive ratably in proportion to the shares of common stock held by them such dividends (payable in cash, stock or otherwise), if any, as may be declared from time to time by our board of directors out of funds legally available for dividend payments. All outstanding shares of common stock are fully paid and non-assessable, and the shares of common stock to be issued upon completion of this offering will be fully paid and non-assessable.

The holders of common stock have no preferences or rights of conversion, exchange, pre-emption or other subscription rights. There are no redemption or sinking fund provisions applicable to common stock. In the event of any voluntary or involuntary liquidation, dissolution or winding-up of our affairs, holders of common stock will be entitled to share ratably in our assets in proportion to the shares of common stock held by them that are remaining after payment or provision for payment of all of our debts and obligations and after distribution in full of preferential amounts to be distributed to holders of outstanding shares of preferred stock, if any.

We do not anticipate declaring or paying any cash dividends to holders of our common stock in the foreseeable future. Please read “Dividend Policy”.

Preferred Stock

Our amended and restated certificate of incorporation will authorize our board of directors, subject to any limitations prescribed by law, without further stockholder approval, to establish and to issue from time to time one or more classes or series of preferred stock, par value $0.01 per share, covering up to an aggregate of shares of preferred stock. Each class or series of preferred stock will cover the number of shares and will have the powers, preferences, rights, qualifications, limitations and restrictions determined by the board of directors, which may include, among others, dividend rights, liquidation preferences, voting rights, conversion rights, preemptive rights and redemption rights. Except as provided by law or in a preferred stock designation, the holders of preferred stock will not be entitled to vote at or receive notice of any meeting of stockholders.

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Anti-Takeover Effects of Provisions of Our Amended and Restated Certificate of Incorporation, Our Amended and Restated Bylaws and Delaware Law

Some provisions of Delaware law contain, and our amended and restated certificate of incorporation and our amended and restated bylaws will contain, provisions that could make the following transactions more difficult: acquisitions of us by means of a tender offer, a proxy contest or otherwise or removal of our incumbent officers and directors. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection and our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because, among other things, negotiation of these proposals could result in an improvement of their terms.

Delaware Law

Section 203 of the DGCL prohibits a Delaware corporation, including those whose securities are listed for trading on the NYSE, from engaging in any business combination with any interested stockholder for a period of three years following the date that the stockholder became an interested stockholder, unless:

- the transaction is approved by the board of directors before the date the interested stockholder attained that status;

- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or

- on or after such time the business combination is approved by the board of directors and authorized at a meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

We intend to elect to not be subject to the provisions of Section 203 of the DGCL in our amended and restated certificate of incorporation. However, our amended and restated certificate of incorporation will provide that in the event GSO ceases to beneficially own at least 5% of the then outstanding shares of our common stock, we will automatically become subject to Section 203 of the DGCL.

Under certain circumstances, Section 203 makes it more difficult for a person who would be an “interested stockholder” to effect various business combinations with a corporation for a three-year period. Accordingly, Section 203 could have an anti-takeover effect with respect to certain transactions our board of directors does not approve in advance. The provisions of Section 203 may encourage companies interested in acquiring us to negotiate in advance with our board of directors because the stockholder approval requirement would be avoided if our board of directors approves either the business combination or the transaction that results in the stockholder becoming an interested stockholder. However, Section 203 also could discourage attempts that might result in a premium over the market price for the shares of our common stock held by stockholders. These provisions also may make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

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Our Amended and Restated Certificate of Incorporation and Our Amended and Restated Bylaws

Provisions of our amended and restated certificate of incorporation and our amended and restated bylaws, which will become effective upon the closing of this offering, may delay or discourage transactions involving an actual or potential change in control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares, or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock.

Among other things, upon the completion of this offering, our amended and restated certificate of incorporation and amended and restated bylaws will:

establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of stockholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary date of the annual meeting for the preceding year. Our amended and restated bylaws will specify the requirements as to form and content of all stockholders' notices. These requirements may preclude stockholders from bringing matters before the stockholders at an annual or special meeting;

provide our board of directors the ability to authorize undesignated preferred stock. This ability makes it possible for our board of directors to issue, without stockholder approval, preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes in control or management of our company;

provide that the authorized number of directors may be changed only by resolution of the board of directors;

provide that all vacancies, including newly created directorships, may, except as otherwise required by law or, if applicable, the rights of holders of a series of preferred stock, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum, or by GSO for so long as GSO collectively beneficially owns more than 50% of the outstanding shares of our common stock;

provide for our board of directors to be divided into three classes of directors, with each class as nearly as equal in number as possible, serving staggered three year terms, other than directors that may be elected by holders of preferred stock, if any. This system of electing and removing directors may tend to discourage a third-party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors;

provide that our amended and restated bylaws can be amended by the board of directors;

at any time after GSO no longer collectively beneficially owns more than 50% of the outstanding shares of our common stock:

provide that any action required or permitted to be taken by the stockholders must be effected at a duly called annual or special meeting of stockholders and may not be effected by any consent

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in writing in lieu of a meeting of such stockholders, subject to the rights of the holders of any series of preferred stock with respect to such series (prior to such time, such actions may be taken without a meeting by written consent of holders of common stock having not less than the minimum number of votes that would be necessary to authorize such action at a meeting);

provide that our amended and restated certificate of incorporation and amended and restated bylaws may be amended by the affirmative vote of the holders of at least two-thirds of our then outstanding common stock (prior to such time, our amended and restated certificate of incorporation and amended and restated bylaws may be amended by the affirmative vote of the holders of a majority of our then outstanding common stock);

provide that special meetings of our stockholders may only be called by the board of directors, the chief executive officer or the chairman of the board (prior to such time, a special meeting may also be called at the request of stockholders holding a majority of the outstanding shares entitled to vote); and

provide that the affirmative vote of the holders of at least two-thirds of the voting power of our then outstanding common stock entitled to vote generally in the election of directors, voting together as a single class, shall be required to remove any or all of the directors from office and such removal may only be for cause (prior to such time, directors may be removed either with or without cause by the affirmative vote of holders of a majority of our outstanding shares entitled to vote).

Corporate Opportunity

Under our amended and restated certificate of incorporation, to the extent permitted by law:

GSO has the right to, and have no duty to abstain from, exercising such right to, conduct business with any business that is competitive or in the same line of business as us, do business with any of our clients or customers, or invest or own any interest publicly or privately in, or develop a business relationship with, any business that is competitive or in the same line of business as us;

if GSO acquires knowledge of a potential transaction that could be a corporate opportunity, they have no duty to offer such corporate opportunity to us; and

we have renounced any interest or expectancy in, or in being offered an opportunity to participate in, such corporate opportunities.

Forum Selection

Our amended and restated certificate of incorporation will provide that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for:

any derivative action or proceeding brought on our behalf;

any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders;

any action asserting a claim against us arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation or our amended and restated bylaws; or

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any action asserting a claim against us that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein.

Our amended and restated certificate of incorporation will also provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and to have consented to, this forum selection provision. Although we believe these provisions will benefit us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, the provisions may have the effect of discouraging lawsuits against our directors, officers, employees and agents. The enforceability of similar exclusive forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with one or more actions or proceedings described above, a court could rule that this provision in our amended and restated certificate of incorporation is inapplicable or unenforceable.

Limitation of Liability and Indemnification Matters

Our amended and restated certificate of incorporation will limit the liability of our directors for monetary damages for breach of their fiduciary duty as directors, except for liability that cannot be eliminated under the DGCL. Delaware law provides that directors of a company will not be personally liable for monetary damages for breach of their fiduciary duty as directors, except for liabilities:

- for any breach of their duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- for unlawful payment of a dividend or unlawful stock repurchase or redemption, as provided under Section 174 of the DGCL; or
- for any transaction from which the director derived an improper personal benefit.

Any amendment, repeal or modification of these provisions will be prospective only and would not affect any limitation on liability of a director for acts or omissions that occurred prior to any such amendment, repeal or modification.

Our amended and restated bylaws will also provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. Our amended and restated bylaws also will permit us to purchase insurance on behalf of any officer, director, employee or other agent for any liability arising out of that person's actions as our officer, director, employee or agent, regardless of whether Delaware law would permit indemnification. We intend to enter into indemnification agreements with each of our current and future directors and executive officers. These agreements will require us to indemnify these individuals to the fullest extent permitted under Delaware law against liability that may arise by reason of their service to us, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. We believe that the limitation of liability provision that will be in our amended and restated certificate of incorporation and the indemnification agreements will facilitate our ability to continue to attract and retain qualified individuals to serve as directors and officers.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

Listing

We have applied to list our common stock on the NYSE under the symbol "TE".

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SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of our common stock in the public market, or the availability of such shares for sale in the public market, could adversely affect the market price of our common stock prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of a substantial number of shares of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price of our common stock at such time and our ability to raise equity-related capital at a time and price we deem appropriate.

Sales of Restricted Shares

Upon the closing of this offering, we will have outstanding an aggregate of shares of common stock. Of these shares, all of the shares of common stock to be sold in this offering will be freely tradable without restriction or further registration under the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 under the Securities Act. All remaining shares of common stock held by existing stockholders will be deemed "restricted securities" as such term is defined under Rule 144. The restricted securities were issued and sold by us in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 under the Securities Act, which rules are summarized below.

As a result of the lock-up agreements described below and the provisions of Rule 144 and Rule 701 under the Securities Act, the shares of our common stock (excluding the shares to be sold in this offering) that will be available for sale in the public market are as follows:

- no shares will be eligible for sale on the date of this prospectus or prior to 180 days after the date of this prospectus; and
- shares will be eligible for sale upon the expiration of the lock-up agreements, beginning 180 days after the date of this prospectus (subject to extension) and when permitted under Rule 144 or Rule 701.

Lock-up Agreements

We, all of our directors, director nominees and executive officers, the selling stockholder and certain of our stockholders and employees have agreed or will agree that, subject to certain exceptions and under certain conditions, for a period of 180 days after the date of this prospectus, we and they will not, without the prior written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc., dispose of or hedge any shares or any securities convertible into or exchangeable for shares of our capital stock. Please read "Underwriting (Conflicts of Interest)" for a description of these lock-up provisions.

Rule 144

In general, under Rule 144 under the Securities Act as currently in effect, a person (or persons whose shares are aggregated) who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months (including any period of consecutive ownership of preceding non-affiliated holders) would be entitled to sell those shares, subject only to the availability of current public information about us. A non-affiliated person who has beneficially owned restricted securities within the meaning of Rule 144 for at least one year would be entitled to sell those shares without regard to the provisions of Rule 144.

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A person (or persons whose shares are aggregated) who is deemed to be an affiliate of ours and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months would be entitled to sell within any three month period a number of shares that does not exceed the greater of one percent of the then outstanding shares of our common stock or the average weekly trading volume of our common stock reported through the NYSE during the four calendar weeks preceding the filing of notice of the sale. Such sales are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us.

Rule 701

In general, under Rule 701 under the Securities Act, any of our employees, directors, director nominees officers, consultants or advisors who purchase or otherwise receive shares from us in connection with a compensatory stock or option plan or other written agreement before the effective date of this offering are entitled to sell such shares 90 days after the effective date of this offering in reliance on Rule 144, without having to comply with the holding period requirement of Rule 144 and, in the case of non-affiliates, without having to comply with the public information, volume limitation or notice filing provisions of Rule 144. The SEC has indicated that Rule 701 will apply to typical stock options granted by an issuer before it becomes subject to the reporting requirements of the Exchange Act, along with the shares acquired upon exercise of such options, including exercises after the date of this prospectus.

Stock Issued Under Employee Plans

We intend to file a registration statement on Form S-8 under the Securities Act to register shares issuable under our Long-Term Incentive Plan. This registration statement on Form S-8 is expected to be filed following the effective date of the registration statement of which this prospectus is a part and will be effective upon filing. Accordingly, shares registered under such registration statement may be made available for sale in the open market following the effective date, unless such shares are subject to vesting restrictions with us, Rule 144 restrictions applicable to our affiliates or the lock-up restrictions described above.

Stockholders' Agreement

In connection with the closing of this offering, we will enter into a stockholders' agreement with GSO. Please read "Certain Relationships and Related Party Transactions−Stockholders' Agreement".

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MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS

The following is a summary of the material U.S. federal income tax considerations related to the purchase, ownership and disposition of our common stock by a non-U.S. holder (as defined below), that holds our common stock as a "capital asset" (generally property held for investment). This summary is based on the provisions of the Code, U.S. Treasury regulations and administrative rulings and judicial decisions, all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect. We have not sought any ruling from the Internal Revenue Service ("IRS") with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This summary does not address all aspects of U.S. federal income taxation that may be relevant to non-U.S. holders in light of their personal circumstances. In addition, this summary does not address the Medicare tax on certain investment income, U.S. federal gift or estate tax laws, any state, local or non-U.S. tax laws or any tax treaties. This summary also does not address tax considerations applicable to investors that may be subject to special treatment under the U.S. federal income tax laws, such as (without limitation):

- banks, insurance companies or other financial institutions;
- tax-exempt or governmental organizations;
- qualified foreign pension funds (or any entities all of the interests of which are held by a qualified foreign pension fund);
- dealers in securities or foreign currencies;
- traders in securities that use the mark-to-market method of accounting for U.S. federal income tax purposes;
- persons subject to the alternative minimum tax;
- partnerships or other pass-through entities for U.S. federal income tax purposes or holders of interests therein;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons that acquired our common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;
- certain former citizens or long-term residents of the United States;
- real estate investment trusts or regulated investment companies; and
- persons that hold our common stock as part of a straddle, appreciated financial position, synthetic security, hedge, conversion transaction or other integrated investment or risk reduction transaction.

PROSPECTIVE INVESTORS ARE ENCOURAGED TO CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATION, AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL GIFT OR ESTATE TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.

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Non-U.S. Holder Defined

For purposes of this discussion, a "non-U.S. holder" is a beneficial owner of our common stock that is not for U.S. federal income tax purposes a partnership or any of the following:

an individual who is a citizen or resident of the United States;

a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate the income of which is subject to U.S. federal income tax regardless of its source; or

a trust (i) whose administration is subject to the primary supervision of a U.S. court and which has one or more United States persons who have the authority to control all substantial decisions of the trust or (ii) which has made a valid election under applicable U.S. Treasury regulations to be treated as a United States person.

If a partnership (including an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner in the partnership generally will depend upon the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, we urge partners in partnerships (including entities or arrangements treated as partnerships for U.S. federal income tax purposes) considering the purchase of our common stock to consult their tax advisors regarding the U.S. federal income tax considerations of the purchase, ownership and disposition of our common stock by such partnership.

Distributions

As described in the section entitled "Dividend Policy", we do not plan to make any distributions on our common stock for the foreseeable future. However, if we do make distributions of cash or property on our common stock, those distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, the distributions will be treated as a non-taxable return of capital to the extent of the non-U.S. holder' s tax basis in our common stock and thereafter as capital gain from the sale or exchange of such common stock. Please read "−Gain on Disposition of Common Stock". Subject to the withholding rules under FATCA (as defined below) and with respect to effectively connected dividends, each of which is discussed below, any distribution made to a non-U.S. holder on our common stock generally will be subject to U.S. withholding tax at a rate of 30% of the gross amount of the distribution unless an applicable income tax treaty provides for a lower rate. To receive the benefit of a reduced treaty rate, a non-U.S. holder must provide the applicable withholding agent with an IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor form) certifying qualification for the reduced rate.

Dividends paid to a non-U.S. holder that are effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, are treated as attributable to a permanent establishment maintained by the non-U.S. holder in the United States) generally will be taxed on a net income basis at the rates and in the manner generally applicable to United States persons (as defined under the Code). Such effectively connected dividends will not be subject to U.S. withholding tax if the non-U.S. holder satisfies certain certification requirements by providing the applicable withholding agent a properly executed IRS Form W-8ECI certifying eligibility for exemption. If the non-U.S. holder is a non-U.S. corporation, it may also be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty) on its effectively connected earnings and profits (as adjusted for certain items), which will include effectively connected dividends.

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Gain on Disposition of Common Stock

Subject to the discussion below under "−Additional Withholding Requirements under FATCA", a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of our common stock unless:

- the non-U.S. holder is an individual who is present in the United States for a period or periods aggregating 183 days or more during the calendar year in which the sale or disposition occurs and certain other conditions are met;
- the gain is effectively connected with a trade or business conducted by the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States); or
- our common stock constitutes a United States real property interest by reason of our status as a United States real property holding corporation ("USRPHC") for U.S. federal income tax purposes.

A non-U.S. holder described in the first bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate as specified by an applicable income tax treaty) on the amount of such gain, which generally may be offset by U.S. source capital losses.

A non-U.S. holder whose gain is described in the second bullet point above or, subject to the exceptions described in the next paragraph, the third bullet point above generally will be taxed on a net income basis at the rates and in the manner generally applicable to United States persons (as defined under the Code) unless an applicable income tax treaty provides otherwise. If the non-U.S. holder is a corporation whose gain is described in the second bullet point above, then such gain would also be included in its effectively connected earnings and profits (as adjusted for certain items), which may be subject to a branch profits tax (at a 30% rate or such lower rate as specified by an applicable income tax treaty).

Generally, a corporation is a USRPHC if the fair market value of its United States real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. We believe that we currently are, and expect to remain for the foreseeable future, a USRPHC for U.S. federal income tax purposes. However, as long as our common stock is and continues to be regularly traded on an established securities market, only a non-U.S. holder that actually or constructively owns, or owned at any time during the shorter of the five-year period ending on the date of the disposition or the non-U.S. holder' s holding period for the common stock, more than 5% of our common stock will be taxable on gain realized on the disposition of our common stock as a result of our status as a USRPHC. If our common stock were not considered to be regularly traded on an established securities market, such holder (regardless of the percentage of our common stock owned) would be subject to U.S. federal income tax on a taxable disposition of our common stock (as described in the preceding paragraph), and a 15% withholding tax would apply to the gross proceeds from such disposition.

Non-U.S. holders should consult their tax advisors with respect to the application of the foregoing rules to their ownership and disposition of our common stock.

Backup Withholding and Information Reporting

Any dividends paid to a non-U.S. holder must be reported annually to the IRS and to the non-U.S. holder. Copies of these information returns may be made available to the tax authorities in the country in which the non-U.S. holder resides or is established. Payments of dividends to a non-U.S. holder generally will not be subject to backup withholding if the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN, IRS Form W-8BEN-E or other applicable or successor form.

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Payments of the proceeds from a sale or other disposition by a non-U.S. holder of our common stock effected by or through a U.S. office of a broker generally will be subject to information reporting and backup withholding (at the applicable rate) unless the non-U.S. holder establishes an exemption by properly certifying its non-U.S. status on an IRS Form W-8BEN, IRS Form W-8BEN-E or other applicable or successor form and certain other conditions are met. Information reporting and backup withholding generally will not apply to any payment of the proceeds from a sale or other disposition of our common stock effected outside the United States by a non-U.S. office of a broker. However, unless such broker has documentary evidence in its records that the holder is not a United States person and certain other conditions are met, or the non-U.S. holder otherwise establishes an exemption, information reporting will apply to a payment of the proceeds of the disposition of our common stock effected outside the United States by such a broker if it has certain relationships within the United States.

Backup withholding is not an additional tax. Rather, the U.S. income tax liability (if any) of persons subject to backup withholding will be reduced by the amount of tax withheld. If backup withholding results in an overpayment of taxes, a refund may be obtained, provided that the required information is timely furnished to the IRS.

Additional Withholding Requirements under FATCA

Sections 1471 through 1474 of the Code, and the Treasury regulations and administrative guidance issued thereunder (“FATCA”), impose a 30% withholding tax on any dividends paid on our common stock and on the gross proceeds from a disposition of our common stock (if such disposition occurs after December 31, 2018), in each case if paid to a “foreign financial institution” or a “non-financial foreign entity” (each as defined in the Code) (including, in some cases, when such foreign financial institution or non-financial foreign entity is acting as an intermediary), unless (i) in the case of a foreign financial institution, such institution enters into an agreement with the U.S. government to withhold on certain payments, and to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are non-U.S. entities with U.S. owners); (ii) in the case of a non-financial foreign entity, such entity certifies that it does not have any “substantial United States owners” (as defined in the Code) or provides the applicable withholding agent with a certification identifying the direct and indirect substantial United States owners of the entity (in either case, generally on an IRS Form W-8BEN-E); or (iii) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules and provides appropriate documentation (such as an IRS Form W-8BEN-E). Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing these rules may be subject to different rules. Under certain circumstances, a holder might be eligible for refunds or credits of such taxes.

INVESTORS CONSIDERING THE PURCHASE OF OUR COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AND THE APPLICABILITY AND EFFECT OF U.S. FEDERAL GIFT AND ESTATE TAX LAWS AND ANY STATE, LOCAL OR NON-U.S. TAX LAWS AND TAX TREATIES.

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UNDERWRITING (CONFLICTS OF INTEREST)

Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc. are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of shares of common stock set forth opposite its name below.

UNDERWRITER	Number of Shares
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Citigroup Global Markets Inc.	
Total	

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of these shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the nondefaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officer' s certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Commissions and Discounts

The representatives have advised us and the selling stockholder that the underwriters propose initially to offer the shares to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. After the initial offering, the public offering price, concession or any other term of the offering may be changed.

The following table shows the public offering price, underwriting discounts and commissions, proceeds before expenses to us and proceeds to the selling stockholder, if the underwriters exercise their option to purchase additional shares. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares.

	Per Share	Without Option	With Option
Public offering price	$	$	$
Underwriting discounts and commissions paid by us	$	$	$
Underwriting discounts and commissions paid by selling stockholder	$	$	$
Proceeds, before expenses, to us	$	$	$
Proceeds to selling stockholder	$	$	$

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The expenses of the offering, not including the underwriting discounts and commissions, are estimated at $ and are payable by us. We have agreed to pay expenses incurred by the selling stockholder in connection with this offering, other than underwriting discounts or commissions. We have also agreed to reimburse the underwriters for certain of their expenses in connection with this offering.

Option to Purchase Additional Shares

The selling stockholder has granted an option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to additional shares at the public offering price, less the underwriting discounts and commissions. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter' s initial amount reflected in the above table. If such option is exercised, the selling stockholder will be an "underwriter" within the meaning of the Securities Act and may be subject to certain statutory liabilities under the Securities Act.

Reserved Share Program

At our request, the underwriters have reserved for sale, at the initial public offering price, up to % of the shares offered by this prospectus to some of our employees, business associates, directors, director nominees, executive officers and related persons. If these persons purchase reserved shares, the purchased shares will be subject to the lock-up restrictions described below and the purchased shares will reduce the number of shares available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.

No Sales of Similar Securities

We, all of our directors, director nominees and executive officers and the selling stockholder have agreed not to sell or transfer any common stock or securities convertible into, exchangeable for, exercisable for, or repayable with common stock, for 180 days after the date of this prospectus without first obtaining the written consent of Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly:

- offer, pledge, sell or contract to sell any common stock;
- sell any option or contract to purchase any common stock;
- purchase any option or contract to sell any common stock;
- grant any option, right or warrant for the sale of any common stock;
- lend or otherwise dispose of or transfer any common stock;
- request or demand that we file a registration statement related to the common stock; or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

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NYSE Listing

We expect the shares to be approved for listing on the NYSE under the symbol TE. In order to meet the requirements for listing on that exchange, the underwriters have undertaken to sell a minimum number of shares to a minimum number of beneficial owners as required by that exchange.

Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations between us and the representatives. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us;
- our financial information;
- the history of, and the prospects for, our company and the industry in which we compete;
- an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues;
- the present state of our development; and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares may not develop. It is also possible that after the offering the shares will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares is completed, SEC rules may limit the underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with the offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering. “Covered” short sales are sales made in an amount not greater than the underwriters’ option to purchase additional shares described above. The underwriters may close out any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to close out the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the option granted to them. “Naked” short sales are sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the completion of the offering.

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The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the NYSE, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Distribution

In connection with the offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

Conflicts of Interest

An affiliate of Merrill Lynch, Pierce, Fenner & Smith Incorporated is a lender under our revolving credit facility and will receive more than 5% of the net proceeds of this offering due to the repayment of borrowings thereunder. Accordingly, this offering will be conducted in accordance with FINRA Rule 5121. This rule requires, among other things, that a qualified independent underwriter has participated in the preparation of, and has exercised the usual standards of "due diligence" in respect to, the registration statement and this prospectus. has agreed to act as qualified independent underwriter for the offering and to undertake the legal responsibilities and liabilities of an underwriter under the Securities Act, specifically those inherent in Section 11 of the Securities Act.

Other Relationships

Some of the underwriters and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Notice to Prospective Investors in the European Economic Area

In relation to each member state of the European Economic Area (each, a "Member State"), no offer of ordinary shares which are the subject of the offering has been, or will be, made to the public in that Member State, other than under the following exemptions under the Prospectus Directive:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

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(b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of ordinary shares referred to in (a) to (c) above shall result in a requirement for us or any of the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Each person located in a Member State to whom any offer of ordinary shares is made or who receives any communication in respect of an offer of ordinary shares, or who initially acquires any ordinary shares, will be deemed to have represented, warranted, acknowledged and agreed to and with us and each of the representatives that (1) it is a "qualified investor" within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive; and (2) in the case of any ordinary shares acquired by it as a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the representatives has been given to the offer or resale, or where ordinary shares have been acquired by it on behalf of persons in any Member State other than qualified investors, the offer of those shares to it is not treated under the Prospectus Directive as having been made to such persons.

We, the representatives and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgments and agreements.

This prospectus has been prepared on the basis that any offer of shares in any Member State will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of shares. Accordingly any person making or intending to make an offer in that Member State of shares which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for us or the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither we nor the representatives have authorized, nor do we or the representatives authorize, the making of any offer of shares in circumstances in which an obligation arises for us or the representatives to publish a prospectus for such offer.

For the purposes of this provision, the expression an "offer of ordinary shares to the public" in relation to any ordinary shares in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ordinary shares to be offered so as to enable an investor to decide to purchase or subscribe the ordinary shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression "Prospectus Directive" means Directive 2003/71/EC (as amended) and includes any relevant implementing measure in each Member State.

The above selling restrictions are in addition to any other selling restrictions set out below.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully

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communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Notice to Prospective Investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to us, the offering or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA ("FINMA"), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to Prospective Investors in the Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority ("DFSA"). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Notice to Prospective Investors in Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission ("ASIC") in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the "Corporations Act") and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (the "Exempt Investors") who are "sophisticated investors" (within the meaning of section 708(8) of the Corporations Act), "professional investors" (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

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This prospectus contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives and circumstances and, if necessary, seek expert advice on those matters.

Notice to Prospective Investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Notice to Prospective Investors in Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Non-CIS Securities may not be circulated or distributed, nor may the Non-CIS Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Non-CIS Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest

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(howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Non-CIS Securities pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Notice to Prospective Investors in Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser' s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser' s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

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LEGAL MATTERS

The validity of our common stock offered by this prospectus will be passed upon for us and the selling stockholder by Andrews Kurth Kenyon LLP, Houston, Texas. Certain legal matters in connection with our common stock will be passed upon for the underwriters by Vinson & Elkins L.L.P., Houston, Texas.

EXPERTS

The financial statements of Tapstone Energy Inc. included in this prospectus and elsewhere in the registration statement have been so included in reliance upon the report of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

The consolidated financial statements of Tapstone Energy, LLC included in this prospectus and elsewhere in the registration statement have been so included in reliance upon the report of Grant Thornton LLP, independent registered public accountants, upon the authority of said firm as experts in accounting and auditing.

Estimates of our reserves and related future net income to our properties as of December 31, 2016 included herein and elsewhere in the registration statement were based upon reserve reports prepared by independent petroleum engineers, Ryder Scott Company, L.P. Estimates of our reserves and related future net cash flows related to our properties as of December 31, 2015 included herein and elsewhere in the registration statement were based upon a reserve report prepared by independent petroleum engineers, Lee Keeling and Associates, Inc. We have included these estimates in reliance on the authority of such firms as experts in such matters.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 (including the exhibits, schedules and amendments thereto) under the Securities Act, with respect to the shares of our common stock offered hereby. This prospectus does not contain all of the information set forth in the registration statement and the exhibits and schedules thereto. For further information with respect to the common stock offered hereby, we refer you to the registration statement and the exhibits and schedules filed therewith. Statements contained in this prospectus as to the contents of any contract, agreement or any other document are summaries of the material terms of such contract, agreement or other document and are not necessarily complete. With respect to each of these contracts, agreements or other documents filed as an exhibit to the registration statement, reference is made to the exhibits for a more complete description of the matter involved. A copy of the registration statement, and the exhibits and schedules thereto, may be inspected without charge at the public reference facilities maintained by the SEC at 100 F Street NE, Washington, D.C. 20549. Copies of these materials may be obtained, upon payment of a duplicating fee, from the Public Reference Room of the SEC at 100 F Street N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the SEC’ s website is www.sec.gov.

As a result of this offering, we will become subject to full information requirements of the Exchange Act. We will fulfill our obligations with respect to such requirements by filing periodic reports and other information with the SEC. We intend to furnish our stockholders with annual reports containing financial statements certified by an independent public accounting firm.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Shareholder
Tapstone Energy Inc.

We have audited the accompanying balance sheet of Tapstone Energy Inc. (a Delaware corporation) (the “Company”) as of December 31, 2016, and the related statement of shareholder’ s equity for the period from December 12, 2016 (Inception) through December 31, 2016. These financial statements are the responsibility of the Company’ s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company’ s internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’ s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tapstone Energy Inc. as of December 31, 2016 in conformity with accounting principles generally accepted in the United States of America.

/s/ GRANT THORNTON LLP

Oklahoma City, Oklahoma
March 1, 2017

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TAPSTONE ENERGY INC.
Balance Sheet

	December 31, 2016
ASSETS	
Current assets	
Cash and cash equivalents	$ 10
Total assets	$ 10
LIABILITIES AND SHAREHOLDER'S EQUITY	
Total liabilities	
Total liabilities	$ –
Shareholder' s equity	
Common stock, $0.01 par value, authorized 1,000 shares issued and outstanding	10
Total shareholder' s equity	10
Total liabilities and shareholder' s equity	$ 10

The accompanying notes are an integral part of these financial statements.

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TAPSTONE ENERGY INC.
Statement of Shareholder' s Equity

	Total Shareholder' s Equity
Balance at December 12, 2016 (inception)	$ −
Common stock issued (1,000 shares $0.01 par value)	10
Balance at December 31, 2016	$ 10

The accompanying notes are an integral part of these financial statements.

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TAPSTONE ENERGY INC.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Business. Tapstone Energy Inc. (the "Company") is a Delaware corporation formed as a wholly owned subsidiary of Tapstone Energy, LLC (the "Parent") on December 12, 2016. The Company was formed to become the holding company of the Parent in connection with the Company's initial public offering. The Company has no prior operating activities.

Pursuant to the terms of a corporate reorganization that will be completed prior to the closing of the initial public offering, the Company will acquire, directly or indirectly, all of the membership interests in the Parent in exchange for the issuance of all of the Company's issued and outstanding shares of common stock (prior to the issuance of the shares of common stock in the initial public offering). As a result of these transactions, the Parent will become the Company's direct, wholly owned subsidiary.

Basis of Presentation. The balance sheet and statement of shareholder's equity was prepared in conformity with generally accepted accounting principles in the United States of America ("US GAAP"). Separate statements of operations and statements of cash flows have not been presented as the Company has had no business transactions or activities to date, except for the initial capitalization of the Company funded from the Parent. In this regard, general and administrative costs associated with the formation and daily management of the Company have been determined by the Company to be insignificant.

2. Shareholder's Equity

The Company has authorized share capital of 1,000 common shares with $0.01 par value. On December 14, 2016, all 1,000 shares were issued and acquired by the Parent for consideration of an amount of $10. Each share has one voting right.

3. Subsequent Events

Events occurring after December 31, 2016 were evaluated through March 1, 2017, the date the financial statements were available to be issued, to ensure that any subsequent events that met the criteria for recognition and disclosure in this report have been properly included.

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors
Tapstone Energy, LLC

We have audited the accompanying consolidated balance sheets of Tapstone Energy, LLC (a Delaware limited liability company) and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of operations, members' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Tapstone Energy, LLC and subsidiaries as of December 31, 2016 and 2015 and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ GRANT THORNTON LLP

Oklahoma City, Oklahoma
March 1, 2017

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TAPSTONE ENERGY, LLC
Consolidated Balance Sheets
(in thousands)

	December 31, 2016	December 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents	$529	$6,463
Accounts receivable, net of allowance	6,217	7,679
Accounts receivable, related parties	8	342
Production receivable	17,701	10,842
Production receivable, related parties	774	568
Derivative contracts	–	50,636
Prepaid expenses	781	1,545
Deferred public offering costs	1,557	–
Total current assets	27,567	78,075
Oil and natural gas properties, using the full cost method:		
Proved oil and natural gas properties	995,455	852,835
Unproved oil and natural gas properties	151,056	110,083
Less: accumulated depreciation, depletion, amortization and impairment	(666,696)	(369,826)
Oil and natural gas properties, net	479,815	593,092
Other property, plant and equipment	133,890	132,979
Less: accumulated depreciation	(16,150)	(7,970)
Other property, plant and equipment, net	117,740	125,009
Debt issuance cost, net	5,448	7,240
Total assets	$630,570	$803,416
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities		
Accounts payable	$16,341	$10,097
Production payable	3,005	3,016
Accrued liabilities	24,517	27,585
Accrued liabilities, related parties	604	593
Derivative contracts	10,720	–
Other current liabilities	1,601	1,058
Total current liabilities	56,788	42,349
Long-term debt	350,000	408,000
Asset retirement obligations	7,117	6,668
Total liabilities	413,905	457,017
Commitments and contingencies (note 11)		
Members' equity	216,665	346,399
Total liabilities and members' equity	$630,570	$803,416

The accompanying notes are an integral part of these consolidated financial statements.

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TAPSTONE ENERGY, LLC
Consolidated Statements of Operations
(in thousands)

	Years Ended December 31,	
	2016	2015
Revenues		
Oil sales	$74,675	$86,082
Natural gas sales	65,577	73,662
Natural gas sales, related parties	8,747	8,017
NGL sales	36,189	31,406
Transportation revenue	3,916	4,711
Total revenues	189,104	203,878
Expenses		
Production expense	72,687	64,771
Production taxes	4,329	8,274
Transportation cost of service	5,858	6,166
Depreciation and depletion – oil and natural gas	59,855	80,178
Depreciation and amortization – other	8,204	7,561
Accretion of asset retirement obligation	460	422
Impairment of oil and natural gas properties	237,378	282,469
General and administrative (including non-cash stock-based compensation of $4,757 and $4,705 for the years ended December 31, 2016 and 2015, respectively)	9,749	11,688
General and administrative, related parties	5,060	4,549
Total expenses	403,580	466,078
Loss from operations	(214,476)	(262,200)
Other income (expense)		
Interest expense	(12,643)	(12,249)
Gain/(Loss) on derivative contracts	(17,449)	47,839
Other income, net	81	15
Total other income (expense)	(30,011)	35,605
Net loss	$(244,487)	$(226,595)
Pro forma information (unaudited):		
Net loss	$(244,487)	
Pro forma benefit for income taxes	39,370	
Pro forma net loss	$(205,117)	
Pro forma loss per common share		
Basic and diluted	$	
Weighted average pro forma shares outstanding		
Basic and diluted		

The accompanying notes are an integral part of these consolidated financial statements.

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TAPSTONE ENERGY, LLC
Consolidated Statements of Members' Equity (Deficit)
(in thousands)

	Class A	Class B	Incentive Unit Members	Total Members' Equity (Deficit)
Balance at December 31, 2014	$552,454	$10,683	$ 4,816	$ 567,953
Incentive unit compensation	−	−	5,041	5,041
Net loss	(222,063)	(4,532)	−	(226,595)
Balance at December 31, 2015	330,391	6,151	9,857	346,399
Capital contributions	109,636	−	−	109,636
Incentive unit compensation	−	−	5,117	5,117
Net loss	(241,337)	(3,150)	−	(244,487)
Balance at December 31, 2016	$198,690	$3,001	$ 14,974	$ 216,665

The accompanying notes are an integral part of these consolidated financial statements.

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TAPSTONE ENERGY, LLC
Consolidated Statements of Cash Flows
(in thousands)

	Years Ended December 31, 2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$(244,487)	$(226,595)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation, depletion, and amortization	68,059	87,739
Accretion of asset retirement obligations	460	422
Impairment of oil and natural gas properties	237,378	282,469
Debt issuance costs amortization	1,791	1,694
Incentive unit compensation	4,757	4,705
Loss (gain) on derivative contracts, net	17,449	(47,839)
Cash settlements on derivative contracts	43,907	68,932
Changes in operating assets and liabilities increasing (decreasing) cash:		
Receivables	(5,397)	7,177
Receivables, related parties	128	(910)
Other current assets	437	(2,180)
Other assets and liabilities, net	280	1,360
Accounts payable and accrued expenses	9,860	17,988
Accrued expenses, related parties	11	574
Net cash provided by operating activities	134,633	195,536
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures - other property, plant and equipment	(881)	(4,927)
Capital expenditures - other property, plant and equipment, related parties	(54)	(1,508)
Capital expenditures - oil and natural gas properties	(189,502)	(175,261)
Capital expenditures - oil and natural gas properties, related parties	(816)	(5,637)
Acquisition of businesses and other leasehold	–	(11,818)
Proceeds from sale of assets	607	2,766
Net cash used in investing activities	(190,646)	(196,385)
CASH FLOWS FROM FINANCING ACTIVITIES		
Credit facility borrowings	55,000	34,000
Credit facility payments	(113,000)	(36,500)
Deferred public offering costs	(1,557)	–
Capital contributions	109,636	–
Net cash provided by (used in) financing activities	50,079	(2,500)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,934)	(3,349)
CASH AND CASH EQUIVALENTS, beginning of period	6,463	9,812
CASH AND CASH EQUIVALENTS, end of period	$529	$6,463

The accompanying notes are an integral part of these consolidated financial statements.

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TAPSTONE ENERGY, LLC

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

1. Summary of Significant Accounting Policies

Nature of Business. Tapstone Energy, LLC ("the Company") is an oil and natural gas company with a principal focus on exploration and production activities in the Mid-Continent region of the United States. The Company was formed as a limited liability company under the laws of the State of Delaware and its status as a limited liability company will have existence until the earlier of seven years from inception or it is dissolved in accordance with the provisions of the LLC agreement. Except as otherwise expressly agreed in writing, members of the Company (the "Members") are not personally liable for any obligations of the Company. Revenues and expenses are allocated to the Members based upon the provisions of the Company' s operating agreement. The Company owns producing wells and undeveloped acreage in southern Kansas, Oklahoma and eastern Texas panhandle. In addition to the producing wells in Oklahoma, the Company has assembled large, contiguous acreage blocks in Dewey and Woodward counties. The Company also owns and operates gathering and compression facilities that complement the exploration and production activities.

Use of Estimates. The preparation of the financial statements in conformity with generally accepted accounting principles in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include proved oil and natural gas reserves, the use of these oil and natural gas reserves in calculating depletion, depreciation, and amortization (DD&A), the use of the estimates of future net cash flows in computing ceiling test limitations, incentive unit compensation cost, and estimates of future abandonment obligations used in recording asset retirement obligations. Estimates and judgments are also required in determining allowance for doubtful accounts, impairments of undeveloped properties and other assets, fair value of derivative financial instruments, and amounts of commitments and contingencies, if any. Although management believes these estimates are reasonable, actual results could differ from these estimates.

Reserve estimates are, by their nature, inherently imprecise. The process of estimating quantities of oil and gas reserves is complex, requiring significant decisions in the evaluation of all available geological, geophysical, engineering, and economic data. The data for a given field may also change substantially over time as a result of numerous factors including, but not limited to, additional development activity, evolving production history, and continual reassessment of the viability of production under varying economic conditions. As a result, material revisions to existing reserve estimates may occur from time to time. Although every reasonable effort is made to ensure that the reserve estimates represent the most accurate assessments possible, subjective decisions, and available data for the various fields make these estimates generally less precise than other estimates included in financial statement disclosures.

Principles of Consolidation. The consolidated financial statements include the accounts of the Company, its wholly-owned operating subsidiary, Tapstone Midstream, LLC ("Midstream"), Tapstone Management, LLC, and Tapstone Inc. All intercompany balances and transactions have been eliminated in consolidation. The Company has an agreement with Midstream under which the Company pays a fee to gather, compress, and store oil and natural gas produced on certain properties it operates in Wheeler County, Texas.

Reclassifications. Certain reclassifications have been made to the prior period financial statements to conform to the current period presentation. These reclassifications have no effect on the Company' s previously reported results of operations.

Correction of Prior Period Financial Statements. The Company has determined that incentive unit compensation expense should have been recognized in periods prior to 2016. US GAAP generally requires that

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TAPSTONE ENERGY, LLC

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

all equity awards granted to employees be accounted for at fair value and recognized as compensation cost over the vesting period. As defined by the LLC agreement, payouts to incentive unit holders are triggered after the recovery of specified members' capital contributions plus satisfaction of a certain internal rate of return, which was initially considered to be a performance condition that would result in the deferral of the recognition of compensation cost until such time that the satisfaction of the performance condition became probable. The effect of the error was not material to the financial statements for the year ended December 31, 2015. As a result, year ended December 31, 2015 has been changed for the correction of an immaterial error.

The following table summarizes the effects of the correction on the consolidated balance sheet as of December 31, 2015 (in thousands):

	December 31, 2015		
	As Reported	Adjustment	As Adjusted
Proved oil and natural gas properties	$852,252	$ 583	$852,835
Less: accumulated depreciation, depletion, amortization and impairment	(369,490)	(336)	(369,826)
Oil and natural gas properties, net	592,845	247	593,092
Total assets	803,169	247	803,416
Members' equity	346,152	247	346,399
Total liabilities and members' equity	803,169	247	803,416

The following table summarizes the effects of the correction on the consolidated statement of operations (in thousands):

	Year Ended December 31, 2015		
	As Reported	Adjustment	As Adjusted
Impairment of oil and natural gas properties	$282,133	$ 336	$282,469
General and administrative	6,983	4,705	11,688
Total expenses	461,037	5,041	466,078
Loss from operations	(257,159)	(5,041)	(262,200)
Net loss	(221,554)	(5,041)	(226,595)

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TAPSTONE ENERGY, LLC

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

The following table summarizes the effects of the correction on the consolidated statement of members' equity (in thousands):

	December 31, 2015		
	As Reported	Adjustment	As Adjusted
Balance as of December 31, 2014:			
Class A	$556,352	$ (3,898)	$552,454
Class B	11,354	(671)	10,683
Incentive Unit Members	–	4,816	4,816
Members' Equity (Deficit)	567,706	247	567,953
Incentive unit compensation:			
Incentive Unit Members	–	5,041	5,041
Members' Equity (Deficit)	–	5,041	5,041
Net loss:			
Class A	(217,123)	(4,940)	(222,063)
Class B	(4,431)	(101)	(4,532)
Members' Equity (Deficit)	(221,554)	(5,041)	(226,595)
Balance as of December 31, 2015:			
Class A	339,229	(8,838)	330,391
Class B	6,923	(772)	6,151
Incentive Unit Members	–	9,857	9,857
Members' Equity (Deficit)	346,152	247	346,399

The following table summarizes the effects of the correction on the consolidated statement of cash flows (in thousands):

	Year Ended December 31, 2015		
	As Reported	Adjustment	As Adjusted
Net loss	$(221,554)	$ (5,041)	$(226,595)
Impairment of oil and natural gas properties	282,133	336	282,469
Incentive unit compensation	–	4,705	4,705

Cash and Cash Equivalents. The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents for purposes of the statement of cash flows. The Company maintains cash at financial institutions which may at times exceed federally insured amounts. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Fair Value of Financial Instruments. Certain assets and liabilities of the Company are measured at fair value. The fair value of a financial instrument is the amount at which the instrument could be exchanged in an orderly transaction between two willing parties. Cash, accounts receivable, and accounts payable are recorded at cost. The fair value of accounts receivable and accounts payable are not materially different from the carrying amounts due to the short-term nature of these instruments. The carrying value of the outstanding balance under the Company's credit facility (as defined in Note 8) represents fair value as the credit facility has variable interest rates, which are reflective of the Company's credit risk. Derivative instruments are recorded at fair value, as discussed below. Fair value measurements are classified according to a hierarchy that prioritizes the inputs underlying the valuation techniques. See Note 4, Fair Value Measurements.

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TAPSTONE ENERGY, LLC

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

Derivative Contracts. To manage risks related to fluctuations in prices attributable to its expected oil, natural gas, and natural gas liquids ("NGLs") production, the Company enters into oil, natural gas and NGL derivative contracts. Under US GAAP, all derivative instruments are recorded on the balance sheet at fair value as either short-term or long-term assets or liabilities based on the anticipated settlement date. These derivatives are not designated as a hedging instrument for hedge accounting under US GAAP and as such, changes in fair value are recognized in the consolidated statements of operations in the period of change. The Company nets derivative assets and liabilities whenever it has a legally enforceable master netting agreement with the counterparty to a derivative contract. The Company' s consolidated statements of cash flows includes the non-cash portion of gain and loss on commodity derivative instruments, which represented the difference between the total gain and loss on commodity derivative instruments and the cash received or paid on settlements of commodity derivative instruments during the period.

Concentration of Credit Risk. By using derivative instruments that are not traded on an exchange, the Company is exposed to the credit risk from its counterparties. Credit risk is the risk of loss from counterparties not performing under the terms of the derivative contract. When the fair value of a derivative instrument is positive, the counterparty is expected to owe a cash settlement to the Company, which creates credit risk. To minimize the credit risk with derivative instruments, it is the Company' s policy to enter into derivative contracts only with counterparties that are creditworthy financial institutions deemed by management as competent. Other than as provided by the Company' s credit facility, the Company is not required to provide credit support or collateral to any of its counterparties under contract, nor are they required to provide credit support to the Company.

Production Receivable. Production receivables, which are primarily from the sale of oil, natural gas, and NGLs, are accrued based on estimates of the volumetric sales and prices the Company believes it will receive. The Company routinely reviews outstanding balances, assesses the financial strength of its customers and records a reserve for amounts not expected to be fully recovered. The Company has not provided an allowance for doubtful accounts based on management' s expectations that all receivables at year-end will be fully collected as of December 31, 2016 and 2015.

Accounts Receivable. Accounts receivable consists primarily of uncollateralized joint interest owner obligations due within 30 days of the invoice date and reported net of the allowance for doubtful accounts. The Company routinely reviews outstanding balances for collectability and records its allowance to bad debt expense for amounts not expected to be fully recovered. Receivable accounts are charged off when collection efforts have failed and the account is deemed uncollectible. The Company recognized no bad debt expense for the year ended December 31, 2016. Bad debt expense for the year ended December 31, 2015 totaled $77.0 thousand as a component of general and administrative expenses on the consolidated statement of operations. The Company had an allowance for doubtful accounts balance of $63.0 thousand at December 31, 2016 and 2015.

Oil and Natural Gas Operations. The Company uses the full cost method of accounting for oil and natural gas properties whereby productive and nonproductive costs incurred in connection with the acquisition, exploration, and development of oil and natural gas reserves are capitalized. Capitalized costs are depreciated using the unit-of-production method. Under this method, depletion is computed at the end of each period by multiplying total production for the period by a depletion rate. The depletion rate is determined by dividing the total unamortized cost base plus future development costs by net equivalent proved reserves at the beginning of the period. The average depletion rate per barrel equivalent unit of production was $6.09 and $8.40 for the years ended December 31, 2016 and 2015, respectively.

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TAPSTONE ENERGY, LLC

Notes to Consolidated Financial Statements
December 31, 2016 and 2015

Costs of acquiring unproved oil and gas properties are initially excluded from the depletable base until a determination has been made as to the existence of proved reserves or upon impairment of a lease. The excluded costs are reviewed at the end of each period to determine whether the costs incurred should be reclassified to the full cost pool and, thereby, subjected to depletion. At December 31, 2016 and 2015, the unproved costs excluded from amortization totaled $151.1 million and $110.1 million, respectively. The Company' s unproved properties consist of leasehold costs and allocated value to probable and possible reserves from acquisitions. All items classified as unproved are assessed, on an individual basis or as a group if individually insignificant, on a quarterly basis for possible impairment. The assessment includes consideration of various factors, including, but not limited to, the following: intent to drill; remaining lease term; drilling results and activity; and current oil and gas industry conditions. During any period in which these factors indicate an impairment, all or a portion of the associated leasehold costs are transferred to the full cost pool and become subject to amortization. The Company reclassified unproved leasehold cost to the full cost pool associated with non-cash impairments of $1.5 million and $35.6 million for the years ended December 31, 2016 and 2015, respectively.

Under the full cost method, the net book value of the oil and natural gas properties may not exceed the estimated after-tax future net cash flows from proved oil and natural gas properties, using the preceding 12-months' average price based on closing prices on the first day of each month, discounted at 10%, plus the lower of cost or fair value of unproved properties, plus estimated salvage value (the ceiling limitation). The net book value is compared to the ceiling limitation on a quarterly and annual basis. The excess, if any, of the net book value above the ceiling limitation is charged to expense in the period in which it occurs and is not subsequently reinstated. The ceiling limitation computation is determined without regard to income taxes due to the IRS recognition of the Company as a pass-through entity. The ceiling limitation calculation is not intended to be indicative of the fair market value of the Company' s proved reserves or future results. Impairment charges do not affect cash flow from operating activities, but do adversely affect net income. For the years ended December 31, 2016 and 2015, the Company incurred a non-cash ceiling limitation write-down of its oil and natural gas properties of $237.4 million and $282.5 million, respectively.

Sales of oil and natural gas properties being amortized are accounted for as adjustments to the full cost pool, with no gain or loss recognized, unless the adjustments would significantly alter the relationship between capitalized costs and proved oil, natural gas and NGL reserves. A significant alteration would not ordinarily be expected to occur upon the sale of reserves involving less than 25% of the proved reserve quantities of a cost center.

Other Property, Plant and Equipment, Net. Property and equipment are capitalized and recorded at cost, while maintenance and repairs are expensed. Depreciation of such property and equipment is computed using the straight-line method over the estimated useful lives of the assets, which range from 3 to 7 years. Gathering and compression capitalized costs are depreciated over a useful life range of 20 to 25 years. Leasehold improvement capitalized costs are depreciated over the life of the lease. Long-lived assets as deemed necessary and based on triggering events are analyzed for impairment. Estimated fair value of the assets are determined using a combination of the discounted cash flow method and prices of comparable assets with consideration of current market conditions. Given the significance of the unobservable nature of a number of the inputs, these are considered Level 3 on the fair value hierarchy discussed in Note 4. There were no such triggering events for the years ended December 31, 2016 and 2015.

Debt Issuance Costs. The Company amortizes debt issuance costs related to its long-term debt as interest expense over the scheduled maturity period of the related debt. The Company includes unamortized debt issuance costs related to its credit facility in debt issuance cost, net on the consolidated balance sheet.

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Asset Retirement Obligations. The Company records the fair value of the future legal liability for an asset retirement obligation ("ARO") in the period in which the liability is incurred (at the time the wells are drilled or acquired) at the asset' s inception, with the offsetting increase to property cost. These property costs are depreciated on a unit-of-production basis within the full cost pool. The liability accretes each period until it is settled or the well is sold, at which time the liability is removed.

The Company estimates a fair value of the obligation on each well in which it owns an interest by identifying costs associated with the future downhole plugging, dismantlement and removal of production equipment and facilities, and the restoration and reclamation of a field' s surface to a condition similar to that existing before oil and natural gas extraction began.

In general, the amount of ARO and the costs capitalized will be equal to the estimated future cost to satisfy the abandonment obligation using current prices that are escalated by an assumed inflation factor up to the estimated settlement date which is then discounted back to the date that the abandonment obligation was incurred using an estimated credit adjusted rate. If the estimated ARO changes materially, an adjustment is recorded to both the ARO and the long-lived asset. Revisions to estimated AROs can result from changes in retirement cost estimates, revisions to estimated inflation rates, and changes in the estimated timing of abandonment. The following is a reconciliation of the changes in ARO for the years ended December 31, 2016 and 2015 (in thousands):

	Years Ended December 31,	
	2016	2015
Asset retirement obligation at beginning of period	$ 6,668	$ 6,324
Liabilities incurred	208	274
Liabilities settled	(219)	(352)
Accretion expense	460	422
Asset retirement obligation at end of period	$ 7,117	$ 6,668

Revenue Recognition. Revenues from the sale of oil, natural gas and NGL are recognized when the product is delivered at a fixed or determinable price, title has transferred, and collectability is reasonably assured and evidenced by a contract. The Company recognizes revenues from the sale of oil, natural gas and NGLs using the sales method of accounting, whereby revenue is recorded based on the Company' s share of volume sold, regardless of whether the Company has taken its proportional share of volume produced. Liabilities are recorded for imbalances greater than the Company' s proportionate share of remaining estimated natural gas reserves. Imbalances were not significant in the periods presented.

Commitments and Contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation or other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Environmental expenditures are expensed or capitalized, as appropriate, depending on future economic benefit.

Income Taxes. The Company is a limited liability company and therefore all taxes are passed through to the individual members. The Company' s tax returns for tax years beginning in 2013 are subject to examination in various tax jurisdictions. Management has evaluated the Company' s tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of authoritative guidance. The Company' s policy is to record interest and penalties related to uncertain tax positions when and if they become applicable as a component of general and administrative expenses on the consolidated statements of operations.

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The Company has operations located in Texas and is therefore subject to an entity-level tax, the Texas franchise tax, at a statutory rate of up to 1% of income that is apportioned to Texas. No tax expense was incurred for years ended December 31, 2016 and 2015.

Unaudited Pro Forma Income Taxes. These financial statements have been prepared in anticipation of a proposed initial public offering (the "Offering") of the common stock of Tapstone Energy Inc. In connection with the Offering, all of the interests in Tapstone Energy Inc. will be contributed to a newly formed Delaware corporation which will be treated as a taxable C-corporation and thus will be subject to federal and state income taxes. Accordingly, a pro forma income tax provision has been disclosed as if the Company was a taxable corporation for the period presented. The Company has computed pro forma tax expense using a 38% blended corporate level federal and state tax rate.

Unaudited Pro Forma Earnings Per Share. The Company has presented pro forma earnings per share for the most recent period presented. Pro forma basic and diluted loss per share was computed by dividing pro forma net loss attributable to the Company by the number of shares of common stock attributable to Tapstone Energy Inc. to be issued in the initial public offering described in the registration statement, as if such shares were issued and outstanding for the year ended December 31, 2016.

2. Recent Accounting Pronouncements

In August 2016, the FASB issued Accounting Standard Update No. 2016-15 "Classification of Certain Cash Receipts and Cash Payments" (ASU 2016-15). This update amends Accounting Standard Codification Topic No. 230 "Statement of Cash Flows" and provides guidance and clarification on presentation of certain cash flow issues. ASU No. 2016-15 is effective for fiscal years beginning after December 15, 2017, and for interim periods within those fiscal years. The Company is currently assessing the impact of the adoption of ASU No. 2016-15; however, the Company does not expect adoption to have a material impact on the consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, "Measurement of Credit Losses on Financial Instruments" ASU 2016-13 changes the impairment model for most financial assets and certain other instruments, including trade and other receivables, held-to-maturity debt securities and loans, and requires entities to use a new forward-looking expected loss model that will result in the earlier recognition of allowances for losses. This update is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted for a fiscal year beginning after December 15, 2018, including interim periods within that fiscal year. Entities will apply the standard' s provisions as a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is adopted. The Company does not believe this standard will have a material impact on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)" ("ASU 2016-02"). ASU 2016-02 establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is currently evaluating the impact of this

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new standard; however, the Company does not expect adoption to have a material impact on the consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)," which outlines a new, single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. This new revenue recognition model provides a five-step analysis in determining when and how revenue is recognized. The new model will require revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration a company expects to receive in exchange for those goods or services.

In August 2015, the FASB issued ASU No. 2015-14, "Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date," which deferred the effective date of ASU 2014-09 by one year. That new standard is now effective for annual reporting periods beginning after December 15, 2017. The Company is currently evaluating the impact of this new standard. Additionally, the Company does not expect adoption of the new standard to have a material impact on the consolidated financial statements, but additional financial statement disclosure is expected.

3. Supplemental Cash Flow Information

Supplemental disclosures to the consolidated statements of cash flows are presented below (in thousands):

	Years Ended December 31,	
	2016	2015
Supplemental disclosure of cash flow information		
Cash paid for interest, net of amount capitalized	$(10,761)	$(9,637)
Supplemental disclosure of non-cash investing and financing activities		
Change in accrued capital expenditures	$(6,686)	$280
Asset retirement cost capitalized	$208	$274
Incentive unit compensation capitalized	$360	$336

4. Fair Value Measurements

Fair value measurement is established by a hierarchy of inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company' s assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

Level 1 Quoted prices are available in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Quoted prices for similar assets or liabilities in active markets or observable inputs for assets or liabilities in non-active markets.

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Level 3 Measurement based on prices or valuation models that require inputs that are both significant to the fair value measurement and less observable from objective sources.

Assets and liabilities that are measured at fair value are classified based on the lowest level of input that is significant to the fair value measurement. The Company' s assessment of the significance of a particular input to the fair value measurement requires judgment, which may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels.

Fair Value on a Recurring Basis

Derivative Contracts. The Company determines the fair value of its derivative contracts using industry-standard models that considered various assumptions including current market and contractual prices for the underlying instruments, time value, nonperformance risk, as well as other relevant economic measures. Substantially all of these inputs are observable in the marketplace throughout the full term of the contract and can be supported by observable data. For additional information on derivative contracts please refer to Note 9, Derivative Contracts. The following table presents, by level within the fair value hierarchy, the Company' s assets and liabilities that are measured at fair value on a recurring basis (in thousands):

	Level 1	Level 2	Level 3	Total Fair Value
As of December 31, 2016:				
Liabilities:				
Derivative Instruments	$ −	$10,720	$ −	$ 10,720
As of December 31, 2015:				
Assets:				
Derivative Instruments	$ −	$50,636	$ −	$ 50,636

Fair Value on a Non-Recurring Basis

The Company determines the estimated fair value of its asset retirement obligations by calculating the present value of estimated cash flows related to plugging and abandonment liabilities using level 3 inputs. The significant inputs used to calculate such liabilities include estimates of costs to be incurred; the Company' s credit adjusted discount rates, inflation rates and estimated dates of abandonment. The asset retirement liability is accreted to its present value each period and the capitalized asset retirement cost is depleted with proved oil and natural gas properties using the units-of-production method.

The Company determines the estimated grant date fair value of its incentive units to be recognized as compensation cost using level 3 inputs. The significant inputs used to calculate fair value include enterprise value, market volatility and future exit event dates.

The carrying amount of the credit facility of $350 million and $408 million as of December 31, 2016 and December 31, 2015, respectively, approximates fair value as the Company' s current borrowing base rate does not materially differ from market rates of similar bank borrowings. The credit facility is classified as a Level 2 item within the fair value hierarchy.

5. Major Customers

The Mid-Continent region in which the Company operates is served by multiple oil and natural gas purchasers. As a result, the Company believes the loss of any one purchaser would not have a materially adverse

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effect on the ability of the Company to sell its oil and natural gas production. For the year ended December 31, 2016, the Company' s three largest oil and natural gas purchasers accounted for 42%, 16%, and 14% of total sales. For the year ended December 31, 2015, the Company' s three largest oil and natural gas purchasers accounted for 48%, 17%, and 9% of total sales.

6. Property, Plant, and Equipment

Property, plant and equipment consists of the following (in thousands):

	Years Ended December 31,	
	2016	2015
Oil and natural gas properties		
Proved properties	$995,455	$852,835
Unproved properties	151,056	110,083
Total oil and natural gas properties	1,146,511	962,918
Other property, plant, and equipment		
Midstream gathering and compression	124,584	124,189
Vehicles and equipment	9,306	8,790
Total other property, plant, and equipment	133,890	132,979
Total property and equipment	1,280,401	1,095,897
Accumulated depreciation, depletion, amortization and impairment	(682,846)	(377,796)
Total property and equipment, net	$597,555	$718,101

Included in oil and natural gas properties at December 31, 2016 is the cumulative capitalization of $16.1 million, in general and administrative costs incurred and capitalized to the full cost pool. General and administrative costs capitalized to the full cost pool represent management' s estimate of costs incurred directly related to exploration and development activities such as geological and other administrative costs associated with overseeing the exploration and development activities. All general and administrative costs not directly associated with exploration and development activities were charged to expense as they were incurred. Capitalized general and administrative costs were approximately $6.5 million and $5.6 million for the year ended December 31, 2016 and December 31, 2015, respectively.

The following shows a summary of the oil, natural gas, and NGL unproved property costs not being depleted as of December 31, 2016, by year in which such costs were incurred (in thousands):

	Costs Incurred in			
	2016	2015	2014	Total
Acquisition costs	$42,636	$39,824	$54,874	$137,334
Exploration costs	5,165	–	–	5,165
Development costs	8,557	–	–	8,557
Total oil and gas properties not subject to amortization	$56,358	$39,824	$54,874	$151,056

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The following table summarizes the Company' s unproved properties excluded from amortization by project area as of December 31, 2016 (in thousands):

	December 31, 2016
NW Stack	$ 95,585
Stiles Ranch	25,593
Mocane-Laverne	21,714
Kansas	3,643
Verden	4,521
	$ 151,056

NW Stack. Unproved costs in the NW Stack area consist of leasehold costs associated with acreage that included reserves that have not met the criteria to be classified as proved reserves as well as acreage with multiple unevaluated completion zones. The Company plans to continue exploration activities in the NW Stack over the next five years. A multi-rig drilling program is scheduled for the NW Stack through 2019 and beyond.

Stiles Ranch. Unproved costs in the Stiles Ranch area relate to acquisition costs allocated to acreage that included reserves that have not met the criteria to be classified as proved reserves as well as acreage with multiple unevaluated completion zones. Wells drilled by the Company in this area during 2015 produced favorable results. As a result, the Company plans to continue to evaluate the unproved acreage in Stiles Ranch over the next two to three years.

Mocane-Laverne. Unproved costs in the Mocane-Laverne area relate to acquisition costs allocated to acreage that included reserves that have not met the criteria to be classified as proved reserves as well as acreage with multiple unevaluated completion zones. The Company plans to continue analysis of unevaluated completion zones associated with existing vertical wells in the Mocane-Laverne over the next five to seven years. The unevaluated completion zones in this area will be evaluated for geological consistencies with the Company' s NW Stack acreage that is located in close proximity.

Verden. Unproved costs in the Verden area relate to acquisition costs allocated to acreage that included reserves that have not met the criteria to be classified as proved reserves. For the year ended December 31, 2016, drilling activity by other operators in the Verden area produced favorable results. As a result, the Company plans to continue to evaluate the unproved acreage in this area over the next four to five years. The Company will use information from wells planned to be drilled in Verden by outside operators during 2017 and 2018 to assist in analyzing the Company' s unproved acreage.

Kansas. Unproved costs in the Kansas area relate to leasehold costs associated with leasing activities that began in 2014. Wells drilled by the Company in this area during 2015 and 2016 produced favorable results. As a result, continued evaluation of acreage that includes reserves that have not met the criteria to be classified as proved reserves is planned within the next four to five years. A portion of the Company' s 2017 and 2018 capital budget will be used for extending leases in the area to allow for additional time to evaluate unproved leaseholds.

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7. Accrued Liabilities

Accrued liabilities consists of the following (in thousands):

	December 31, 2016	December 31, 2015
Accrued production expense	$ 10,958	$ 9,139
Accrued capital expenditures	7,385	14,671
Accrued payroll	2,520	2,526
Accrued production tax	960	1,048
Accrued general and administrative expenses	2,694	201
Total accrued liabilities	$ 24,517	$ 27,585

8. Long-Term Debt

On December 31, 2014, the Company entered into an amended and restated credit agreement with Bank of America, N.A., as administrative agent and issuing lender, that provides for a revolving credit facility with commitments of $1.0 billion (subject to the borrowing base). This credit facility provides for borrowings to be used for the purpose of funding working capital for lease acquisitions, exploration and production operations, development (including the drilling and completion of producing wells), and for general business purposes and has a letter of credit sublimit of $50 million. The credit facility matures in December 2019 at which time all outstanding amounts would be due. The Company' s credit facility is available to be drawn on subject to limitations based on its terms and certain financial covenants, as described below.

The credit facility contains a financial covenant to maintain an agreed upon level for the ratio of total net debt to EBITDAX (as defined), which may not exceed 4.0:1.0 at each quarter end, calculated using annualization factors specific to each quarter. The credit facility also contains various non-financial covenants that limit the ability of the Company to: grant certain liens; make certain loans and investments; redeem or prepay debt; merge or consolidate with or into a third party; or engage in certain asset dispositions, including a sale of all or substantially all of the Company' s assets. Additionally, the credit facility limits the ability of the Company to incur additional indebtedness with certain exceptions. During the years ended December 31, 2016 and December 31, 2015, the Company was in compliance with all applicable covenants under the credit facility.

The obligations under the credit facility are secured by substantially all of the Company' s assets, including (i) proved oil, natural gas and NGL reserves representing at least 80.0% of the discounted present value (as defined in the credit facility) of proved oil, natural gas and NGL reserves considered by the lenders in determining the borrowing base for the credit facility, (ii) the Midstream gathering system and (iii) the issued and outstanding equity interests directly owned by the borrower.

At the Company' s election, interest under the credit facility is determined by reference to (a) the London Interbank Offered Rate ("LIBOR") plus an applicable margin between 1.50% and 2.50% per annum or (b) the "base rate," which is the highest of (i) the federal funds rate plus 0.50%, (ii) the prime rate published by Bank of America or (iii) the Eurodollar rate (as defined in the credit facility) plus 1.00% per annum, plus, in each case under scenario (b), an applicable margin between 0.50% and 1.50% per annum. Interest is payable quarterly for base rate loans and at the applicable maturity date for LIBOR loans, except that if the interest period for a LIBOR loan is six months, interest is paid at the end of each three-month period. Quarterly, the Company pays a commitment fee assessed at an annual rate between 0.375% and 0.50% on any available portion of the credit facility. The interest rate under the credit facility at December 31, 2016 was 3.25%.

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Borrowings under the credit facility may not exceed the lower of the borrowing base or the commitment amount. At December 31, 2016 the borrowing base was $385.0 million, and the Company had $350.0 million outstanding under the credit facility and $5.0 million in outstanding letters of credit, which reduces the availability under the credit facility on a dollar-for-dollar basis. At December 31, 2015 the borrowing base was $460.0 million, and the Company had $408.0 million outstanding under the credit facility and $5.0 million in outstanding letters of credit, which reduces the availability under the credit facility on a dollar-for-dollar basis. The Company' s borrowing base is generally redetermined in the spring and fall of each year. Because the value of the Company' s proved reserves is a key factor in determining the amount of the borrowing base, changing commodity prices and the Company' s success in developing reserves may affect the borrowing base. The Company' s borrowing base was redetermined and reduced to $385.0 million in spring of 2016. This reduction of $75.0 million, along with $35.0 million in additional borrowings prior to the April 2016 redetermination, required the Company to pay down $108.0 million of outstanding debt. As a result, the Company issued a capital call and received capital contributions of $109.6 million from its Members, which was used to pay down $108.0 million of outstanding debt on the credit facility in April of 2016.

In the first quarter of 2017, the Company had borrowings of an additional $20.0 million, increasing the outstanding amount under the credit facility to $370.0 million.

9. Derivative Contracts

The Company uses derivative contracts to reduce exposure to fluctuations in commodity prices. These transactions are in the form of fixed price swaps. While the use of these instruments limits the downside risk of adverse price changes, their use may also limit future revenues from favorable price changes. The use of derivatives involves the risk that the counterparties to such instruments will be unable to meet the financial terms of such contracts.

The Company receives a fixed price for the contract and pays a floating market price to the counterparty over a specified period for a contracted volume. The Company reports the fair value of derivatives on the consolidated balance sheet in derivative contracts assets and derivative contracts liabilities as either current or noncurrent based on the timing of expected future cash flows of individual trades.

For derivative instruments held during the periods ended December 31, 2016 and December 31, 2015, the Company has not designated its derivative contracts as hedges for accounting purposes. Accordingly, the changes in fair value are recognized in the consolidated statement of operations in the period of change. Cash settlements of contracts are included in cash flows from operating activities in the statement of cash flows. Derivative contracts are settled on a monthly basis.

The following table summarizes the open financial derivative positions as of December 31, 2016 related to oil and natural gas production (in thousands):

Year	Type of Contract	Volume (MBbl)	Weighted Average Fixed Price
2017	Oil swap	1,205	$ 53.02
2017	NGL swap	1,862	$ 23.45

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Balance Sheet Presentation. The following table presents the location and fair value of the Company' s derivative contracts included in the accompanying consolidated balance sheets (in thousands):

Derivative Assets			Derivative Liabilities		
	Fair value			Fair value	
Balance sheet location	December 31, 2016	December 31, 2015	Balance sheet location	December 31, 2016	December 31, 2015
Derivative contracts (current asset)	$ −	$ 50,636	Derivative contracts (current liability)	$ 10,720	$ −

Gains and Losses. The following table presents the cash settlements and mark-to-market ("MTM") gains and losses presented as a gain or loss on derivatives in the consolidated statements of operations for the years ended December 31, 2016 and December 31, 2015 (in thousands):

	Years Ended December 31,	
	2016	2015
Commodity derivative instruments		
Cash settlements on derivatives	$43,907	$68,932
MTM loss on derivatives, net	(61,356)	(21,093)
Total gain (loss) on derivative contracts, net	$(17,449)	$47,839

The following table presents the gains and losses recognized on oil, natural gas, and NGL derivatives in the accompanying consolidated statements of operations for the years ended December 31, 2016 and December 31, 2015:

	Gain/ (Loss) on derivative contracts, net	
	Years Ended December 31,	
	2016	2015
Oil derivatives	$ (8,027)	$ 20,335
Natural gas derivatives	(6,076)	20,436
Natural gas liquids derivatives	(3,346)	7,068
Total	$ (17,449)	$ 47,839

10. Incentive Units and Deferred Compensation Plan

Incentive Units. The Members of the Company established an incentive unit compensation plan to provide incentives to certain employees of the Company. The incentive units are intended to constitute "profits interests" within the meaning of IRS Revenue Procedures 93-27 and 2001-43. In determining the appropriate accounting treatment of incentive units, the Company considered the characteristics of the incentive units in terms of treatment as stock-based compensation.

The incentive units have the characteristics of compensation under US GAAP based on the following:

Unit value is derived from the value of the company

Employees are able to retain vested units upon termination from the Company (unless the grantor exercises the right to purchase)

Incentive Members are subject to all provisions of the LLC agreement applicable to Members

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US GAAP generally requires that all equity awards granted to employees be accounted for at fair value and recognized as compensation cost over the vesting period. The incentive units are subject to vesting over a period of three to five years (subject to accelerated vesting, as defined by the incentive unit agreement) and a holder of incentive units forfeits unvested incentive units upon ceasing to be an employee of the Company. Holders of incentive units will begin to participate in distributions upon the Company meeting a certain requisite financial internal rate of return threshold as defined in the LLC agreement.

Under US GAAP, the fair value of an equity share option or similar instrument shall be measured based on the observable market price of an option with the same or similar terms and conditions, if one is available. Otherwise, the fair value of an equity share option or similar instrument shall be estimated using a valuation technique. Common valuation techniques include the option pricing method ("OPM"), probability weighted expected return method ("PWERM"), and current-value method ("CVM").

For incentive units granted in 2014, during the Company' s early stages of development, the PWERM was considered the appropriate approach in determining the fair value of the incentive units. For companies in early stages of development, the PWERM provides for analysis based on possible future values of the enterprise as opposed to the OPM and CVM which are driven primarily by the current value of the enterprise. The primary assumptions used by the Company within the PWERM analysis included an offering or other exit event on or before March 31, 2019, the identification of the list of publicly traded companies that most likely represent the Company' s business as of the exit event date, and projected timing and amounts of future capital calls from members.

For incentive units granted in 2015 and 2016, the OPM was used as the Company had received substantially all the remaining committed capital under the LLC agreement from members. Primary assumptions included an exit event on December 31, 2015 and December 31, 2016 for units granted in 2015 and 2016, respectively, and the identification of the list of publicly traded companies that most likely represent the Company' s business for market volatility inputs. As of December 31, 2016, 9,757 of 10,000 authorized incentive units have been granted.

Total compensation cost related to the incentive units was $5.1 million and $5.0 million for the years ended December 31, 2016 and 2015, respectively. For the years ended December 31, 2016 and 2015, the Company capitalized incentive unit compensation of $0.4 million and $0.3 million, respectively, relating to exploration and development efforts. As of December 31, 2016, there was $2.6 million of total unrecognized compensation cost related to incentive units, which is expected to be recognized over a weighted-average period of 3.4 years.

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A summary of the incentive unit awards as of December 31, 2016 and 2015 is as follows:

	Units	Weighted Average Grant Date Fair Value per unit
Nonvested at December 31, 2014	4,809	$ 2,401
Granted	667	1,649
Vested	(2,106)	2,393
Forfeited	(5)	2,233
Nonvested at December 31, 2015	3,365	2,257
Granted	2,533	170
Vested	(2,343)	2,186
Forfeited	(223)	1,406
Nonvested at December 31, 2016	3,332	$ 777

Deferred Compensation Plans. The Company maintains a 401(k) retirement plan for its employees. Under the plan, eligible employees may elect to defer a portion of their earnings up to the maximum allowed by regulations established by the Internal Revenue Service ("IRS"). For the year ended December 31, 2016 and December 31, 2015, the Company made matching contributions of $1.4 million and $1.3 million, respectively, to the plan equal to 100% on the first 15% of employee deferred wages.

11. Commitments and Contingencies

Legal Matters. In the ordinary course of business, the Company may at times be subject to claims and legal actions. The Company accrues liabilities when it is probable that future costs will be incurred and such costs can be reasonably estimated. Such accruals are based on developments to date and the Company' s estimates of the outcomes of these matters. The Company did not recognize any material liability as of December 31, 2016 or December 31, 2015. Management believes it is remote that the impact of such matters will have a materially adverse effect on the Company' s financial position, results of operations, or cash flows.

Environmental Matters. The Company is subject to various federal, state and local laws and regulations relating to the protection of the environment. These laws, which are often changing, regulate the discharge of materials into the environment and may require the Company to remove or mitigate the environmental effects of the disposal or release of petroleum or chemical substances at various sites.

The Company accounts for environmental contingencies in accordance with the accounting guidance related to accounting for contingencies. Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations, which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or clean-ups are probable, and the costs can be reasonably estimated.

Leases. The Company leases its headquarters office under an operating lease agreement terminating in March 2020. Base rent through the term of the lease is $1.1 million annually. Additionally, the Company leases field offices for minimal amounts under agreements terminating in 2020.

Commitments. At December 31, 2016, the Company had a firm sales contract to deliver 4,000 barrels of oil per day to a third party. The commitment, which has a 5-year term ending March 2020, requires the Company to pay per-barrel transportation charges when delivery falls below 4,000 barrels a day on a monthly basis. The

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maximum liability under the commitment, as if the Company produces zero volumes for future periods as of December 31, 2016, is approximately $7.5 million, of which $2.3 million is expected to be incurred annually in years 2017, 2018, and 2019. At December 31, 2016, a short-term liability of $0.1 million was included in accrued liabilities on the consolidated balance sheets.

The Company has minimum cumulative volume commitments with a third party to deliver a specified amount of gas from certain wells over the life of the contracts. These commitments are associated with four wells, each of which have varying terms that require the Company pay a per-Mcf shortfall fee when delivery falls below the cumulative volume commitment amount. The maximum remaining liability under the commitment, as if the Company produces zero volumes for future periods as of December 31 2016, is approximately $0.6 million.

The Company entered into a commitment requiring delivery of certain natural gas volumes to a third party. The commitment, which has a 15-year term ending December 2027, requires us to pay per-MMBtu deficiency fees if the volume of natural gas we deliver from the applicable dedicated area during any six-month period beginning on either January 1 or July 1 of each year is less than 95% of the volume of natural gas we delivered from the dedicated area during the immediately preceding six-month period (subject to certain exceptions). The maximum liability under the commitment, as if the Company delivered zero volumes for the six-month period beginning January 1, 2017, is approximately $4.7 million. There was no liability accrued at December 31, 2016 related to these commitments. Additionally, the Company incurs minimal amounts related to a firm transportation agreement terminating in June 2018.

Employment Agreement. On December 15, 2016, Steve Dixon joined the Company as its Chairman, President and Chief Executive Officer. The Company entered into an employment agreement with Mr. Dixon providing a minimum salary and bonus levels, as well as participation in the Company' s incentive plans and other employee benefits.

Tom L. Ward stepped down as the Company' s Chief Executive Officer in conjunction with Mr. Dixon being hired, and his employment with the Company was terminated on December 31, 2016. In connection with Mr. Ward' s termination, the Company entered into a separation agreement with Mr. Ward, dated as of December 31, 2016, pursuant to which the Company agreed to provide Mr. Ward with base salary and bonus through December 31, 2016. In addition, the relationship between Mr. Ward and Tapstone, in Mr. Ward' s capacity as a Member of Tapstone, shall continue to be governed by the LLC Agreement.

12. Related Parties

The Company enters into transactions in the ordinary course of business with certain related parties. These transactions consist primarily of ownership interest in oil and gas properties operated by the Company and shared transactions between related entities.

Ownership Interest in Oil and Gas Properties. WCT Resources LLC ("WCT"), of which children of Tom L. Ward, the Company' s former Chief Executive Officer, have an ownership interest, has non-operated ownership interest in certain oil and gas properties that the Company operates. As of years ending December 31, 2016 and 2015, the Company had an outstanding joint interest billing receivable balance with WCT totaling $6 thousand and $186 thousand respectively, which is reflected in accounts receivable, related parties on the consolidated balance sheet. The Company also purchased non-producing oil and natural gas leases from WCT for approximately $4.8 million for the year ended December 31, 2015, which is reflected in oil and natural gas properties on the consolidated balance sheets and capital expenditures – oil and natural gas properties, related parties on the consolidated statements of cash flows.

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Draw Energy LLC ("Draw"), of which the brother of Tom L. Ward has an ownership interest, has non-operated ownership interest in certain oil and gas properties that the Company operates. As of years ending December 31, 2016 and 2015, the Company had an outstanding joint interest billing receivable balance with Draw totaling $3 thousand and $156 thousand respectively, which is reflected in accounts receivable, related parties on the consolidated balance sheet. The Company purchased non-producing oil and natural gas leases from Draw for approximately $21 thousand for the year ended December 31, 2015, which is reflected in oil and natural gas properties on the consolidated balance sheets and capital expenditures – oil and natural gas properties, related parties on the consolidated statements of cash flows.

Office Lease. In March 2015, the Company entered into a commercial lease for space in an office facility owned by TLW Real Estate Investments, LLC ("TLWR") of which Tom L. Ward has an ownership interest. Base rent through the term of the lease is $1.1 million annually with an agreement termination date of March 2020. The terms of the lease were reviewed and approved by the Company's Board and the Company believes that the rent expense to be paid under the lease is at a fair market rate. For the years ended December 31, 2016 and 2015, the Company incurred $1.5 million and $1.0 million, respectively, for rent and other miscellaneous building expenses related to TLWR, which is reflected in general and administrative, related parties on the consolidated statement of operations. As of year ended December 31, 2016, the Company had a payable balance of $74 thousand related to this arrangement, which is reflected in accrued liabilities, related parties on the consolidated balance sheets. There was no payable balance at December 31, 2015. In addition, for the years ended December 31, 2016 and 2015, the Company incurred $54 thousand and $1.5 million, respectively, for tenant improvements from this entity, which is reflected in other property, plant and equipment on the consolidated balance sheets and capital expenditures – other property, plant and equipment, related parties on the consolidated statement of cash flows.

Air Transportation Service. TLW Trading LLC ("TLWT"), of which Tom L. Ward has an ownership interest, provides air transportation to Company employees. TLWT bills the Company for air transportation at what the Company believes to be a fair market rate. The Company incurred expenses for TLWT air transportation services totaling $1.2 million and $1.0 million for the years ended December 31, 2016 and 2015 respectively, which is reflected in general and administrative, related parties on the consolidated statement of operations. As of years ended December 31, 2016 and 2015, the Company had a payable balance of $0.4 million and $0.3 million, respectively, related to these services, which is reflected in accrued liabilities, related parties on the consolidated balance sheets.

Management Service Agreement. On December 31, 2013, the Company entered into a management service agreement (the "TLW MSA") with TLW Management Company, LLC ("TLWM") of which Tom L. Ward has an ownership interest. Pursuant to the TLW MSA, TLWM provides certain employees of TLWM to serve as the Company's executives, for which the Company reimburses TLWM for the salary and benefits of employees engaged in providing services. The Company incurred expenses to TLWM totaling $2.3 million and $2.6 million for the years ended December 31, 2016 and 2015, respectively. These costs are reflected in general and administrative expenses, related parties on the consolidated statement of operations. The Company incurred additional salary and benefit costs of $0.8 million that are related to exploration and development efforts for the years ended December 31, 2016 and 2015. Salary and benefit costs that are capitalized are reflected in proved oil and natural gas properties on the consolidated balance sheets and capital expenditures – oil and natural gas properties, related parties on the consolidated statement of cash flows. As of years ended December 31, 2016 and 2015, the Company had a payable balance of $0.1 million and $0.2 million, respectively, related to TLWM services, which is reflected in accrued liabilities, related parties on the consolidated balance sheets.

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Gas Purchasers. In 2015, the Company entered into an agreement with Twin Eagle Resource Management, LLC ("Twin Eagle"), a related party through common ownership of GSO Capital Partners LP ("GSO"), to purchase natural gas produced from certain properties of which the Company operates. The Company believes that the natural gas sold to Twin Eagle as a purchaser under the agreement is at a fair market rate. For the years ended December 31, 2016 and 2015, the Company recognized revenue of $8.7 million and $8.0 million, respectively, which is reflected in natural gas sales, related parties on the consolidated statements of operations. As of years ending December 31, 2016 and 2015, the Company had a production receivable balance with Twin Eagle related to this agreement totaling $0.8 million and $0.6 million respectively, which is reflected in production receivable, related parties on the consolidated balance sheet.

13. Subsequent Events

Derivatives. In the first quarter of 2017, the Company entered into fixed price swaps for the period of February 2017 through December 2018, for 0.4 million barrels of oil at an average fixed price of $56.10 per barrel and 9.4 million MMBtu of natural gas at an average fixed price of $3.41 per MMBtu. The Company' s fixed price swap contracts are tied to the commodity prices on NYMEX. The Company will receive the fixed price amount stated in the contract and pay to its counterparty the current market price as listed on NYMEX for oil and natural gas.

Events occurring after December 31, 2016 were evaluated through March 1, 2017, the date the financial statements were available to be issued, to ensure that any subsequent events that met the criteria for recognition and disclosure in this report have been properly included.

14. Supplemental Oil and Natural Gas Reserve and Standardized Measure Information (Unaudited)

The following is supplemental information regarding the Company' s consolidated oil and gas producing activities. The amounts shown include the Company' s net working and royalty interests in all of the Company' s oil and gas properties.

Capitalized Costs. The following table presents the Company' s capitalized costs relating to oil and natural gas producing activities (in thousands):

	December 31, 2016	December 31, 2015
Proved properties	$ 995,455	$ 852,835
Unproved properties	151,056	110,083
	1,146,511	962,918
Accumulated depreciation, depletion, amortization and impairment	(666,696)	(369,826)
Net capitalized costs	$ 479,815	$ 593,092

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Costs Incurred in Certain Oil and Natural Gas Activities. The following table presents the Company' s costs incurred in certain oil and natural gas activities (in thousands):

	Years Ended December 31,	
	2016	2015
Acquisitions:		
Unproved properties	$42,636	$58,588
Proved properties	3,241	−
Development costs	125,167	120,709
Exploration costs	7,701	−
Oil and gas expenditures	$178,745	$179,297

Oil, Natural Gas and NGL Quantities

Proved reserve quantities are based on estimates audited by the independent petroleum engineering firms, Ryder Scott Company, L.P. and Lee Keeling & Associates, Inc. for the years ended December 31, 2016 and 2015, respectively, in accordance with guidelines established by the Securities and Exchange Commission (the "SEC").

Reserve definitions comply with definitions of Rules 4-10(a) (1)-(32) of Regulation S-X of the SEC. The reserve quantity information is limited to reserves which had been evaluated as of December 31, 2016. Proved developed reserves represent only those reserves expected to be recovered from existing wells and support equipment. Proved undeveloped ("PUD") are expected to be recovered from new wells after substantial development costs are incurred. All of the Company' s proved reserves are located in the United States.

Proved oil, natural gas and NGL reserves are those quantities of oil, natural gas and NGLs that, by analysis of geosciences and engineering data, can be estimated with reasonable certainty to be economically producible, based on prices used to estimate reserves, from a given date forward from known reservoirs, and under existing economic conditions, operating methods, and government regulation before the time of which contracts providing the rig to operate expire, unless evidence indicates that renewal is reasonably certain.

There are numerous uncertainties inherent in estimating quantities of proved reserves and projecting future rates of production and the timing of development expenditures. The estimation of the Company' s proved reserves employs one or more of the following: production trend extrapolation, analogy, volumetric assessment and material balance analysis. Techniques including review of production and pressure histories, analysis of electric logs and fluid tests, and interpretations of geologic and geophysical data are also involved in this estimation process.

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The following table presents the estimated remaining net proved developed and proved undeveloped oil and natural gas reserves estimated by the Company and the related summary of changes in estimated quantities of net remaining proved reserves during the years ended December 31, 2016 and 2015. These reserves represent the total proved reserves for the remaining economic life.

	Oil (MBbl)	NGL (MBbl)	Gas (MMcf)	Total (MBoe)
Proved developed and undeveloped reserves as of:				
As of December 31, 2014	17,333	27,360	370,193	106,392
Revisions (1)	(5,241)	(2,332)	(56,812)	(17,041)
Extensions (2)	13,362	7,651	118,496	40,762
Production	(1,895)	(2,476)	(31,024)	(9,542)
As of December 31, 2015	23,559	30,203	400,853	120,571
Revisions (3)	(8,143)	(5,968)	(83,847)	(28,086)
Extensions (4)	4,493	5,447	101,688	26,888
Production	(1,860)	(2,553)	(32,484)	(9,827)
As of December 31, 2016	18,049	27,129	386,210	109,546
Proved developed reserves as of:				
December 31, 2014	9,083	17,716	260,596	70,232
December 31, 2015	11,024	21,146	286,632	79,942
December 31, 2016	7,734	17,266	243,766	65,628
Proved undeveloped reserves as of:				
December 31, 2014	8,250	9,644	109,597	36,160
December 31, 2015	12,535	9,057	114,221	40,629
December 31, 2016	10,315	9,863	142,444	43,919

(1) Revisions is comprised of 11.7 MMBoe of negative price revisions to proved undeveloped reserves and 5.3 MMBoe net negative revision resulting from technical and performance evaluations.

(2) Extensions of approximately 40.8 MMBoe is primarily the result of the Company' s continued success from its extension and infill horizontal drilling programs. Approximately 9.6 MMBoe of proved developed reserves and 31.2 MMBoe of proved undeveloped locations were added primarily as a result of the Company' s drilling activity throughout the year.

(3) Revisions is comprised of 18.9 MMBoe of negative revisions due to decreased product prices for proved undeveloped reserves and 9.2 MMBoe of negative revisions resulting from technical and performance evaluations.

(4) Extensions of approximately 26.9 MMBoe are primarily the result of the Company' s continued success from its extension and infill horizontal drilling programs. Approximately 6.1 MMBoe of proved developed reserves and 20.8 MMBoe of proved undeveloped reserves were added primarily as a result of the Company' s drilling activity throughout the year.

Standardized Measure of Discounted Future Net Cash Flows

Summarized below is the standardized measure related to the proved oil, natural gas and NGL reserves. The following summary is based on a valuation of proved reserves using discounted cash flows based on prices as prescribed by the SEC, current cost and economic conditions, and a 10% discount rate. The additions to

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proved reserves from the purchase of reserves in place and extensions could vary significantly from year to year; additionally, the impact of changes to reflect current prices and costs of reserves proved in prior years could also be significant. Accordingly, the present value of future net cash flows does not purport to be an estimate of fair market value of the proved reserves, nor should be indicative of any trends.

The following table sets forth estimates of standardized measure of discounted future net cash flows from proved reserves of oil, natural gas and NGLs for the years ended December 31, 2016 and 2015 (in thousands):

	Years Ended December 31,	
	2016	2015
Future cash inflows from production	$2,068,741	$2,658,502
Future production costs	(1,113,120)	(1,317,372)
Future development costs	(314,658)	(354,808)
Future income tax expense	(3,536)	(5,433)
Undiscounted future net cash flows	637,427	980,889
10% annual discount	(316,707)	(508,203)
Standardized measure of discounted future net cash flows	$320,720	$472,686

Changes in the standardized measure of future net cash flows related to proved oil and gas reserves are as follows for the years ended December 31, 2016 and 2015 (in thousands):

	Years Ended December 31,	
	2016	2015
Beginning of Period	$472,686	$1,149,118
Changes during the period:		
Revenues less production and other costs	(108,172)	(126,121)
Net changes in prices, production, and other costs	(200,032)	(811,796)
Net changes in future development costs	147,107	15,001
Extensions	52,600	144,073
Revisions of previous quantity estimates	(108,842)	(79,931)
Previously estimated development costs incurred	19,766	51,913
Net changes in taxes	768	4,662
Accretion of discount	45,265	115,651
Timing differences and other (a)	(426)	10,116
Net change for the period	(151,966)	(676,432)
End of Period	$320,720	$472,686

(a) The change in timing differences and other are related to revisions in estimated time of production and development.

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Annex A

Glossary of Oil and Natural Gas Terms

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

2D seismic data. Geophysical data that depict the subsurface strata in two dimensions.

3D seismic data. Geophysical data that depict the subsurface strata in three dimensions. 3D seismic typically provides a more detailed and accurate interpretation of the subsurface strata than 2D, or two-dimensional, seismic.

Analogous reservoir. Analogous reservoirs, as used in resources assessments, have similar rock and fluid properties, reservoir conditions (depth, temperature and pressure) and drive mechanisms, but are typically at a more advanced stage of development than the reservoir of interest and thus may provide concepts to assist in the interpretation of more limited data and estimation of recovery. When used to support proved reserves, an analogous reservoir refers to a reservoir that shares the following characteristics with the reservoir of interest: (i) same geological formation (but not necessarily in pressure communication with the reservoir of interest); (ii) same environment of deposition; (iii) similar geological structure; and (iv) same drive mechanism. For a complete definition of analogous reservoir, refer to the SEC' s Regulation S-X, Rule 4-10(a)(2).

Basin. A large natural depression on the earth' s surface in which sediments generally brought by water accumulate.

Bbl. One stock tank barrel of 42 U.S. gallons liquid volume used herein in reference to crude oil, condensate or NGLs.

Bcf. One billion cubic feet of natural gas.

Boe. One barrel of oil equivalent, calculated by converting natural gas to oil equivalent barrels at a ratio of six Mcf of natural gas to one Bbl of oil. This is an energy content correlation and does not reflect a value or price relationship between the commodities.

Boe/d. One Boe per day.

British thermal unit or Btu. The quantity of heat required to raise the temperature of a one-pound mass of water from 58.5 to 59.5 degrees Fahrenheit.

Completion. Preparation of a well bore and installation of permanent equipment for production of oil, natural gas or NGLs or, in the case of a dry well, reporting to the appropriate authority that the well has been abandoned.

Condensate. A mixture of hydrocarbons that exists in the gaseous phase at original reservoir temperature and pressure, but that, when produced, is in the liquid phase at surface pressure and temperature.

Delineation. The process of placing a number of wells in various parts of a reservoir to determine its boundaries and production characteristics.

Developed acreage. The number of acres that are allocated or assignable to productive wells or wells capable of production.

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Development costs. Costs incurred to obtain access to proved reserves and to provide facilities for extracting, treating, gathering and storing the oil and natural gas. For a complete definition of development costs, refer to the SEC' s Regulation S-X, Rule 4-10(a)(7).

Development project. The means by which petroleum resources are brought to the status of economically producible. As examples, the development of a single reservoir or field, an incremental development in a producing field or the integrated development of a group of several fields and associated facilities with a common ownership may constitute a development project.

Development well. A well drilled within the proved area of an oil or natural gas reservoir to the depth of a stratigraphic horizon known to be productive.

Differential. An adjustment to the price of oil or natural gas from an established spot market price to reflect differences in the quality and/or location of oil or natural gas.

Dry well. A well found to be incapable of producing hydrocarbons in sufficient quantities such that proceeds from the sale of such production exceed production expenses and taxes.

Economically producible. The term economically producible, as it relates to a resource, means a resource which generates revenue that exceeds, or is reasonably expected to exceed, the costs of the operation. For a complete definition of economically producible, refer to the SEC' s Regulation S-X, Rule 4-10(a)(10).

Estimated ultimate recovery or EUR. The sum of reserves remaining as of a given date and cumulative production as of that date.

E&P. Exploration and production.

Exploratory well. A well drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil or natural gas in another reservoir.

Field. An area consisting of a single reservoir or multiple reservoirs all grouped on, or related to, the same individual geological structural feature or stratigraphic condition. The field name refers to the surface area, although it may refer to both the surface and the underground productive formations. For a complete definition of field, refer to the SEC' s Regulation S-X, Rule 4-10(a)(15).

Fractured reservoir. A reservoir that contains naturally occurring open fractures that provide storage capacity and pathways for hydrocarbon delivery to the wellbore. These natural fractures can be accessed directly through intersection with the wellbore or through connection with a fracture stimulation.

Fracture stimulation. A process whereby fluids mixed with proppants are injected into a wellbore under pressure in order to fracture, or crack open, reservoir rock, thereby allowing oil and/or natural gas trapped in the reservoir rock to travel through the fractures and into the well for production.

Formation. A layer of rock which has distinct characteristics that differs from nearby rock.

Gross acres or gross wells. The total acres or wells, as the case may be, in which a working interest is owned.

Held by production. Acreage covered by a mineral lease that perpetuates a company' s right to operate a property as long as the property produces a minimum paying quantity of oil or natural gas.

Horizontal drilling. A drilling technique used in certain formations where a well is drilled vertically to a certain depth and then drilled at a right angle within a specified interval.

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Identified drilling locations. Locations specifically identified by management as an estimation of our multiyear drilling activities based on evaluation of applicable geologic, seismic, engineering, production and reserves data on contiguous acreage and geologic formations. The availability of local infrastructure, drilling support assets and other factors as management may deem relevant, such as spacing requirements, easement restrictions and state and local regulations, are considered in determining such locations. The drilling locations on which we actually drill wells will ultimately depend upon the availability of capital, regulatory approvals, seasonal restrictions, oil and natural gas prices, costs, actual drilling results and other factors.

Liquids. Describes oil, condensate and natural gas liquids.

MBbl. One thousand barrels of crude oil, condensate or NGLs.

MBbl/d. One thousand barrels of crude oil, condensate or NGLs per day.

MBoe. One thousand Boe.

MBoe/d. One thousand Boe per day.

Mcf. One thousand cubic feet of natural gas.

Mcf/d. One Mcf per day.

MMBbl. One million barrels of crude oil, condensate or NGLs.

MMBoe. One million Boe.

MMBtu. One million British thermal units.

MMcf. One million cubic feet of natural gas.

MMcf/d. One million cubic feet of natural gas per day.

Net acres. The percentage of total acres an owner has out of a particular number of acres, or a specified tract. An owner who has 50% interest in 100 acres owns 50 net acres.

Net production. Production that is owned by us less royalties and production due to others.

Net revenue interest. A working interest owner' s gross working interest in production less the royalty, overriding royalty, production payment and net profits interests.

NGLs. Natural gas liquids. Hydrocarbons found in natural gas which may be extracted as liquefied petroleum gas and natural gasoline.

NYMEX. The New York Mercantile Exchange.

Offset operator. Any entity that has an active lease on an adjoining property for oil, natural gas or NGLs purposes.

Operator. The individual or company responsible for the development and/or production of an oil or natural gas well or lease.

Play. A geographic area with hydrocarbon potential.

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Production costs. Costs incurred to operate and maintain wells and related equipment and facilities, including depreciation and applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities. For a complete definition of production costs, refer to the SEC' s Regulation S-X, Rule 4-10(a)(20).

Productive well. A well that is found to be capable of producing hydrocarbons in sufficient quantities such that proceeds from the sale of the production exceed production expenses and taxes.

Proration unit. A unit that can be effectively and efficiently drained by one well, as allocated by a governmental agency having regulatory jurisdiction.

Prospect. A specific geographic area which, based on supporting geological, geophysical or other data and also preliminary economic analysis using reasonably anticipated prices and costs, is deemed to have potential for the discovery of commercial hydrocarbons.

Proved area. The part of a property to which proved reserves have been specifically attributed.

Proved developed non-producing. Hydrocarbons in a potentially producing horizon penetrated by a wellbore, the production of which has been postponed pending installation of surface equipment or gathering facilities, or pending the production of hydrocarbons from another formation penetrated by the wellbore. The hydrocarbons are classified as proved but non-producing reserves.

Proved developed reserves. Reserves that can be expected to be recovered through (i) existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared with the cost of a new well or (ii) through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Proved properties. Properties with proved reserves.

Proved reserves. Those quantities of oil, natural gas and NGLs, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible-from a given date forward, from known reservoirs, and under existing economic conditions, operating methods and government regulations-prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time. For a complete definition of proved oil and natural gas reserves, refer to the SEC' s Regulation S-X, Rule 4-10(a)(22).

Proved undeveloped reserves or PUDs. Proved reserves that are expected to be recovered from new wells on undrilled acreage or from existing wells where a relatively major expenditure is required for recompletion.

Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time.

Under no circumstances shall estimates for proved undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such

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techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, or by other evidence using reliable technology establishing reasonable certainty.

PV-10. The estimated future gross revenue to be generated from the production of proved reserves, net of estimated production and future development and abandonment costs, using prices and costs in effect at the determination date, before income taxes, and without giving effect to non-property-related expenses, discounted to a present value using an annual discount rate of 10% in accordance with the guidelines of the SEC.

Realized price. The cash market price less all expected quality, transportation and demand adjustments.

Reasonable certainty. A high degree of confidence that quantities will be recovered. For a complete definition of reasonable certainty, refer to the SEC' s Regulation S-X, Rule 4-10(a)(24).

Recompletion. The completion for production of an existing wellbore in another formation from that which the well has been previously completed.

Reliable technology. Reliable technology is a grouping of one or more technologies (including computational methods) that has been field tested and has been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.

Reserves. Estimated remaining quantities of oil and natural gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and natural gas or related substances to market and all permits and financing required to implement the project. Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

Reservoir. A porous and permeable underground formation containing a natural accumulation of producible oil and/or natural gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

Resources. Quantities of oil and natural gas estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable and another portion may be considered to be unrecoverable. Resources include both discovered and undiscovered accumulations.

Royalty. An interest in an oil and natural gas lease that gives the owner the right to receive a portion of the production from the leased acreage (or of the proceeds from the sale thereof), but does not require the owner to pay any portion of the production or development costs on the leased acreage. Royalties may be either landowner' s royalties, which are reserved by the owner of the leased acreage at the time the lease is granted, or overriding royalties, which are usually reserved by an owner of the leasehold in connection with a transfer to a subsequent owner.

Section. 640 acres.

Spacing. The distance between wells producing from the same reservoir. Spacing is often expressed in terms of acres, e.g., 40-acre spacing, and is often established by regulatory agencies.

Spot market price. The cash market price without reduction for expected quality, transportation and demand adjustments.

Spud. Commenced drilling operations on an identified location.

Standardized measure. Discounted future net cash flows estimated by applying year end prices to the estimated future production of year end proved reserves. Future cash inflows are reduced by estimated future

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production and development costs based on period-end costs to determine pre-tax cash inflows. Future income taxes, if applicable, are computed by applying the statutory tax rate to the excess of pre-tax cash inflows over our tax basis in the oil and natural gas properties. Future net cash inflows after income taxes are discounted using a 10% annual discount rate.

Success rate. The percentage of wells drilled which produce hydrocarbons in commercial quantities.

Undeveloped acreage. Lease acreage on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil and natural gas regardless of whether such acreage contains proved reserves.

Unit or spacing unit. The joining of all or substantially all interests in a reservoir or field, rather than a single tract, to provide for development and operation without regard to separate property interests. Also, the area covered by a unitization agreement.

Unproved properties. Properties with no proved reserves.

Wellbore. The hole drilled by the bit that is equipped for oil, natural gas and NGLs production on a completed well. Also called well or borehole.

Wellhead natural gas. Natural gas produced at or near the well.

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

Workover. Operations on a producing well to restore or increase production.

WTI. West Texas Intermediate.

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

Shares

Tapstone Energy Inc.

Common Stock

TAPSTONE

ENERGY

PROSPECTUS

BofA Merrill Lynch **Citigroup**

, 2017

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PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution

The following table sets forth an itemized statement of the amounts of all expenses (excluding underwriting discounts and commissions) payable by us in connection with the registration of the common stock offered hereby. With the exception of the SEC registration fee and the FINRA filing fee, the amounts set forth below are estimates.

SEC registration fee	$ *
FINRA filing fee	*
NYSE Listing fee	*
Accounting fees and expenses	*
Legal fees and expenses	*
Printing and engraving expenses	*
Transfer agent and registrar fees	*
Miscellaneous	*
Total	$ *

* To be provided by amendment

Item 14. Indemnification of Directors and Officers

Section 145 of the DGCL provides that a corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise), against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. A similar standard is applicable in the case of derivative actions (i.e., actions by or in the right of the corporation), except that indemnification extends only to expenses, including attorneys' fees, incurred in connection with the defense or settlement of such action and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation.

Our amended and restated certificate of incorporation and our amended and restated bylaws will contain provisions that limit the liability of our directors and officers for monetary damages to the fullest extent permitted by the DGCL. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for breach of fiduciary duty as a director, except liability:

- for any breach of the director's duty of loyalty to our company or our stockholders;
- for any act or omission not in good faith or that involve intentional misconduct or knowing violation of law;
- under Section 174 of the DGCL regarding unlawful dividends and stock purchases; or
- for any transaction from which the director derived an improper personal benefit.

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Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors or officers of corporations, then the personal liability of our directors and officers will be further limited to the fullest extent permitted by the DGCL.

In addition, we intend to enter into indemnification agreements with our current directors and officers containing provisions that are in some respects broader than the specific indemnification provisions contained in the DGCL. The indemnification agreements will require us, among other things, to indemnify our directors against certain liabilities that may arise by reason of their status or service as directors and to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified. We also intend to enter into indemnification agreements with our future directors and officers.

We intend to maintain liability insurance policies that indemnify our directors and officers against various liabilities, including certain liabilities arising under the Securities Act and the Exchange Act, that may be incurred by them in their capacity as such.

The proposed form of Underwriting Agreement to be filed as Exhibit 1.1 to this registration statement provides for indemnification of our directors and officers by the underwriters against certain liabilities arising under the Securities Act or otherwise in connection with this offering.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 15. Recent Sales of Unregistered Securities

Pursuant to the terms of certain reorganization transactions that will be completed prior to the closing of this offering, as described in further detail under "Corporate Reorganization", we will indirectly acquire all of the membership interests in our predecessor in exchange for the issuance of all of our issued and outstanding shares of common stock (prior to the issuance of shares of common stock in this offering) to the Existing Owners. The issuance of such shares of common stock will not involve any underwriters, underwriting discounts or commissions or a public offering, and we believe that such issuance will be exempt from registration requirements pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended.

Item 16. Exhibits and Financial Statement Schedules

(a) See the Exhibit Index on the page immediately preceding the exhibits for a list of exhibits filed as part of this registration statement, which Exhibit Index is incorporated herein by reference.

(b) Financial Statement Schedules. Financial statement schedules are omitted because the required information is not applicable, not required or included in the financial statements or the notes thereto included in the prospectus that forms a part of this registration statement.

Item 17. Undertakings

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant

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has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oklahoma City, State of Oklahoma, on April 13, 2017.

TAPSTONE ENERGY INC.

By: /s/ Steven C. Dixon
Name: Steven C. Dixon
Title: *Chairman, President and Chief Executive Officer*

Each person whose signature appears below appoints Steven C. Dixon and David M. Edwards, and each of them, any of whom may act without the joinder of the other, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement and any registration statement (including any amendment thereto) for this offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or would do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons in the capacities on April 13, 2017.

Signature	Title
/s/ Steven C. Dixon Steven C. Dixon	Chairman, President and Chief Executive Officer (Principal Executive Officer)
/s/ David M. Edwards David M. Edwards	Senior Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Josh Kerbo Josh Kerbo	Vice President – Accounting and Controller (Principal Accounting Officer)
/s/ D. Dwight Scott D. Dwight Scott	Director
/s/ Robert Horn Robert Horn	Director

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EXHIBIT INDEX

Exhibit Number	Description
*1.1	Form of Underwriting Agreement
2.1††	Form of Master Reorganization Agreement
2.2	Form of Agreement and Plan of Merger between Tapstone Energy, LLC and Tapstone Merger Sub, LLC
**3.1	Certificate of Incorporation of Tapstone Energy Inc.
**3.2	Bylaws of Tapstone Energy Inc.
3.3	Form of Amended and Restated Certificate of Incorporation of Tapstone Energy Inc.
3.4	Form of Amended and Restated Bylaws of Tapstone Energy Inc.
4.1	Form of Common Stock Certificate
4.2	Form of Registration Rights Agreement
4.3	Form of Stockholders' Agreement
**5.1	Form of Opinion of Andrews Kurth Kenyon LLP as to the legality of the securities being registered
**10.1	Amended and Restated Credit Agreement, dated as of December 31, 2014, among Tapstone Energy, LLC, as borrower, Bank of America, N.A., as administrative agent and issuing lender, and the other lenders party thereto
**10.2	First Amendment to Amended and Restated Credit Agreement, dated as of November 17, 2016, among Tapstone Energy, LLC, as borrower, Bank of America, N.A., as administrative agent and issuing lender, and the other lenders party thereto
10.2.1	Second Amendment to Amended and Restated Credit Agreement, dated as of March 31, 2017, among Tapstone Energy, LLC as borrower, Bank of America, N.A., as administrative agent and issuing lender, and the other lenders party thereto
10.3†	Form of Tapstone Energy Inc. 2017 Long-Term Incentive Plan
10.4	Form of Indemnification Agreement between Tapstone Energy Inc. and each of the directors and officers thereof
**10.5	Crude Oil Sales Agreement between Plains Marketing, L.P. and Tapstone Energy LLC, dated effective April 1, 2015
10.6	Amended and Restated Employment Agreement, dated April 12, 2017, between Tapstone Energy, LLC and Steven C. Dixon
10.7	Form of Employment Agreement between Tapstone Energy Inc. and David M. Edwards
10.8	Form of Employment Agreement (Robert P. Costello and Charles Duginski)
10.9†	Form of Restricted Stock Award Agreement (Performance-Based)
10.10†	Form of Restricted Stock Award Agreement (Time-Based)
10.11†	Form of Restricted Stock Unit Award Agreement (Performance-Based)
10.12†	Form of Restricted Stock Unit Award Agreement (Time-Based)
10.13†	Form of Stock Option Award Agreement
10.14†	Form of Stock Appreciation Rights Award Agreement
**21.1	List of subsidiaries of Tapstone Energy Inc.

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Exhibit Number	Description
23.1	Consent of Grant Thornton LLP
23.1.1	Consent of Grant Thornton LLP
23.2	Consent of Lee Keeling and Associates, Inc.
23.3	Consent of Ryder Scott Company, L.P.
**23.4	Consent of Andrews Kurth Kenyon LLP (included as part of Exhibit 5.1 hereto)
24.1	Power of Attorney (included on the signature page of this Registration Statement)
**99.1	Lee Keeling and Associates, Inc. Summary of Reserves at December 31, 2015
**99.2	Ryder Scott Company, L.P. Summary of Reserves at December 31, 2016 (SEC Pricing)
99.3	Ryder Scott Company, L.P. Summary of Reserves at December 31, 2016 (NYMEX Pricing)
99.4	Consent of Robert W. Baker, as Director Nominee
99.5	Consent of Martha A. Burger, as Director Nominee
99.6	Consent of David F. Posnick, as Director Nominee
99.7	Consent of David A. Reed, as Director Nominee

* To be filed by amendment.
** Previously filed.
† Compensatory plan or arrangement.
†† Schedules and similar attachments to the Form of Master Reorganization Agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The registrant will furnish a supplemental copy of any omitted schedule or similar attachment to the SEC upon request.

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Exhibit 2.1

FORM OF

MASTER REORGANIZATION AGREEMENT

This Master Reorganization Agreement (this "**Agreement**"), dated as of [●], 2017 (the "**Effective Date**"), is entered into by and among Tapstone Energy, LLC, a Delaware limited liability company ("**Tapstone LLC**"), GSO E&P Holdings I LP, a Delaware limited partnership (the "**Selling Stockholder**"), Tom L. Ward ("**Ward**"), Tapstone Energy Inc., a Delaware corporation (the "**Company**"), [Tapstone Merger Sub LLC], a Delaware limited liability company ("**Merger Sub**"), and the individuals listed on the signature pages hereto under the heading "Management Members" (collectively, the "**Management Members**"). Tapstone LLC, the Selling Stockholder, Ward, the Company, Merger Sub and the Management Members are each individually referred to herein as a "**Party**" and collectively, the "**Parties**". Capitalized terms used but not defined herein shall have the meanings assigned to such terms in Section 2.1.

RECITALS

WHEREAS, in anticipation of, and immediately prior to the completion of, the Offering pursuant to, and as more fully described in, a registration statement filed with the U.S. Securities and Exchange Commission, Registration No. 333-[●] (the "**Registration Statement**"), the Parties shall enter into certain restructuring transactions (the "**Reorganization**") as more particularly described herein;

WHEREAS, in connection with the Offering and the Reorganization, the Parties desire to, among other things, (i) establish the economic terms of the Reorganization, and (ii) enter into certain agreements to effectuate the foregoing; and

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows, and further agree that the actions set forth in Article I shall be deemed to have been taken and become effective in the order set forth therein.

ARTICLE I
RESTRUCTURING TRANSACTIONS

Section 1.1. Underwriting Agreement. Effective immediately prior to the Merger Effective Time (as defined below), the Company, the Selling Stockholder and the Underwriters shall enter into the Underwriting Agreement, pursuant to which the Company shall issue and sell shares of Common Stock, and the Selling Stockholder shall, if the Underwriters exercise their option to purchase additional shares of Common Stock pursuant to the Underwriting Agreement, sell shares of Common Stock from its Escrow Shares (as defined below) ("the **Selling Stockholder Shares**") to the Underwriters at a price per share equal to the IPO Price, less the underwriting discount applied to any shares of Common Stock to be sold by the Company or the Selling Stockholder to the public in the Offering.

Section 1.2. Merger. Effective as of the time set forth in the Certificate of Merger filed with the Secretary of State of the State of Delaware (the "**Merger Effective Time**"), which,

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for the avoidance of doubt, shall be on the date of, but at a time prior to, the consummation of the Offering, Merger Sub shall merge (the "**Merger**") with and into Tapstone LLC (with Tapstone LLC continuing as the surviving company of the Merger) in accordance with the Agreement and Plan of Merger in the form attached hereto as Exhibit A (the "**Merger Agreement**"). Pursuant to the Merger Agreement, among other things, (i) all of the outstanding membership interests in Merger Sub shall be converted into 100% of the membership interests in Tapstone LLC, and as a result, Tapstone LLC shall become a wholly owned subsidiary of the Company and (ii) the holders of the outstanding Membership Interests (as defined in the Amended and Restated Limited Liability Company Agreement of Tapstone LLC, dated as of December 31, 2013 (as amended, the "**LLC Agreement**")) shall be entitled to receive shares of Common Stock as consideration in the Merger (the "**Escrow Shares**"), as further described in Section 1.3 below. For the avoidance of doubt, Membership Interests include Class A Units, Class B Units and Incentive Units, in each case as defined in the LLC Agreement.

Section 1.3. Issuance of Common Shares to Escrow. In connection with the Offering, the Company shall issue the Escrow Shares into escrow with the Transfer Agent for the 23 Business Days following commencement of trading of the Company' s Common Stock on the New York Stock Exchange (the "**NYSE**"), regular way (the "**Escrow Period**"), or any other securities exchange that has registered with the Securities and Exchange Commission (such 23 Business Days consisting of 20 trading days commencing with the trading of the Company' s Common Stock, regular way on the NYSE plus three (3) additional Business Days). Promptly after the Escrow Period, the board of directors of the Company shall determine the allocation and amount of Escrow Shares (which allocation shall reflect a reduction in Escrow Shares allocated to the Selling Stockholder for any Selling Stockholder Shares sold or to be sold by the Selling Stockholder to the Underwriters) to be distributed to all holders of Membership Interests (i) in accordance with Section 4.1(a) and Section 9.14 of the LLC Agreement as if such Escrow Shares are being distributed in a complete liquidation of Tapstone LLC and (ii) based on the volume weighted average price of the Company' s publicly traded shares of Common Stock, as calculated by the Company' s Chief Financial Officer, during the initial 20 trading days during which the Company' s Common Stock is traded, regular way, on the New York Stock Exchange or any other securities exchange that has registered with the Securities and Exchange Commission.

Section 1.4. Tapstone LLC. Effective immediately following the Merger Effective Time, the LLC Agreement shall be amended and restated to reflect the Merger and that the Company became the sole member of Tapstone LLC.

Section 1.5. Amended and Restated Certificate of Incorporation and Bylaws of the Company. Effective immediately following the Merger Effective Time, the Company shall (i) file with the Secretary of State of the State of Delaware an Amended and Restated Certificate of Incorporation of the Company (the "**Certificate of Incorporation**"), in the form attached hereto as Exhibit B and (ii) enter into an Amended and Restated Bylaws of the Company (the "**Bylaws**"), in the form attached hereto as Exhibit C.

Section 1.6. Registration Rights Agreement. Immediately following the Merger Effective Time, the Company and the Selling Stockholder shall enter into the Registration Rights Agreement, in the form attached hereto as Exhibit D.

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Section 1.7. Stockholders' Agreement. Immediately following the Merger Effective Time, the Company and the Selling Stockholder shall enter into the Stockholders' Agreement, in the form attached hereto as Exhibit E.

Section 1.8. Long-Term Incentive Plan. In connection with the Offering, the Company will adopt the 2017 Long-Term Incentive Plan, providing for the issuance of up to [●] shares of Common Stock as further described in the Registration Statement, which has been previously approved by the board of directors of the Company.

ARTICLE II
MISCELLANEOUS

Section 2.1. The terms set forth below in this Section 2.1 shall have the meanings ascribed to them below:

(a) "**Common Stock**" means the common stock, par value $0.01 per share, of the Company.

(b) "**Offering**" means the first closing of the initial underwritten public offering of Common Stock pursuant to the Underwriting Agreement.

(c) "**Transfer Agent**" means American Stock Transfer & Trust Company, the Company' s transfer agent and registrar.

(d) "**Underwriters**" means the underwriters named in the Registration Statement.

(e) "**Underwriting Agreement**" means a firm commitment underwriting agreement to be entered into between the Company, the Selling Stockholder and the Underwriters, as such form is agreed to by the parties thereto.

Section 2.2. Headings; References; Interpretation. All Article and Section headings in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any of the provisions hereof. The words "hereof," "herein" and "hereunder" and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole, including, without limitation, all Schedules and Exhibits attached hereto, and not to any particular provision of this Agreement. All references herein to Articles, Sections, Schedules and Exhibits shall, unless the context requires a different construction, be deemed to be references to the Articles and Sections of this Agreement and the Schedules and Exhibits attached hereto, and all such Schedules and Exhibits attached hereto are hereby incorporated herein and made a part hereof for all purposes. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders, and the singular shall include the plural and vice versa. The use herein of the word "including" following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation," "but not limited to," or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter.

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Section 2.3. Consents. To the extent required under applicable law or the governing documents of any of the Parties (including the LLC Agreement) or any award letter entered into between Tapstone LLC and a Management Member, the Parties acknowledge that this Agreement constitutes the written consent of the relevant Parties to each of the agreements and transactions described herein, including by each of the Parties in its capacity as a member or manager of any other Party.

Section 2.4. Deed; Bill of Sale; Assignment. To the extent required and permitted by applicable law, this Agreement shall also constitute a "deed," "bill of sale" or "assignment" of the interests referenced herein.

Section 2.5. Further Assurances. From time to time after the Effective Date, and without any further consideration, the Parties agree to execute, acknowledge and deliver all such additional assignments, conveyances, instruments, notices and other documents, and to do all such other acts and things, all in accordance with applicable law, as may be necessary or appropriate (a) more fully to assure that the applicable Parties own all of the properties, rights, titles, interests, estates, remedies, powers and privileges granted by this Agreement, or which are intended to be so granted, (b) more fully and effectively to vest in the applicable Parties and their respective successors and assigns beneficial and record title to the interests contributed and assigned by this Agreement or intended to be so and (c) more fully and effectively to carry out the purposes and intent of this Agreement

Section 2.6. Successors and Assigns; No Third Party Rights. The Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns. This Agreement is not intended to, and does not, create rights in any other person, and no person is or is intended to be a third-party beneficiary of any of the provisions of this Agreement.

Section 2.7. Severability. If any of the provisions of this Agreement are held by any court of competent jurisdiction to contravene, or to be invalid under, the laws of any political body having jurisdiction over the subject matter hereof, such contravention or invalidity shall not invalidate the entire Agreement. Instead, this Agreement shall be construed as if it did not contain the particular provision or provisions held to be invalid, and an equitable adjustment shall be made and necessary provision added so as to give effect to the intention of the Parties as expressed in this Agreement at the time of execution of this Agreement.

Section 2.8. Waivers and Amendments. Any waiver of any term or condition of this Agreement, or any amendment or supplement to this Agreement, shall be effective only if in writing and signed by the Parties. A waiver of any breach or failure to enforce any of the terms or conditions of this Agreement shall not in any way affect, limit or waive a Party' s rights hereunder at any time to enforce strict compliance thereafter with every term or condition of this Agreement.

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Section 2.9. Entire Agreement. This Agreement constitutes the entire agreement among the Parties pertaining to the transactions contemplated hereby and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties pertaining thereto.

Section 2.10. Governing Law. The Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware.

Section 2.11. Counterparts. This Agreement may be executed in any number of counterparts (including by facsimile or other electronic means) with the same effect as if all Parties had signed the same document.

* * * * *

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IN WITNESS WHEREOF, this Agreement has been duly executed by each of the Parties as of the date first written above.

TAPSTONE ENERGY, LLC

By: ______________________________
Name: ____________________________
Title: _____________________________

GSO E&P HOLDINGS I LP

By: GSO Capital Solutions Associates II LLC,
its general partner

By: __________________________
Name: ________________________
Title: _________________________

TOM L. WARD

____

TAPSTONE ENERGY INC.

By: ______________________________
Name: ____________________________
Title: _____________________________

[TAPSTONE MERGER SUB LLC]

By: ______________________________
Name: ____________________________
Title: _____________________________

Signature Page to
Master Reorganization Agreement

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MANAGEMENT MEMBERS:

____
[●]

____
[●]

____
[●]

Signature Page to
Master Reorganization Agreement

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Exhibit A

Form of Agreement and Plan of Merger

See attached.

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<u>Exhibit B</u>

Form of Certificate of Incorporation

See attached.

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Exhibit C

Form of Bylaws

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Exhibit D

Form of Registration Rights Agreement

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Exhibit E

Form of Stockholders' Agreement

See attached.

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Exhibit 2.2

FORM OF

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement"), dated as of [●], 2017 and effective as of the Effective Time (as defined below), pursuant to Section 18-209 of the Delaware Limited Liability Company Act (the "DLLCA"), is made and entered into by and among Tapstone Energy, LLC, a Delaware limited liability company ("Tapstone LLC"), [Tapstone Merger Sub,] LLC, a Delaware limited liability company ("Merger Sub"), and Tapstone Energy Inc., a Delaware corporation ("Tapstone Inc." and together with Tapstone LLC and Merger Sub, the "Parties").

RECITALS

WHEREAS, the governing bodies of each of Tapstone LLC and Merger Sub have adopted resolutions recommending and approving this Agreement and the Merger (as defined below in Section 3 hereof) upon the terms and conditions hereinafter set forth;

WHEREAS, the Parties desire to enter into this Agreement to set forth the terms and conditions upon which the Merger shall take place; and

WHEREAS, the Merger is entered into in connection with the transactions contemplated by that certain Master Reorganization Agreement (the "Master Reorganization Agreement"), dated as of [●], 2017, by and among Tapstone Inc., Tapstone LLC, Merger Sub, GSO E&P Holdings I LP, a Delaware limited partnership ("GSO"), Tom L. Ward ("Ward"), and the individuals listed on the signature pages thereto under the heading "Management Members") (collectively, the "Management Members").

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of prescribing the terms and conditions of the Merger and the mode of carrying the same into effect, the Parties hereby covenant and agree as follows:

AGREEMENTS

1. Effective Time. The Merger shall become effective upon the date and time specified in the Certificate of Merger (the "Effective Time"), in substantially the form attached hereto as Annex A, as filed with the Secretary of State of the State of Delaware.

2. Name; Type of Entity; Jurisdiction. The name, type of entity and jurisdiction of formation of the parties to the Merger are as follows:

Name of Entity	Type of Entity	Jurisdiction of Formation
Tapstone Energy, LLC	Limited liability company	Delaware
[Tapstone Merger Sub,] LLC	Limited liability company	Delaware

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3. Merger. In accordance with Section 18-209 of the DLLCA, and subject to and upon the terms and conditions of this Agreement, Merger Sub shall, at the Effective Time and in accordance with this Agreement, be merged with and into Tapstone LLC, the separate organizational existence of Merger Sub shall cease and Tapstone LLC shall continue as the surviving entity (the "Merger"). Tapstone LLC, as the entity surviving the Merger (the "Surviving Entity"), shall continue its existence as a limited liability company under the laws of the State of Delaware.

4. Treatment of Membership Interests. In connection with the transactions contemplated by the Master Reorganization Agreement, at the Effective Time, by virtue of the Merger and without any further action on the part of Tapstone LLC, Tapstone Inc. or Merger Sub, (i) all of the outstanding membership interests in Merger Sub shall be converted into 100% of the membership interests in Tapstone LLC, and as a result, Tapstone LLC shall become a wholly owned subsidiary of Tapstone Inc. and (ii) the holders of the outstanding Membership Interests (as defined in the Tapstone LLC Agreement) shall be entitled to receive an aggregate of [ ] shares of common stock, par value $0.01 per share, of Tapstone Inc. ("Common Stock"), to be allocated in accordance with Section 4.1(a) and Section 9.14 of the Amended and Restated Limited Liability Company Agreement of Tapstone LLC, as amended (the "Tapstone LLC Agreement"), and the Master Reorganization Agreement.

5. Tax Treatment. The Parties intend, for U.S. federal income tax purposes, that the Merger be treated as a tax-free transaction pursuant to Section 351 of the Internal Revenue Code of 1986, as amended. The Parties shall file all tax returns in accordance with the foregoing and shall not take any position inconsistent therewith on any such tax return, or in the course of any audit, litigation or other proceeding with respect to U.S. federal income taxes, except as otherwise required by applicable laws.

6. Effect of the Merger. At and after the Effective Time, the Merger will have the effects set forth in this Agreement and Section 18-209 of the DLLCA. Without limiting the generality of the foregoing, and subject thereto, at the Effective Time, all property, rights, privileges, powers and franchise of Tapstone LLC and Merger Sub shall be vested in the Surviving Entity, and all debts, liabilities and duties of Tapstone LLC and Merger Sub shall become the debts, liabilities and duties of the Surviving Entity.

7. Organizational Documents of the Surviving Entity. At the Effective Time, upon the Merger becoming effective, the certificate of formation of Tapstone LLC shall be and will constitute the certificate of formation of the Surviving Entity until amended in the manner provided by law. At the Effective Time, upon the Merger becoming effective, the limited liability company agreement of the Surviving Entity shall be amended and restated as set forth on Annex B.

8. Management. After the Effective Time, the Surviving Entity will be managed by Tapstone Inc., as sole member. The officers of Tapstone LLC shall be the officers of the Surviving Entity, until the earlier of their resignation or removal or otherwise ceasing to be an officer.

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9. Amendment. At any time prior to the Effective Time, this Agreement may, to the extent permitted by the DLLCA, be supplemented, amended or modified by the mutual written consent of the Parties.

10. Counterparts. This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which shall constitute one and the same agreement.

11. Governing Law. This Agreement shall be governed by and construed and enforced under the laws of the State of Delaware.

12. Entire Agreement; No Third Party Beneficiaries. This Agreement (including the Annexes hereto and the documents and instruments referred to herein) constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the Parties with respect to the subject matter hereof, and is not intended to confer upon any person other than the Parties any rights or remedies hereunder.

13. Assignment. This Agreement will be binding upon, inure to the benefit of, and be enforceable by, the Parties and their respective successors and assigns.

14. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. The Parties further agree that if any provision contained herein is, to any extent, held invalid or unenforceable in any respect under the laws governing this Agreement, they shall take any actions necessary to render the remaining provisions of this Agreement valid and enforceable to the fullest extent permitted by law and, to the extent necessary, shall amend or otherwise modify this Agreement to replace any provision contained herein that is held invalid or unenforceable with a valid and enforceable provision giving effect to the intent of the Parties to the greatest extent legally permissible.

[Signature page follows]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

SURVIVING ENTITY:	**TAPSTONE ENERGY, LLC**
	By: ______________________________
	Name:
	Title:
MERGING ENTITY:	**[TAPSTONE MERGER SUB,] LLC**
	By: ______________________________
	Name:
	Title:
TAPSTONE INC.:	**TAPSTONE ENERGY INC.**
	By: ______________________________
	Name:
	Title:

Signature Page to Agreement and Plan of Merger

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ANNEX A

FORM OF CERTIFICATE OF MERGER

See attached.

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CERTIFICATE OF MERGER OF
[TAPSTONE MERGER SUB,] LLC
with and into
TAPSTONE ENERGY, LLC

[●], 2017

In accordance with the provisions of Section 18-209 of the Delaware Limited Liability Company Act (the "Act"), the undersigned submits the following Certificate of Merger for filing and hereby certifies that:

1. The name and jurisdiction of formation or organization of each of the business entities which are to merge are as follows:

Name	Type of Entity	Jurisdiction of Formation
Tapstone Energy, LLC	Limited Liability Company	Delaware
[Tapstone Merger Sub,] LLC	Limited Liability Company	Delaware

2. The agreement and plan of merger (the "Merger Agreement") providing for the merger of [Tapstone Merger Sub,] LLC with and into Tapstone Energy, LLC has been approved and executed by each of Tapstone Energy, LLC and [Tapstone Merger Sub,] LLC in accordance with Section 18-209 of the Act (the "Merger").

3. The name of the surviving limited liability company is Tapstone Energy, LLC.

4. The certificate of formation of Tapstone Energy, LLC shall be the certificate of formation of the surviving limited liability company.

5. An executed copy of the Merger Agreement is on file at the principal place of business of Tapstone Energy, LLC, located at 100 East Main Street, Oklahoma City, Oklahoma 73104.

6. A copy of the Merger Agreement will be furnished by Tapstone Energy, LLC, on request and without cost, to any member of Tapstone Energy, LLC or [Tapstone Merger Sub,] LLC.

7. This Certificate of Merger, and the merger provided for herein, shall become effective on [ ] [●], 2017 at 12:01 a.m. eastern time.

[Signature page follows]

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IN WITNESS WHEREOF, Tapstone Energy, LLC, has executed this certificate as of the date written above.

TAPSTONE ENERGY, LLC

By: ____________________________________
Name:
Title:

Signature Page of Certificate of Merger of
[Tapstone Merger Sub,] LLC with and into Tapstone Energy, LLC

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ANNEX B

FORM OF LIMITED LIABILITY COMPANY AGREEMENT

See attached.

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AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
TAPSTONE ENERGY, LLC

a Delaware Limited Liability Company

This AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT of Tapstone Energy, LLC (this "***Agreement***"), dated as of [ ] [●], 2017, is adopted, executed and agreed to by the Sole Member (as defined below) pursuant to that certain Agreement and Plan of Merger dated as of the date hereof by and among the Company, [Tapstone Merger Sub,] LLC, a Delaware limited liability company, and the Sole Member (the "***Merger Agreement***").

1. ***Formation***. Tapstone Energy, LLC (the "***Company***") has previously been formed as a Delaware limited liability company under and pursuant to the Delaware Limited Liability Company Act (the "***Act***").

2. ***Term***. The Company shall have perpetual existence unless dissolved in accordance with Section 9 of this Agreement.

3. ***Purposes***. The purposes of the Company shall be to carry on any lawful business, purpose or activity for which limited liability companies may be formed under the Act.

4. ***Member***. Pursuant to the Merger Agreement, Tapstone Energy Inc., a Delaware corporation (the "***Sole Member***"), shall be the sole member of the Company.

5. ***Contributions***. Without creating any rights in favor of any third party, the Sole Member may, from time to time, make contributions of cash or property to the capital of the Company, but shall have no obligation to do so.

6. ***Distributions***. The Sole Member shall be entitled to (a) receive all distributions (including, without limitation, liquidating distributions) made by the Company, and (b) enjoy all other rights, benefits and interests in the Company.

7. ***Management***. The management of the Company shall be exclusively vested in the Sole Member, and the Company shall not have "managers" as that term is used in the Act. The powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Sole Member.

8. ***Officers***.

(a) General. The Sole Member may designate one or more persons to be officers of the Company. Officers are not "managers" as that term is used in the Act. Any officers who are so designated shall have such titles and authority and perform such duties as the Sole Member may delegate to them. The salaries or other compensation, if any, of the officers of the Company shall be fixed by the Sole Member. Any officer may be removed as such, either with or without cause, by the Sole Member. Designation of an officer shall not of itself create contract rights.

(b) Titles. To the extent appointed by the Sole Member, the officers of the Company may be a Chief Executive Officer, President and a Secretary and, if the Sole Member so elects or appoints, a Chief Financial Officer, Chief Operating Officer, General Counsel, one or more Vice Presidents (any one or more of whom may be designated Executive Vice President or Senior Vice President), a Treasurer, any number of assistant secretaries and assistant treasurers and such other officers as the Sole Member may from time to time elect or appoint. Any number of offices may be held by the same person.

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9. ***Dissolution***. The Company shall dissolve and its affairs shall be wound up at such time, if any, as the Sole Member may elect. No other event will cause the Company to dissolve.

10. ***Governing Law***. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO THE CONFLICTS OF LAW PRINCIPLES OF SUCH STATE.

11. ***Amendments***. This Agreement may be modified, altered, supplemented or amended at any time by a written agreement executed and delivered by the Sole Member.

12. ***Liability***. The Sole Member, including any of its officers or directors, and the officers of the Company shall not have any liability for the obligations, debts or liabilities of the Company, except to the extent required in the Act.

[Signature Page Follows.]

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IN WITNESS WHEREOF, the undersigned, being the Sole Member of the Company, has caused this Limited Liability Company Agreement to be duly executed effective as of the date first set forth above.

SOLE MEMBER:

TAPSTONE ENERGY INC.

By: ________________________________
Name:
Title:

SIGNATURE PAGE TO
AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF
TAPSTONE ENERGY, LLC

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Exhibit 3.3

FORM OF

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

TAPSTONE ENERGY INC.

Tapstone Energy Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "DGCL"), hereby certifies as follows:

1. The original Certificate of Incorporation of the Corporation (the "Original Certificate of Incorporation") was filed with the Secretary of State of the State of Delaware on December 12, 2016.

2. This Amended and Restated Certificate of Incorporation (this "Amended and Restated Certificate of Incorporation"), which restates and amends the Original Certificate of Incorporation, has been declared advisable by the board of directors of the Corporation (the "Board"), duly adopted by the sole stockholder of the Corporation and duly executed and acknowledged by the officers of the Corporation, in accordance with Sections 103, 228, 242 and 245 of the DGCL.

3. The Original Certificate of Incorporation is hereby amended and restated in its entirety to read as follows:

FIRST: The name of the Corporation is Tapstone Energy Inc.

SECOND: The address of its registered office in the State of Delaware is 1675 South State Street, Suite B, Dover, County of Kent, Delaware 19901. The name of its registered agent at such address is Capital Services, Inc.

THIRD: The nature of the business or purposes to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL as it currently exists or may hereafter be amended.

FOURTH: The total number of shares of capital stock that the Corporation shall have authority to issue is [●] shares, which shall be divided into two classes, consisting of (i) [●] shares of preferred stock, par value $0.01 per share ("Preferred Stock"), and (ii) [●] shares of common stock, par value $0.01 per share ("Common Stock").

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The designations and the powers, preferences, rights, qualifications, limitations and restrictions of Preferred Stock and Common Stock are as follows:

1. Provisions Relating to Preferred Stock.

(a) Shares of Preferred Stock may be issued from time to time in one or more series, the shares of each series to have such designations and powers, preferences and rights, and qualifications, limitations and restrictions thereof, as are stated and expressed herein and in the resolution or resolutions providing for the issue of such series adopted by the Board as hereafter prescribed (a "Preferred Stock Designation").

(b) Authority is hereby expressly granted to and vested in the Board to authorize the issuance of Preferred Stock from time to time in one or more series, and with respect to each series of Preferred Stock, to fix and state by the resolution or resolutions from time to time adopted by the Board providing for the issuance thereof the designation and the powers, preferences, rights, of each series of Preferred Stock, and the qualifications, limitations and restrictions thereof, including, but not limited to, the following:

(i) whether or not the series is to have voting rights, full, special or limited, or is to be without voting rights, and whether or not such series is to be entitled to vote as a separate class either alone or together with the holders of one or more other series of stock;

(ii) the number of shares to constitute the series and the designations thereof;

(iii) the preferences, and relative, participating, optional or other special rights, if any, and the qualifications, limitations or restrictions thereof, if any, with respect to any series;

(iv) whether or not the shares of any series shall be redeemable at the option of the Corporation or the holders thereof or upon the happening of any specified event, and, if redeemable, the redemption price or prices (which may be payable in the form of cash, notes, securities or other property), and the time or times at which, and the terms and conditions upon which, such shares shall be redeemable and the manner of redemption;

(v) whether or not the shares of a series shall be subject to the operation of retirement or sinking funds to be applied to the purchase or redemption of such shares for retirement, and, if such retirement or sinking fund or funds are to be established, the annual amount thereof, and the terms and provisions relative to the operation thereof;

(vi) the dividend rate, whether dividends are payable in cash, stock of the Corporation or other property, the conditions upon which and the times when such dividends are payable, the preference to or the relation to the payment of dividends payable on any other class or classes or series of stock, whether or not such dividends shall be cumulative or noncumulative, and if cumulative, the date or dates from which such dividends shall accumulate;

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(vii) the preferences, if any, and the amounts thereof which the holders of any series thereof shall be entitled to receive upon the voluntary or involuntary liquidation, dissolution or winding up of, or upon any distribution of the assets of, the Corporation;

(viii) whether or not the shares of any series, at the option of the Corporation or the holder thereof or upon the happening of any specified event, shall be convertible into or exchangeable for, the shares of any other class or classes or of any other series of the same or any other class or classes of stock, securities or other property of the Corporation and the conversion price or prices or ratio or ratios or the rate or rates at which such exchange may be made, with such adjustments, if any, as shall be stated and expressed or provided for in such resolution or resolutions; and

(ix) such other powers, preferences, rights, qualifications, limitations and restrictions with respect to any series as may to the Board seem advisable.

(c) The shares of each series of Preferred Stock may vary from the shares of any other series thereof in any or all of the foregoing respects.

2. Provisions Relating to Common Stock.

(a) The Common Stock shall be subject to the express terms of Preferred Stock and any series thereof. Except as may otherwise be provided in this Amended and Restated Certificate of Incorporation, including Preferred Stock Designation, or by applicable law, the holders of shares of Common Stock, as such, shall be entitled to one vote for each such share upon all questions presented to the stockholders and shall have the exclusive right to vote for the election of directors and for all other purposes, and the holders of Preferred Stock shall not be entitled to vote at or receive notice of any meeting of stockholders. Each holder of Common Stock shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Corporation (as the same may be amended and/or restated, the "Bylaws") and applicable law on all matters submitted to a vote of the stockholders of the Corporation at any such meeting.

(b) Notwithstanding the foregoing, except as otherwise required by applicable law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (including any Preferred Stock Designation) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such class or series, to vote thereon pursuant to this Amended and Restated Certificate of Incorporation (including any Preferred Stock Designation) or pursuant to the DGCL.

(c) Subject to the rights and preferences, if any, applicable to shares of Preferred Stock or any series thereof, the holders of shares of Common Stock shall be entitled to receive ratably in proportion to the number of shares of Common Stock held by them such dividends and distributions (payable in cash, stock or otherwise), if any, as may be declared thereon by the Board at any time and from time to time out of any funds of the Corporation legally available therefor.

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(d) Subject to the rights and preferences, if any, applicable to shares of Preferred Stock or any series thereof, in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, the holders of shares of Common Stock shall be entitled to receive all of the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of Common Stock held by them. A liquidation, dissolution or winding-up of the Corporation, as such terms are used in this paragraph (d), shall not be deemed to be occasioned by or to include any consolidation or merger of the Corporation with or into any other corporation or corporations or other entity or a sale, lease, exchange or conveyance of all or a part of the assets of the Corporation.

(e) The number of authorized shares of Common Stock or Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority in voting power of the outstanding shares of stock of the Corporation entitled to vote thereon irrespective of the provisions of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of either Common Stock or Preferred Stock voting separately as a class or series shall be required therefor unless a vote of any such holder is required pursuant to this Amended and Restated Certificate of Incorporation (including any Preferred Stock Designation).

FIFTH: The business and affairs of the Corporation shall be managed by or under the direction of the Board. The total number of directors constituting the Board shall be determined from time to time by resolution of the Board. The directors, other than those who may be elected by the holders of any series of Preferred Stock specified in the related Preferred Stock Designation, shall be divided, with respect to the time for which they severally hold office, into three classes, as nearly equal in number as is reasonably possible, with the initial term of office of the first class ("Class I") to expire at first annual meeting of stockholders following the date the Common Stock is first publicly traded (the "IPO Date"), the initial term of office of the second class ("Class II") to expire at the second annual meeting of stockholders following the IPO Date, and the initial term of office of the third class ("Class III") to expire at the third annual meeting following the IPO Date, with each director in each class to hold office until his or her successor shall have been duly elected and qualified. At each annual meeting of stockholders, directors elected to succeed those directors whose terms then expire shall be elected for a term of office to expire at the third succeeding annual meeting of stockholders after their election, with each director to hold office until such director' s successor shall have been duly elected and qualified or until his or her earlier death, resignation, removal, retirement or disqualification. Subject to the then-applicable terms of the Stockholders' Agreement, dated the date hereof, among the Corporation and certain of its stockholders (as amended from time to time, the "Stockholders' Agreement"), the Board is authorized to assign members of the Board already in office to Class I, Class II or Class III at the time such classification becomes effective. Subject to applicable law, the rights of the holders of any class or series of Preferred Stock and the then-applicable terms of the Stockholders' Agreement, any newly created directorship that results from an increase in the number of directors or any vacancy on the Board that results from the death, disability, resignation, disqualification or removal of any director or from any other cause shall be filled (i) prior to the Trigger Date (as defined below), either (a) by Sponsor (as defined below) or (b) by the affirmative vote of a majority of the total number of directors then in office, even if less than a quorum, or by a sole remaining director, and (ii) on and after the Trigger Date, solely by the affirmative vote of a majority of the total number of directors then in office, even if

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less than a quorum, or by a sole remaining director and shall not be filled by the stockholders. Any director elected to fill a vacancy or a newly created directorship shall hold office until the next election of the class for which such director shall have been chosen, and until his or her successor is duly elected and qualified, or until his or her earlier death, resignation, removal, retirement or disqualification. No decrease in the number of authorized directors constituting the Board shall shorten the term of any incumbent director.

Until the first date on which GSO E&P Holdings I LP, a Delaware limited partnership ("GSO E&P Holdings I"), and its Affiliates (as such term is defined in Rule 12b-2 promulgated under the Securities Exchange Act of 1934, as amended), other than the Corporation and any subsidiaries of the Corporation (each, a "Sponsor" and together, the "Sponsor Group"), no longer collectively beneficially own more than 40% of the outstanding shares of Common Stock (the "Trigger Date"), subject to the rights of the holders of shares of any series of Preferred Stock, if any, to elect additional directors pursuant to this Amended and Restated Certificate of Incorporation (including any Preferred Stock Designation) and the then-applicable terms of the Stockholders' Agreement, any director may be removed at any time, either with or without cause, upon the affirmative vote of the holders of a majority of the outstanding shares of stock of the Corporation entitled to vote generally for the election of directors, acting at a meeting of the stockholders or by written consent (if permitted) in accordance with the DGCL, this Amended and Restated Certificate of Incorporation and the Bylaws. For the avoidance of doubt, the term Affiliate as used in the preceding sentence with respect to GSO E&P Holdings I shall include (i) any person who is the direct or indirect ultimate holder of "equity securities" (as such term is defined in Rule 405 under the Securities Act of 1933, as amended) of GSO E&P Holdings I and (ii) any investment fund, alternative investment vehicle, special purpose vehicle or holding company that is directly or indirectly managed, advised, sub-advised or controlled by any Affiliate of GSO E&P Holdings I; provided, however, for purposes of this Amended and Restated Certificate of Incorporation, The Blackstone Group, L.P. and all private equity funds, portfolio companies, parallel investment entities, and alternative investment entities owned, managed or controlled by the Blackstone Group, L.P. or its Affiliates that are not part of the credit-related businesses of The Blackstone Group, L.P. shall not be considered or otherwise deemed an "Affiliate" of GSO or its Affiliates that are part of the credit-related businesses of The Blackstone Group, L.P. On and after the Trigger Date, subject to the rights of the holders of shares of any series of Preferred Stock, if any, to elect additional directors pursuant to this Amended and Restated Certificate of Incorporation (including any Preferred Stock Designation) and the then-applicable terms of the Stockholders' Agreement, any director may be removed only for cause, upon the affirmative vote of the holders of at least 66 ⅔% of the outstanding shares of stock of the Corporation entitled to vote generally for the election of directors, acting at a meeting of the stockholders in accordance with the DGCL, this Amended and Restated Certificate of Incorporation and the Bylaws.

During any period when the holders of any series of Preferred Stock have the right to elect additional directors, then upon commencement and for the duration of the period during which such right continues: (i) the then otherwise total authorized number of directors of the Corporation shall automatically be increased by such specified number of directors, and the holders of such Preferred Stock shall be entitled to elect the additional directors so provided for or fixed pursuant to said provisions, and (ii) each such additional director shall serve until such director's successor shall have been duly elected and qualified, or until such director's right to

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hold such office terminates pursuant to said provisions, whichever occurs earlier, subject to his or her earlier death, resignation, removal, retirement or disqualification. Except as otherwise provided by the Board in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate and the total authorized number of directors of the Corporation shall be reduced accordingly.

SIXTH: Prior to the Trigger Date, any action required or permitted to be taken at any annual meeting or special meeting of the stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote of stockholders, if a consent or consents in writing, setting forth the action or actions so taken, is or are signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action or actions at a meeting at which all shares entitled to vote thereon were present and voted. On and after the Trigger Date, subject to the rights of holders of any series of Preferred Stock with respect to such series of Preferred Stock, any action required or permitted to be taken by the stockholders of the Corporation must be taken at a duly held annual or special meeting of stockholders and may not be taken by any consent in writing of the stockholders of the Corporation.

SEVENTH: Subject to the rights of any series of Preferred Stock, special meetings of stockholders of the Corporation may be called only by the Chief Executive Officer, the Chairman of the Board or the Board (and not by any other person or persons); *provided*, *however*, that prior to the Trigger Date, special meetings of the stockholders of the Corporation shall also be called by the Secretary of the Corporation at the request of the holders of record of a majority in voting power of the outstanding shares of Common Stock. For the avoidance of doubt, on and after the Trigger Date, subject to the rights of holders of any class or series of Preferred Stock, the stockholders of the Corporation shall not have the power to call a special meeting of stockholders of the Corporation.

EIGHTH: In furtherance of, and not in limitation of, the powers conferred by the laws of the State of Delaware, the Board is expressly authorized to adopt, amend or repeal the Bylaws without any action on the part of the stockholders of the Corporation. The stockholders of the Corporation shall have the power to adopt, alter, amend and repeal the Bylaws (i) prior to the Trigger Date, with the vote of holders of not less than 50% in voting power of the then-outstanding shares of stock entitled to vote thereon, voting together as a single class, or (ii) on and after the Trigger Date, with the vote of holders of not less than 66 ⅔% in voting power of the then-outstanding shares of stock entitled to vote thereon, voting together as a single class. No amendment or repeal of the Bylaws shall invalidate any prior act of the Board that was valid at the time it was taken.

NINTH: To the fullest extent permitted by the DGCL (as it now exists or is hereafter amended), no director of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director.

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Any amendment, repeal or modification of this Article Ninth shall be prospective only and shall not affect any limitation on liability of a director for acts or omissions occurring prior to the date of such amendment, repeal or modification.

TENTH: (i) The members of the Sponsor Group, and their respective agents, stockholders, members, partners, officers, directors and employees, including any director or officer of the Corporation who is also a stockholder, member, partner, officer, director, or employee of any member of the Sponsor Group and (ii) the directors of the Corporation who are not employees of the Corporation (each person described in clauses (i) and (ii) of this sentence, a "Specified Party"), have participated (directly or indirectly) in and may, but shall have no duty not to, continue to (A) participate (directly or indirectly) in private equity, mezzanine debt and other direct investments in corporations, joint ventures, limited liability companies and other entities conducting business of any kind, nature or description ("Other Investments") and (B) have interests in, participate with, aid and maintain seats on the boards of directors or similar governing bodies of Other Investments, in each case that may, are or will be competitive with the business of the Corporation and its subsidiaries or in the same or similar lines of business as the Corporation and its subsidiaries, or that could be suitable for the Corporation or its subsidiaries. To the fullest extent permitted by applicable law, the Corporation, on behalf of itself and its subsidiaries, renounces any interest or expectancy of the Corporation and its subsidiaries in, or in being offered an opportunity to participate in, any such Other Investment or any business opportunities for such Other Investments that are from time to time presented to any Specified Party or are business opportunities in which a Specified Party participates or desires to participate, even if the Other Investment or business opportunity is one that the Corporation or its subsidiaries might reasonably be deemed to have pursued or had the ability or desire to pursue if granted the opportunity to do so, and, to the fullest extent permitted by law, each such Specified Party shall have no duty to communicate or offer any such Other Investment or business opportunity to the Corporation and, to the fullest extent permitted by applicable law, shall not be liable to the Corporation or any of its subsidiaries or any stockholder, including for breach of any fiduciary or other duty, as a director or officer or controlling stockholder or otherwise, and the Corporation shall indemnify each Specified Party against any claim that such Specified Party is liable to the Corporation or its stockholders for breach of any fiduciary duty, by reason of the fact that such Specified Party (i) participates in any such Other Investment or pursues or acquires any such business opportunity, (ii) directs any such business opportunity to another person or (iii) fails to present any such Other Investment or business opportunity, or information regarding any such Other Investment or business opportunity, to the Corporation or its subsidiaries, unless, in the case of a Specified Party who is a director or officer of the Corporation, such business opportunity is expressly offered to such Specified Party in writing solely in his or her capacity as a director or officer of the Corporation.

Neither the amendment nor repeal of this Article Tenth, nor the adoption of any provision of this Amended and Restated Certificate of Incorporation or the Bylaws, nor, to the fullest extent permitted by Delaware law, any modification of law, shall eliminate, reduce or otherwise adversely affect any right or protection of any person granted pursuant hereto existing at, or arising out of or related to any event, act or omission that occurred prior to, the time of such amendment, repeal, adoption or modification (regardless of when any proceeding (or part thereof) relating to such event, act or omission arises or is first threatened, commenced or completed).

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If any provision or provisions of this Article Tenth shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever, (a) the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article Tenth (including, without limitation, each portion of any paragraph of this Article Tenth containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and (b) to the fullest extent possible, the provisions of this Article Tenth (including, without limitation, each such portion of any paragraph of this Article Tenth containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to permit the Corporation to protect its directors, officers, employees and agents from personal liability in respect of their good faith service to or for the benefit of the Corporation to the fullest extent permitted by applicable law.

This Article Tenth shall not limit any protections or defenses available to, or indemnification or advancement rights of, any director or officer of the Corporation under this Amended and Restated Certificate of Incorporation, the Bylaws of the Corporation, applicable law or as may be set forth in individual indemnification agreements with such director or officer. Any person or entity purchasing or otherwise acquiring any interest in any securities of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article Tenth.

ELEVENTH: The Corporation hereby expressly elects not to be governed by Section 203 of the DGCL until such time as the Sponsor Group, collectively, no longer continues to beneficially own at least 5% of the total voting power of all the then outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, whereupon the Corporation shall immediately and automatically, without further action on the part of the Corporation or any holder of stock of the Corporation, become governed by Section 203 of the DGCL.

TWELFTH: The Corporation shall have the right, subject to any express provisions or restrictions contained in this Amended and Restated Certificate of Incorporation, from time to time, to amend this Amended and Restated Certificate of Incorporation or any provision hereof in any manner now or hereafter provided by applicable law, and all rights and powers of any kind conferred upon a director or stockholder of the Corporation by this Amended and Restated Certificate of Incorporation or any amendment hereof are subject to such right of the Corporation.

THIRTEENTH: Notwithstanding any other provision of this Amended and Restated Certificate of Incorporation (and in addition to any other vote that may be required by applicable law or this Amended and Restated Certificate of Incorporation), prior to the Trigger Date, the affirmative vote of the holders of a majority in voting power of the outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required to adopt any amendment to this Amended and Restated Certificate of Incorporation required to be submitted to a vote of stockholders under Section 242 of the DGCL. Notwithstanding any other provision of this Amended and Restated Certificate of Incorporation (and in addition to any other vote that may be required by applicable law or this Amended and Restated Certificate of Incorporation), on and after the Trigger Date, the affirmative vote of the holders of at least

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66 ⅔% in voting power of the outstanding shares of stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required to adopt any amendment to this Amended and Restated Certificate of Incorporation required to be submitted a vote of stockholders under Section 242 of the DGCL.

FOURTEENTH: Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim for a breach of a fiduciary duty owed by any director, officer, employee or agent of the Corporation to the Corporation or the Corporation' s stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, this Amended and Restated Certificate of Incorporation or the Bylaws, including any action to interpret, apply, enforce or determine the validity of this Amended and Restated Certificate of Incorporation or the Bylaws, or any provision hereof or thereof, or (iv) any action asserting a claim governed by the internal affairs doctrine. Any person or entity purchasing or otherwise acquiring any interest in any securities of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article Fourteenth.

FIFTEENTH: So long as the Stockholders' Agreement remains in effect, the Board shall not approve any amendment, alteration or repeal of any provision of the Bylaws, or the adoption of any new Bylaw, that would be contrary to or inconsistent with the then applicable terms of the Stockholders' Agreement. No amendment to the Stockholders' Agreement (whether or not such amendment modifies any provision to the Stockholders' Agreement to which the Bylaws are subject) shall be deemed an amendment of the Bylaws.

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IN WITNESS WHEREOF, the undersigned has executed this Amended and Restated Certificate of Incorporation as of this [●] day of 20[●].

TAPSTONE ENERGY INC.

By: ______________________________
Name: ______________________________
Title: ______________________________

[*Signature Page to Amended and Restated Certificate of Incorporation*]

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Exhibit 3.4

AMENDED AND RESTATED BYLAWS

OF

TAPSTONE ENERGY INC.

A Delaware Corporation

Date of Adoption:

[●], 2017

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AMENDED AND RESTATED BYLAWS

OF

TAPSTONE ENERGY INC.

ARTICLE I
OFFICES

Section 1.01 Registered Office. The registered office of Tapstone Energy Inc. (the "Corporation") required by the General Corporation Law of the State of Delaware to be maintained in the State of Delaware, shall be the registered office set forth from time to time in the Certificate of Incorporation of the Corporation (as the same may be amended and restated from time to time, the "Certificate of Incorporation"),. Should the Corporation maintain a principal office within the State of Delaware such registered office need not be identical to such principal office of the Corporation.

Section 1.02 Other Offices. The Corporation may have offices at such other places both within and without the State of Delaware as the Board of Directors of the Corporation (the "Board of Directors") may from time to time determine or as the business of the Corporation may require.

ARTICLE II
STOCKHOLDERS

Section 2.01 Place of Meetings. All meetings of the stockholders shall be held at the principal office of the Corporation, or at such other place, if any, within or without the State of Delaware as shall be specified or fixed in the notices or waivers of notice thereof.

Section 2.02 Quorum; Adjournment of Meetings. Unless otherwise required by law or provided in the Certificate of Incorporation or these Bylaws, the holders of shares of stock with a majority of the voting power entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at any meeting of stockholders for the transaction of business. Abstentions and broker non-votes in respect of such shares of stock shall be deemed to be present at such meeting for purposes of establishing a quorum. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Notwithstanding the other provisions of the Certificate of Incorporation or these Bylaws, the Chairman of the Meeting or the holders of shares of stock with a majority of the voting power present in person or represented by proxy at any meeting of stockholders, whether or not a quorum is present, shall have the power to adjourn such meeting from time to time, for any reason, without any notice other than announcement at the meeting of the time and place of the holding of the adjourned or recessed meeting If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an

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earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting.

At any such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally called.

Section 2.03 Annual Meetings. An annual meeting of the stockholders, for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, if any, within or without the State of Delaware, on such date, and at such time as the Board of Directors shall fix and set forth in the notice of the meeting, which date shall be within thirteen (13) months subsequent to the later of the date of incorporation or the last annual meeting of stockholders. The Board of Directors may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board of Directors upon public notice given prior to the time previously scheduled for such meeting of stockholders. The meeting may be postponed or rescheduled to such time and place, if any, as is specified in the notice of postponement or rescheduling of such meeting.

Section 2.04 Special Meetings. Special meetings of the Corporation shall be called as provided in the Certificate of Incorporation. The Board of Directors may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board of Directors upon public notice given prior to the time previously scheduled for such meeting of stockholders. The meeting may be postponed or rescheduled to such time and place, if any, as is specified in the notice of postponement or rescheduling of such meeting.

Section 2.05 Record Date. (a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise

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any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than sixty (60) days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(c) Unless otherwise restricted by the Certificate of Incorporation, in order that the Corporation may determine the stockholders entitled to express consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten (10) days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date for determining stockholders entitled to express consent to corporate action in writing without a meeting is fixed by the Board of Directors, (i) when no prior action of the Board of Directors is required by law, the record date for such purpose shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in accordance with applicable law, and (ii) if prior action by the Board of Directors is required by law, the record date for such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

Section 2.06 Notice of Meetings. Whenever stockholders are required or permitted to take action at a meeting, notice of the place, if any, date and hour of all meetings, and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be given by or at the direction of the Board of Directors or the other person(s) calling the meeting to each stockholder entitled to vote thereat as of the record date for determining the stockholders entitled to notice of the meeting and shall be delivered not less than ten (10) nor more than sixty (60) days before the date of the meeting, unless otherwise provided by law, the Certificate of Incorporation or these Bylaws,. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder' s address as it appears on the records of the Corporation. The Corporation may provide stockholders with notice of a meeting by electronic transmission provided such stockholders have consented to receiving electronic notice.

Section 2.07 Stock List. A complete list of stockholders entitled to vote at any meeting of stockholders (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in the name of such stockholder, shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either on a reasonably accessible electronic network, provided that the information required to gain access to the list is provided with the notice of the meeting, or during ordinary business hours, at the principal place of business of the Corporation. The stock list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open

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to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, the stock list of the Corporation shall be the only evidence as to who are the stockholders entitled by this section to examine the list required by this section or to vote in person or by proxy at any meeting of the stockholders.

Section 2.08 Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to a corporate action in writing without a meeting may authorize another person or persons to act for him by proxy. Proxies for use at any meeting of stockholders shall be filed with the Secretary, or such other officer as the Board of Directors may from time to time determine by resolution, before or at the time of the meeting. All proxies shall be received and taken charge of and all ballots shall be received and canvassed by the secretary of the meeting who shall decide all questions touching upon the qualification of voters, the validity of the proxies, and the acceptance or rejection of votes, unless an inspector or inspectors shall have been appointed by the Board of Directors or the Chairman of the Meeting, in which event such inspector or inspectors shall decide all such questions.

No proxy shall be valid after three (3) years from its date, unless the proxy provides for a longer period. Each proxy shall be revocable unless expressly provided therein to be irrevocable and coupled with an interest sufficient in law to support an irrevocable power.

Should a proxy designate two or more persons to act as proxies, unless such instrument shall provide the contrary, a majority of such persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting or giving consents thereby conferred, or if only one be present, then such powers may be exercised by that one; or, if an even number attend and a majority do not agree on any particular issue, each proxy so attending shall be entitled to exercise such powers in respect of the same portion of the shares as he or she is of the proxies representing such shares.

Section 2.09 Notice of Stockholder Business and Nominations.

(a) Annual Meetings of Stockholders.

(i) Nominations of persons for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders (A) pursuant to the Corporation' s notice of meeting (or any supplement thereto), (B) by or at the direction of the Board of Directors or any authorized committee thereof or (C) subject to the then-applicable terms of the Stockholders' Agreement, among the Corporation and certain of its stockholders, dated as of [●], 2017 (as amended and/or restated from time to time, the "Stockholders' Agreement"), by any stockholder of the Corporation who (1) was a stockholder of record at the time of giving of notice provided for in this Section 2.09 and at the time of the annual meeting, (2) is entitled to vote at the meeting and (3) complies with the notice procedures set forth in these Bylaws as to such business or nomination and applicable law; clause (C) of this paragraph shall be the exclusive means for a stockholder to

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make nominations of director nominees or submit other business (other than matters properly brought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and included in the Corporation's notice of meeting) before an annual meeting of the stockholders.

(ii) For any nominations of director nominees or any other business to be properly brought before an annual meeting by a stockholder pursuant to this Section 2.09, the stockholder must have given timely notice thereof in writing to the Secretary and such other business must otherwise be a proper matter for stockholder action. To be timely, a stockholder's notice shall be delivered in writing to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120th day and not later than the close of business on the 90th day prior to the first anniversary of the preceding year's annual meeting (which anniversary, in the case of the first annual meeting of stockholders following the close of the Corporation's initial public offering, shall be deemed to be [●], 2017); provided, however, that in the event that the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall any adjournment, recess or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above.

(iii) To be in proper form, a stockholder's notice (whether given pursuant to this Section 2.09(a)(iii) or Section 2.09(b)) to the Secretary must:

(A) set forth, as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (including any affiliate or associate (each within the meaning of Rule 12b-2 under the Exchange Act) of such stockholder or beneficial owner) (1) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, if any, (2)(I) the class or series and number of shares of the Corporation which are, directly or indirectly, owned beneficially and of record (within the meaning of Rule 13d-3 under the Exchange Act) by such stockholder and such beneficial owner, if any (except that any such person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such person has a right to acquire beneficial ownership at any time in the future), (II) any option, warrant, convertible security, stock appreciation right or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject

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to settlement in the underlying class or series of capital stock of the Corporation or otherwise (a "Derivative Instrument") directly or indirectly owned beneficially by such stockholder and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the Corporation, (III) a description of any proxy, contract, arrangement, understanding, or relationship pursuant to which such stockholder and such beneficial owner has a right to vote any shares of any security of the Corporation, (IV) any short interest in any security of the Corporation (for purposes of these Bylaws a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (V) any rights to dividends on the shares of the Corporation owned beneficially by such stockholder that are separated or separable from the underlying shares of the Corporation, (VI) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership, limited liability company or similar entity in which such stockholder is a general partner or, directly or indirectly, beneficially owns an interest in a general partner, is the manager, managing member or, directly or indirectly, beneficially owns an interest in the manager or managing member of a limited liability company or similar entity and (VII) any performance-related fees (other than an asset-based fee) to which such stockholder is entitled based on any increase or decrease in the value of shares of the Corporation or Derivative Instruments, if any, as of the date of such notice, including without limitation any such interests held by members of such stockholder' s immediate family sharing the same household, (3) any other information relating to such stockholder and beneficial owner, if any, that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (4) a representation that the stockholder is, and was at all relevant times, a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to bring such nomination or other business before the meeting and (5) a representation as to whether such stockholder or any such beneficial owner intends, or is part of a group that intends to; (x) deliver a proxy statement and/or form of proxy to holders of at least the percentage of the voting power of the Corporation' s outstanding capital stock required to approve or adopt the proposal or to elect each such nominee and/or (y) otherwise solicit proxies or votes from stockholders in support of such proposal or nomination;

(B) if the notice relates to any business other than a nomination of a director or directors that the stockholder proposes to bring before the

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meeting, set forth (1) a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest of such stockholder and beneficial owner, if any, in such business, (2) the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment) and (3) a complete and accurate description of all agreements, arrangements and understandings between such stockholder and such beneficial owner, if any, and any other person or persons (including their names and addresses) in connection with the proposal of such business by such stockholder;

(C) set forth, as to each person, if any, whom the stockholder proposes to nominate for election or reelection to the Board of Directors: (1) the name, age, business address and residence address of such person, (2) the principal occupation or employment of such person, (3) the class or series and number of shares of capital stock of the Corporation which are owned beneficially and of record by such person, (4) all information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder (including such person' s written consent to being named in the Corporation' s proxy statement as a nominee and to serving as a director if elected) and (5) a complete and accurate description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such stockholder and beneficial owner, if any, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and such nominee' s respective affiliates and associates, or others acting in concert therewith, on the other hand, including, without limitation all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K promulgated under the Exchange Act if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such Item 404 and the nominee were a director or executive officer of such registrant; and

(D) with respect to each nominee for election or reelection to the Board of Directors, include (i) a completed and signed questionnaire in a form provided by the Corporation (which form the stockholder must request from the Secretary of the Corporation and which form the Corporation shall provide to the stockholder within seven (7) business days upon receipt of the request), and (ii) a written representation and

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agreement (which form the stockholder must request from the Secretary of the Corporation and which form the Corporation shall provide to the stockholder within seven (7) business days upon receipt of the request) that such person (A) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (2) any Voting Commitment that could limit or interfere with such person' s ability to comply, if elected as a director of the Corporation, with such person' s fiduciary duties under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, (C) if elected as a director of the Corporation, intends to serve a full term and (D) in such person' s individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable stockholder' s understanding of the independence, or lack thereof, of such nominee.

The foregoing notice requirements of Section 2.09(a)(iii) shall be deemed satisfied by a stockholder with respect to business other than a nomination if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with applicable rules and regulations promulgated under the Exchange Act and such stockholder' s proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting.

Notwithstanding anything in the second sentence of Section 2.09(a)(ii) to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation at the annual meeting is increased effective after the time period for which nominations would otherwise be due under Section 2.09(a)(ii) and there is no public announcement by the Corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year' s annual meeting, a stockholder' s notice required by this Section 2.09 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

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(b) Special Meetings of Stockholders. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation' s notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation' s notice of meeting (i) by or at the direction of the Board of Directors or any duly authorized committee thereof (or at the request of stockholders pursuant to Article Seventh of the Certificate of Incorporation) or (ii) provided that the Board of Directors (or stockholder(s) pursuant to Article Seventh of the Certificate of Incorporation) has determined that directors shall be elected at such meeting, and subject to the then-applicable terms of the Stockholders' Agreement, by any stockholder of the Corporation who (A) is a stockholder of record at the time of giving of notice provided for in these Bylaws and on the date of such meeting, (B) is entitled to vote at the meeting, and (C) complies with the notice procedures set forth in these Bylaws and applicable law. In the event a special meeting of stockholders is called for the purpose of electing one or more directors to the Board of Directors, any such stockholder may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation' s notice of meeting. To be timely, such notice shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not earlier than the close of business on the 120th day prior to such special meeting and not later than the close of business on the 90th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall any adjournment, recess or postponement of a special meeting or any announcement thereof commence a new time period for the giving of a stockholder' s notice as described above.

(c) General.

(i) Only such persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible to serve as directors and only such business shall be conducted at a meeting of stockholders as has been brought before the meeting in accordance with the procedures set forth in these Bylaws and applicable law.

(ii) Notwithstanding the foregoing provisions of these Bylaws, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in these Bylaws; provided, however, that any references in these Bylaws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit the requirements applicable to nominations or proposals as to any other business to be considered pursuant to these Bylaws. For purposes of these Bylaws, "public announcement" shall mean disclosure in a press release reported by Dow Jones News Service, the Associated Press, or any other national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

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(iii) A stockholder providing notice of business or any nomination proposed to be brought before a meeting shall further update and supplement such notice, so that the information provided or required to be provided in such notice pursuant to this Section 2.09 shall be true and correct (A) as of the record date for the meeting and (B) as of the date that is ten (10) business days prior to the meeting or any adjournment, recess, rescheduling or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for the meeting (in the case of the update and supplement required to be made as of the record date) and not later than seven (7) business days prior to the date for the meeting, if practicable (or, if not practicable, on the first practicable date prior to) or any adjournment, recess, rescheduling or postponement thereof (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting or any adjournment, recess, rescheduling or postponement thereof).

(iv) Nothing in these Bylaws shall be deemed to affect any rights (A) of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (B) of the holders of any class or series of preferred stock if and to the extent provided for under law, the Certificate of Incorporation or these Bylaws.

(v) Notwithstanding anything to the contrary contained in this Section 2.09, for so long as the Stockholders' Agreement is in effect with respect to the Sponsor (as defined in the Stockholders' Agreement), the Sponsor (to the extent subject to the Stockholders' Agreement) shall not be subject to the notice procedures set forth in this Section 2.09 with respect to annual or special meeting of stockholders.

Section 2.10 Voting; Elections; Inspectors. Unless otherwise required by law or provided in the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall have one vote for each share of stock entitled to vote upon the matter which is registered in such stockholder's name on the record date for the meeting. Shares registered in the name of another corporation, domestic or foreign, may be voted by such officer, agent or proxy as the bylaw (or comparable instrument) of such corporation may prescribe, or in the absence of such provision, as the board of directors (or comparable body) of such corporation may determine. Shares registered in the name of a deceased person may be voted by such person's executor or administrator, either in person or by proxy.

All voting, except as required by the Certificate of Incorporation or where otherwise required by law, may be by a voice vote; provided, however, that (a) upon demand therefor by stockholders holding shares of stock representing a majority of the voting power present in person or by proxy at any meeting a written ballot vote shall be taken and (b) all elections for directors shall be by written ballot. Unless otherwise provided in the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes cast by the holders of shares of stock entitled to vote in the election of directors at a meeting of stockholders at which a quorum is present. On any matter (other than an election of directors) where a minimum or other

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vote of stockholders is provided by the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, such minimum or other vote shall be the required vote on such matter (with the effect of abstentions and broker non-votes to be determined based on the vote required). All other matters presented to the stockholders at a meeting at which a quorum is present for which no minimum or other vote is called for by the Certificate of Incorporation, these Bylaws, the rules and regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, other than for the election of directors, shall be decided by the affirmative vote of the holders of a majority in voting power of the shares of stock entitled to vote on the matter, present in person or by proxy (with abstentions counting as votes against the matter and broker non-votes not counting as shares entitled to vote on the matter). Any stock vote taken by written ballots shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting.

At any meeting at which a vote is taken by ballots, the Board of Directors or Chairman of the Meeting may (and shall if required by law) appoint one or more inspectors, each of whom shall subscribe an oath or affirmation to execute faithfully the duties of inspector at such meeting with strict impartiality and according to the best of such inspector's ability. Such inspector shall (i) ascertain the number of shares of capital stock of the Corporation outstanding and the voting power of each such share, (ii) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors and (v) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. The Board of Directors or Chairman of the Meeting may appoint any person to serve as inspector, except no candidate for the office of director shall be appointed as an inspector.

Unless otherwise provided in the Certificate of Incorporation, cumulative voting for the election of directors shall be prohibited.

Section 2.11 Conduct of Meetings. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate in its sole discretion. The Chairman (as defined below), if one shall have been elected, or in the Chairman's absence or if one shall not have been elected, a director designated by the Board of Directors, shall preside at all meetings of the stockholders as "Chairman of the Meeting." Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the Chairman of the Meeting shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, and may prescribe such rules, regulations and procedures and do all such acts as, in the judgment of such Chairman of the Meeting, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the Chairman of the Meeting, may include, without limitation, the following (subject, in each case, to applicable law):

(a) the establishment of an agenda or order of business for the meeting;

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(b) rules and procedures for maintaining order at the meeting and the safety of those present;

(c) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the Chairman of the Meeting shall determine;

(d) restrictions on entry to the meeting after the time fixed for the commencement thereof;

(e) restrictions on the use of audio or video recording devices at the meeting; and

(f) limitations on the time allotted to questions or comments by participants.

Should any person in attendance become unruly or obstruct the meeting proceedings, the Chairman of the Meeting shall have the power to have such person removed from the meeting. The Chairman of the Meeting at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a director nomination or other business was not properly made or brought before the meeting and if the Chairman of the Meeting should so determine, the Chairman of the Meeting shall so declare to the meeting and any such nomination or business not properly made or brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board of Directors or the Chairman of the Meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure. Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at a meeting except in accordance with the procedures set forth in this Article II.

Section 2.12 Treasury Stock. The Corporation shall not vote, directly or indirectly, shares of its own stock owned by it or any other corporation, if a majority of shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly by the Corporation and such shares shall not be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation or any subsidiary of the Corporation to vote stock, including, but not limited to, its own stock, held by it in a fiduciary capacity.

Section 2.13 Action Without Meeting. Unless otherwise provided in the Certificate of Incorporation, any action permitted or required by law, the Certificate of Incorporation or these Bylaws to be taken at a meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than a unanimous written consent shall, to the extent required by law, be given

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to those stockholders who have not consented in writing and who, if the action had been taken at a meeting, would have been entitled to notice of the meeting if the record date for notice of such meeting had been the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation.

Section 2.14 Submission of Questionnaire; Representation and Agreement. To be eligible to be a nominee for election as a director of the Corporation, a person must deliver (in accordance with the time periods prescribed for delivery of notice under Section 2.09) to the Secretary at the principal executive offices of the Corporation responses to a written questionnaire with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (a) is not and will not become a party to (i) any Voting Commitment that has not been disclosed to the Corporation or (ii) any Voting Commitment that could limit or interfere with such person' s ability to comply, if elected as a director of the Corporation, with such person' s fiduciary duties under applicable law, (b) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein, (c) if elected as director of the Corporation, intends to serve a full term as director, and (d) in such person' s individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the Corporation, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation.

ARTICLE III
BOARD OF DIRECTORS

Section 3.01 Power; Number; Term of Office. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, and subject to the restrictions imposed by law or the Certificate of Incorporation, they may exercise all the powers of the Corporation.

The number of directors of the Corporation shall be determined from time to time by resolution of the Board of Directors. Each director shall hold office for the term for which such director is elected, and until such director' s successor shall have been elected and qualified or until such director' s earlier death, resignation or removal.

Unless otherwise provided in the Certificate of Incorporation, directors need not be stockholders nor residents of the State of Delaware.

Section 3.02 Quorum. Unless otherwise provided in the Certificate of Incorporation, a majority of the total number of directors shall constitute a quorum for the transaction of business of the Board of Directors and the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

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Section 3.03 Place of Meetings; Order of Business. The directors may hold their meetings and may have an office and keep the books of the Corporation, except as otherwise provided by law, in such place or places, within or without the State of Delaware, as the Board of Directors may from time to time determine by resolution. At all meetings of the Board of Directors business shall be transacted in such order as shall from time to time be determined by the Chairman (if any), or, in the Chairman' s absence, by the Chief Executive Officer if such Chief Executive Officer is a director, or by resolution of the Board of Directors.

Section 3.04 First Meeting. Each newly elected Board of Directors may hold its first meeting for the purpose of organization and the transaction of business, if a quorum is present, immediately after and at the same place as the annual meeting of the stockholders. Notice of such meeting shall not be required.

Section 3.05 Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as shall be designated from time to time by resolution of the Board of Directors. Notice of such regular meetings shall not be required.

Section 3.06 Special Meetings. Special meetings of the Board of Directors may be called by the Chairman (if any), the Chief Executive Officer or, on the written request of any two directors, by the Secretary, in each case on at least twenty-four (24) hours personal or written notice or on at least twenty-four (24) hours notice by electronic transmission to each director. Such notice, or any waiver thereof pursuant to Section 8.03, need not state the purpose or purposes of such meeting, except as may otherwise be required by law or provided for in the Certificate of Incorporation or these Bylaws.

Section 3.07 Removal. Directors of the Corporation may be removed only as provided in the Certificate of Incorporation.

Section 3.08 Vacancies; Increases in the Number of Directors. Vacancies and newly created directorships may be filled only as provided in the Certificate of Incorporation.

Section 3.09 Compensation. Unless otherwise restricted by the Certificate of Incorporation, the Board of Directors shall have the authority to fix the compensation of directors.

Section 3.10 Action Without a Meeting; Telephone Conference Meeting. Unless otherwise restricted by the Certificate of Incorporation, any action required or permitted to be taken at any meeting of the Board of Directors, or any committee designated by the Board of Directors, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such consent shall have the same force and effect as a unanimous vote at a meeting, and may be stated as such in any document or instrument filed with the Secretary of State of Delaware.

Unless otherwise restricted by the Certificate of Incorporation, subject to the requirement for notice of meetings, members of the Board of Directors, or members of any committee

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designated by the Board of Directors, may participate in a meeting of such Board of Directors or committee, as the case may be, by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting.

Section 3.11 Chairman. The members of the Board of Directors may appoint one of their number as the "Chairman". The Chairman shall (if appointed and when present) preside at all meetings of the Board of Directors and stockholders. The Chairman shall perform such duties as usually appertain to the office or as may be prescribed by the Board of Directors or these Bylaws.

Section 3.12 Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because any such director's or officer's vote is counted for such purpose if: (i) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by the vote or written consent of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof or the stockholders. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE IV
COMMITTEES

Section 4.01 Designation; Powers. The Board of Directors may, by resolution passed by a majority of the whole board, designate one or more committees, including, if they shall so determine, an executive committee, each such committee to consist of one or more of the directors of the Corporation. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation. Any such designated committee may authorize the seal of the Corporation to be affixed to all papers which may require it.

Section 4.02 Procedure; Meetings; Quorum. Any committee designated pursuant to Section 4.01 shall choose its own chairman, shall keep regular minutes of its proceedings and report the same to the Board of Directors when requested, shall fix its own rules or procedures, and shall meet at such times and at such place or places as may be provided by such rules, or by

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resolution of such committee or resolution of the Board of Directors. At every meeting of any such committee, the presence of a majority of all the members thereof shall constitute a quorum and the affirmative vote of a majority of the members present shall be necessary for the adoption by it of any resolution.

Section 4.03 Substitution of Members. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of a member of a committee, the member or members present at any meeting and not disqualified from voting, whether or not constituting a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

ARTICLE V
OFFICERS

Section 5.01 Number, Titles and Term of Office. The officers of the Corporation shall be a Chief Executive Officer, President and a Secretary and, if the Board of Directors so elects or appoints, a Chief Financial Officer, Chief Operating Officer, General Counsel, one or more Vice Presidents (any one or more of whom may be designated executive vice president or senior vice president), a Treasurer, any number of Assistant Secretaries and Assistant Treasurers and such other officers as the Board of Directors may from time to time elect or appoint. Each officer shall hold office until such officer' s successor shall be duly elected and shall qualify or until such officer' s death or until such officer shall resign or shall have been removed in the manner hereinafter provided. Any number of offices may be held by the same person, unless the Certificate of Incorporation provides otherwise. Except for the Chairman, if any, no officer need be a director.

Section 5.02 Salaries. The salaries or other compensation of the officers and agents of the Corporation shall be fixed from time to time by the Board of Directors.

Section 5.03 Removal. Any officer or agent elected or appointed by the Board of Directors may be removed, either with or without cause, by the vote of a majority of the whole Board of Directors at a special meeting called for the purpose, or at any regular meeting of the Board of Directors. Election or appointment of an officer or agent shall not of itself create any contract rights.

Section 5.04 Vacancies. Any vacancy occurring in any office of the Corporation may be filled as determined by the Board of Directors.

Section 5.05 Powers and Duties of the Chief Executive Officer. The Board of Directors shall designate the Chief Executive Officer of the Corporation. Subject to the oversight of the Board of Directors and the executive committee (if any), the Chief Executive Officer shall have the authority to act for the Corporation and the general executive charge, management and control of the properties, business and operations of the Corporation with all such powers and authority as may be reasonably incident to such responsibilities. The Chief Executive Officer may agree upon and execute all leases, contracts, evidences of indebtedness and other obligations in the name of the Corporation and may sign all certificates for shares of capital stock

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of the Corporation, if any. Subject to the terms of these Bylaws and any resolutions adopted by the Board of Directors, the Chief Executive Officer shall have the authority to designate the duties and powers of officers and delegate special powers and duties to specified officers. The Chief Executive Officer shall have such other powers and duties as designated in accordance with these Bylaws and as from time to time may be assigned to him by the Board of Directors.

Section 5.06 Powers and Duties of the President. Unless the Board of Directors otherwise determines, and subject to the oversight of the Board of Directors and the executive committee (if any), the President shall have the authority to agree upon and execute all leases, contracts, evidences of indebtedness and other obligations in the name of the Corporation; and, he or she shall have such other powers and duties as designated in accordance with these Bylaws and as from time to time may be assigned to him or her by the Board of Directors.

Section 5.07 Vice Presidents. A Vice President shall perform such duties and have such power and authority as may from time to time be assigned to him or her by the Board of Directors, the Chief Executive Officer or the President, as applicable. In the absence of the Chief Executive Officer, or in the event of the Chief Executive Officer' s inability or refusal to act, a Vice President or other person designated by the Board of Directors shall perform the duties of the Chief Executive Officer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. In the absence of a designation by the Board of Directors of a Vice President to perform the duties of the Chief Executive Officer, or in the event of his or her absence or inability or refusal to act, the Vice President who is present and who is senior in terms of time as a Vice President of the Corporation shall so act.

Section 5.08 Treasurer. The Treasurer, if any, shall have responsibility for the custody and control of all the funds and securities of the Corporation, and he or she shall have such other powers and duties as designated in these Bylaws and as from time to time may be assigned to him or her by the Board of Directors. He or she shall perform all acts incident to the position of Treasurer, subject to the control of the Chief Executive Officer and the Board of Directors; and he or she shall, if required by the Board of Directors, give such bond for the faithful discharge of his or her duties in such form as the Board of Directors may require.

Section 5.09 Assistant Treasurers. Each Assistant Treasurer, if any, shall have the usual powers and duties pertaining to his or her office, together with such other powers and duties as designated in these Bylaws and as from time to time may be assigned to such Assistant Treasurer by the Chief Executive Officer or the Board of Directors. Such Assistant Treasurers shall exercise the powers of the Treasurer during that officer' s absence or inability or refusal to act.

Section 5.10 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors, committees of directors and the stockholders, in books provided for that purpose; he or she shall attend to the giving and serving of all notices; he or she may in the name of the Corporation affix the seal of the Corporation to all contracts of the Corporation and attest the affixation of the seal of the Corporation thereto; he or she may sign with the other appointed officers all certificates for shares of capital stock of the Corporation; he or she shall have charge of the certificate books, transfer books and stock ledgers, and such other books and papers as the Board of Directors may direct, all of which shall at all reasonable times be open to inspection of

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any director upon application at the office of the Corporation during business hours; he or she shall have such other powers and duties as designated in these Bylaws and as from time to time may be assigned to him or her by the Board of Directors or the Chief Executive Officer; and he or she shall in general perform all acts incident to the office of Secretary, subject to the control of the Chief Executive Officer and the Board of Directors.

Section 5.11 Assistant Secretaries. Each Assistant Secretary, if any, shall have the usual powers and duties pertaining to his or her office, together with such other powers and duties as designated in these Bylaws and as from time to time may be assigned to him or her by the Chief Executive Officer or the Board of Directors. Such Assistant Secretaries shall exercise the powers of the Secretary during that officer' s absence or inability or refusal to act.

Section 5.12 Action with Respect to Securities of Other Corporations. Unless otherwise directed by the Board of Directors, the Chairman, the Chief Executive Officer, the President or any Senior Vice President or Vice President of the Corporation may from time to time appoint an attorney or attorneys or agent or agents of the Corporation, in the name and on behalf of the Corporation, to cast the votes which the Corporation may be entitled to cast as the holder of stock or other securities in any other corporation or other entity, any of whose stock or other securities may be held by the Corporation, at meetings of the holders of the stock or other securities of such other corporation or other entity, or to consent in writing, in the name of the Corporation as such holder, to any action by such other corporation or other entity, and may instruct the person or persons so appointed as to the manner of casting such votes or giving such consent, and may execute or cause to be executed in the name and on behalf of the Corporation and under its corporate seal or otherwise, all such written proxies or other instruments as he or she may deem necessary or proper. Any of the rights set forth in this Section 5.12 which may be delegated to an attorney or agent may also be exercised directly by the Chairman, the Chief Executive Officer, the President, any Senior Vice President or Vice President of the Corporation.

ARTICLE VI
INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Section 6.01 Right to Indemnification. Each person (a "Covered Person") who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she or a person of whom he or she is the legal representative, is or was or has agreed to become a director or officer of the Corporation or is or was serving or has agreed to serve at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director or officer or in any other capacity while serving or having agreed to serve as a director or officer, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the General Corporation Law of the State of Delaware, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including without limitation, attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement)

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reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to serve in the capacity which initially entitled such person to indemnity hereunder and shall inure to the benefit of his or her heirs, executors and administrators; provided, however, that the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof), other than a proceeding (or part thereof) brought under Section 6.03, initiated by such person or his or her heirs, executors and administrators only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Article VI shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses incurred by a Covered Person in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such person, to repay all amounts so advanced if it shall ultimately be determined that such person is not entitled to be indemnified under this Section 6.01 or otherwise.

Section 6.02 Indemnification of Employees and Agents. The Corporation may, by action of its Board of Directors, provide indemnification to employees and agents of the Corporation, individually or as a group, with the same scope and effect as the indemnification of directors and officers provided for in this Article VI.

Section 6.03 Right of Claimant to Bring Suit. If a written claim received by the Corporation from or on behalf of an indemnified party under this Article VI is not paid in full by the Corporation within ninety days after such receipt, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim to the fullest extent permitted by law. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the General Corporation Law of the State of Delaware for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the General Corporation Law of the State of Delaware, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 6.04 Nonexclusivity of Rights. The right to indemnification (including the advancement and payment of expenses) conferred in this Article VI shall not be exclusive of any other right which any person may have or hereafter acquire under any law (common or statutory), provision of the Certificate of Incorporation, bylaw, agreement, vote of stockholders or disinterested directors or otherwise.

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Section 6.05 Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any person who is or was serving as a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the General Corporation Law of the State of Delaware.

Section 6.06 Savings Clause. If this Article VI or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each director and officer of the Corporation, as to costs, charges and expenses (including attorneys' fees), judgments, fines, and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article VI that shall not have been invalidated and to the fullest extent permitted by applicable law. Any repeal or modification of the foregoing provisions of this Article VI shall not adversely affect any right or protection hereunder of any Covered Person in respect of any act or omission occurring prior to the time of such repeal or modification.

Section 6.07 Definitions. For purposes of this Article, reference to the "Corporation" shall include, in addition to the Corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger prior to (or, in the case of an entity specifically designated in a resolution of the Board of Directors, after) the adoption hereof and which, if its separate existence had continued, would have had the power and authority to indemnify its directors, officers and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VI with respect to the resulting or surviving corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

ARTICLE VII
CAPITAL STOCK

Section 7.01 Certificates of Stock. Except as provided in this Section 7.01, the certificates for shares of the capital stock of the Corporation shall be in such form, not inconsistent with that required by law and the Certificate of Incorporation, as shall be approved by the Board of Directors; provided, however, that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series may be uncertificated shares. The Chairman (if any), Chief Executive Officer or a Vice President shall cause to be issued to each stockholder one or more certificates, under the seal of the Corporation or a facsimile thereof if the Board of Directors shall have provided for such seal, and signed by any two authorized officers of the Corporation, including, without limitation, the Chairman (if any), Chief Executive Officer, a Vice President, the Secretary, an Assistant Secretary, the Treasurer and an Assistant Treasurer, certifying the number of shares (and, if the stock of the Corporation shall be divided into classes or series, the class and series of such shares) owned by such

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stockholder in the Corporation; provided, however, that any of or all the signatures on the certificate may be facsimile. The stock record books and the blank stock certificate books shall be kept by the Secretary, or at the office of such transfer agent or transfer agents as the Board of Directors may from time to time by resolution determine. In case any officer, transfer agent or registrar who shall have signed or whose facsimile signature or signatures shall have been placed upon any such certificate or certificates shall have ceased to be such officer, transfer agent or registrar before such certificate is issued by the Corporation, such certificate may nevertheless be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue. If any class or series of the Corporation' s stock is certificated, then the stock certificates for such class or series, as the case may be, shall be consecutively numbered and shall be entered in the books of the Corporation as they are issued and shall exhibit the holder' s name and number of shares. The Board of Directors may deem that any outstanding shares of the Corporation will be uncertificated and registered in such form on the stock books of the Corporation, provided that any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation.

Section 7.02 Transfer of Shares. Subject to the provisions of the Certificate of Incorporation and any other applicable agreements regarding the transfer of stock, the shares of stock of the Corporation shall be transferable only on the books of the Corporation by the holders thereof in person or by their duly authorized attorneys or legal representatives upon surrender , and cancellation of certificates, if such shares are certificated, for a like number of shares or corresponding book entry. Subject to the provisions of the Certificate of Incorporation and any other applicable agreements regarding the transfer of stock, upon surrender to the Corporation or a transfer agent of the Corporation of a certificate for certificated stock duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, and delivery of an instruction of transfer with respect to uncertificated shares, it shall be the duty of the Corporation to issue a new certificate, if such shares are to be certificated, to the person entitled thereto, cancel the old certificate, if any, and record the transaction upon its books of the Corporation.

Section 7.03 Ownership of Shares. The Corporation shall be entitled to treat the holder of record of any share or shares of capital stock of the Corporation as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Delaware.

Section 7.04 Regulations Regarding Certificates. The Board of Directors shall have the power and authority to make all such rules and regulations as they may deem expedient concerning the issue, transfer and registration or the replacement of certificates for shares of capital stock of the Corporation, if any.

Section 7.05 Lost or Destroyed Certificates. The Corporation may determine the conditions upon which a new certificate of stock may be issued in place of a certificate that is alleged to have been lost, stolen or destroyed; and may, in their discretion, require the owner of such certificate or his or her legal representative to give bond, with sufficient surety, to indemnify the Corporation and each transfer agent and registrar against any and all losses or claims which may arise by reason of the issue of a new certificate in the place of the one so lost, stolen or destroyed.

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ARTICLE VIII
MISCELLANEOUS PROVISIONS

Section 8.01 Fiscal Year. The fiscal year of the Corporation shall, except as may otherwise be established from time to time by the Board of Directors, begin on the first day of January and end on the thirty-first day of December of each year.

Section 8.02 Corporate Seal. The Board of Directors may provide a suitable seal, containing the name of the Corporation. The Secretary shall have charge of the seal (if any). If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by the Assistant Secretary or Assistant Treasurer.

Section 8.03 Notice and Waiver of Notice. Whenever any notice is required to be given by law, the Certificate of Incorporation or under the provisions of these Bylaws, said notice shall be deemed to be sufficient if given (a) by electronic transmission to the extent permitted by law or (b) by deposit of the same in a post office box in a sealed prepaid envelope addressed to the person entitled thereto at his or her post office address, as it appears on the records of the Corporation, and such notice shall be deemed to have been given on the day of such transmission or mailing, as the case may be.

Whenever notice is required to be given by law, the Certificate of Incorporation or under any of the provisions of these Bylaws, a written waiver thereof, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business on the grounds that the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any waiver of notice unless so required by the Certificate of Incorporation or these Bylaws.

Section 8.04 Resignations. Any director, member of a committee or officer may resign at any time. Such resignation shall be made in writing or by electronic transmission and shall take effect at the time specified therein, or if no time be specified, at the time of its receipt by the Chief Executive Officer or Secretary. The acceptance of a resignation shall not be necessary to make it effective, unless expressly so provided in the resignation.

Section 8.05 Facsimile Signatures. In addition to the provisions for the use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures or other electronic forms of signature of any officer or officers of the Corporation may be used.

Section 8.06 Reliance upon Books, Reports and Records. Each director and each member of any committee designated by the Board of Directors shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or reports

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made to the Corporation by any of its officers, or by an independent certified public accountant, or by an appraiser selected with reasonable care by the Board of Directors or by any such committee, or in relying in good faith upon other records of the Corporation.

Section 8.07 Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device or method.

ARTICLE IX
AMENDMENTS

Section 9.01 Amendments. The Board of Directors shall have the power to adopt, alter, amend and repeal from time to time these Bylaws. The stockholders of the Corporation shall have the power to adopt, alter, amend and repeal these Bylaws only as permitted by the Certificate of Incorporation.

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Exhibit 4.1

SPECIMEN STOCK CERTIFICATE REPRESENTING COMMON STOCK

(FRONT)

NUMBER SHARES

TAPSTONE

ENERGY

TAPSTONE ENERGY INC. COMMON STOCK
CUSIP

INCORPORATED UNDER THE LAWS
OF THE STATE OF DELAWARE

SEE REVERSE FOR CERTAIN RESTRICTIONS

THIS CERTIFIES THAT

SPECIMEN

IS THE RECORD HOLDER OF

FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK, PAR VALUE $0.01, OF TAPSTONE ENERGY INC.

transferable on the books of the Corporation by the holder hereof in person or by duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate is not valid until countersigned and registered by the Transfer Agent and Registrar.

Witness the facsimile signatures of its duly authorized officers.

Dated:

COUNTERSIGNED AND REGISTERED:
AMERICAN STOCK TRANSFER & TRUST COMPANY
Transfer Agent and Registrar

CHIEF EXECUTIVE OFFICER

SECRETARY

BY ______________________
AUTHORIZED SIGNATURE

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(REVERSE)

TAPSTONE ENERGY INC.

THE CORPORATION WILL FURNISH TO ANY STOCKHOLDER UPON REQUEST AND WITHOUT CHARGE A FULL STATEMENT OF THE DESIGNATIONS, PREFERENCES, CONVERSION AND OTHER RIGHTS, VOTING POWERS, RESTRICTIONS, LIMITATIONS AS TO DIVIDENDS, QUALIFICATIONS, AND TERMS AND CONDITIONS OF REDEMPTION OF SHARES OF EACH CLASS AUTHORIZED TO BE ISSUED AND, WITH RESPECT TO THE CLASSES OF SHARES WHICH MAY BE ISSUED IN SERIES, THE DIFFERENCES IN THE RELATIVE RIGHTS AND PREFERENCES BETWEEN THE SHARES OF EACH SERIES, TO THE EXTENT THEY HAVE BEEN SET. SUCH REQUEST MAY BE MADE TO THE SECRETARY OF THE CORPORATION AT ITS PRINCIPAL OFFICE OR TO THE TRANSFER AGENT.

KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN, MUTILATED OR DESTROYED, THE CORPORATION WILL REQUIRE A BOND OF INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common

TEN ENT – as tenants by the entireties

JT TEN – as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT/TRANS MIN ACT - ______ CUSTODIAN ______
(Cust) (Minor)
under Uniform Gifts/Transfers to Minors Act

____
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, HEREBY SELLS, ASSIGNS AND TRANSFERS UNTO

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

____

____

____
(Please Print or Typewrite Name and Address, Including Zip Code, of Assignee)

______________________ shares
of the Common Stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

______________________ Attorney
to transfer the said shares on the books of the within named Corporation with full power of substitution in the premises.

Dated ______________________

____
NOTICE: The Signature(s) To This Assignment Must Correspond With The Name(s) As Written Upon The Face Of The Certificate In Every Particular, Without Alteration Or Enlargement Or Any Change Whatever.

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SIGNATURE(S) GUARANTEED: ______________________________________

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

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Exhibit 4.2

FORM OF

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "**Agreement**") is made and entered into as of [ ] [●], 2017, by and among Tapstone Energy Inc., a Delaware corporation (the "**Company**") and GSO E&P Holdings I LP, a Delaware limited partnership ("**GSO**" and, together with the Company, the "**Parties**").

WHEREAS, in connection with, and in consideration of, the transactions contemplated by the Company' s Registration Statement on Form S-1 (File No. 333-[●]), GSO has requested, and the Company has agreed to provide, registration rights with respect to the Registrable Securities (as hereinafter defined) as set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party hereto, the Parties hereby agree as follows:

1. **Definitions**. As used in this Agreement, the following terms have the meanings indicated:

"**Affiliate**" of any specified Person means any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such specified Person. For purposes of this definition, "control" of a Person means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person, whether through ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing. For purposes of this Agreement, (i) none of GSO or its Affiliates or any fund or account managed, advised or subadvised by GSO or its Affiliates shall constitute an Affiliate of the Company and (ii) any fund or account managed, advised or subadvised by or controlled by GSO or its affiliates shall be considered an Affiliate of GSO.

"**Agreement**" has the meaning set forth in the preamble.

"**Automatic Shelf Registration Statement**" means an "automatic shelf registration statement" as defined under Rule 405.

"**Blackout Period**" has the meaning set forth in Section 3(o).

"**Board**" means the board of directors of the Company.

"**Business Day**" means any day other than a Saturday, Sunday, any federal holiday or any other day on which banking institutions in the State of Oklahoma or the State of New York are authorized or required to be closed by law or governmental action.

"**Commission**" means the Securities and Exchange Commission or any other federal agency then administering the Securities Act or Exchange Act.

"**Common Stock**" means the common stock, par value $0.01 per share, of the Company.

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“**Company**” has the meaning set forth in the preamble.

“**Company Securities**” means any equity interest of any class or series in the Company.

“**Demand Notice**” has the meaning set forth in Section 2(a)(i).

“**Demand Registration**” has the meaning set forth in Section 2(a)(i).

“**Effective Date**” means the time and date that a Registration Statement is first declared effective by the Commission or otherwise becomes effective.

“**Effectiveness Period**” has the meaning set forth in Section 2(a)(ii).

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations of the Commission promulgated thereunder.

“**GSO**” has the meaning set forth in the preamble.

“**Holder**” means (i) GSO unless and until GSO ceases to hold any Registrable Securities; and (ii) any holder of Registrable Securities to whom registration rights conferred by this Agreement have been transferred in compliance with Section 9(e) hereof; provided that any Person referenced in clause (ii) shall be a Holder only if such Person agrees in writing to be bound by and subject to the terms set forth in this Agreement.

“**Holder Indemnified Persons**” has the meaning set forth in Section 6(a).

“**Initiating Holder**” means the Sponsoring Holder delivering the Demand Notice or the Underwritten Offering Notice, as applicable.

“**Lock-Up Period**” has the meaning set forth in the underwriting agreement entered into by the Company in connection with the initial underwritten public offering of shares of Common Stock.

“**Losses**” has the meaning set forth in Section 6(a).

“**Material Adverse Change**” means (i) any general suspension of trading in, or limitation on prices for, securities on any national securities exchange or in the over-the-counter market in the United States; (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States; (iii) a material outbreak or escalation of armed hostilities or other international or national calamity involving the United States or the declaration by the United States of a national emergency or war or a change in national or international financial, political or economic conditions; or (iv) any event, change, circumstance or effect that is or is reasonably likely to be materially adverse to the business, properties, assets, liabilities, condition (financial or otherwise), operations, results of operations or prospects of the Company and its subsidiaries taken as a whole.

“**Minimum Amount**” has the meaning set forth in Section 2(a)(i).

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"**Parties**" has the meaning set forth in the preamble.

"**Person**" means an individual, corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, estate, trust, government (or an agency or subdivision thereof) or other entity of any kind.

"**Piggyback Registration**" has the meaning set forth in Section 2(c)(i).

"**Piggyback Registration Notice**" has the meaning set forth in Section 2(c)(i).

"**Piggyback Registration Request**" has the meaning set forth in Section 2(c)(i).

"**Proceeding**" means any action, claim, suit, proceeding or investigation (including a preliminary investigation or partial proceeding, such as a deposition) pending or, to the knowledge of the Company, to be threatened.

"**Prospectus**" means the prospectus included in a Registration Statement (including a prospectus that includes any information previously omitted from a prospectus filed as part of an effective Registration Statement in reliance upon Rule 430A, Rule 430B or Rule 430C promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"**Registrable Securities**" means the Shares; provided, however, that Registrable Securities shall not include: (i) any Shares that have been registered under the Securities Act and disposed of pursuant to an effective Registration Statement or otherwise transferred to a Person who is not entitled to the registration and other rights hereunder; (ii) any Shares that have been sold or transferred by the Holder thereof pursuant to Rule 144 (or any similar provision then in force under the Securities Act) and the transferee thereof does not receive "restricted securities" as defined in Rule 144; and (iii) any Shares that cease to be outstanding (whether as a result of repurchase and cancellation, conversion or otherwise).

"**Registration Expenses**" has the meaning set forth in Section 5.

"**Registration Statement**" means a registration statement of the Company in the form required to register under the Securities Act and other applicable law the resale of the Registrable Securities in accordance with the intended plan of distribution of each Holder of Registrable Securities included therein, and including any Prospectus, amendments and supplements to each such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"**Requested Underwritten Offering**" has the meaning set forth in Section 2(b).

"**Rule 144**" means Rule 144 promulgated by the Commission pursuant to the Securities Act.

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"**Rule 405**" means Rule 405 promulgated by the Commission pursuant to the Securities Act.

"**Rule 415**" means Rule 415 promulgated by the Commission pursuant to the Securities Act.

"**Rule 424**" means Rule 424 promulgated by the Commission pursuant to the Securities Act.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Selling Expenses**" means all underwriting discounts, selling commissions and stock transfer taxes applicable to the sale of Registrable Securities.

"**Shares**" means (i) the shares of Common Stock held by the Holders as of the date hereof and (ii) any other equity interests of the Company or equity interests in any successor of the Company issued in respect of such shares by reason of or in connection with any stock dividend, stock split, combination, reorganization, recapitalization, conversion to another type of entity or similar event involving a change in the capital structure of the Company.

"**Shelf Registration Statement**" means a Registration Statement of the Company filed with the Commission on Form S-3 (or any successor form or other appropriate form under the Securities Act) for an offering to be made on a continuous or delayed basis pursuant to Rule 415 (or any similar rule that may be adopted by the Commission) covering the Registrable Securities, as applicable.

"**Sponsoring Holders**" means (i) GSO and (ii) any holder of Registrable Securities to whom rights of a "Sponsoring Holder" conferred by this Agreement have been transferred in compliance with Section 9(e) hereof; provided that any Person referenced in clause (ii) shall be a Sponsoring Holder only if such Person agrees in writing to be bound by and subject to the terms set forth in this Agreement.

"**Suspension Period**" has the meaning set forth in Section 9(b).

"**Trading Market**" means the principal national securities exchange on which Registrable Securities are listed.

"**Underwritten Offering**" means an underwritten offering of Common Stock for cash (whether a Requested Underwritten Offering or in connection with a public offering of Common Stock by the Company, stockholders or both), excluding an offering relating solely to an employee benefit plan, an offering relating to a transaction on Form S-4 or S-8 or an offering on any registration statement form that does not permit secondary sales.

"**Underwritten Offering Notice**" has the meaning set forth in Section 2(b).

"**Underwritten Offering Piggyback Notice**" has the meaning set forth in Section 2(c)(ii).

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"**Underwritten Offering Piggyback Request**" has the meaning set forth in Section 2(c)(ii).

"**Underwritten Piggyback Offering**" has the meaning set forth in Section 2(c)(ii).

"**VWAP**" means, as of a specified date and in respect of Registrable Securities, the volume weighted average price for such security on the Trading Market for the five trading days immediately preceding, but excluding, such date.

"**WKSI**" means a "well known seasoned issuer" as defined under Rule 405.

Unless the context requires otherwise: (a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms; (b) references to Sections refer to Sections of this Agreement; (c) the terms "include," "includes," "including" and words of like import shall be deemed to be followed by the words "without limitation"; (d) the terms "hereof," "hereto," "herein" or "hereunder" refer to this Agreement as a whole and not to any particular provision of this Agreement; (e) unless the context otherwise requires, the term "or" is not exclusive and shall have the inclusive meaning of "and/or"; (f) defined terms herein will apply equally to both the singular and plural forms and derivative forms of defined terms will have correlative meanings; (g) references to any law or statute shall include all rules and regulations promulgated thereunder, and references to any law or statute shall be construed as including any legal and statutory provisions consolidating, amending, succeeding or replacing the applicable law or statute; (h) references to any Person include such Person' s successors and permitted assigns; and (i) references to "days" are to calendar days unless otherwise indicated.

2. **Registration**.

(a) **Demand Registration**.

(i) At any time after the expiration of the Lock-Up Period, any Sponsoring Holder shall have the option and right, exercisable by delivering a written notice to the Company (a "**Demand Notice**"), to require the Company to, pursuant to the terms of and subject to the limitations contained in this Agreement, prepare and file with the Commission a Registration Statement registering the offering and sale of the number and type of Registrable Securities on the terms and conditions specified in the Demand Notice, which may include sales on a delayed or continuous basis pursuant to Rule 415 pursuant to a Shelf Registration Statement (a "**Demand Registration**"). The Demand Notice must set forth the number of Registrable Securities that the Initiating Holder intends to include in such Demand Registration and the intended methods of disposition thereof. Notwithstanding anything to the contrary herein, in no event shall the Company be required to effectuate a Demand Registration unless the Registrable Securities of the Holders to be included therein after compliance with Section 2(a)(ii) have an aggregate value, based on the VWAP as of the date of the Demand Notice, of at least $50 million (the "**Minimum Amount**").

(ii) Within five Business Days (or if the Registration Statement will be a Shelf Registration Statement, within two Business Days) after the receipt of the Demand Notice, the Company shall give written notice of such Demand Notice to all Holders and, within 30 days after receipt of the Demand Notice (except if the Company is not then eligible to register for

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resale the Registrable Securities on Form S-3, in which case, within 90 days thereof), shall, subject to the limitations of this Section 2(a), file a Registration Statement in accordance with the terms and conditions of the Demand Notice, which Registration Statement shall cover all of the Registrable Securities that the Holders shall in writing request to be included in the Demand Registration (such request to be given to the Company within three Business Days (or if the Registration Statement will be a Shelf Registration Statement, within one Business Day) after receipt of notice of the Demand Notice given by the Company pursuant to this Section 2(a)(ii)). The Company shall use reasonable best efforts to cause such Registration Statement to become and remain effective under the Securities Act until the earlier of (A) 180 days (or two years if a Shelf Registration Statement is requested) after the Effective Date or (B) the date on which all Registrable Securities covered by such Registration Statement have been sold (the "**Effectiveness Period**"); provided, however, that such period shall be extended for a period of time equal to the period the Holders refrain from selling any securities included in such Registration Statement at the request of an underwriter of the Company or the Company pursuant to this Agreement.

(iii) Subject to the other limitations contained in this Agreement, the Company is not obligated hereunder to effect (A) a Demand Registration within 90 days after the closing of any Underwritten Offering, (B) more than a total of three Demand Registrations for which GSO (or any transferee thereof in accordance with Section 9(e)) is the Initiating Holder or (C) a subsequent Demand Registration pursuant to a Demand Notice if a Registration Statement covering all of the Registrable Securities held by the Initiating Holder shall have become and remains effective under the Securities Act and is sufficient to permit offers and sales of the number and type of Registrable Securities on the terms and conditions specified in the Demand Notice in accordance with the intended timing and method or methods of distribution thereof specified in the Demand Notice. No Demand Registration shall be deemed to have occurred for purposes of this Section 2(a)(iii) if the Registration Statement relating thereto does not become effective or is not maintained effective for its entire Effectiveness Period, in which case the Initiating Holder shall be entitled to an additional Demand Registration in lieu thereof.

(iv) A Holder may withdraw all or any portion of its Registrable Securities included in a Demand Registration from such Demand Registration at any time prior to the effectiveness of the applicable Registration Statement. Upon receipt of a notice from the Initiating Holder that the Initiating Holder is withdrawing all of its Registrable Securities from the Demand Registration or a notice from a Holder to the effect that the Holder is withdrawing an amount of its Registrable Securities such that the remaining amount of Registrable Securities to be included in the Demand Registration is below the Minimum Amount, the Company shall cease all efforts to secure effectiveness of the applicable Registration Statement. Such registration nonetheless shall be deemed a Demand Registration with respect to the Initiating Holder for purposes of Section 2(a)(iii) unless (A) the Initiating Holder shall have paid or reimbursed the Company for its pro rata share of all reasonable and documented out-of-pocket fees and expenses incurred by the Company in connection with the withdrawn registration of such Registrable Securities (based on the number of securities the Initiating Holder sought to register, as compared to the total number of securities included in such Demand Registration) or (B) the withdrawal is made following the occurrence of a Material Adverse Change or pursuant to the Company' s request for suspension pursuant to Section 3(o).

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(v) The Company may include in any such Demand Registration other Company Securities for sale for its own account or for the account of any other Person, subject to Section 2(a)(vi) and Section 2(c)(iii).

(vi) In the case of a Demand Registration not being underwritten, if the Initiating Holder advises the Company that in its reasonable opinion the aggregate number of securities requested to be included exceeds the number that can be included without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, the Company shall include in such Demand Registration only that number of securities that in the reasonable opinion of the Initiating Holder will not have such adverse effect, with such number to be allocated as follows: (A) first, pro-rata among all Holders (including the Initiating Holder) that have requested to participate in such Demand Registration based on the relative number of Registrable Securities then held by each such Holder, (B) second, if there remains availability for additional securities to be included in such Demand Registration, the Company, and (C) third, if there remains availability for additional securities to be included in such Demand Registration, any other holders entitled to participate in such Demand Registration, if applicable, based on the relative number of securities such Holder is entitled to include in such Demand Registration.

(vii) Subject to the limitations contained in this Agreement, the Company shall effect any Demand Registration on such appropriate registration form of the Commission (A) as shall be selected by the Company and (B) as shall permit the disposition of the Registrable Securities in accordance with the intended method or methods of disposition specified in the Demand Notice; provided that if the Company becomes, and is at the time of its receipt of a Demand Notice, eligible to file a Shelf Registration Statement, the Demand Registration for any offering and selling of Registrable Securities shall be effected pursuant to a Shelf Registration Statement; provided further that if the Company becomes, and is at the time of its receipt of a Demand Notice, a WKSI, the Demand Registration for any offering and selling of Registrable Securities shall be effected pursuant to an Automatic Shelf Registration Statement, which shall be on Form S-3 or any equivalent or successor form under the Securities Act (if available to the Company). If at any time a Registration Statement on Form S-3 is effective and a Holder provides written notice to the Company that it intends to effect an offering of all or part of the Registrable Securities included on such Registration Statement, the Company will amend or supplement such Registration Statement as may be necessary in order to enable such offering to take place.

(viii) Without limiting Section 3, in connection with any Demand Registration pursuant to and in accordance with this Section 2(a), the Company shall (A) promptly prepare and file or cause to be prepared and filed (1) such additional forms, amendments, supplements, prospectuses, certificates, letters, opinions and other documents, as may be necessary or advisable to register or qualify the securities subject to such Demand Registration, including under the securities laws of such jurisdictions as the Holders shall reasonably request; provided, however, that no such qualification shall be required in any jurisdiction where, as a result thereof, the Company would become subject to general service of process or to taxation or qualification to do business in such jurisdiction solely as a result of registration and (2) such forms, amendments, supplements, prospectuses, certificates, letters, opinions and other documents as may be necessary to apply for listing or to list the Registrable Securities subject to

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such Demand Registration on the Trading Market and (B) do any and all other acts and things that may be reasonably necessary or appropriate or reasonably requested by the Holders to enable the Holders to consummate a public sale of such Registrable Securities in accordance with the intended timing and method or methods of distribution thereof.

(ix) In the event a Holder transfers Registrable Securities included on a Registration Statement and such Registrable Securities remain Registrable Securities following such transfer, at the request of such Holder, the Company shall amend or supplement such Registration Statement as may be necessary in order to enable such transferee to offer and sell such Registrable Securities pursuant to such Registration Statement; provided that in no event shall the Company be required to file a post-effective amendment to the Registration Statement unless (A) such Registration Statement includes only Registrable Securities held by the Holder, Affiliates of the Holder or transferees of the Holder or (B) the Company has received written consent therefor from a Person for whom Registrable Securities have been registered on (but not yet sold under) such Registration Statement, other than the Holder, Affiliates of the Holder or transferees of the Holder.

(b) **Requested Underwritten Offering**. Any Sponsoring Holder then able to effectuate a Demand Registration pursuant to the terms of Section 2(a), ignoring for purposes of such determination Section 2(a)(iii)(B), or any Sponsoring Holder who has previously effectuated a Demand Registration pursuant to Section 2(a) but has not engaged in an Underwritten Offering in respect of such Demand Registration, shall have the option and right, exercisable by delivering written notice to the Company of its intention to distribute Registrable Securities by means of an Underwritten Offering (an "**Underwritten Offering Notice**"), to require the Company, pursuant to the terms of and subject to the limitations of this Agreement, to effectuate a distribution of any or all of its Registrable Securities by means of an Underwritten Offering pursuant to a new Demand Registration or pursuant to an effective Registration Statement covering such Registrable Securities (a "**Requested Underwritten Offering**"); provided, that if the Requested Underwritten Offering is pursuant to a new Demand Registration, then the Registrable Securities of such Initiating Holder requested to be included in such Requested Underwritten Offering have an aggregate value at least equal to the Minimum Amount as of the date of such Underwritten Offering Notice, and if the Requested Underwritten Offering is pursuant to an effective Demand Registration, then the Registrable Securities of such Initiating Holder requested to be included in such Requested Underwritten Offering have an aggregate value at least equal to 50 percent of the Minimum Amount as of the date of such Underwritten Offering Notice. The Underwritten Offering Notice must set forth the number of Registrable Securities that the Initiating Holder intends to include in such Requested Underwritten Offering. The managing underwriter or managing underwriters of a Requested Underwritten Offering shall be designated by the Company; provided, however, that such designated managing underwriter or managing underwriters shall be reasonably acceptable to the Initiating Holder. Notwithstanding the foregoing, the Company is not obligated to effect a Requested Underwritten Offering within 90 days after the closing of an Underwritten Offering. Any Requested Underwritten Offering (other than the first Requested Underwritten Offering made in respect of a prior Demand Registration) shall constitute a Demand Registration of the Initiating Holder for purposes of Section 2(a)(iii) (it being understood that if requested concurrently with a Demand Registration then, together, such Demand Registration and Requested Underwritten Offering shall count as one Demand Registration); provided, however,

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that a Requested Underwritten Offering shall not constitute a Demand Registration of the Initiating Holder for purposes of Section 2(a)(iii) if, as a result of Section 2(c)(iii)(A), the Requested Underwritten Offering includes less than the lesser of (i) Registrable Securities of the Initiating Holder having an aggregate value, based on the VWAP as of the Effective Date of the related Registration Statement, of $30 million, and (ii) two-thirds of the number of Registrable Securities the Initiating Holder set forth in the applicable Underwritten Offering Notice.

(c) **Piggyback Registration and Piggyback Underwritten Offering**.

(i) If the Company shall at any time propose to file a registration statement under the Securities Act with respect to an offering of Common Stock (other than a registration statement on Form S-4, Form S-8 or any successor forms thereto or filed solely in connection with an exchange offer or any employee benefit or dividend reinvestment plan and other than a Demand Registration), whether or not for its own account, then the Company shall promptly notify all Holders of such proposal reasonably in advance of (and in any event at least five Business Days except if the registration statement will be a Shelf Registration Statement, at least two Business Days, before) the anticipated filing date (the "**Piggyback Registration Notice**"). The Piggyback Registration Notice shall offer Holders the opportunity to include for registration in such registration statement the number of Registrable Securities as they may request in writing (a "**Piggyback Registration**"). The Company shall use commercially reasonable efforts to include in each such Piggyback Registration such Registrable Securities for which the Company has received written requests for inclusion therein ("**Piggyback Registration Request**") within three Business Days or, if the Piggyback Registration will be on a Shelf Registration Statement, at least two Business Days, after sending the Piggyback Registration Notice; provided, however, that the Company shall not be required to include in such Piggyback Registration a Holder' s Registrable Securities in the event such Holder, together with its Affiliates, does not request for inclusion Registrable Securities having an aggregate value, based on the VWAP as of the date of the Piggyback Registration Notice, of at least $10 million. Each Holder shall be permitted to withdraw all or part of such Holder' s Registrable Securities from a Piggyback Registration by giving written notice to the Company of its request to withdraw; provided that (A) such request must be made in writing prior to the effectiveness of such registration statement and (B) such withdrawal shall be irrevocable and, after making such withdrawal, a Holder shall no longer have any right to include Registrable Securities in the Piggyback Registration as to which such withdrawal was made. Any withdrawing Holder shall continue to have the right to include any Registrable Securities in any subsequent registration statement or registration statements as may be filed by the Company with respect to offerings of Common Stock, all upon the terms and conditions set forth herein.

(ii) If the Company shall at any time propose to conduct an Underwritten Offering (including a Requested Underwritten Offering), whether or not for its own account, then the Company shall promptly notify all Holders of such proposal reasonably in advance of (and in any event at least five Business Days before or two Business Days before in connection with a "bought deal" or overnight Underwritten Offering) the commencement of the offering, which notice shall set forth the principal terms and conditions of the issuance, including the proposed offering price or range of offering prices (if known), the anticipated filing date of the related registration statement (if applicable) and the number of shares of Common Stock that are proposed to be registered (the "**Underwritten Offering Piggyback Notice**"). The Underwritten

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Offering Piggyback Notice shall offer Holders the opportunity to include in such Underwritten Offering (and any related registration, if applicable) the number of Registrable Securities as they may request in writing (an "**Underwritten Piggyback Offering**"); provided, however, that in the event that the Company proposes to effectuate the subject Underwritten Offering pursuant to an effective Shelf Registration Statement of the Company other than an Automatic Shelf Registration Statement, only Registrable Securities of Holders which are subject to an effective Shelf Registration Statement may be included in such Underwritten Piggyback Offering. The Company shall use commercially reasonable efforts to include in each such Underwritten Piggyback Offering such Registrable Securities for which the Company has received written requests for inclusion therein ("**Underwritten Offering Piggyback Request**") within three Business Days after sending the Underwritten Offering Piggyback Notice (or one Business Day in connection with a "bought deal" or overnight Underwritten Offering); provided, however, that the Company shall not be required to include in such Underwritten Piggyback Offering a Holder's Registrable Securities in the event such Holder, together with its Affiliates, does not request for inclusion Registrable Securities having an aggregate value, based on the VWAP as of the date of the Underwritten Offering Piggyback Notice, of at least $10 million. Notwithstanding anything to the contrary in this Section 2(c)(ii), if the Underwritten Offering pursuant to this Section 2(c)(ii) is a "bought deal" or overnight Underwritten Offering and the managing underwriter advises the Company that the giving of notice pursuant to this Section 2(c)(ii) would adversely affect the Underwritten Offering, no such notice shall be required. Each Holder shall be permitted to withdraw all or part of such Holder's Registrable Securities from an Underwritten Piggyback Offering at any time prior to the effectiveness of the applicable registration statement, and such Holder shall continue to have the right to include any Registrable Securities in any subsequent Underwritten Offerings, all upon the terms and conditions set forth herein. Notwithstanding anything to the contrary in this Agreement, no Holder (other than GSO and its Affiliates and their respective successors and assigns) shall have the right to make an Underwritten Offering Piggyback Request unless the contemplated plan of distribution of such Underwritten Offering includes a customary "road show" or other marketing effort by the Company and the underwriters.

(iii) If the managing underwriter or managing underwriters of an Underwritten Offering advise the Company and the Holders that in their reasonable opinion that the inclusion of all of the Holders' Registrable Securities requested for inclusion in the subject Underwritten Offering (and any related registration, if applicable) (and any other Common Stock proposed to be included in such offering) exceeds the number that can be included without being likely to have a significant adverse effect on the price, timing or distribution of the securities offered or the market for the securities offered, the Company shall include in such Underwritten Offering (and any related registration, if applicable) only that number of shares of Common Stock proposed to be included in such Underwritten Offering (and any related registration, if applicable) that, in the reasonable opinion of the managing underwriter or managing underwriters, will not have such adverse effect, with such number to be allocated as follows: (A) in the case of a Requested Underwritten Offering, (1) first, to the Initiating Holder in full with respect to the number of Registrable Securities such Initiating Holder requested for inclusion, (2) second, pro-rata among all Holders (other than the Initiating Holder) that have requested to include Registrable Securities in such Underwritten Offering based on the relative number of Registrable Securities then held by each such Holder, (3) third, if there remains availability for additional shares of Common Stock to be included in such Underwritten

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Offering, to the Company, and (4) fourth, if there remains availability for additional shares of Common Stock to be included in such Underwritten Offering, to any other holders entitled to participate in such Underwritten Offering, if applicable, based on the relative number of shares of Common Stock then held by each such Holder; and (B) in the case of any other Underwritten Offerings, (x) first, to the Company, (y) second, if there remains availability for additional shares of Common Stock to be included in such Underwritten Offering, pro-rata among all Holders desiring to include Registrable Securities in such Underwritten Offering based on the relative number of Registrable Securities then held by each such Holder, and (z) third, if there remains availability for additional shares of Common Stock to be included in such registration, pro-rata among any other holders entitled to participate in such Underwritten Offering, if applicable, based on the relative number of Common Stock then held by each such Holder. If any Holder disapproves of the terms of any such Underwritten Offering, such Holder may elect to withdraw therefrom by written notice to the Company and the managing underwriter(s) delivered on or prior to the time of the commencement of such offering. Any Registrable Securities withdrawn from such underwriting shall be excluded and withdrawn from the registration.

(iv) The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2(c) at any time in its sole discretion whether or not any Holder has elected to include Registrable Securities in such Registration Statement. The Registration Expenses of such withdrawn registration shall be borne by the Company in accordance with Section 4 hereof.

3. **Registration and Underwritten Offering Procedures**.

The procedures to be followed by the Company and each Holder electing to sell Registrable Securities in a Registration Statement pursuant to this Agreement, and the respective rights and obligations of the Company and such Holders, with respect to the preparation, filing and effectiveness of such Registration Statement and the effectuation of any Underwritten Offering, are as follows:

(a) In connection with a Demand Registration, the Company will, at least three Business Days prior to the anticipated filing of the Registration Statement and any related Prospectus or any amendment or supplement thereto (other than, after effectiveness of the Registration Statement, any filing made under the Exchange Act that is incorporated by reference into the Registration Statement), (i) furnish to such Holders copies of all such documents prior to filing and (ii) use commercially reasonable efforts to address in each such document when so filed with the Commission such comments as such Holders reasonably shall propose prior to the filing thereof.

(b) In connection with a Piggyback Registration, Underwritten Piggyback Offering or a Requested Underwritten Offering, the Company will, at least three Business Days prior to the anticipated filing of any initial Registration Statement that identifies the Holders and any related Prospectus or any amendment or supplement thereto (other than amendments and supplements that do not materially alter the previous disclosure or do nothing more than name Holders and provide information with respect thereto), as applicable, (i) furnish to such Holders copies of any such Registration Statement or related Prospectus or amendment or supplement thereto that identify the Holders and any related Prospectus or any amendment or supplement thereto (other

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than amendments and supplements that do not materially alter the previous disclosure or do nothing more than name Holders and provide information with respect thereto) prior to filing and (ii) use commercially reasonable efforts to address in each such document when so filed with the Commission such comments as such Holders reasonably shall propose prior to the filing thereof.

(c) The Company will use commercially reasonable efforts to as promptly as reasonably practicable (i) prepare and file with the Commission such amendments, including post-effective amendments, and supplements to each Registration Statement and the Prospectus used in connection therewith as may be necessary under applicable law to keep such Registration Statement continuously effective with respect to the disposition of all Registrable Securities covered thereby for its Effectiveness Period and, subject to the limitations contained in this Agreement, prepare and file with the Commission such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities held by the Holders; (ii) cause the related Prospectus to be amended or supplemented by any required prospectus supplement, and as so supplemented or amended to be filed pursuant to Rule 424; and (iii) respond to any comments received from the Commission with respect to each Registration Statement or any amendment thereto and, as promptly as reasonably practicable provide such Holders true and complete copies of all correspondence from and to the Commission relating to such Registration Statement that pertains to such Holders as selling stockholders but not any comments that would result in the disclosure to such Holders of material and non-public information concerning the Company.

(d) The Company will comply in all material respects with the provisions of the Securities Act and the Exchange Act with respect to the Registration Statements and the disposition of all Registrable Securities covered by each Registration Statement.

(e) The Company will notify such Holders who are included in a Registration Statement as promptly as reasonably practicable: (i) (A) when a Prospectus or any prospectus supplement or post-effective amendment to a Registration Statement in which such Holder is included has been filed; (B) when the Commission notifies the Company whether there will be a "review" of the applicable Registration Statement and whenever the Commission comments in writing on such Registration Statement (in which case the Company shall provide true and complete copies thereof and all written responses thereto to each of such Holders that pertain to such Holders as selling stockholders); and (C) with respect to each applicable Registration Statement or any post-effective amendment thereto, when the same has been declared effective; (ii) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to such Registration Statement or Prospectus or for additional information that pertains to such Holders as sellers of Registrable Securities; (iii) of the issuance by the Commission of any stop order suspending the effectiveness of such Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; and (v) of the occurrence of any event or passage of time that makes any statement made in such Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to such Registration Statement, Prospectus or other documents so that, in the case of such

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Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (provided, however, that no notice by the Company shall be required pursuant to this clause (v) in the event that the Company either promptly files a prospectus supplement to update the Prospectus or a Form 8-K or other appropriate Exchange Act report that is incorporated by reference into the Registration Statement, which in either case, contains the requisite information that results in such Registration Statement no longer containing any untrue statement of material fact or omitting to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading).

(f) The Company will use commercially reasonable efforts to avoid the issuance of or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, as promptly as reasonably practicable, or if any such order or suspension is made effective during any Blackout Period or Suspension Period, as promptly as reasonably practicable after such Blackout Period or Suspension Period is over.

(g) During the Effectiveness Period, the Company will furnish to each such Holder, without charge, at least one conformed copy of each Registration Statement and each amendment thereto and all exhibits to the extent requested by such Holder (including those incorporated by reference) promptly after the filing of such documents with the Commission; provided, that the Company will not have any obligation to provide any document pursuant to this clause that is available on the Commission' s EDGAR system.

(h) The Company will promptly deliver to each Holder, without charge, as many copies of each Prospectus or Prospectuses (including each form of Prospectus) authorized by the Company for use and each amendment or supplement thereto as such Holder may reasonably request during the Effectiveness Period. Subject to the terms of this Agreement, including Section 9(b), the Company consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto.

(i) The Company will cooperate with such Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to a Registration Statement, which certificates shall be free of all restrictive legends indicating that the Registrable Securities are unregistered or unqualified for resale under the Securities Act, Exchange Act or other applicable securities laws, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holder may request in writing. In connection therewith, if required by the Company' s transfer agent, the Company will promptly, after the Effective Date of the Registration Statement, cause an opinion of counsel as to the effectiveness of the Registration Statement to be delivered to and maintained with its transfer agent, together with any other authorizations, certificates and directions required by the transfer agent which authorize and direct the transfer agent to issue such Registrable Securities without any such legend upon sale by the Holder of such Registrable Securities under the Registration Statement.

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(j) Upon the occurrence of any event contemplated by Section 3(e)(v), as promptly as reasonably practicable, the Company will prepare a supplement or amendment, including a post-effective amendment, if required by applicable law, to the affected Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, no Registration Statement nor any Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) With respect to Underwritten Offerings, (i) the right of any Holder to include such Holder' s Registrable Securities in an Underwritten Offering shall be conditioned upon such Holder' s participation in such underwriting and the inclusion of such Holder' s Registrable Securities in the underwriting to the extent provided herein, (ii) each Holder participating in such Underwritten Offering agrees to enter into an underwriting agreement in customary form and sell such Holder' s Registrable Securities on the basis provided in any underwriting arrangements approved by the Persons entitled to select the managing underwriter or managing underwriters hereunder and (iii) each Holder participating in such Underwritten Offering agrees to complete and execute all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents customarily and reasonably required under the terms of such underwriting arrangements. The Company hereby agrees with each Holder that, in connection with any Underwritten Offering in accordance with the terms hereof, it will negotiate in good faith and execute all indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements, including using all commercially reasonable efforts to procure customary legal opinions, auditor "comfort" letters and reports of the independent petroleum engineers of the Company relating to the oil and gas reserves of the Company included in the Registration Statement if the Company has had its reserves prepared, audited or reviewed by an independent petroleum engineer.

(l) For a reasonable period prior to the filing of any Registration Statement and throughout the Effectiveness Period, the Company will make available, upon reasonable notice at the Company' s principal place of business or such other reasonable place, for inspection during normal business hours by a representative or representatives of the selling Holders, the managing underwriter or managing underwriters and any attorneys or accountants retained by such selling Holders or underwriters, all such financial and other information and books and records of the Company, and cause the officers, employees, counsel and independent certified public accountants of the Company to respond to such inquiries, as shall be reasonably necessary (and in the case of counsel, not violate an attorney-client privilege in such counsel' s reasonable belief) to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; provided, however, that any information that is not generally publicly available at the time of delivery of such information shall be kept confidential by such Persons unless disclosure of such information is required by court or administrative order or, in the opinion of counsel to such Person, law, in which case, such Person shall be required to give the Company written notice of the proposed disclosure prior to such disclosure and, if requested by the Company, assist the Company in seeking to prevent or limit the proposed disclosure.

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(m) In connection with any Requested Underwritten Offering, the Company will use commercially reasonable efforts to cause appropriate officers and employees to be available, on a customary basis and upon reasonable notice, to meet with prospective investors in presentations, meetings and road shows.

(n) Each Holder agrees to furnish to the Company any other information regarding the Holder and the distribution of such securities as the Company reasonably determines is required to be included in any Registration Statement or any Prospectus or prospectus supplement relating to an Underwritten Offering.

(o) Notwithstanding any other provision of this Agreement, the Company shall not be required to file a Registration Statement (or any amendment thereto) or effect a Requested Underwritten Offering (or, if the Company has filed a Shelf Registration Statement and has included Registrable Securities therein, the Company shall be entitled to suspend the offer and sale of Registrable Securities pursuant to such Registration Statement) for a period of up to 60 days if (i) the Board determines that a postponement is in the best interest of the Company and its stockholders generally due to a pending transaction involving the Company (including a pending securities offering by the Company), (ii) the Board determines such registration would render the Company unable to comply with applicable securities laws or (iii) the Board determines such registration would require disclosure of material information that the Company has a bona fide business purpose for preserving as confidential (any such period, a "**Blackout Period**"). Notwithstanding anything to the contrary in this Agreement, in no event shall any Blackout Periods and any Suspension Periods continue for more than 120 days in the aggregate during any 12-month period.

(p) In connection with an Underwritten Offering, the Company shall use all commercially reasonable efforts to provide to each Holder named as a selling securityholder in any Registration Statement a copy of any auditor "comfort" letters, customary legal opinions or reports of the independent petroleum engineers of the Company relating to the oil and gas reserves of the Company, in each case that have been provided to the managing underwriter or managing underwriters in connection with the Underwritten Offering, not later than the Business Day prior to the Effective Date of such Registration Statement.

4. **No Inconsistent Agreements; Additional Rights**. The Company shall not hereafter enter into, and is not currently a party to, any agreement with respect to its securities that is inconsistent in any material respect with, or superior to, the rights granted to the Holders by this Agreement.

5. **Registration Expenses**. All Registration Expenses incident to the Parties' performance of or compliance with their respective obligations under this Agreement or otherwise in connection with any Demand Registration, Requested Underwritten Offering, Piggyback Registration or Underwritten Piggyback Offering (in each case, excluding any Selling Expenses) shall be borne by the Company, whether or not any Registrable Securities are sold pursuant to a Registration Statement. "**Registration Expenses**" shall include, without limitation, (i) all registration and filing fees (including fees and expenses (A) with respect to filings required to be made with the Trading Market and (B) in compliance with applicable state securities or "Blue Sky" laws), (ii) printing expenses (including expenses of printing certificates for Company

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Securities and of printing Prospectuses if the printing of Prospectuses is reasonably requested by a Holder of Registrable Securities included in the Registration Statement), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel, auditors, accountants and independent petroleum engineers for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement, (vii) all expenses relating to marketing the sale of the Registrable Securities, including expenses related to conducting a "road show" and (viii) the reasonable fees and disbursements of one counsel for the Sponsoring Holders and any local counsel for the Sponsoring Holders to the extent required. In addition, the Company shall be responsible for all of its expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including expenses payable to third parties and including all salaries and expenses of their officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on the Trading Market.

6. **Indemnification**.

(a) The Company shall indemnify and hold harmless each Holder, its Affiliates and each of their respective officers and directors and any agent thereof (collectively, "**Holder Indemnified Persons**"), to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, joint or several, costs (including reasonable costs of preparation and reasonable attorneys' fees) and expenses, judgments, fines, penalties, interest, settlements or other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Holder Indemnified Person may be involved, or is threatened to be involved, as a party or otherwise, under the Securities Act or otherwise (collectively, "**Losses**"), as incurred, arising out of or relating to any untrue or alleged untrue statement of a material fact contained in any Registration Statement under which any Registrable Securities were registered, in any preliminary, final or summary prospectus contained therein (if the Company authorized the use of such preliminary prospectus prior to the Effective Date), or any amendment or supplement thereto (if used during the period the Company is required to keep the Registration Statement current), or any document incorporated by reference therein, any other such disclosure document (including reports and other documents filed under the Exchange Act and any document incorporated by reference therein), or in any issuer free writing prospectus, as defined in Rule 433(h) of the Securities Act or in any "road show" as defined by Rule 433(h) of the Securities Act, or arising out of, based upon or resulting from the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances in which they were made, not misleading; provided, however, that the Company shall not be liable to any Holder Indemnified Person to the extent that any such claim arises out of, is based upon or results from an untrue or alleged untrue statement or omission or alleged omission made in such Registration Statement, such preliminary, summary or final prospectus or issuer free writing prospectus or road show or such amendment or supplement, in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Holder Indemnified Person or any underwriter specifically for use in the preparation thereof. The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding of which the Company is aware in connection with the transactions contemplated by

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this Agreement. This indemnity shall be in addition to any liability the Company may otherwise have and shall remain in full force and effect regardless of any investigation made by or on behalf of such Holder Indemnified Person or any indemnified party and shall survive the transfer of such securities by such Holder. Notwithstanding anything to the contrary herein, this Section 6 shall survive any termination or expiration of this Agreement in its entirety or as to any Holder indefinitely.

(b) In connection with any Registration Statement in which a Holder participates, such Holder shall, severally and not jointly, indemnify and hold harmless the Company, its Affiliates and each of their respective officers, directors and any agent thereof, to the fullest extent permitted by applicable law, from and against any and all Losses as incurred, arising out of or relating to any untrue or alleged untrue statement of a material fact contained in any such Registration Statement, in any preliminary prospectus (if used prior to the Effective Date of such Registration Statement), or in any summary or final prospectus or issuer free writing prospectus or road show or in any amendment or supplement thereto (if used during the period the Company is required to keep the Registration Statement current), or arising out of, based upon or resulting from the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances in which they were made, not misleading, but only to the extent that the same are made in reliance and in conformity with information relating to the Holder furnished in writing to the Company by such Holder for use therein. This indemnity shall be in addition to any liability such Holder may otherwise have and shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any indemnified party. In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the proceeds received by such Holder from the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) unless in such indemnified party' s reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim or there may be reasonable defenses available to the indemnified party that are different from or additional to those available to the indemnifying party, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent will not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel (in addition to any local counsel) for all parties indemnified by such indemnifying party with respect to such claim, unless in the reasonable judgment of any indemnified party there may be one or more legal or equitable defenses available to such indemnified party that are in addition to or may conflict with those available to another indemnified party with respect to such claim. Failure to give prompt written notice shall not release the indemnifying party from its obligations hereunder.

(d) If the indemnification provided for in this Section 6 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any Losses referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party

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thereunder, shall to the extent permitted by applicable law contribute to the amount paid or payable by such indemnified party as a result of such Losses in such proportion as is appropriate to reflect the relative fault of the indemnifying party, on the one hand, and of the indemnified party, on the other, in connection with the untrue or alleged untrue statement of a material fact or the omission to state a material fact that resulted in such Losses, as well as any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by a court of law by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission; provided, that in no event shall any contribution by a Holder hereunder exceed the net proceeds from the offering received by such Holder.

7. Spin-Offs or Split-Offs. If the Company effects the separation of any portion of its business into one or more entities (each, a "NewCo"), whether existing or newly formed, including, without limitation, by way of spin-off, split-off, carve-out, demerger, recapitalization, reorganization or similar transaction, and any stockholder will receive equity interests in any such NewCo as part of such separation, the Company shall cause any such NewCo to enter into a registration rights agreement with such stockholders that provides the Sponsoring Holders with rights vis-á-vis such NewCo that are substantially identical to those set forth in this Agreement.

8. **Facilitation of Sales Pursuant to Rule 144**. To the extent it shall be required to do so under the Exchange Act, the Company shall timely file the reports required to be filed by it under the Exchange Act or the Securities Act (including the reports under Sections 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144), and shall take such further action as any Holder may reasonably request, all to the extent required from time to time to enable the Holders to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144. Upon the request of any Holder in connection with that Holder' s sale pursuant to Rule 144, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements.

9. **Miscellaneous**.

(a) **Remedies**. In the event of actual or potential breach by the Company of any of its obligations under this Agreement, each Holder, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company agrees that monetary damages would not provide adequate compensation for any Losses incurred by reason of a breach by it of any of the provisions of this Agreement and further agrees that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) **Discontinued Disposition**. Subject to the last sentence of Section 3(o), each Holder agrees that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in clauses (ii) through (v) of Section 3(e), such Holder will forthwith discontinue disposition of such Registrable Securities under the Registration Statement until such Holder' s receipt of the copies of the supplemental Prospectus or amended Registration Statement

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as contemplated by Section 3(j) or until it is advised in writing by the Company that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or Registration Statement (a "**Suspension Period**"). The Company may provide appropriate stop orders to enforce the provisions of this Section 9(b).

(c) **Amendments and Waivers**. No provision of this Agreement may be waived or amended except in a written instrument signed by the Company and Holders that hold a majority of the Registrable Securities as of the date of such waiver or amendment; provided, that any waiver or amendment that would have a disproportionate adverse effect on a Holder relative to the other Holders shall require the consent of Holders that hold a majority of the Registrable Securities held by all Holders. The Company shall provide prior notice to all Holders of any proposed waiver or amendment. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of any Party to exercise any right hereunder in any manner impair the exercise of any such right.

(d) **Notices**. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via electronic mail as specified in this Section 9(d) prior to 5:00 p.m. Central Time on a Business Day, (ii) the Business Day after the date of transmission, if such notice or communication is delivered via electronic mail as specified in this Agreement later than 5:00 p.m. Central Time on any date and earlier than 11:59 p.m. Central Time on such date, (iii) the Business Day following the date of mailing, if sent by nationally recognized overnight courier service (iv) upon actual receipt by the Party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Company:	Tapstone Energy Inc. Attention: Chief Financial Officer 100 East Main Street Oklahoma City, Oklahoma 73104 Electronic mail: dedwards@tapstone.com
With copy to:	Andrews Kurth Kenyon, LLP Attention: G. Michael O' Leary Jon W. Daly 600 Travis St., Suite 4200 Houston, Texas 77002 Electronic mail: moleary@andrewskurth.com; jondaly@andrewskurth.com
If to any Person who is then the registered Holder:	To the address of such Holder as it appears in the applicable register for the Registrable Securities or such other address as may be designated in writing by such Holder (including on the signature pages hereto).

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(e) **Successors and Assigns**. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, successors, legal representatives and permitted assigns. Except as provided in this Section 9(e), this Agreement, and any rights or obligations hereunder, may not be assigned without the prior written consent of the Company (acting through the Board) and the Sponsoring Holders. Notwithstanding anything in the foregoing to the contrary, the rights of a Holder pursuant to this Agreement with respect to all or any portion of its Registrable Securities may be assigned without such consent (but only with all related obligations) with respect to such Registrable Securities (and any Registrable Securities issued as a dividend or other distribution with respect to, in exchange for or in replacement of such Registrable Securities) by such Holder to a transferee of such Registrable Securities; provided (i) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the Registrable Securities with respect to which such registration rights are being assigned and (ii) such transferee or assignee agrees in writing to be bound by and subject to the terms set forth in this Agreement. The Company may not assign its rights or obligations hereunder without the prior written consent of the Sponsoring Holders.

(f) **No Third Party Beneficiaries**. Nothing in this Agreement, whether express or implied, shall be construed to give any Person, other than the Parties hereto or their respective successors and permitted assigns, any legal or equitable right, remedy, claim or benefit under or in respect of this Agreement.

(g) **Execution and Counterparts**. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile or electronic mail transmission, such signature shall create a valid binding obligation of the Party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such signature delivered by facsimile or electronic mail transmission were the original thereof.

(h) **Governing Law; Consent to Jurisdiction; Waiver of Jury Trial**. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York. Each of the Parties irrevocably submits to the exclusive jurisdiction of the courts of the State of New York located in in the Borough of Manhattan in the City of New York and the United States District Court for the Southern District of New York for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on each Party anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. Each of the Parties irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. **EACH OF THE PARTIES HEREBY WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.**

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(i) **Cumulative Remedies**. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

(j) **Severability**. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the Parties shall use their reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the Parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(k) **Entire Agreement**. This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior contracts or agreements with respect to the subject matter hereof and the matters addressed or governed hereby, whether oral or written.

(l) **Termination**. Except for Section 6, this Agreement shall terminate as to any Holder, when all Registrable Securities held by such Holder no longer constitute Registrable Securities.

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

TAPSTONE ENERGY INC.

By: ____________________________________
Name: ____________________________________
Title: ____________________________________

Signature Page to Registration Rights Agreement

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GSO E&P HOLDINGS I LP

BY: GSO Capital Solutions Associates II LLC,
its general partner

By: __________________________________
Name: __________________________________
Title: __________________________________

Address for notice:

GSO E&P HOLDINGS I LP
Attention: [●]
345 Park Avenue, 31st Floor
New York, New York 10154
Electronic mail: [●]

Signature Page to Registration Rights Agreement

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Exhibit 4.3

FORM OF

STOCKHOLDERS' AGREEMENT

This **STOCKHOLDERS' AGREEMENT** (this "***Agreement***"), dated as of [●], 2017, is entered into by and between Tapstone Energy Inc., a Delaware corporation (the "***Company***") and GSO E&P Holdings I LP, a Delaware limited partnership ("***GSO***").

WHEREAS, GSO, the Company and certain other parties thereto have entered into that certain Master Reorganization Agreement, dated as of [●], 2017 (the "***Reorganization Agreement***"), pursuant to which GSO and the other parties to the Reorganization Agreement agreed to enter into certain restructuring transactions (collectively, the "***Reorganization***") as set forth therein and, in connection therewith, GSO has received shares of Common Stock, par value $0.01 per share, of the Company (the "***Common Stock***"); and

WHEREAS, pursuant to the Reorganization Agreement, and in connection with, and effective upon, the completion of an underwritten public offering (the "***IPO***") of shares of Common Stock, GSO and the Company desire to enter into this Agreement to set forth certain understandings between themselves, including with respect to certain corporate governance matters.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Certain Definitions. As used in this Agreement, the following terms shall have the following meanings:

"***Affiliate***" means, with respect to any specified Person, a Person that directly or indirectly Controls or is Controlled by, or is under common Control with, such specified Person. For purposes of this Agreement, (i) any fund or account managed, advised or sub-advised by or Controlled by GSO or its Affiliates shall constitute an Affiliate of GSO, and (ii) no party to this Agreement shall be deemed to be an Affiliate of another party to this Agreement solely by reason of the execution and delivery of this Agreement.

"***Beneficial Owner***" of a security is a Person who directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares (a) voting power, which includes the power to vote, or to direct the voting of, such security and/or (b) investment power, which includes the power to dispose of, or to direct the disposition of, such security. The terms "***Beneficially Own***" and "***Beneficial Ownership***" shall have correlative meanings.

"***Board***" means the Board of Directors of the Company.

"***Control***" (including the terms "***Controls***," "***Controlled by***" and "***under common Control with***") means the possession, direct or indirect, of the power to (a) direct or cause the

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direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise or (b) vote 10% or more of the securities having ordinary voting power for the election of directors of a Person.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"***GSO Monetization***" means the time at which GSO has sold or otherwise disposed of, to a Person or Persons that are not Affiliates of GSO, 95% of the shares of Common Stock received by GSO in the Reorganization; *provided*, *however*, that a "*GSO Monetization*" shall not be deemed to have occurred solely as the result of any merger, exchange, consolidation, reorganization or other business combination in which the following occur: (i) shares of Common Stock are converted into or exchanged for voting securities of the surviving entity of such transaction or such entity' s parent and (ii) immediately following the consummation of such transaction, all of the voting securities of such surviving entity or its parent, as applicable, are held, directly or indirectly, by the holders of Common Stock immediately prior to such transaction.

"***Lock-Up Period***" has the meaning set forth in Exhibit C to the Underwriting Agreement.

"***Necessary Action***" means, with respect to a specified result, all actions (to the extent such actions are reasonable under the circumstances and permitted by applicable law and, in the case of any action by the Company that requires a vote or other action on the part of the Board, to the extent such action is consistent with the fiduciary duties that the Company' s directors may have in such capacity) necessary to cause such result, including (i) voting or providing a written consent or proxy with respect to shares of Common Stock, (ii) causing the adoption of stockholders' resolutions and amendments to the organizational documents of the Company, (iii) executing agreements and instruments and (iv) making or causing to be made, with governmental, administrative or regulatory authorities, all filings, registrations or similar actions that are required to achieve such result.

"***Person***" means any individual, corporation, firm, partnership, joint venture, limited liability company, estate, trust, business association, organization, any court, administrative agency, regulatory body, commission or other governmental authority, board, bureau or instrumentality, domestic or foreign and any subdivision thereof or other entity, and also includes any managed investment account.

"***Stockholder Entities***" means GSO and its Affiliates and their respective successors.

"***Underwriting Agreement***" means that certain Underwriting Agreement, dated as of [●], 2017, between the Company, GSO, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Citigroup Global Markets Inc.

Section 1.2 Rules of Construction.

(a) Unless the context requires otherwise: (i) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms; (ii) references to Articles and Sections refer to articles and sections of this Agreement; (iii) the terms "include,"

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"includes," "including" and words of like import shall be deemed to be followed by the words "without limitation"; (iv) the terms "hereof," "hereto," "herein" or "hereunder" refer to this Agreement as a whole and not to any particular provision of this Agreement; (v) unless the context otherwise requires, the term "or" is not exclusive and shall have the inclusive meaning of "and/or"; (vi) defined terms herein will apply equally to both the singular and plural forms and derivative forms of defined terms will have correlative meanings; (vii) references to any law or statute shall include all rules and regulations promulgated thereunder, and references to any law or statute shall be construed as including any legal and statutory provisions consolidating, amending, succeeding or replacing the applicable law or statute; (viii) references to any Person include such Person' s successors and permitted assigns; and (ix) references to "days" are to calendar days unless otherwise indicated.

(b) The headings in this Agreement are for convenience and identification only and are not intended to describe, interpret, define or limit the scope, extent or intent of this Agreement or any provision thereof.

(c) This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party that drafted or caused this Agreement to be drafted.

ARTICLE II
GOVERNANCE MATTERS

Section 2.1 Designees.

(a) Upon the closing of the IPO, the Board shall consist of seven directors, including Steven C. Dixon, D. Dwight Scott, Robert Horn, David Posnick, Robert Baker, David Reed and Martha Burger (the "***Initial Directors***"). Of the Initial Directors, D. Dwight Scott, Robert Horn, David Posnick and Robert Baker are each deemed to be designees of GSO. From and after the closing of the IPO, the rights of GSO to designate directors to the Board shall be as set forth in the remainder of this Section 2.1. The Company and GSO shall take all Necessary Action to cause the Board to include the Chief Executive Officer of the Company.

(b) The Company shall take all Necessary Action to cause the Board to include a number of directors designated by GSO (each such director, a "***GSO Director***") such that:

(i) at least a majority of the directors on the Board are GSO Directors for so long as GSO and its Affiliates collectively Beneficially Own at least 50% of the outstanding shares of Common Stock;

(ii) at least 35% of the directors of the Board are GSO Directors for so long as GSO and its Affiliates collectively Beneficially Own less than 50% but at least 25% of the outstanding shares of Common Stock; and

(iii) at least one director of the Board is a GSO Director for so long as GSO and its Affiliates collectively Beneficially Own less than 25% but at least 5% of the outstanding shares of Common Stock.

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If GSO and its Affiliates collectively Beneficially Own less than 5% of the outstanding shares of Common Stock, GSO shall not have the right under this Agreement to designate a nominee to the Board.

For purposes of calculating the number of GSO Directors that GSO is entitled to designate pursuant to this Section 2.1(b), any fractional amounts shall automatically be rounded upward to the nearest whole number of GSO Directors that is greater than such fractional amount, and any such calculations shall be made on a pro forma basis.

For the avoidance of doubt, the rights granted to GSO to designate members of the Board are additive to, and not intended to limit in any way, the rights that GSO or its Affiliates may have to nominate, elect or remove directors under the Company' s certificate of incorporation, bylaws or the General Corporation Law of the State of Delaware.

The Company agrees, to the fullest extent permitted by applicable law (including with respect to any applicable fiduciary duties under Delaware law), that taking all Necessary Action to effectuate the above shall include (A) including the persons designated pursuant to this Section 2.1(b) in the slate of nominees recommended by the Board for election or appointment at any meeting of stockholders called for the purpose of electing or appointing directors, (B) nominating and recommending each such individual to be elected or appointed as a director as provided herein and (C) soliciting proxies or consents in favor thereof. The Company is entitled to identify such individual as a GSO Director pursuant to this Agreement.

(c) If at any time GSO has designated fewer than the total number of individuals that GSO is then entitled to designate pursuant to Section 2.1(b), GSO shall have the right, at any time and from time to time, to designate such additional individuals that it is entitled to so designate, and if GSO exercises such right, any individuals nominated by or at the direction of the Board or any duly-authorized committee thereof for election or appointment as directors to fill any vacancy on the Board shall include such designees, and the Company shall use its reasonable best efforts to (i) effect the election or appointment of such additional designees, whether by increasing the size of the Board or otherwise, and (ii) cause the election or appointment of such additional designees to fill any such newly-created vacancies or to fill any other existing vacancies.

(d) At any time the members of the Board are allocated among separate classes of directors, (i) the GSO Directors shall be evenly distributed in different classes of directors to the extent practicable and (ii) after taking into account clause (i) of this Section 2.1(c), GSO shall be permitted to designate the class or classes to which each GSO Director shall be allocated.

(e) GSO shall have the right to remove any GSO Director (with or without cause) appointed by it, from time to time and at any time, from the Board, exercisable upon written notice to the Company, and the Company shall take all Necessary Action to cause such removal.

(f) If a vacancy is created on the Board by the death, disability, resignation or removal (whether by GSO or otherwise in accordance with the Company' s certificate of incorporation and bylaws, as either may be amended or restated from time to time) of a GSO Director, then GSO shall be entitled to designate an individual to fill the vacancy so long as the

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total number of persons that will serve on the Board as designees of GSO immediately following the filling of such vacancy will not exceed the total number of persons GSO is entitled to designate pursuant to Section 2.1(b) on the date of such replacement designation. The Company shall take all Necessary Action to cause such individual so designated by GSO as such replacement designee to become a member of the Board, as soon as possible.

(g) If at any time the number of GSO Directors exceeds the number of GSO Directors that GSO is then entitled to designate to the Board, then if requested by the Company, GSO shall take such actions as are reasonably necessary to remove such excess GSO Directors from the Board.

(h) In addition to any vote or consent of the Board or the stockholders of the Company required by applicable law or the charter or bylaws of the Company, and notwithstanding anything to the contrary in this Agreement, for so long as this Agreement is in effect and GSO and its Affiliates collectively Beneficially Own at least 25% of the outstanding shares of Common Stock, any action by the Board to increase or decrease the total number of directors comprising the Board (other than any increase in the total number of directors in connection with the election of one or more directors elected exclusively by the holders of one or more classes or series of the Company' s stock other than Common Stock) shall require the prior written consent of GSO, delivered in accordance with Section 5.1 of this Agreement.

Section 2.2 Compensation. Except to the extent GSO may otherwise notify the Company that one or more GSO Directors should receive a lesser amount, the GSO Directors shall be entitled to compensation consistent with the compensation received by other non-employee directors, including any fees and equity awards, provided that (x) to the extent any director compensation is payable in the form of equity awards, at the election of a GSO Director, in lieu of any equity award, such compensation shall be paid in an amount of cash equal to the value of the equity award as of the date of the award, with any such cash subject to the same vesting terms, if any, as the equity awarded to other directors and (y) at the election of a GSO Director, any director compensation (whether cash, equity awards and/or cash in lieu of equity as may be designated by the electing GSO Director) shall be paid to a stockholder or an Affiliate thereof specified by such GSO Director rather than to such GSO Director. If the Company adopts a policy that directors own a minimum amount of equity in the Company, GSO Directors shall not be subject to such policy.

Section 2.3 Other Rights of GSO Directors. Except as provided in Section 2.2, each GSO Director serving on the Board shall be entitled to the same rights and privileges applicable to all other members of the Board generally or to which all such members of the Board are entitled. In furtherance of the foregoing, the Company shall indemnify, exculpate, and reimburse fees and expenses of the GSO Directors (including by entering into an indemnification agreement in a form substantially similar to the Company' s form director indemnification agreement) and provide the GSO Directors with director and officer insurance, in each case, to the same extent it indemnifies, exculpates, reimburses and provides insurance for the other members of the Board pursuant to the charter and bylaws of the Company, applicable law or otherwise.

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ARTICLE III
ADDITIONAL COVENANTS

Section 3.1 Pledges. From and after the expiration of the Lock-Up Period, upon the request of any Stockholder Entity that wishes to pledge, hypothecate or grant security interests in any or all of the Common Stock held by it, including to banks or financial institutions as collateral or security for loans, advances or extensions of credit, the Company agrees to cooperate with each such Stockholder Entity in taking any action reasonably necessary to consummate any such pledge, hypothecation or grant, including without limitation, delivery of letter agreements to lenders in form and substance reasonably satisfactory to such lenders (which may include agreements by the Company in respect of the exercise of remedies by such lenders) and instructing the transfer agent to transfer any such Common Stock subject to the pledge, hypothecation or grant into the facilities of The Depository Trust Company.

Section 3.2 Spin-Offs or Split-Offs. If the Company effects the separation of any portion of its business into one or more entities (each, a "***NewCo***"), whether existing or newly formed, including, without limitation, by way of spin-off, split-off, carve-out, demerger, recapitalization, reorganization or similar transaction, and any stockholder will receive equity interests in any such NewCo as part of such separation, the Company shall cause any such NewCo to enter into a stockholders agreement with the stockholders that provides the Stockholder Entities with rights vis a vis such NewCo that are substantially identical to those set forth in this Agreement.

ARTICLE IV
EFFECTIVENESS AND TERMINATION

Section 4.1 Effectiveness. Upon the closing of the IPO, this Agreement shall thereupon be deemed to be effective. However, to the extent the closing of the IPO does not occur, the provisions of this Agreement shall be without any force or effect.

Section 4.2 Termination. This Agreement shall terminate upon the earliest to occur of (a) the delivery of written notice to the Company by GSO requesting the termination of this Agreement and (b) a GSO Monetization.

ARTICLE V
MISCELLANEOUS

Section 5.1 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be personally delivered, sent by nationally recognized overnight courier, mailed by registered or certified mail or be sent by facsimile or electronic mail to such party at the address set forth below (or such other address as shall be specified by like notice). Notices will be deemed to have been duly given hereunder if (a) personally delivered, when received, (b) sent by nationally recognized overnight courier, one business day after deposit with the nationally recognized overnight courier, (c) mailed by registered or certified mail, five business days after the date on which it is so mailed, and (d) sent by facsimile or electronic mail, on the date sent so long as such communication is transmitted before 5:00 p.m. in the time zone of the receiving party on a business day, otherwise, on the next business day.

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(a) If to the Company, to:

Tapstone Energy Inc.
100 East Main Street
Oklahoma City, Oklahoma 73104
Attention: General Counsel
E-mail: bcostello@tapstoneenergy.com

(b) If to GSO, to:

1111 Bagby Street, Suite 2050
Houston, Texas 77002
Attention: Robert Horn
Email: robert.horn@gsocap.com

Section 5.2 Severability. The provisions of this Agreement shall be deemed severable, and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or any circumstance, is found to be invalid or unenforceable in any jurisdiction, (a) a suitable and equitable provision shall be substituted therefor in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability of such provision, or the application thereof, in any other jurisdiction.

Section 5.3 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall be considered one and the same agreement.

Section 5.4 Entire Agreement; No Third Party Beneficiaries. This Agreement (a) constitutes the entire agreement and supersedes all other prior agreements, both written and oral, among the parties hereto with respect to the subject matter hereof and (b) is not intended to confer upon any Person, other than the parties hereto, any rights or remedies hereunder.

Section 5.5 Further Assurances. Each party hereto shall execute, deliver, acknowledge and file such other documents and take such further actions as may be reasonably requested from time to time by the other parties hereto to give effect to and carry out the transactions contemplated herein.

Section 5.6 Governing Law; Equitable Remedies. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF DELAWARE (WITHOUT GIVING EFFECT TO CONFLICT OF LAWS PRINCIPLES THEREOF). The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with its

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specific terms or was otherwise breached. It is accordingly agreed that the parties hereto shall be entitled to an injunction or injunctions and other equitable remedies to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any of the Selected Courts (as defined below), this being in addition to any other remedy to which they are entitled at law or in equity. Any requirements for the securing or posting of any bond with respect to such remedy are hereby waived by each of the parties hereto. Each party hereto further agrees that, in the event of any action for an injunction or other equitable remedy in respect of such breach or enforcement of specific performance, it will not assert the defense that a remedy at law would be adequate.

Section 5.7 Consent To Jurisdiction. With respect to any suit, action or proceeding ("***Proceeding***") arising out of or relating to this Agreement, each of the parties hereto hereby irrevocably (a) submits to the exclusive jurisdiction of the Court of Chancery of the State of Delaware and the United States District Court for the District of Delaware and the appellate courts therefrom (the "***Selected Courts***") and waives any objection to venue being laid in the Selected Courts whether based on the grounds of forum non conveniens or otherwise and hereby agrees not to commence any such Proceeding other than before one of the Selected Courts; *provided*, *however*, that a party may commence any Proceeding in a court other than a Selected Court solely for the purpose of enforcing an order or judgment issued by one of the Selected Courts; (b) consents, to the fullest extent permitted by law, to service of process in any Proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, or by recognized international express carrier or delivery service, to their respective addresses referred to in Section 5.1 hereof; *provided*, *however*, that nothing herein shall affect the right of any party hereto to serve process in any other manner permitted by law; and (c) TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, WAIVES, AND COVENANTS THAT IT WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE) ANY RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS AGREEMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AND AGREES THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE THE RIGHT TO TRIAL BY JURY IN ANY PROCEEDING WHATSOEVER BETWEEN THEM RELATING TO THIS AGREEMENT AND TO HAVE ALL MATTERS RELATING TO THIS AGREEMENT BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

Section 5.8 Amendments; Waivers.

(a) No provision of this Agreement may be amended or waived unless such amendment or waiver is in writing and signed (i) in the case of an amendment, by each of the parties hereto, and (ii) in the case of a waiver, by each of the parties against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as waiver thereof nor shall any single or partial exercise thereof preclude

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any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 5.9 Assignment. Neither this Agreement nor any of the rights or obligations hereunder shall be assigned by either of the parties hereto without the prior written consent of the other party; *provided*, *however*, that, without the prior written consent of any other party hereto, GSO may assign its rights and obligations under this Agreement, in whole or in part, to any transferee of Common Stock so long as such transferee, if not already a party to this Agreement, executes and delivers to the Company a joinder to this Agreement evidencing such transferee' s agreement to be become a party to and to be bound by this Agreement. This Agreement will inure to the benefit of and be binding on the parties hereto and their respective successors and permitted assigns.

[Signature pages follow.]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

TAPSTONE ENERGY INC.

By: ______________________________
Name:
Title:

Signature Page to Stockholders' Agreement

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GSO E&P HOLDINGS I LP

By: GSO Capital Solutions Associates II LLC,
its general partner

By: __________________________________
Name:
Title:

Signature Page to Stockholders' Agreement

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Exhibit 10.2.1

Execution Version

SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT AND FIRST AMENDMENT TO AMENDED AND RESTATED SECURITY AGREEMENT

THIS SECOND AMENDMENT TO AMENDED AND RESTATED CREDIT AGREEMENT AND FIRST AMENDMENT TO AMENDED AND RESTATED SECURITY AGREEMENT (this "Amendment"), dated as of March 31, 2017, is by and among TAPSTONE ENERGY LLC, a Delaware limited liability company (the "Borrower"), the other Loan Parties party hereto, the Lenders (as such term is hereinafter defined) party hereto and BANK OF AMERICA, N.A., as the administrative agent under the Credit Agreement referenced below (in such capacity, together with its successors in such capacity, the "Administrative Agent").

RECITALS

A. The Borrower, the lenders from time to time party thereto (collectively, the "Lenders" and, individually, a "Lender"), the Administrative Agent, Bank of America, N.A., as L/C Issuer and the other agents referred to therein are parties to that certain Amended and Restated Credit Agreement, dated as of December 31, 2014 (as amended by that certain First Amendment to Amended and Restated Credit Agreement dated as of November 17, 2016, and as may be further amended, restated, supplemented or otherwise modified prior to the date hereof, the "Credit Agreement"), pursuant to which the Lenders have made certain extensions of credit (subject to the terms and conditions thereof) to the Borrower.

B. The Borrower and each other grantor party thereto from time to time entered into that certain Amended and Restated Security Agreement, dated as of December 31, 2014, in favor of the Administrative Agent (as amended, supplemented or otherwise modified from time to time, the "Security Agreement").

B. The Borrower has previously informed the Administrative Agent that it desires to amend certain provisions of the Credit Agreement and Security Agreement.

C. In order to amend such provisions of the Credit Agreement and Security Agreement, the Lenders signatory hereto and the Administrative Agent are willing to amend the Credit Agreement and Security Agreement on the terms and conditions more fully described herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Defined Terms. Each capitalized term used herein but not otherwise defined herein has the meaning given such term in the Credit Agreement. Unless otherwise indicated, all article, schedule, exhibit and section references in this Amendment refer to articles and sections of the Credit Agreement.

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Section 2. Amendments to Credit Agreement.

2.1 Amendment to Section 1.01. Section 1.01 of the Credit Agreement is hereby amended by adding the following definitions in the appropriate alphabetical order:

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable EEA Resolution Authority in respect of any liability of an EEA Financial Institution.

"Bail-In Legislation" means, with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent;

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Minimum Equity Contribution" means the receipt by the Borrower after the Second Amendment Effective Date of an aggregate amount equal to at least $250,000,000 in net cash proceeds from the issuance of common Equity Interests of Tapstone Energy Inc. and further contributed to the common Equity Interests of the Borrower.

"Second Amendment" means that certain Second Amendment to Amended and Restated Credit Agreement, dated as of March 31, 2017, among the Borrower, the Administrative Agent and the Lenders party thereto.

"Second Amendment Effective Date" has the meaning set forth in the Second Amendment.

"Write-Down and Conversion Powers" means, with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule.

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2.2 Amendment to Section 1.01. Section 1.01 of the Credit Agreement is hereby amended by amending and restating the definition of "Defaulting Lender" and "Federal Funds Rate" as follows:

"Defaulting Lender" means, subject to Section 2.14(b), any Lender that (a) has failed to (i) fund all or any portion of its Committed Loans within two Business Days of the date such Committed Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of the failure to satisfy one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing), or (ii) pay to the Administrative Agent, the L/C Issuer or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit) within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent or the L/C Issuer in writing that it does not intend to comply with its funding obligations hereunder or generally under other agreements in which it commits to extend credit, or has made a public statement to either effect (unless such writing or public statement relates to such Lender' s obligation to fund a Loan hereunder and states that such position is based on the failure to satisfy a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-In Action; provided that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any Equity Interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above, and of the effective date of such status, shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 2.14(b)) as of the date established therefor by the Administrative Agent in a written notice of such determination, which shall be delivered by the Administrative Agent to the Borrower, the L/C Issuer and each other Lender promptly following such determination.

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"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the Administrative Agent and (c) if the Federal Funds Rate shall be less than zero, such rate shall be deemed zero for the purposes of this Agreement.

2.3 Amendment to Section 2.15(c). Section 2.15(c) of the Credit Agreement is hereby amended by restating clause (i) of the first sentence of Section 2.15(c) in its entirety as follows:

(i) Special Redeterminations pursuant to Section 2.15(e), Section 2.15(h) and Section 5.18 and

2.4 Amendment to Section 2.15. Section 2.15 of the Credit Agreement is hereby amended by inserting a new Section 2.15(h) to read as follows:

(h) Minimum Equity Contribution Adjustment. If the Borrower has not received the Minimum Equity Contribution and promptly (and in any event within one Business Day of receipt) applied the Minimum Equity Contribution to prepay any outstanding Committed Loans on or prior to May 15, 2017, a Special Redetermination shall automatically be made according to Section 2.15(c), which shall be in addition to the number of allowed Special Redeterminations otherwise allowed under Section 2.15(c); provided that the Borrower shall deliver by June 1, 2017, an updated Reserve Report dated as of May 15, 2017, in connection with such Special Redetermination.

2.5 Amendment to Section 7.13(b). Section 7.13(b) of the Credit Agreement is hereby amended by adding the following to the end thereof as follows:

"Notwithstanding anything to the contrary herein, no amounts received in respect of the Minimum Equity Contribution shall be included as an equity cure."

2.6 Amendment to Article X. Article X of the Credit Agreement is hereby amended by inserting a new Section 10.22 to read as follows:

10.22 **Acknowledgement and Consent to Bail-In of EEA Financial Institutions**. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any EEA Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of an EEA Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

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(a) the application of any Write-Down and Conversion Powers by an EEA Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an EEA Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such EEA Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of any EEA Resolution Authority.

Section 3. Amendment to Security Agreement. Section 4.2(d) of the Security Agreement is hereby amended restated in its entirety as follows:

(d) For each Deposit Account and Securities Account (other than Excluded Accounts and any Exempt Perfection Assets) that Grantor at any time maintains, Grantor will, pursuant to a Control Agreement, cause the depository bank that maintains such Deposit Account or the securities intermediary that maintains such Securities Account to agree to comply at any time with instructions from the Secured Party to such depository bank or securities intermediary directing the disposition of funds or other assets from time to time credited to such Deposit Account or Securities Account without further consent of Grantor, or take such other action as the Secured Party may approve in order to perfect the Secured Party' s security interest in such Deposit Account or Securities Account; provided that, with respect to each Deposit Account and Securities Account listed on Schedule 1 to that certain Second Amendment to Amended and Restated Credit Agreement and First Amendment to Amended and Restated Security Agreement, dated as of March 31, 2017, among the Borrower, the lenders party thereto, each other Grantor party thereto and the Administrative Agent, that does not have a Control Agreement in place as of March 31, 2017, Grantor shall deliver such Control Agreement by May 15, 2017 (or such longer period as the Secured Party may agree to in its sole discretion).

Section 4. Conditions Precedent. This Amendment shall not become effective until the date (the "Second Amendment Effective Date") on which each of the following conditions is satisfied (or waived in accordance with Section 10.01 of the Credit Agreement):

4.1 Control Accounts. At least five (5) Business Days prior to the Second Amendment Effective Date (or such lesser period as agreed to by the Administrative Agent), the Administrative Agent shall have received a list reasonably satisfactory to the Administrative Agent of all Deposit Accounts and Securities Accounts (each as defined in the Security Agreement) of any Grantor (as defined in the Security Agreement).

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4.2 Counterparts. The Administrative Agent shall have received from the Required Lenders, the Borrower and the other Loan Parties executed counterparts (in such number as may be requested by the Administrative Agent) of this Amendment.

4.3 No Default or Event of Default. As of the Second Amendment Effective Date, immediately before and after giving effect to this Amendment, no Default or Event of Default shall have occurred and be continuing.

4.4 Fees. The Administrative Agent, the Lenders and L/C Issuer shall have received all fees and other amounts due and payable on or prior to the Second Amendment Effective Date, including to the extent invoiced prior to the Second Amendment Effective Date, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower under the Credit Agreement.

The Administrative Agent shall notify the Borrower and the Lenders of the Second Amendment Effective Date, and such notice shall be conclusive and binding.

Section 5. Scheduled Redetermination of the Borrowing Base. Effective as of the Second Amendment Effective Date, the Borrowing Base shall be $385,000,000, subject to future Redeterminations as provided in the Credit Agreement as amended by this Amendment. The Borrower and the Lenders agree that this Redetermination shall constitute the Scheduled Redetermination scheduled to occur on April 1, 2017.

Section 6. Miscellaneous.

6.1 Confirmation. The provisions of the Loan Documents, as amended by this Amendment, shall remain in full force and effect in accordance with their terms following the effectiveness of this Amendment.

6.2 Deposit Accounts and Securities Accounts. Schedule 1 hereto lists all Deposit Accounts and Securities Accounts of any Grantor.

6.3 Ratification and Affirmation; Representations and Warranties. The Borrower and each of the other Loan Parties does hereby adopt, ratify, and confirm the Credit Agreement and the other Loan Documents, as amended hereby, and its obligations thereunder. Each Loan Party hereby (a) acknowledges, renews and extends its continued liability under, each Loan Document, as amended hereby, to which it is a party and agrees that each Loan Document, as amended hereby, to which it is a party remains in full force and effect, notwithstanding the amendments contained herein and (b) represents and warrants to the Administrative Agent and the Lenders that: (i) as of the date hereof, after giving effect to the terms of this Amendment, all of the representations and warranties contained in each Loan Document to which it is a party are true and correct in all material respects (except with respect to representations and warranties which are expressly qualified by materiality, which shall be true and correct in all respects), except to the extent that such representations and warranties specifically refer to an earlier date, in which

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case they shall be true and correct in all material respects (except with respect to representations and warranties which are expressly qualified by materiality, which shall be true and correct in all respects) as of such earlier date, and except that the representations and warranties contained in the first sentence of subsection (a) of Section 5.05 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the Credit Agreement and (ii) (A) as of the date hereof, no Default has occurred and is continuing and (B) immediately after giving effect to this Amendment, no Default will have occurred and be continuing.

6.4 Loan Document. This Amendment and each agreement, instrument, certificate or document executed by the Borrower and/or the Guarantors, as applicable, or any of their respective officers in connection therewith are "Loan Documents" as defined and described in the Credit Agreement and all of the terms and provisions of the Loan Documents relating to other Loan Documents shall apply hereto and thereto.

6.5 Counterparts. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic imaging means (e.g., "pdf" or "tiff") shall be effective as delivery of a manually executed counterpart of this Amendment.

6.6 NO ORAL AGREEMENT. THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

6.7 GOVERNING LAW. THIS AMENDMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AMENDMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[signature pages follow]

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IN WITNESS WHEREOF, the parties hereto have caused this Second Amendment to Amended and Restated Credit Agreement to be duly executed as of the date first written above.

BORROWER

TAPSTONE ENERGY, LLC,
as the Borrower

By: /s/ David M. Edwards
Name: David M. Edwards
Title: Senior Vice President & Chief Financial Officer

GUARANTORS

TAPSTONE MANAGER, LLC,
TAPSTONE MANAGEMENT COMPANY, LLC
TAPSTONE MIDSTREAM, LLC

By: /s/ David M. Edwards
Name: David M. Edwards
Title: Senior Vice President & Chief Financial Officer

[Signature Page to Second Amendment to Amended and Restated Credit Agreement]

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BANK OF AMERICA, N.A.,
as Administrative Agent and a Lender

By: /s/ Ronald E. McKaig
Name: Ronald E. McKaig
Title: Managing Director

[Signature Page to Second Amendment to Amended and Restated Credit Agreement]

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JPMORGAN CHASE BANK, N.A. as a Lender

By: /s/ Anca Loghin
Name: Anca Loghin
Title: Authorized Signer

[Signature Page to Second Amendment to Amended and Restated Credit Agreement]

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The Huntington National Bank, as a Lender

By: /s/ Christopher Renyi
Name: Christopher Renyi
Title: Senior Vice President

[Signature Page to Second Amendment to Amended and Restated Credit Agreement]

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Capital One, National Association, as a Lender

By: /s/ Michael Higgins
Name: Michael Higgins
Title: Senior Director

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Royal Bank of Canada, as a Lender

By: /s/ Don J. McKinnerney
Name: Don J. McKinnerney
Title: Authorized Signatory

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Deutsche Bank AG New York Branch, as a Lender

By: /s/ Dusan Lazarov
Name: Dusan Lazarov
Title: Director

By: /s/ Marcus Tarkington
Name: Marcus Tarkington
Title: Director

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GOLDMAN SACHS BANK USA, as a Lender

By: /s/ Ushma Dedhiya
Name: Ushma Dedhiya
Title: Authorized Signatory

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Comerica Bank, as a Lender

By: /s/ Garrett R. Merrell
Name: Garrett R. Merrell
Title: Relationship Manager

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ABN AMRO CAPITAL USA LLC, as a Lender

By: /s/ J.D. Kalverkamp
Name: J.D. Kalverkamp
Title: Country Executive

By: /s/ Elizabeth Johnson
Name: Elizabeth Johnson
Title: Director

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Whitney Bank, as a Lender

By: /s/ Liana Tchernysheva
Liana Tchernysheva
Senior Vice President

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SUNTRUST BANK, as a Lender

By: /s/ Yann Pirio
Name: Yann Pirio
Title: Managing Director

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BOKF, NA, DBA BANK OF OKLAHOMA, as a Lender

By: /s/ Jon Anderson
Name: Jon Anderson
Title: Assistant Vice President

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Schedule 1
Deposit Accounts

Grantor	Type of Account	Account Number	Name & Address of Financial Institution
Tapstone Energy, LLC	[Operating]	308773437	Bank of Oklahoma
Tapstone Management Co.	ZBA	308774680	Bank of Oklahoma
Tapstone Energy, LLC	ZBA	308775340	Bank of Oklahoma
Tapstone Midstream, LLC	ZBA	308777683	Bank of Oklahoma
Tapstone Energy Inc.	ZBA	312052141	Bank of Oklahoma

Securities Accounts

Grantor	Type of Account	Account Number	Name & Address of Financial Institution

None.

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Exhibit 10.3

TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

1. Purpose of the Plan. The purpose of the Plan is to: (i) attract and retain the best available personnel for positions of substantial responsibility, (ii) provide additional incentive to Employees, Directors and Consultants, and (iii) promote the success of the Company' s business. The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares, and Other Stock-Based Awards.

2. Definitions. As used in this Plan, the following definitions shall apply:

(a) "***Administrator***" means the Board or any of its Committees that shall be administering the Plan, in accordance with Section 4 of the Plan.

(b) "***Applicable Laws***" means the requirements relating to the administration of equity-based awards or equity compensation plans under U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or shall be, granted under the Plan.

(c) "***Award***" means, individually or collectively, a grant under the Plan of Options, SARs, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares or Other Stock-Based Awards.

(d) "***Award Agreement***" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(e) "***Awarded Stock***" means the Common Stock subject to an Award.

(f) "***Board***" means the Board of Directors of the Company.

(g) "***Cause***" means as defined in an employment agreement or similar agreement between the Participant and the Company. If no such agreement exists, or if such an agreement exists but cause is not defined therein, then "cause" means a termination of the Participant' s employment because of: (1) any act or omission that constitutes a material breach by the Participant of any of his or her obligations under the Plan, the Award Agreement or any other material agreement between the Participant and the Company; (2) the Participant' s conviction of, or plea of nolo contendere to, (A) any felony or (B) another crime involving dishonesty or moral turpitude or which could reflect negatively upon the Company or otherwise impair or impede its operations; (3) the Participant' s engaging in any misconduct, negligence, act of dishonesty, violence or threat of violence (including any violation of federal securities laws) that is injurious to the Company or any of its subsidiaries or affiliates; (4) the Participant' s material breach of a written policy of the Company or the rules of any governmental or regulatory body applicable to the Company; (5) the Participant' s refusal to follow the directions of the Board; or (6) any other willful misconduct by the Participant which is materially injurious to the financial condition, operations or business reputation of the Company or any of its subsidiaries or affiliates. Notwithstanding anything to the contrary, Cause shall be determined in the sole discretion of the Board.

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(h) "***Change in Control***" means, except as otherwise provided in the Award Agreement, the occurrence of any of the following events:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company' s then outstanding voting securities;

(ii) the sale or disposition by the Company of all or substantially all of the Company' s assets other than (A) the sale or disposition of all or substantially all of the assets of the Company to a person or persons who beneficially own, directly or indirectly, at least 50% or more of the combined voting power of the outstanding voting securities of the Company at the time of the sale or (B) pursuant to a spin-off type transaction, directly or indirectly, of such assets to the Company' s stockholders;

(iii) A change in the composition of the Board occurring within a one-year period as a result of which fewer than a majority of the directors are Incumbent Directors. For this purpose, "***Incumbent Directors***" are directors who either (A) are Directors as of the effective date of the Plan, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company); or

(iv) a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least 50% of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

(i) "***Code***" means the Internal Revenue Code of 1986, as amended, and the U.S. Treasury regulations promulgated thereunder. Any reference to a section of the Code shall be a reference to any successor or amended section of the Code.

(j) "***Committee***" means a committee of Directors or other individuals that satisfies Applicable Laws and was appointed by the Board in accordance with Section 4 of the Plan.

(k) "***Common Stock***" means the common stock of the Company.

(l) "***Company***" means Tapstone Energy Inc., a Delaware corporation, and any successor to thereto.

(m) "***Consultant***" means any natural person, including an advisor, engaged by the Company or a Parent or Subsidiary to render services to such entity.

(n) "***Director***" means a member of the Board.

(o) "***Disability***" means as defined in an employment agreement or similar agreement between the Participant and the Company. If no such agreement exists, or if such an agreement exists but disability is not defined therein, then Disability means a total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the term "disability" shall mean that the Participant: (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; (ii) is, by

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reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company; or (iii) is determined by the Social Security Administration to be disabled. Notwithstanding the foregoing, the Participant shall not be considered to have incurred a "disability" unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its sole discretion.

(p) "***Dividend Equivalent***" means a credit, made at the sole discretion of the Administrator, to the account of a Participant in an amount equal to the value of dividends paid on one Share for each Share represented by an Award held by such Participant. Under no circumstances shall the payment of a Dividend Equivalent be made contingent on the exercise of an Option or Stock Appreciation Right.

(q) "***Employee***" means any person, including officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director' s fee by the Company shall be sufficient to constitute "employment" by the Company.

(r) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

(s) ***Exchange Program***

(t) "***Fair Market Value***" means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the NASDAQ Global Select Market, the NASDAQ Global Market (formerly the NASDAQ National Market) or the NASDAQ Capital Market (formerly the NASDAQ SmallCap Market) of the NASDAQ Stock Market, the Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system for the day of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share of Common Stock shall be the mean between the high bid and low asked prices for the Common Stock for the day of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value shall be determined in good faith by the Administrator.

Notwithstanding the foregoing to the contrary, for federal, state, and local income tax reporting purposes and for such other purposes as the Administrator deems appropriate, Fair Market Value shall be determined by the Administrator in accordance with uniform and nondiscriminatory standards adopted by it from time to time.

(u) "***Incentive Stock Option***" means an Option intended to qualify and receive favorable tax treatment as an incentive stock option within the meaning of Section 422 of the Code, as designated in the applicable Award Agreement.

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(v) "***Nonstatutory Stock Option***" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(w) "***Option***" means an option to purchase Common Stock granted pursuant to the Plan.

(x) "***Other Stock-Based Awards***" means any other awards not specifically described in the Plan that are valued in whole or in part by reference to, or are otherwise based on, Shares and are created by the Administrator pursuant to Section 12 of the Plan.

(y) "***Outside Director***" means an "outside director" within the meaning of Section 162(m) of the Code.

(z) "***Parent***" means a "parent corporation" with respect to the Company, whether now or hereafter existing, as defined in Section 424(e) of the Code.

(aa) "***Participant***" means a Service Provider who has been granted an Award under the Plan.

(bb) "***Performance Goals***" means goals which have been established by the Committee in connection with an Award and are based on one or more of the following criteria, as determined by the Committee in its absolute and sole discretion: net income; cash flow; cash flow on investment; cash flow from operations; pre-tax or post-tax profit levels or earnings; operating income or earnings; closings; return on investment; earned value added; expenses; free cash flow; free cash flow per share; earnings; earnings per share; net earnings per share; net earnings from continuing operations; sales growth; sales volume; economic profit; expense reduction; return on assets; return on net assets; return on equity; return on capital; return on sales; return on invested capital; organic revenue; growth in managed assets; total stockholder return; stock price; stock price appreciation; EBITDA; adjusted EBITDA; return in excess of cost of capital; profit in excess of cost of capital; capital expended; working capital; net operating profit after tax; operating margin; profit margin; adjusted revenue; revenue; net revenue; operating revenue; cash provided by operating activities; net cash provided by operating activities per share; cash conversion percentage; new sales; net new sales; cancellations; gross margin; gross margin percentage; revenue before deferral; implementation or completion of critical projects; research; in-licensing; out-licensing; product development; government relations; compliance; mergers; acquisitions or sales of assets or subsidiaries; health; safety; environmental; debt level; debt/proved developed reserves; debt/proved reserves; cost reduction targets; equity ratios; amount of oil and/or gas reserves; oil and/or gas reserve additions; oil and/or gas replacement ratios; lease operating expense or lease operating expense/barrels of oil equivalent; costs of finding and/or developing oil and/or gas reserves; natural gas and/or oil production or sales; reserve value or reserve value per share; production volumes; development capital expenditures; total capital expenditures or depletion; depreciation and amortization; production per share; production per share growth; debt-adjusted reserve or production growth per share; G&A expense or adjusted G&A measures; and charge offs.

(cc) "***Performance Period***" means the time period during which the Performance Goals or performance objectives must be met.

(dd) "***Performance Share***" means Shares issued pursuant to a Performance Share Award under Section 10 of the Plan.

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(ee) "***Performance Unit***" means, pursuant to Section 10 of the Plan, an unfunded and unsecured promise to deliver Shares, cash or other securities equal to the value set forth in the Award Agreement.

(ff) "***Period of Restriction***" means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of Performance Goals or other target levels of performance, or the occurrence of other events as determined by the Administrator.

(gg) "***Plan***" means this 2017 Long-Term Incentive Plan, effective immediately prior to the effectiveness of the Company' s Form S-1 Registration Statement. The Plan was approved by the Board on [ ] and by the Company' s stockholders on [ ].

(hh) "***Restricted Stock***" means Shares issued pursuant to a Restricted Stock Award under Section 8 of the Plan or issued pursuant to the early exercise of an Option.

(ii) "***Restricted Stock Unit***" means, pursuant to Sections 4 and 11 of the Plan, an unfunded and unsecured promise to deliver Shares, cash or other securities equal in value to the Fair Market Value of one Share in the Company on the date of vesting or settlement, or as otherwise set forth in the Award Agreement.

(jj) "***Rule 16b-3***" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(kk) "***Section 16(b)***" means Section 16(b) of the Exchange Act.

(ll) "***Service Provider***" means an Employee, Director or Consultant.

(mm) "***Share***" means a share of Common Stock, as adjusted in accordance with Section 15 of the Plan.

(nn) "***Stock Appreciation Right***" or "***SAR***" means, pursuant to Section 9 of the Plan, an unfunded and unsecured promise to deliver Shares, cash or other securities equal in value to the difference between the Fair Market Value of a Share as of the date such SAR is exercised/settled and the Fair Market Value of a Share as of the date such SAR was granted, or as otherwise set forth in the Award Agreement.

(oo) "***Subsidiary***" means a "subsidiary corporation" with respect to the Company, whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Section 15 of the Plan, the maximum aggregate number of Shares that may be issued pursuant to all Awards under the Plan is [ ] ([ ]) Shares, all of which may be subject to Incentive Stock Option treatment. The maximum aggregate number of Shares that may be issued pursuant to all awards under the Plan shall increase annually on the first day of each fiscal year following the adoption of the Plan by the number of Shares equal to the lesser of (i) [ ] percent ([ ]%) of the total issued and outstanding common shares of the Company on the first day of such fiscal year, (ii) [ ] ([ ]) Shares, or (iii) such lesser amount determined by the Board. Shares shall not be deemed to have been issued pursuant to the Plan with

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respect to any portion of an Award that is settled in cash. Upon payment in Shares pursuant to the exercise of an Award, the number of Shares available for issuance under the Plan shall be reduced only by the number of Shares actually issued in such payment. If a Participant pays the exercise price (or purchase price, if applicable) of an Award through the tender of Shares, or if Shares are tendered or withheld to satisfy any withholding obligations of the Company, the number of Shares so tendered or withheld shall again be available for issuance pursuant to future Awards under the Plan.

(b) Lapsed Awards. If any outstanding Award expires or is terminated or canceled without having been exercised or settled in full, or if Shares acquired pursuant to an Award subject to forfeiture or repurchase are forfeited or repurchased by the Company, the Shares allocable to the terminated portion of the Award or the forfeited or repurchased Shares shall again be available for grant under the Plan.

(c) Share Reserve. The Company, during the term of the Plan, shall at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) Section 162(m). To the extent that the Administrator determines it to be desirable and necessary to qualify Awards granted under this Plan as "performance-based compensation" within the meaning of Section 162(m) of the Code, the Plan shall be administered by a Committee of two or more Outside Directors.

(iii) Rule 16b-3. If a transaction is intended to be exempt under Rule 16b-3, then it shall be structured to satisfy the requirements for exemption under Rule 16b-3.

(iv) Other Administration. Other than as provided above, the Plan shall be administered by (A) the Board or (B) a Committee constituted to satisfy Applicable Laws.

(v) Delegation of Authority for Day-to-Day Administration. Except to the extent prohibited by Applicable Law, the Administrator may delegate to one or more individuals the day-to-day administration of the Plan and any of the functions assigned to it in this Plan. Such delegation may be revoked at any time.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to the Committee, the Administrator shall have the authority, in its discretion to:

(i) determine the Fair Market Value of Awards;

(ii) select the Service Providers to whom Awards may be granted under this Plan;

(iii) determine the number of Shares to be covered by each Award granted under this Plan;

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(iv) approve forms of Award Agreements for use under the Plan;

(v) determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted under this Plan, including but not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on Performance Goals or other performance criteria), any vesting acceleration or waiver of forfeiture or repurchase restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine;

(vi) reduce, with or without Participant consent, the exercise price of any Award to the then current Fair Market Value (or a higher value) if the Fair Market Value of the Common Stock covered by such Award shall have declined since the date the Award was granted;

(vii) institute an Exchange Program;

(viii) construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(ix) prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to the creation and administration of sub-plans;

(x) amend the terms of any outstanding Award, including the discretionary authority to extend the post-termination exercise period of Awards and accelerate the satisfaction of any vesting criteria or waiver of forfeiture or repurchase restrictions, provided that any amendment that would adversely affect the Participant' s rights under an outstanding Award shall not be made without the Participant' s written consent. Notwithstanding the foregoing, an amendment shall not be treated as adversely affecting the rights of the Participant if the amendment causes an Incentive Stock Option to become a Nonstatutory Stock Option or if the amendment is made to the minimum extent necessary to avoid the adverse tax consequences of Section 409A of the Code;

(xi) allow Participants to satisfy withholding tax obligations by electing to have the Company withhold from the Shares or cash to be issued upon exercise or vesting of an Award up to the number of Shares or cash having a Fair Market Value equal to the amount required to be withheld based on any amount up to the maximum individual income tax rate in the applicable jurisdiction. The Fair Market Value of any Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined, and all elections by a Participant to have Shares or cash withheld for this purpose shall be made in such form and under such conditions as the Administrator may deem necessary or advisable;

(xii) authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xiii) allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to the Participant under an Award;

(xiv) determine whether Awards shall be settled in Shares, cash or in a combination of Shares and cash;

(xv) determine whether Awards shall be adjusted for Dividend Equivalents;

(xvi) create Other Stock-Based Awards for issuance under the Plan;

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(xvii) establish a program whereby Service Providers designated by the Administrator can reduce compensation otherwise payable in cash in exchange for Awards under the Plan;

(xviii) impose such restrictions, conditions or limitations as it determines appropriate as to the timing and manner of any resales by a Participant or other subsequent transfers by the Participant of any Shares issued as a result of or under an Award, including without limitation, (A) restrictions under an insider trading policy, and (B) restrictions as to the use of a specified brokerage firm for such resales or other transfers;

(xix) establish one or more programs under the Plan to permit selected Participants the opportunity to elect to defer receipt of consideration upon exercise of an Award, satisfaction of Performance Goals or other performance criteria, or other event that absent the election, would entitle the Participant to payment or receipt of Shares or other consideration under an Award; and

(xx) make all other determinations that the Administrator deems necessary or advisable for administering the Plan.

The express grant in the Plan of any specific power to the Administrator shall not be construed as limiting any power or authority of the Administrator. However, the Administrator may not exercise any right or power reserved to the Board.

(c) Effect of Administrator' s Decision. The Administrator' s decisions, determinations, actions and interpretations shall be final, conclusive and binding on all persons having an interest in the Plan.

(d) Indemnification. The Company shall defend and indemnify members of the Board, officers and Employees of the Company or of a Parent or Subsidiary whom authority to act for the Board, the Administrator or the Company is delegated ("***Indemnitees***") to the maximum extent permitted by law against (i) all reasonable expenses, including reasonable attorneys' fees incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein (collectively, a "***Claim***"), to which any of them is a party by reason of any action taken or failure to act in connection with the Plan, or in connection with any Award granted under the Plan; and (ii) all amounts required to be paid by them in settlement the Claim (provided the settlement is approved by the Company) or required to be paid by them in satisfaction of a judgment in any Claim. However, no person shall be entitled to indemnification to the extent he is determined in such Claim to be liable for gross negligence, bad faith or intentional misconduct. In addition, to be entitled to indemnification, the Indemnitee must, within 30 days after written notice of the Claim, offer the Company, in writing, the opportunity, at the Company' s expense, to defend the Claim. The right to indemnification shall be in addition to all other rights of indemnification available to the Indemnitee.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares, and Other Stock-Based Awards may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Limitations.

(a) $100,000 Limitation for Incentive Stock Options. Each Option shall be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by a Participant

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during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds $100,000, such Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options shall be taken into account in the order in which they were granted. The Fair Market Value of the Shares shall be determined as of the time the Options with respect to such Shares are granted.

(b) Special Annual Limits. Subject to Section 15 of the Plan, the maximum number of Shares that may be subject to Options or Stock Appreciation Rights granted to any Service Provider in any calendar year shall equal [ ] ([ ]) Shares and contain an exercise price equal to the Fair Market Value of the Common Stock as of the date of grant. Subject to Section 15 of the Plan, the maximum number of Shares that may be subject to Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units and Other Stock-Based Awards granted to any Service Provider in any calendar year shall equal [ ] ([ ]) Shares. Subject to Section 15 of the Plan, the maximum dollar amount that may be subject to cash awards granted to any Service Provider in any calendar year shall equal [ ]. Notwithstanding the foregoing Share limitations to the contrary, and subject to Section 15 of the Plan, any Award to a Service Provider who is a non-employee Director shall not exceed the following Share limitations per calendar year: (i) [ ] (for Options and Stock Appreciation Rights) (ii) [ ] (for Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units and Other Stock-Based Awards).

7. Options.

(a) Term of Option. The term of each Option shall be stated in the Award Agreement. In the case of an Incentive Stock Option, the term shall be 10 years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option shall be five years from the date of grant or such shorter term as may be provided in the Award Agreement.

(b) Option Exercise Price and Consideration.

(i) Exercise Price. The per Share exercise price for the Shares to be issued pursuant to exercise of an Option shall be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the date of grant.

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price shall be determined by the Administrator, but shall not be less than Fair Market Value per Share on the date of grant.

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(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than 100% of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator shall fix the period within which the Option may be exercised and shall determine any conditions that must be satisfied before the Option may be exercised. The Administrator, in its sole discretion, may accelerate the satisfaction of such conditions at any time.

(c) Form of Consideration. The Administrator shall determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator shall determine the acceptable form of consideration at the time of grant. Such consideration, to the extent permitted by Applicable Laws, may consist entirely of:

(i) cash;

(ii) check;

(iii) other Shares which meet the conditions established by the Administrator to avoid adverse accounting consequences (as determined by the Administrator);

(iv) consideration received by the Company under a cashless exercise or net exercise program implemented by the Company in connection with the Plan;

(v) a reduction in the amount of any Company liability to the Participant, including any liability attributable to the Participant' s participation in any Company-sponsored deferred compensation program or arrangement;

(vi) any combination of the foregoing methods of payment; or

(vii) any other consideration and method of payment for the issuance of Shares permitted by Applicable Laws.

(d) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted under this Plan shall be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option shall be deemed exercised when the Company receives: (x) written or electronic notice of exercise (in accordance with the Award Agreement) from the person entitled to exercise the Option, and (y) full payment for the Shares with respect to which the Option is exercised (including provision for any applicable tax withholding). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option shall be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Awarded Stock, notwithstanding the exercise of the Option. The Company shall issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 15 of the Plan or the applicable Award Agreement. Exercising an Option in any manner shall decrease the number of Shares thereafter available for sale under the Option, by the number of Shares as to which the Option is exercised.

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(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant' s death or Disability, the Participant may exercise his Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option shall remain exercisable for 30 days following the Participant' s termination after which the Option shall terminate. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his entire Option, the Shares covered by the unvested portion of the Option shall revert to the Plan. If the Participant does not exercise his Option as to all of the vested Shares within the time specified by the Award Agreement, the Option shall terminate, and the remaining Shares covered by the Option shall revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of his Disability, the Participant may exercise his Option, to the extent vested, within the time specified in the Award Agreement (but in no event later than the expiration of the term of the Option as set forth in the Award Agreement). If no time for exercise of the Option on Disability is specified in the Award Agreement, the Option shall remain exercisable for 12 months following the Participant' s termination for Disability. Unless otherwise provided by the Administrator, on the date of termination for Disability, the unvested portion of the Option shall revert to the Plan. If after termination for Disability, the Participant does not exercise his Option as to all of the vested Shares within the time specified by the Award Agreement, the Option shall terminate and the remaining Shares covered by such Option shall revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option, to the extent vested, may be exercised within the time specified in the Award Agreement (but in no event may the Option be exercised later than the expiration of the term of the Option as set forth in the Award Agreement), by the beneficiary designated by the Participant prior to his death; provided that such designation must be acceptable to the Administrator. If no beneficiary has been designated by the Participant, then the Option may be exercised by the personal representative of the Participant' s estate, or by the persons to whom the Option is transferred pursuant to the Participant' s will or in accordance with the laws of descent and distribution. If the Award Agreement does not specify a time within which the Option must be exercised following a Participant' s death, it shall be exercisable for 12 months following his death. Unless otherwise provided by the Administrator, if at the time of death, the Participant is not vested as to his entire Option, the Shares covered by the unvested portion of the Option shall immediately revert to the Plan. If the Option is not exercised as to all of the vested Shares within the time specified by the Administrator, the Option shall terminate, and the remaining Shares covered by such Option shall revert to the Plan.

8. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, shall determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock shall be evidenced by an Award Agreement that shall specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, shall determine. Unless the Administrator determines otherwise, Shares of Restricted Stock shall be held by the Company as escrow agent until the restrictions on the Shares have lapsed.

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(c) Removal of Restrictions. Except as otherwise provided in this Section 8, Shares of Restricted Stock covered by each Award made under the Plan shall be released from escrow as soon as practical after the last day of the Period of Restriction. The Administrator, in its sole discretion, may accelerate the time at which any restrictions shall lapse or be removed.

(d) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(e) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock shall be entitled to receive all dividends and other distributions paid with respect to such Shares unless otherwise provided in the Award Agreement. If any dividends or distributions are paid in Shares, the Shares shall be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(f) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed shall revert to the Company and again shall become available for grant under the Plan.

9. Stock Appreciation Rights

(a) Grant of SARs. Subject to the terms and conditions of the Plan, a SAR may be granted to Service Providers at any time and from time to time as shall be determined by the Administrator, in its sole discretion. The Administrator shall have complete discretion to determine the number of SARs granted to any Service Provider. The Administrator, subject to the provisions of the Plan, shall have complete discretion to determine the terms and conditions of SARs granted under the Plan, including the sole discretion to accelerate exercisability at any time.

(b) SAR Agreement. Each SAR grant shall be evidenced by an Award Agreement that shall specify the exercise price, the term, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, shall determine.

(c) Expiration of SARs. A SAR granted under the Plan shall expire upon the date determined by the Administrator, in its sole discretion, as set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Sections 7(d)(ii), 7(d)(iii) and 7(d)(iv) shall also apply to SARs.

(d) Payment of SAR Amount. Upon exercise of a SAR, a Participant shall be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the SAR is exercised.

(iii) At the sole discretion of the Administrator, the payment upon the exercise of a SAR may be in cash, in Shares of equivalent value, or in some combination thereof.

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10. Performance Units and Performance Shares.

(a) Grant of Performance Units and Performance Shares. Subject to the terms and conditions of the Plan, Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as shall be determined by the Administrator in its sole discretion. The Administrator shall have complete discretion in determining the number of Performance Units and Performance Shares granted to each Service Provider.

(b) Value of Performance Units and Performance Shares. Each Performance Unit shall have an initial value established by the Administrator on or before the date of grant. Each Performance Share shall have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator shall set Performance Goals or other performance objectives in its sole discretion which, depending on the extent to which they are met, shall determine the number or value of Performance Units and Performance Shares that shall be paid out to the Participant. Each award of Performance Units or Performance Shares shall be evidenced by an Award Agreement that shall specify the Performance Period and such other terms and conditions as the Administrator in its sole discretion shall determine. The Administrator may set Performance Goals or performance objectives based upon the achievement of Company-wide, divisional, or individual goals (including solely continued service), applicable federal or state securities laws, or any other basis determined by the Administrator in its sole discretion.

(d) Earning of Performance Units and Performance Shares. After the applicable Performance Period has ended, the holder of Performance Units or Performance Shares shall be entitled to receive a payout of the number of Performance Units or Performance Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding Performance Goals or performance objectives have been achieved. After the grant of Performance Units or Performance Shares, the Administrator, in its sole discretion, may reduce or waive any performance objectives for the Performance Unit or Performance Share.

(e) Form and Timing of Payment of Performance Units and Performance Shares. Payment of earned Performance Units and earned Performance Shares, if any, shall be made after the expiration of the applicable Performance Period at the time determined by the Administrator. The Administrator, in its sole discretion, may pay earned Performance Units and Performance Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units or Performance Shares, as applicable, at the close of the applicable Performance Period) or in a combination of cash and Shares.

(f) Cancellation of Performance Units or Performance Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units and Performance Shares shall be forfeited to the Company, and again shall be available for grant under the Plan.

11. Restricted Stock Units. Restricted Stock Units shall consist of a Restricted Stock, Performance Share or Performance Unit Award that the Administrator, in its sole discretion permits to be paid out in a lump sum, installments or on a deferred basis, in accordance with rules and procedures established by the Administrator

12. Other Stock-Based Awards. Other Stock-Based Awards may be granted either alone, in addition to, or in tandem with, other Awards granted under the Plan and/or cash awards made outside of the Plan. The Administrator shall have authority to determine the Service Providers to whom and the

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time or times at which Other Stock-Based Awards shall be made, the amount of such Other Stock-Based Awards, and all other conditions of the Other Stock-Based Awards, including any dividend or voting rights and whether the Award should be paid in cash.

13. Leaves of Absence. Unless the Administrator provides otherwise, vesting of Awards granted under this Plan shall be suspended during any unpaid leave of absence and shall resume on the date the Participant returns to work on a regular schedule as determined by the Company; provided, however, that no vesting credit shall be awarded for the time vesting has been suspended during such leave of absence. A Service Provider shall not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no leave of absence may exceed 90 days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not guaranteed by statute or contract, then at the end of three months following the expiration of the leave of absence, any Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option.

14. Non-Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by shall or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award shall contain such additional terms and conditions as the Administrator deems appropriate.

15. Adjustments; Dissolution or Liquidation; Change in Control.

(a) Adjustments. In the event of any change in the outstanding Shares of Common Stock by reason of any stock split, stock dividend or other non-recurring dividends or distributions, recapitalization, merger, consolidation, spin-off, combination, repurchase or exchange of stock, reorganization, liquidation, dissolution or other similar corporate transaction that affects the Common Stock, an adjustment shall be made, as the Administrator deems necessary or appropriate, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan. Such adjustment may include an adjustment to the number and class of Shares which may be delivered under the Plan, the number, class and price of Shares subject to outstanding Awards, the number and class of Shares issuable pursuant to Options, and the numerical limits in Sections 3 and 6(b) of the Plan. Notwithstanding the preceding, the number of Shares subject to any Award always shall be a whole number.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Participant as soon as practical prior to the effective date of the proposed transaction. The Administrator, in its sole discretion, may provide for a Participant to have the right to exercise his Award, to the extent applicable, until 10 days prior to the transaction as to all of the Awarded Stock covered thereby, including Shares as to which the Award would not otherwise be exercisable. In addition, the Administrator may provide that any Company repurchase option or forfeiture rights applicable to any Award shall lapse 100%, and that any Award vesting shall accelerate 100%, provided the proposed dissolution or liquidation takes place at the time and in the manner contemplated. To the extent it has not been previously exercised or vested, an Award shall terminate immediately prior to the consummation of such proposed action.

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(c) Change in Control. This Section 15(c) shall apply except to the extent otherwise provided in the Award Agreement.

(i) Stock Options and SARs. In the event of a Change in Control, each outstanding Option and SAR shall be assumed or an equivalent option or SAR substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. Unless determined otherwise by the Administrator, if the successor corporation refuses to assume or substitute for the Option or SAR, the Participant shall fully vest in and have the right to exercise the Option or SAR as to all of the Awarded Stock, including Shares as to which it would not otherwise be vested or exercisable. If an Option or SAR is not assumed or substituted on the Change in Control, the Administrator shall notify the Participant in writing or electronically that the Option or SAR shall be exercisable, to the extent vested, for a period of up to 15 days from the date of such notice, and the Option or SAR shall terminate upon the expiration of such period. For the purposes of this Section 15(c)(i), the Option or SAR shall be considered assumed if, following the Change in Control, the option or SAR confers the right to purchase or receive, for each Share of Awarded Stock subject to the Option or SAR immediately prior to the Change in Control, the consideration (whether securities, cash, or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares). However, if the consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Option or SAR, for each share of Awarded Stock subject to the Option or SAR, to be solely common stock of the successor corporation or its Parent equal in Fair Market Value to the per share consideration received by holders of Common Stock in the Change in Control. Notwithstanding anything in this Plan to the contrary, an Award that vests, is earned, or is paid-out upon the satisfaction of one or more performance objectives shall not be considered assumed if the Company or its successor modifies any of the performance objectives without the Participant' s consent; provided, however, a modification to performance objectives only to reflect the successor corporation' s post-Change in Control corporate structure shall not be deemed to invalidate an otherwise valid Award assumption.

(ii) Restricted Stock, Performance Shares, Performance Units, Restricted Stock Units and Other Stock Based Awards. In the event of a Change in Control, each outstanding Award of Restricted Stock, Restricted Stock Unit, Performance Share, Performance Unit, and Other Stock Based Award shall be assumed or an equivalent Restricted Stock, Restricted Stock Unit, Performance Share, Performance Unit, and Other Stock Based Award shall be substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. Unless determined otherwise by the Administrator, if the successor corporation refuses to assume or substitute for the Award, the Participant shall fully vest in the Award, including as to Shares or Units that would not otherwise be vested, all applicable restrictions shall lapse, and all performance objectives and other vesting criteria shall be deemed achieved at targeted levels. For the purposes of this Section 15(c)(ii), an Award of Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units, and Other Stock Based Awards shall be considered assumed if, following the Change in Control, the award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control (and if a Restricted Stock Unit or Performance Unit, for each Share as determined based on the then current value of the unit), the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares). However, if the consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide that the consideration to be received for each Share (and if a Restricted Stock Unit or Performance Unit, for each Share as determined based on the then current value of the unit) be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control. Notwithstanding anything in this Plan to the contrary, an Award that vests, is earned, or is paid-out upon

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the satisfaction of one or more performance objectives shall not be considered assumed if the Company or its successor modifies any of the performance objectives without the Participant' s consent; provided, however, a modification to the performance objectives only to reflect the successor corporation' s post-Change in Control corporate structure shall not be deemed to invalidate an otherwise valid Award assumption.

(iii) Outside Director Awards. Notwithstanding any provision of Sections 15(c)(i) or 15(c)(ii) to the contrary, with respect to Awards granted to an Outside Director that are assumed or substituted for, if on the date of or following the assumption or substitution, the Participant' s status as a Director or a director of the successor corporation, as applicable, is terminated other than upon a voluntary resignation by the Participant, then the Participant shall fully vest in and have the right to exercise his Options and Stock Appreciation Rights as to all of the Award, including Shares as to which such Awards would not otherwise be vested or exercisable, and all restrictions on Restricted Stock and Restricted Stock Units, as applicable, shall lapse, and, with respect to Performance Shares, Performance Units, and Other Stock Based Awards, all performance goals and other vesting criteria shall be deemed achieved at target levels and all other terms and conditions met.

16. Date of Grant. The date of grant of an Award shall be, for all purposes, the date on which the Administrator makes the determination granting such Award, or a later date as is determined by the Administrator. Notice of the determination shall be provided to each Participant within a reasonable time after the date of such grant.

17. Board and Stockholder Approval; Term of Plan. The Board approved the Plan on [ ] and the Company' s stockholders approved the Plan on March, [ ] 2017, to be effective immediately prior to the effectiveness of the Company' s Form S-1 Registration Statement. From its effectiveness, the Plan shall continue in effect for a term of ten years unless terminated earlier under Section 18 of the Plan.

18. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company shall obtain stockholder approval of any Plan amendment to the extent necessary to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension, or termination of the Plan shall materially or adversely impair the rights of any Participant, unless otherwise mutually agreed upon by the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan shall not affect the Administrator' s ability to exercise the powers granted to it under this Plan with respect to Awards granted under the Plan prior to the date of termination.

19. Conditions upon Issuance of Shares.

(a) Legal Compliance. Shares shall not be issued pursuant to the exercise of an Award unless the exercise of the Award and the issuance and delivery of such Shares shall comply with Applicable Laws and shall be further subject to the approval of counsel for the Company with respect to such compliance.

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(b) Investment Representations. As a condition to the exercise or receipt of an Award, the Company may require the person exercising or receiving the Award to represent and warrant at the time of any such exercise or receipt that the Shares are being purchased only for investment and without any present intention to sell or distribute the Shares if, in the opinion of counsel for the Company, such a representation is required.

(c) Taxes. No Shares shall be delivered under the Plan to any Participant or other person until the Participant or other person has made arrangements acceptable to the Administrator for the satisfaction of any non-U.S., U.S.-federal, U.S.-state, or local income and employment tax withholding obligations, including, without limitation, obligations incident to the receipt of Shares. Upon exercise or vesting of an Award, the Company shall withhold or collect from the Participant an amount sufficient to satisfy such tax obligations, including, but not limited to, by surrender of up to the whole number of Shares covered by the Award sufficient to satisfy the withholding obligations incident to the exercise or vesting of an Award based on the maximum individual income tax rate in the applicable jurisdiction.

20. Severability. Notwithstanding any contrary provision of the Plan or an Award to the contrary, if any one or more of the provisions (or any part thereof) of this Plan or the Awards shall be held invalid, illegal, or unenforceable in any respect, such provision shall be modified so as to make it valid, legal, and enforceable, and the validity, legality, and enforceability of the remaining provisions (or any part thereof) of the Plan or Award, as applicable, shall not in any way be affected or impaired thereby.

21. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company' s counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

22. No Rights to Awards. No eligible Service Provider or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Administrator shall be obligated to treat Participants or any other person uniformly.

23. No Stockholder Rights. Except as otherwise provided in an Award Agreement, a Participant shall have none of the rights of a stockholder with respect to Shares covered by an Award until the Participant becomes the record owner of the Shares.

24. Fractional Shares. No fractional Shares shall be issued and the Administrator shall determine, in its sole discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down as appropriate.

25. Governing Law. The Plan, all Award Agreements, and all related matters, shall be governed by the laws of the State of Delaware, without regard to choice of law principles that direct the application of the laws of another state.

26. No Effect on Terms of Employment or Consulting Relationship. The Plan shall not confer upon any Participant any right as a Service Provider, nor shall it interfere in any way with his right or the right of the Company or a Parent or Subsidiary to terminate the Participant' s service at any time, with or without cause, and with or without notice.

27. Unfunded Obligation. This Section 27 shall only apply to Awards that are not settled in Shares. Participants shall have the status of general unsecured creditors of the Company. Any amounts payable to Participants pursuant to the Plan shall be unfunded and unsecured obligations for all purposes,

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including, without limitation, Title I of the Employee Retirement Income Security Act of 1974, as amended. Neither the Company nor any Parent or Subsidiary shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations under this Plan. Any investments or the creation or maintenance of any trust for any Participant account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Parent or Subsidiary and Participant, or otherwise create any vested or beneficial interest in any Participant or the Participant' s creditors in any assets of the Company or Parent or Subsidiary. The Participants shall have no claim against the Company or any Parent or Subsidiary for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

28. Section 409A. It is the intention of the Company that no Award shall be "deferred compensation" subject to Section 409A of the Code, unless and to the extent that the Administrator specifically determines otherwise, and the Plan and the terms and conditions of all Awards shall be interpreted accordingly. The following rules shall apply to Awards intended to be subject to Section 409A of the Code ("***409A Awards***"):

(a) Any distribution of a 409A Award following a separation from service that would be subject to Section 409A(a)(2)(A)(i) of the Code as a distribution following a separation from service of a "specified employee" (as defined under Section 409A(a)(2)(B)(i) of the Code) shall occur no earlier than the expiration of the six-month period following such separation from service.

(b) In the case of a 409A Award providing for distribution or settlement upon vesting or lapse of a risk of forfeiture, if the time of such distribution or settlement is not otherwise specified in the Plan or Award Agreement or other governing document, the distribution or settlement shall be made no later than March 15 of the calendar year following the calendar year in which such 409A Award vested or the risk of forfeiture lapsed.

(c) In the case of any distribution of any other 409A Award, if the timing of such distribution is not otherwise specified in the Plan or Award Agreement or other governing document, the distribution shall be made not later than the end of the calendar year during which the settlement of the 409A Award is specified to occur.

(d) Each payment that a Participant may receive under the Plan that is governed by Section 409A of the Code shall be treated as a "separate payment" for purposes of Section 409A of the Code.

29. Construction. Headings in this Plan are included for convenience and shall not be considered in the interpretation of the Plan. References to sections are to Sections of this Plan unless otherwise indicated. Pronouns shall be construed to include the masculine, feminine, neutral, singular or plural as the identity of the antecedent may require. This Plan shall be construed according to its fair meaning and shall not be strictly construed against the Company.

30. Compensation Recoupment. All compensation and Awards payable or paid under the Plan and any sub-plans shall be subject to the Company' s ability to recover incentive-based compensation from executive officers, as is or may be required by the provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act, any regulations or rules promulgated thereunder, or any other "clawback" provision required by applicable law or the listing standards of any applicable stock exchange or national market system.

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Exhibit 10.4

INDEMNIFICATION AGREEMENT

This Indemnification Agreement ("Agreement") is made as of [●], 2017, by and between Tapstone Energy Inc., a Delaware corporation (the "Company"), and ("Indemnitee").

RECITALS:

WHEREAS, directors, officers and other persons in service to corporations or business enterprises are subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Company or business enterprise itself;

WHEREAS, highly competent persons have become more reluctant to serve as directors, officers or in other capacities unless they are provided with adequate protection through insurance and adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Company (the "Board") has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company and its stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, (i) the Amended and Restated Bylaws of the Company (as may be amended, the "Bylaws") require indemnification of the officers and directors of the Company, (ii) Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware ("DGCL") and (iii) the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive and thereby contemplate that contracts may be entered into between the Company and members of the Board, officers and other persons with respect to indemnification;

WHEREAS, this Agreement is a supplement to and in furtherance of the Bylaws and the Amended and Restated Certificate of Incorporation of the Company (as may be amended, the "Certificate of Incorporation") and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefore, nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, (i) Indemnitee does not regard the protection available under the Bylaws and insurance as adequate in the present circumstances, (ii) Indemnitee may not be willing to serve or continue to serve as a director or officer of the Company without adequate protection, (iii) the Company desires Indemnitee to serve in such capacity, and (iv) Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that he be so indemnified.

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AGREEMENT:

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

Section 1. Definitions. (a) As used in this Agreement:

"Affiliate" of any specified Person shall mean any other Person controlling, controlled by or under common control with such specified Person.

"Corporate Status" describes the status of a person who is or was a director, officer, employee or agent of (i) the Company or (ii) any other corporation, limited liability company, partnership or joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

"Disinterested Director" shall mean a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

"Enterprise" shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Expenses" shall mean all reasonable costs, expenses, fees and charges, including, without limitation, attorneys' fees, accountants' fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also shall include, without limitation, (i) expenses incurred in connection with any appeal resulting from, incurred by Indemnitee in connection with, arising out of, or in respect of or relating to, any Proceeding, including, without limitation, the premium, security for, and other costs relating to any cost bond, supersedes bond, or other appeal bond or its equivalent, (ii) for purposes of Section 12(d) hereof only, expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement, by litigation or otherwise, (iii) any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, and (iv) any interest, assessments or other charges in respect of the foregoing. "Expenses" shall not include "Liabilities."

"Indemnity Obligations" shall mean all obligations of the Company to Indemnitee under this Agreement, including the Company's obligations to provide indemnification to Indemnitee and advance Expenses to Indemnitee under this Agreement.

"Independent Counsel" shall mean a law firm of fifty (50) or more attorneys, or a member of a law firm of fifty (50) or more attorneys, that is experienced in matters of

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corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder; *provided*, *however*, that the term "Independent Counsel" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee' s rights under this Agreement.

"Liabilities" shall mean all claims, liabilities, damages, losses, judgments, orders, fines, penalties and other amounts payable in connection with, arising out of, or in respect of or relating to any Proceeding, including, without limitation, amounts paid in settlement in any Proceeding and all costs and expenses in complying with any judgment, order or decree issued or entered in connection with any Proceeding or any settlement agreement, stipulation or consent decree entered into or issued in settlement of any Proceeding.

"Person" shall mean any individual, corporation, partnership, limited partnership, limited liability company, trust, governmental agency or body or any other legal entity.

"Proceeding" shall mean any threatened, pending or completed action, claim, suit, arbitration, alternate dispute resolution mechanism, formal or informal hearing, inquiry or investigation, litigation, inquiry, administrative hearing or any other actual, threatened or completed judicial, administrative or arbitration proceeding (including, without limitation, any such proceeding under the Securities Act of 1933, as amended, or the Exchange Act or any other federal law, state law, statute or regulation), whether brought in the right of the Company or otherwise, and whether of a civil, criminal, administrative or investigative nature, in each case, in which Indemnitee was, is or will be, or is threatened to be, involved as a party, witness or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Company, by reason of any actual or alleged action taken by Indemnitee or of any action on Indemnitee' s part while acting as director or officer of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement can be provided under this Agreement.

"Sponsor Entities" means (i) GSO E&P Holdings I LP, a Delaware limited partnership, and (ii) any of its respective Affiliates and any investment fund or other Person advised or managed by any Sponsor Entity or its Affiliates; *provided*, *however*, that neither the Company nor any of its subsidiaries shall be considered Sponsor Entities hereunder.

(b) For the purpose hereof, references to "fines" shall include any excise tax assessed with respect to any employee benefit plan; references to "serving at the request of the Company" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a Person who acted in good faith and in a manner he reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Company" as referred to in this Agreement.

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Section 2. Indemnity in Third-Party Proceedings. The Company shall indemnify and hold harmless Indemnitee, to the fullest extent permitted by applicable law, from and against all Liabilities and Expenses suffered or reasonably incurred (and, in the case of retainers, reasonably expected to be incurred) by Indemnitee or on Indemnitee' s behalf in connection with any Proceeding (other than any Proceeding brought by or in the right of the Company to procure a judgment in its favor), or any claim, issue or matter therein.

Section 3. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify and hold harmless Indemnitee, to the fullest extent permitted by applicable law, from and against all Liabilities and Expenses suffered or incurred by Indemnitee or on Indemnitee' s behalf in connection with any Proceeding brought by or in the right of the Company to procure a judgment in its favor, or any claim, issue or matter therein. No indemnification for Liabilities and Expenses shall be made under this Section 3 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to such indemnification.

Section 4. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, and without limiting the rights of Indemnitee under any other provision hereof, including any rights to indemnification pursuant to Sections 2 or 3 hereof, to the fullest extent permitted by applicable law, to the extent that Indemnitee is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee' s behalf in connection with each successfully resolved Proceeding, claim, issue or matter. For purposes of this Section 4 and without limitation, the termination of any Proceeding or claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 5. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of Indemnitee' s Corporate Status, a witness or otherwise a participant in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified against all Expenses suffered or incurred (or, in the case of retainers, reasonably expected to be incurred) by Indemnitee or on Indemnitee' s behalf in connection therewith.

Section 6. Additional Indemnification. Notwithstanding any limitation in Sections 2, 3 or 4 hereof, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Liabilities and Expenses suffered or reasonably incurred by Indemnitee in connection with such Proceeding, including but not limited to:

(a) the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL; and

(b) the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

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Section 7. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to indemnify or hold harmless Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy obtained by the Company except with respect to any excess beyond the amount paid under such insurance policy;

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law;

(c) except as provided in Section 12(d) of this Agreement, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee or, if Indemnitee was nominated to the Board by a Sponsor Entity, such Sponsor Entity, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee or, if Indemnitee was nominated to the Board by a Sponsor Entity, such Sponsor Entity against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law; or

(d) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

Section 8. Advancement. Notwithstanding any provision of this Agreement to the contrary, the Company shall advance, to the extent not prohibited by applicable law, the Expenses and Liabilities reasonably incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee' s ability to repay the Expenses and without regard to Indemnitee' s ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all Expenses reasonably incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. Indemnitee shall qualify for advances upon the execution and delivery to the Company of this Agreement, which shall constitute an undertaking providing that Indemnitee undertakes to repay the amounts advanced to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. This Section 8 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 7 hereof.

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Section 9. Procedure for Notification and Defense of Claim.

(a) Indemnitee shall promptly notify the Company in writing of any Proceeding with respect to which Indemnitee intends to seek indemnification or advancement hereunder following the receipt by Indemnitee of written notice thereof. The written notification to the Company shall include a description of the nature of the Proceeding and the facts underlying the Proceeding. To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such Proceeding. Any delay or failure by Indemnitee to notify the Company hereunder will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay or failure in so notifying the Company shall not constitute a waiver by Indemnitee of any rights under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) In the event Indemnitee is entitled to indemnification and/or advancement with respect to any Proceeding, Indemnitee may, at Indemnitee' s option, (i) retain counsel selected by Indemnitee and approved by the Company to defend Indemnitee in such Proceeding, at the sole expense of the Company (which approval shall not be unreasonably withheld, conditioned or delayed), or (ii) have the Company assume the defense of Indemnitee in such Proceeding, in which case the Company shall assume the defense of such Proceeding with counsel selected by the Company and approved by Indemnitee (which approval shall not be unreasonably withheld, conditioned or delayed) within ten (10) days of the Company' s receipt of written notice of Indemnitee' s election to cause the Company to do so. If the Company is required to assume the defense of any such Proceeding, it shall engage legal counsel for such defense, and the Company shall be solely responsible for all fees and expenses of such legal counsel and otherwise of such defense. Such legal counsel may represent both Indemnitee and the Company (and any other party or parties entitled to be indemnified by the Company with respect to such matter) unless, in the reasonable opinion of legal counsel to Indemnitee, there is a conflict of interest between Indemnitee and the Company (or any other such party or parties) or there are legal defenses available to Indemnitee that are not available to the Company (or any such other party or parties). Notwithstanding either party' s assumption of responsibility for defense of a Proceeding, each party shall have the right to engage separate counsel at its own expense. The party having responsibility for defense of a Proceeding shall provide the other party and its counsel with all copies of pleadings and material correspondence relating to the Proceeding. Indemnitee and the Company shall reasonably cooperate in the defense of any Proceeding with respect to which indemnification is sought hereunder, regardless of whether the Company or Indemnitee assumes the defense thereof. Indemnitee may not settle or compromise any Proceeding without the prior written consent of the Company, which consent shall not be unreasonably withheld, conditioned or delayed. The Company may not settle or compromise any Proceeding without the prior written consent of Indemnitee, which consent shall not be unreasonably withheld, conditioned or delayed.

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Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a) hereof, if any determination by the Company is required by applicable law with respect to Indemnitee' s entitlement thereto, such determination shall be made (i) if Indemnitee shall request such determination be made by Independent Counsel, by Independent Counsel, and (ii) in all other circumstances, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, or (D) if so directed by the Board, by the stockholders of the Company; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee' s entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Expenses incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee' s entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. The Company will not deny any written request for indemnification hereunder made in good faith by Indemnitee unless a determination as to Indemnitee' s entitlement to such indemnification described in this Section 10(a) has been made. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Liabilities and Expenses arising out of or relating to this Agreement or its engagement pursuant hereto.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a) hereof, (i) the Independent Counsel shall be selected by the Company within ten (10) days of the Submission Date (the cost of such Independent Counsel to be paid by the Company), (ii) the Company shall give written notice to Indemnitee advising it of the identity of the Independent Counsel so selected and (iii) Indemnitee may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company Indemnitee' s written objection to such selection. Such objection by Indemnitee may be asserted only on the ground that the Independent Counsel selected does not meet the requirements of "Independent Counsel" as defined in this Agreement. If such written objection is made and substantiated, the Independent Counsel selected shall not serve as Independent Counsel unless and until Indemnitee withdraws the objection or a court has determined that such objection is without merit. Absent a timely objection, the person so selected shall act as Independent Counsel. If no Independent Counsel shall have been selected and not objected to before the later of (i) thirty (30) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 10(a) hereof (the "Submission Date") and (ii) ten (10) days after the final disposition of the Proceeding, each of the Company and Indemnitee shall select a law firm or member of a law firm meeting the qualifications to serve as Independent Counsel, and such law firms or members of law firms shall select the Independent Counsel.

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Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 11. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall, to the fullest extent not prohibited by applicable law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Company shall, to the fullest extent not prohibited by applicable law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 12(e) hereof, if the person, persons or entity empowered or selected under Section 10 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefore, the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by applicable law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent a prohibition of such indemnification under applicable law; *provided*, *however*, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if (i) the determination is to be made by Independent Counsel and Indemnitee objects to the Company' s selection of Independent Counsel and (ii) the Independent Counsel ultimately selected requires such additional time for the obtaining or evaluating of documentation or information relating thereto; *provided further, however*, that such 60-day period may also be extended for a reasonable time, not to exceed an additional sixty (60) days, if the determination of entitlement to indemnification is to be made by the stockholders of the Company.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that Indemnitee' s conduct was unlawful.

(d) Reliance as Safe Harbor. For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee' s action is based on the

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records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with the reasonable care by the Enterprise. The provisions of this Section 11(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) Actions of Others. The knowledge or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

Section 12. Remedies of Indemnitee.

(a) Subject to Section 12(e) hereof, in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within ninety (90) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Sections 4 or 5 or the last sentence of Section 10(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, (v) payment of indemnification pursuant to Sections 2, 3 or 6 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, or (vi) in the event that the Company or any other Person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of Indemnitee' s entitlement to such indemnification or advancement. Alternatively, Indemnitee, at Indemnitee' s option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The Company shall not oppose Indemnitee' s right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent a prohibition of such indemnification under applicable law.

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(d) The Company shall, to the fullest extent not prohibited by applicable law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that Indemnitee not be required to incur Expenses associated with the interpretation, enforcement or defense of Indemnitee' s rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to Indemnitee hereunder. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefore) advance, to the extent not prohibited by applicable law, such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement or insurance recovery, as the case may be.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding; *provided* that, in absence of any such determination with respect to such Proceeding, the Company shall advance Expenses with respect to such Proceeding.

Section 13. Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee' s Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Bylaws or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Company hereby acknowledges that Indemnitee may have certain rights to indemnification, advancement and insurance provided by one or more Persons with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity). The Company hereby acknowledges and agrees that (i) the Company shall be the indemnitor of first resort with respect to any Proceeding, Expense, Liability or matter that is the subject of the Indemnity Obligations, (ii) the Company shall be primarily liable for all Indemnity

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Obligations and any indemnification afforded to Indemnitee in respect of any Proceeding, Expense, Liability or matter that is the subject of Indemnity Obligations, whether created by applicable law, organizational or constituent documents, contract (including this Agreement) or otherwise, (iii) any obligation of any other Persons with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) to indemnify Indemnitee or advance Expenses or Liabilities to Indemnitee in respect of any Proceeding shall be secondary to the obligations of the Company hereunder, (iv) the Company shall be required to indemnify Indemnitee and advance Expenses or Liabilities to Indemnitee hereunder to the fullest extent provided herein without regard to any rights Indemnitee may have against any other Person with whom or which Indemnitee may be associated (including, any Sponsor Entity) or insurer of any such Person and (v) the Company irrevocably waives, relinquishes and releases any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) from any claim of contribution, subrogation or any other recovery of any kind in respect of amounts paid by the Company hereunder. In the event any other Person with whom or which Indemnitee may be associated (including, without limitations, any Sponsor Entity) or their insurers advances or extinguishes any liability or loss which is the subject of any Indemnity Obligation owed by the Company or payable under any Company insurance policy, the payor shall have a right of subrogation against the Company or its insurer or insurers for all amounts so paid which would otherwise be payable by the Company or its insurer or insurers under this Agreement. In no event will payment of an Indemnity Obligation by any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) or their insurers affect the obligations of the Company hereunder or shift primary liability for any Indemnity Obligation to any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity). Any indemnification, insurance or advancement provided by any other Person with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) with respect to any liability arising as a result of Indemnitee' s Corporate Status or capacity as an officer or director of any Person is specifically in excess over any Indemnity Obligation of the Company or valid and any collectible insurance (including but not limited to any malpractice insurance or professional errors and omissions insurance) provided by the Company under this Agreement.

(c) To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents of the Company or of any other Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies and such policies shall provide for and recognize that the insurance policies are primary to any rights to indemnification, advancement or insurance proceeds to which Indemnitee may be entitled from one or more Persons with whom or which Indemnitee may be associated (including, without limitation, any Sponsor Entity) to the same extent as the Company' s indemnification and advancement obligations set forth in this Agreement. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has director and officer liability insurance in effect, the Company shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

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(d) In the event of any payment under this Agreement, the Company shall not be subrogated to the rights of recovery of Indemnitee, including rights of indemnification provided to Indemnitee from any other person or entity with whom Indemnitee may be associated (including, without limitation, any Sponsor Entity); *provided*, *however*, that the Company shall be subrogated to the extent of any such payment of all rights of recovery of Indemnitee under insurance policies of the Company or any of its subsidiaries.

(e) The indemnification and contribution provided for in this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of Indemnitee.

Section 14. Duration of Agreement; Not Employment Contract. This Agreement shall continue until and terminate upon the latest of: (i) ten (10) years after the date that Indemnitee shall have ceased to serve as a director, officer, employee or agent of the Company or any other Enterprise and (ii) the date of final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto. This Agreement shall be binding upon the Company and its successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee' s heirs, executors, spouses and administrators. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any other Enterprise) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee' s employment with the Company (or any of its subsidiaries or any other Enterprise), if any, is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Company (or any of its subsidiaries or any other Enterprise), other applicable formal severance policies duly adopted by the Board, or, with respect to service as a director of the Company, by the Certificate of Incorporation, the Bylaws or the DGCL.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by applicable law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director, officer, employee or agent of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director, officer, employee or agent of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; *provided*, *however*, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the Bylaws and applicable law, and shall not be deemed a substitute therefore, nor diminish or abrogate any rights of Indemnitee thereunder.

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Section 17. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed to be or shall constitute a waiver of any other provision of this Agreement nor shall any waiver constitute a continuing waiver.

Section 18. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

(a) If to Indemnitee, at the address indicated on the signature page of this Agreement, or such other address as Indemnitee shall provide to the Company.

(b) If to the Company to

Tapstone Energy Inc.
100 East Main Street
Oklahoma City, Oklahoma 73104
Attention: Board of Directors

or to any other address as may have been furnished to Indemnitee by the Company.

Section 19. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for Liabilities or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and transaction(s) giving cause to such Proceeding; and (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and transaction(s).

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Section 20. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "Delaware Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (iv) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

Section 21. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 22. Third-Party Beneficiaries. The Sponsor Entities are intended third-party beneficiaries of this Agreement and shall have all of the rights afforded to Indemnitee under this Agreement.

Section 22. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

TAPSTONE ENERGY INC.		INDEMNITEE	
By:	______________________	By:	______________________
Name:	______________________	Name:	______________________
Title:	______________________	Title:	______________________

Signature Page to Indemnification Agreement

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Exhibit 10.6

Execution Version

**AMENDED AND RESTATED
EMPLOYMENT AGREEMENT**

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "***Agreement***") is made and entered into as of April 12, 2017 (the "***Effective Date***"), by and between Tapstone Energy, LLC, a Delaware limited liability company (the "***Employer***" or "***Company***"), and Steven C. Dixon, an individual residing in the state of Oklahoma (the "***Employee***" and, together with the Employer, the "***Parties***"). This Agreement amends and restates that certain Employment Agreement executed on December 15, 2016 (the "***Commencement Date***") between the Parties (the "***Original Agreement***").

W I T N E S S E T H:

WHEREAS, the Employer desires to continue to employ Employee as President and Chief Executive officer of the Employer;

WHEREAS, the Employer and the Employee are parties to the Original Agreement;

WHEREAS, it is anticipated that a subsidiary of Tapstone Energy Inc., a Delaware corporation, will merge with and into the Employer immediately prior to the effectiveness of the Tapstone Energy Inc. Form S-1 Registration Statement filed with the Securities and Exchange Commission (such effectiveness being the "***IPO***");

WHEREAS, in connection with the IPO, this Agreement shall be assumed by Tapstone Energy Inc., and thereafter, references to the Company and the Employer shall refer only to Tapstone Energy Inc.; and

WHEREAS, the Employer and the Employee wish to amend and restate the Original Agreement in its entirety to set forth in writing the terms and conditions of the Employee' s continued employment commencing on the Effective Date.

NOW, THEREFORE, the Employee and the Employer, in consideration of the agreements, covenants, and conditions herein, hereby agree as follows:

1. **Employment and Duties**.

(a) General. The Employee shall serve as the Chief Executive Officer and President of the Employer, reporting to the Employer' s Board of Managers (the "***Board***") of which Employee shall be a member. The Employee shall have such duties and responsibilities, commensurate with the Employee' s position, as may be reasonably assigned to the Employee from time to time by the Board. The Employee' s duties are understood to include management and oversight of the Employer, helping to identify and implement business opportunities for the Employer and its subsidiaries, and developing goodwill for the benefit of the Employer. The Employee' s duties under this Agreement shall include, without limitation, the following: (i) the Employee shall devote his full professional time and his best efforts, skill, attention, and energies to

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rendering the duties described herein for the benefit of the Employer; (ii) the Employee shall perform all services under this Agreement in accordance with all applicable federal, state, and local laws and regulations and all requirements of all applicable regulatory, self-regulatory, and administrative bodies, and the Employee shall follow and comply with the Employer' s rules, regulations, policies, and guidelines adopted from time to time by the Employer; (iii) the Employee shall owe the full breadth of fiduciary duties to the Employer under the common law, including the duties of care, loyalty, good faith, candor, and obedience, and the Employee agrees not to engage in any conduct that creates a conflict of interest to, or damages the reputation of, the Employer; and (iv) the Employee shall maintain a cooperative attitude and cooperate fully with all personnel of the Employer in performing Employee' s duties under this Agreement. The Employee' s principal place of employment shall be Oklahoma City, Oklahoma.

(b) Exclusive Services. For so long as the Employee is employed by the Employer, the Employee shall devote his full attention to his duties hereunder, shall faithfully serve the Employer, shall in all respects conform to and comply with the lawful and good faith directions and instructions given to him by the Board, and shall use his best efforts to promote and serve the interests of the Employer. Further, the Employee agrees that he will not, directly or indirectly, render services to any other person or organization without the written consent of the Board or otherwise engage in activities that would interfere with his faithful performance of his duties hereunder. Notwithstanding the foregoing, nothing herein shall prohibit the Employee from (i) engaging in charitable, civic, or fraternal activities or (ii) passively investing his personal assets in other entities or business ventures, subject to any applicable policies of the Employer, and so long as such activities or investments do not materially interfere with the Employee' s ability to fulfill his duties under this Agreement and do not conflict with or compete with the interests of the Company. In addition, nothing shall prohibit the Employee from serving on the board of directors of another entity, as long as such service is approved in advance in writing by the Board (which approval will not be unreasonably withheld).

(c) Dodd-Frank Act, Sarbanes-Oxley and Other Applicable Law Requirements. The Employee agrees (i) to abide by any compensation recovery, recoupment, anti-hedging, or other policy applicable to executives of the Company and its affiliates that is hereafter adopted by the Board or a duly authorized committee thereof to comply with applicable law as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "***Dodd-Frank Act***"), the Sarbanes-Oxley Act of 2002 ("***Sarbanes-Oxley***"), or other applicable law; and (ii) that the terms and conditions of this Agreement shall be deemed automatically and unilaterally amended to the minimum extent necessary to ensure compliance by the Employee and this Agreement with such policies, the Dodd-Frank Act, Sarbanes-Oxley, and any other applicable law.

2. **Term**. The term of employment under this Agreement shall commence on the Commencement Date and shall continue for a term of two years (the "***Employment Period***"), unless terminated earlier in accordance with the provisions in this Agreement; provided, however, that at the end of such Employment Period the Employee' s employment shall automatically renew for successive one-year periods unless a party gives 60 days' written notice of cancellation to the other party prior to the expiration of any then-current employment period (such period after the initial Employment Period being a "***Renewal Period***"), or unless terminated earlier in accordance with the provisions in this Agreement. The termination of the Employee' s employment shall not affect any of the obligations that expressly extend beyond, or are not contingent upon, continued employment, including the obligations set forth in Section 6.

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3. **Compensation and Benefits**. Subject to the provisions of this Agreement, the Employer shall pay and provide the following compensation and other benefits to the Employee during the Employment Period and the Renewal Period as compensation for services rendered hereunder:

(a) Base Salary. The Employer shall pay to the Employee an annual salary of $650,000 (the "***Base Salary***"), payable in substantially equal installments at such intervals as may be determined by the Employer in accordance with the Employer' s then ordinary payroll practices as established from time to time. The Base Salary shall be pro-rated based on the amount of time remaining in the calendar year as of the Commencement Date. The Base Salary shall be reviewed in good faith by the Compensation Committee of the Board, or in the absence thereof, the Board (the "***Committee***"), based upon the Employee' s performance, not less often than annually.

(b) Expenses. The Employer will reimburse the Employee for all reasonable and necessary business expenses incurred by the Employee in the performance of his duties under this Agreement. The Employee must furnish to the Employer an itemized account, reasonably satisfactory to the Employer, in substantiation of all such expenditures.

(c) Vacation. The Employee shall be entitled to paid vacation, sick leave, and holiday leave in accordance with the Employer' s policies, which may be amended or terminated at any time. The Employee may not carry over accrued but unused vacation from one calendar year to the next, and any accrued but unused vacation will be forfeited at the end of the calendar year.

(d) Employee Benefits. The Employee shall be entitled to participate in all employee benefit arrangements that the Employer may offer to its executives of a like status from time to time, and as may be amended from time to time.

(e) Performance Bonus. During the Employment Period and any Renewal Period, and subject to all eligibility requirements contained in this Agreement, the Employee shall be eligible for an "***Annual Bonus***." The target equivalent for the Annual Bonus shall be equal to 100% of the Employee' s Base Salary (the "***Annual Target Bonus***"), and it shall not exceed 200% of the Employee' s Base Salary. The Annual Bonus shall be calculated on an annual basis by the Board at the Board' s sole and absolute discretion in consideration of the performance of both the Employer and Employee, and shall be paid on or prior to January 31 of each year (commencing on January 31, 2017). The Employee must be employed on the date bonus payments are made in order to be eligible to receive the Annual Bonus.

(f) Initial Equity Awards. The Employee shall also be entitled to receive the following initial grants, subject to his continued employment with the Company as of the date of grant or payment date (as the case may be): (i) common member interests, in the form of Class A Units to be granted on the Effective Date, equal to 1% of all Class A Units and Incentive Units (which terms shall have the same definitions in this Section 3(f) as in the Limited Liability Company Agreement of the Company) of the Company outstanding equity as of December 31, 2016, with a four year vesting schedule vesting at an annual rate of 25% per year (with the initial vesting period ending on December 15, 2017); (ii) contingent upon the occurrence of the IPO, options to purchase

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common stock of the Company equal to 0.5% of all outstanding Class A Units and Incentive Units of the Company outstanding as of December 31, 2016 (tracked on a fully converted bases to the corporation that results from a reorganization of the Company immediately prior to the IPO), which options shall have an exercise price per share of common stock equal to 1.15x the price to the public market per share of common stock of the Company in the IPO, and immediately granted thereafter, with a four year vesting schedule, vesting at an annual rate of 25% per year (with the initial vesting period to end on December 15, 2017); and (iii) a cash award equal to, and resulting from, the following formula and paid once such amount is determined: (A) a cash payment equal to the value (computed by the Board as the 20-day post-IPO volume weighted average price of Company common stock, as traded on the New York Stock Exchange immediately after the IPO) of the number of shares of Company common stock that would have resulted from a hypothetical grant of 250 pre-IPO Incentive Units (assuming such were granted and outstanding when the Company reorganizes its form immediately prior to the effectiveness of such IPO), plus (B) a cash payment equal to 15.8% of the dollar amount of such award; provided, however, that notwithstanding this Section 3(f)(iii) to the contrary, if the IPO is not effective within one-hundred eighty (180) days from February 1, 2017, then in lieu of any cash payment under this Section 3(f)(iii), the Employee shall receive, in the reasonable discretion of the Board, either: (y) a fully vested profits interest equity award covering 250 Incentive Units in the Company with a threshold value at or near $0.00, or (z) if such threshold value cannot be achieved, then a fully vested capital interest equity award covering 250 Incentive Units in the Company plus a cash payment equal to 15.8% of the fair market value of such award as of the date of grant.

(g) Annual Equity Awards. Unless otherwise determined by the Committee, commencing in fiscal year 2018 and on an annual basis thereafter, the Committee shall grant the Employee an annual equity award with a grant date fair value approximately equal to two times (2x) the sum of the Employee' s Base Salary and the Annual Target Bonus, subject to the terms and conditions set forth in the applicable award agreements.

(h) Indemnification Agreement. The Indemnification Agreement attached hereto as **Exhibit A** is incorporated into this Agreement by reference.

4. **Termination of Employment Upon the Employee' s Death or Disability, or by the Employer for Cause, or by the Employee without Good Reason.**

(a) Termination of Employment Due to the Employee' s Death. If the Employee dies during the Employment Period or any Renewal Period, the Employer shall pay to the estate of the Employee the following: (i) any unpaid Base Salary accrued through the termination date, (ii) a lump sum payment for any accrued but unused paid time off, (iii) rights to elect continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("***COBRA***"), (iv) a lump sum payment for any previously unreimbursed business expenses incurred by the Executive on behalf of the Company during the term of his employment (collectively, such (i) through (iv) being the "***Accrued Rights***"), (vi) a lump sum cash payment equal to one year of the Base Salary plus an amount equal to one year of the Annual Target Bonus, payable on the first regularly scheduled payroll date that immediately follows the 30th day from the above termination of employment; and (vii) an additional one year of incremental vesting of the portion of the Initial Equity Awards outlined in Section 3(f)(i) and (ii) herein. Other than the obligations set forth in this Section 4(a), the Employer shall have no additional financial obligation under this Agreement to the Employee or his estate.

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(b) Termination of Employment Due to the Employee' s Disability, Illness or Incapacity. If, in the opinion of a physician selected by the Company, the Employee becomes physically or mentally disabled or develops an illness or incapacity during the Employment Period or a Renewal Period which renders the Employee at least temporarily unable to perform (despite reasonable accommodation) the essential elements of his job for a period which shall not equal or exceed either (1) 90 consecutive days or (2) 180 days within any continuous 12-month period, then the Employee shall continue to receive his Base Salary, less any benefits received (or to be received) during the foregoing respective periods by the Employee under any disability insurance carried by or provided by the Employer. In addition to the foregoing, if the Employee' s employment is terminated due to his physical or mental disability, then, the Employer shall pay to the Employee the following: (i) the Accrued Rights; (ii) a lump sum cash payment equal to one year of the Base Salary plus an amount equal to one year of the Annual Target Bonus, payable on the first regularly scheduled payroll date that immediately follows the 30th day from the above termination of employment, and (iii) an additional one year of incremental vesting of the portion of the Initial Equity Awards outlined in Section 3(f)(i) and (ii) herein. The Employer is not obligated to carry disability insurance for its employees.

(c) Termination of Employment by the Employer for Cause, or by the Employee Without Good Reason. The Employee may terminate his employment hereunder voluntarily and without Good Reason upon giving at least 30 days' prior written notice to the Employer. If the Employee terminates his employment voluntarily and without Good Reason (defined below) effective on a date during the Employment Period or any Renewal Period or if the Employer terminates the employment of the Employee for Cause (defined below), then the Employer shall pay to the Employee the Accrued Rights.

(d) Resignation by Employee Following a Change of Control. A "***Change of Control***" shall be deemed to occur if either (i) any Person or Group (as those terms are defined by Section 13(d) of the Securities and Exchange Act of 1934 and any Regulations thereunder), other than GSO Capital Partners and any funds advised or sub-advised by it or its affiliates, becomes an owner of the majority of the member interests of the Company or the common stock of its successor or (ii) the Company were to sell all or substantially all of its assets. In the event the Employee terminates employment with the Employer on account of a Change of Control on or after the first anniversary of the Commencement Date, the Employee shall receive the following: (A) the Accrued Rights, (B) a lump sum cash payment equal to one year of the Base Salary plus one year of the Annual Target Bonus, payable on the first regularly scheduled payroll date that immediately follows the 30th day from the above termination of employment, and (C) an additional one year of incremental vesting of the portion of the Initial Equity Awards outlined in Section 3(f)(i) and (ii) herein (collectively, the "***Change of Control Benefits***"); provided that no payment or benefit shall be made or commence earlier than 90 days following the Change of Control with the aggregate of any payments that would otherwise have been paid before such date paid to the Employee in a lump sum on such date. In the event the Employee terminates employment with the Employer on account of a Change of Control prior to the first anniversary of the Commencement Date, the Employee shall be entitled to the Change of Control Benefits as outlined in the preceding sentence; provided that if such Change of Control Benefits total less than $7,000,000.00, then the Employee shall be entitled to

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additional vesting of the Initial Equity Awards outlined in Section 3(f)(i) herein to bring the Change of Control Benefits to an amount equal to $7,000,000. In the event of a Change of Control where the acquiring entity fails to assume this Agreement in its entirety, such failure shall constitute a material breach of this Agreement.

(e) No Continued Benefits Following Termination. Unless otherwise specifically provided in this Agreement or contemplated in another agreement between the Employee and the Employer, otherwise required by law, all compensation, equity plans, and benefits payable to the Employee under this Agreement shall terminate on the date of termination of the Employee' s employment with the Employer under the terms of this Agreement.

(f) Resignation from Directorships, Officerships and Fiduciary Titles. The termination of the Employee' s employment for any reason shall constitute the Employee' s immediate resignation from (i) any officer or employee position the Employee has with the Company, unless mutually agreed upon by the Employee and the Board; (ii) any position on the Board; and (iii) all fiduciary positions (including as a trustee) the Employee holds with respect to any employee benefit plans or trusts established by the Company. The Employee agrees that this Agreement shall serve as written notice of resignation in this circumstance.

5. **Termination of Employment by the Employee for Good Reason, or by the Employer Without Cause**. Notwithstanding anything herein to the contrary, the Employee' s employment with the Employer may be terminated by the Employer without Cause or by the Employee for Good Reason. In the event the Employee' s employment is terminated by the Employer without Cause or by the Employee for Good Reason, the Employee shall be entitled to receive the following: (A) the Accrued Rights and (B) an amount equal to the Base Salary and the Annual Target Bonus that would otherwise have been due to the Employee through the expiration of the current Employment Period or the current Renewal Period, as applicable on the termination date (the "***Severance Payment***"). The Severance Payment shall be paid in a lump sum cash payment on the regularly scheduled payment date that immediately follows the 30th day from the above termination of employment.

(a) For purposes of this Agreement, the term "***Cause***" shall mean a termination by the Employer of the Employee' s employment because of: (i) any act or omission that constitutes an intentional and material breach by the Employee of any of his obligations under this Agreement; (ii) the Employee' s conviction of, or plea of nolo contendere to, (A) any felony or (B) another crime involving dishonesty or moral turpitude or which could reflect negatively upon the Employer or otherwise impair or impede its operations; (iii) the Employee willfully engaging in any misconduct, negligence, act of dishonesty, violence or threat of violence (including any violation of federal securities laws) that is materially injurious to the Employer or any of its subsidiaries or affiliates; (iv) the Employee' s intentional and material breach of a known written policy of the Employer or the rules of any governmental or regulatory body applicable to the Employer that is or could be materially injurious to the Employer; (v) the Employee' s repeated refusal to follow the lawful directions of the Board; or (vi) any other willful misconduct by the Employee which is materially injurious to the financial condition, operations or business reputation of the Employer or any of its subsidiaries or affiliates. Notwithstanding anything in this Section 5(a) to the contrary, no event or condition described in Sections 5(a)(i), (iii), (iv), (v) or (vi) shall constitute Cause unless (x) within 90 days from the Board first acquiring actual knowledge of the existence of the Cause condition, the

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Board provides the Employee written notice of its intention to terminate his employment for Cause and the grounds for such termination; (y) such grounds for termination (if susceptible to correction) are not corrected by the Employee within 30 days of his receipt of such notice (or, in the event that such grounds cannot be corrected within such 30-day period, the Employee has not taken all reasonable steps within such 30-day period to correct such grounds as promptly as practicable thereafter); and (z) the Board terminates the Employee' s employment with the Employer immediately following expiration of such 30-day period. For purposes of this Section 5(a), any attempt by the Employee to correct a stated Cause shall not be deemed an admission by the Employee that the Board' s assertion of Cause is valid. Notwithstanding the foregoing to the contrary, if the Employee' s employment with the Employer is terminated by the Employer without Cause, and after-acquired evidence is discovered that would have otherwise supported a Cause termination if known to the Employer at the time of the such termination of employment, the Board has the unilateral right to retroactively re-characterize the Employee' s termination of employment as a termination for Cause. Any such re-characterization shall not be subject to the foregoing notice provisions.

(b) For purposes of this Agreement, the term "***Good Reason***" shall mean (i) a material diminution in the Employee' s Base Salary; (ii) a material diminution in the nature or scope of the Employee' s authority, duties, responsibilities, or title from those applicable to him as of the Commencement Date; (iii) the Employer requiring the Employee to be based at any office or location more than 50 miles from the Employee' s principal place of employment as of the Commencement Date (which the parties hereto stipulate and agree shall be Oklahoma City, Oklahoma); or (iv) a material breach by the Employer of any term or provision of this Agreement. Notwithstanding anything in this Section 5(b) to the contrary, no event or condition described in this Section shall constitute Good Reason unless, (x) within 90 days from the Employee first acquiring actual knowledge of the existence of the Good Reason condition described in this Section, the Employee provides the Board written notice of his intention to terminate his employment for Good Reason and the grounds for such termination; (y) such grounds for termination (if susceptible to correction) are not corrected by the Board within 30 days of the Board' s receipt of such notice (or, in the event that such grounds cannot be corrected within such 30-day period, the Board has not taken all reasonable steps within such 30-day period to correct such grounds as promptly as practicable thereafter); and (z) the Employee terminates his employment with the Employer immediately following expiration of such 30-day period. For purposes of this Section 5(b), any attempt by the Board to correct a stated Good Reason shall not be deemed an admission by the Board that the Employee' s assertion of Good Reason is valid.

(c) Waiver and Release. Notwithstanding any other provisions of this Agreement to the contrary, unless expressly waived in writing by the Board in its sole discretion, the Company shall not make or provide any payments or benefits under either Section 4 or 5 (other than the Accrued Rights), unless the Employee timely executes and delivers to the Company a general release (which shall be provided by the Company not later than five (5) days from the date on which the Employee' s employment is terminated and be substantially in the form attached hereto as **Exhibit B**), whereby the Employee (or his estate or legally appointed personal representative) releases the Company (and affiliates of the Company and other designated persons) from all employment based or related claims of the Employee and all obligations of the Company to the Employee other than with respect to (x) the Company' s obligations to make and provide the payments or benefits under either Section 4 or 5 and (y) any vested benefits to which the Employee is entitled under the terms of

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any Company benefit or equity plan, and the Employee does not revoke such release within any applicable revocation period following the Employee' s delivery of the executed release to the Company. If the requirements of this Section 5(c) are not satisfied by the Employee (or his estate or legally appointed personal representative), then no payments or benefits under either Section 4 or 5 (other than the Accrued Rights) shall be due to the Employee (or his estate) pursuant to this Agreement.

6. **Employer/Employee Covenants**.

(a) Confidential Information. As used in this Agreement, the term "***Confidential Information***" means information of any kind, nature, or description, that (i) relates to the Employer' s business or the business of the Employer, (ii) provides the Employer economic value or any business advantage, (iii) is not generally known to the public, and (iv) is learned or developed by the Employee as a direct or indirect result of or during the course of the Employee' s employment with the Employer. Additionally, Confidential Information includes, but is not limited to: (i) the Employer' s, or its parents' or affiliates' , trade secrets and inventions; (ii) all information concerning operational matters involving the business of the Employer and its parents and affiliates, including but not limited to the existing and contemplated properties, technical analyses, geologic surveys, pricing information, formulations, know-how, negative know-how, product design, vendors, customers, and distributors; (iii) all information concerning the business and affairs of the Employer and its parents and affiliates, including but not limited to historical financial statements, financial projections and budgets, historical and projected sales, capital spending budgets and plans, the names and backgrounds of key personnel (other than Employee), and personnel training techniques and materials; and (iv) all notes, analyses, compilations, studies, summaries and other material prepared by the Employer or its representatives to the extent containing or based, in whole or in part, upon any information included in subsections (i), (ii), or (iii) above. The Employee understands that this list is not exhaustive, and that Confidential Information also includes other information that is marked or otherwise identified, that is treated as confidential or proprietary, or that would otherwise appear to a reasonable person to be confidential or proprietary in the context and circumstances in which the information is known or used. For the purposes of this Agreement, Confidential Information specifically excludes information, training, contacts, product knowledge, customer lists, vendor and supplier information, and resources obtained by Employee prior to his employment with Employer and that Employee provides written notice thereof to Employer within 30 days of Employee' s execution of this Agreement. In addition, Confidential Information shall not include information that is generally available to, and known by, the public at the time of disclosure to the Employee, provided that such disclosure is through no direct or indirect fault of the Employee or person(s) acting on the Employee' s behalf.

(b) Employer Covenants. As a result of the relationship created or continued as a result of this Agreement, upon the execution of this Agreement by both parties, the Employer will place the Employee in a position of special trust, and will provide the Employee with: (i) Confidential Information and access to such information; (ii) specialized training, which may include self-study materials and course work, classroom training, on-line training, on-the-job training, and instruction as to the Employer' s products, services, and methods of operations; and (iii) goodwill support such as expense reimbursements in accordance with the Employer' s policies, Confidential Information related to the Employer' s current and prospective clients, customers, business associates, vendors, and suppliers, and contact and relationships with current and potential

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clients, customers, and business associates to help the Employee develop goodwill for the Employer. The foregoing is not contingent on continued employment of the Employee for any length of time, but is contingent on the Employee' s full compliance with the restrictions in this Section 6.

(c) Employee Covenants. The Employee specifically acknowledges that the items described in Section 6(a) above will be items that the Employee has not previously been given, and that the Employee would not be given but for the execution of this Agreement. Accordingly, in consideration of the receipt of items described in Section 6(a) and compensation, with each element being acknowledged as adequate, the Employee hereby enters, and agrees to the following:

i. *Non-Disclosure of Confidential Information*. The Employee understands and acknowledges that the Employer has invested, and continues to invest, substantial time, money, and specialized knowledge into developing its resources, creating a vendor base, training its employees, and improving its offerings in the field of oil and natural gas exploration and development. The Employee understands and acknowledges that as a result of these efforts, Employer has created, and continues to use and create Confidential Information. This Confidential Information provides Employer with a competitive advantage over others in the marketplace. The Employee agrees not to, directly or indirectly, participate in the unauthorized use, disclosure, or conversion of any Confidential Information. Specifically, but without limitation, the Employee agrees not to use Confidential Information for his sole benefit, or for the benefit of any person or entity in any way that harms the Employer or diminishes the value of the Confidential Information to the Employer. The Employee also agrees to use the specialized training, goodwill, and contacts developed with the Employer' s customers and contractors for the exclusive benefit of the Employer, and he agrees not to use these items at any time in a way that would harm the business interests of the Employer. However, nothing in this Agreement prohibits the Employee from reporting possible violations of federal law or regulation to any government agency or entity, making other disclosures that are protected under whistleblower provisions of law, or receiving an award or monetary recovery pursuant to the Securities and Exchange Commission' s whistleblower program. The Employee does not need prior authorization to make such reports or disclosures and is not required to notify the Employer or the Board if the Employee has made or will make any such report or disclosure.

ii. *Non-Competition by Employee.* The Employee agrees that during his employment and for a period of 12 months following the termination of his employment with the Employer for any reason, Employee shall not (on behalf of himself or any other person or entity) acquire, attempt to acquire, or aid another in the acquisition or attempted acquisition of an interest in oil and gas assets, oil and gas production, oil and gas leases, mineral interests, oil and gas wells, or other such oil and gas exploration, development, or production activities in any county in which the Company is doing business or has plans (within the next 12 months) to do business on the date of the Employee' s termination for any reason. Employee agrees that this restriction is necessary to protect the Employer' s Confidential Information, as any violation of the above provision would lead to the inevitable disclosure of Employer' s Confidential Information.

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iii. *Non-Solicitation of Employees and Vendors*. The Employee understands and acknowledges that the Employer has expended and continues to expend significant time and expense in recruiting and training its employees and that the loss of employees would cause significant and irreparable harm to the Employer. Similarly, the Employee understands and acknowledges that the Employer has expended and continues to expend significant time and expense in identifying and building relationships with its vendors, contractors, and other service providers and that the loss of those relationships would cause significant and irreparable harm to the Employer. The Employee agrees and covenants, during the term of the Employee' s employment and for two years after the employment relationship ends for any reason or no reason, not to directly or indirectly, actively or inactively, (i) solicit, recruit, induce or attempt to solicit, recruit, induce the termination of employment of any employee of the Employer or (ii) induce the termination of any relationship of any vendor, contractor, or service provider of Employer. Such covenant shall apply regardless of whether Employee' s employment is terminated at the option of the Employee or the Employer.

iv. *Reasonableness*. The Employee acknowledges that nothing in this Section 6(c) is intended to prohibit the Employee' s ability to find gainful employment in the same business or industry after the termination of his employment relationship with the Employer.

(d) Goodwill with Customers. The Employee acknowledges that the Employer has near permanent relationships with its customers and owns the goodwill in the Employee' s relationships with customers that the Employee will or has developed or maintained in the course and scope of the Employee' s employment with the Employer. If the Employee owned goodwill in a relationship with a customer when the Employee commenced employment with the Employer, the Employee assigns any and all such goodwill to the Employer, and the Employer shall become the owner of such goodwill.

(e) Employer' s Property. All documents and things, including but not limited to Confidential Information, provided to the Employee by the Employer for use in connection with the Employee' s employment, or created by the Employee in the course and scope of the Employee' s employment with the Employer, are the sole property of the Employer and shall be held by the Employee as a fiduciary on behalf of the Employer. Immediately upon termination of the Employee' s employment−without the requirement of a prior demand by the Employer−the Employee shall surrender to the Employer all such documents and things, including but not limited to all Confidential Information or other company property, together with all copies, recordings, abstracts, notes, reproductions, or electronic versions of any kind made from or about the documents and things and the information they contain.

(f) Duty of Loyalty. The Employee understands that by virtue of employment with the Employer, the Employee owes the Employer a duty of loyalty and agrees to treat all Confidential Information, training, relationships with customers, goodwill, and property entrusted to the Employee as a fiduciary. Further, the Employee shall disclose to the Employer all business opportunities relating to the business of the Employer and its subsidiaries, and Employee shall not appropriate for Employee' s own benefit any such business opportunities. The Employee agrees to

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use such training and to maintain and protect such Confidential Information, customer relationships, goodwill, and property solely for the Employer' s benefit. The Employee further agrees that nothing in this Agreement shall limit, in any way, the fiduciary duties that the Employee owes to the Employer under any applicable law, apart from this Agreement.

(g) Notice of Immunity Under the Economic Espionage Act of 1996, as amended by the Defend Trade Secrets Act of 2016 ("***DTSA***"). The Employee will not be held criminally or civilly liable under any federal or state law for any disclosure of a trade secret that: (i) is made in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If the Employee files a lawsuit for retaliation by the Employer for reporting a suspected violation of law, the Employee may disclose the Employer' s trade secrets to his attorney and use the trade secret information in the court proceeding if the Employee files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

7. **Remedies**. In the event of breach or threatened breach by the Employee of any provision of Section 6 of this Agreement, the Employer shall be entitled to (i) injunctive relief by temporary restraining order, temporary or preliminary injunction, or permanent injunction, (ii) recovery of all attorneys' fees and costs incurred by the Employer in obtaining such relief or as a result of the Employee' s breach or threatened breach, and (iii) any other legal and equitable relief to which the Employer may be entitled, including without limitation any and all monetary damages which the Employer may incur as a result of said breach or threatened breach. An agreed amount for the bond to be posted if an injunction is sought by the Employer is $500. The Employer may pursue any remedy available, without limitation, concurrently or consecutively in any order as to any breach, violation, or threatened breach or violation, and the pursuit of one such remedy at any time will not be deemed an election of remedies or waiver of the right to pursue any other remedy.

8. **Survival**. This Agreement shall terminate upon the termination of employment of the Employee; however, the following shall survive the termination of the Employee' s employment and/or the expiration or termination of this Agreement, regardless of the reasons for such expiration or termination: Section 3 ("Compensation and Benefits") and its corresponding **Exhibit A**, Section 4 ("Termination of Employment Upon the Employee' s Death or Disability, or by the Employer for Cause, or by the Employee without Good Reason"), Section 5 ("Termination of Employment by the Employee for Good Reason, or by the Employer without Cause") and its corresponding **Exhibit B**, Section 6 ("Employer/Employee Covenants"), Section 7 ("Remedies"), Section 12 ("Entire Agreement"), Section 14 ("Early Resolution Conference and Invalid Provisions"), Section 15 ("Binding Arbitration"), and Section 18 ("Venue; Process; Prevailing Party")

9. **Compliance with Other Agreements**. The Employee represents and warrants that the execution of this Agreement by him and his performance of the obligations hereunder will not conflict with, result in the breach of any provision of or the termination of, or constitute a default under any agreement to which the Employee is a party or by which the Employee is or may be bound.

10. **Waiver of Breach**. The waiver of a breach of any of the provisions of this Agreement by the Parties shall not be construed as a waiver of any subsequent breach by the breaching party.

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11. **Possible Conversion of the Company Before IPO**. The Parties acknowledge and agree that the Company is contemplating the possibility of an IPO. In connection with the IPO, the Company may be converted into a corporation or the owners of the Company may exchange their equity interests in the Company for common stock of a holding company that would become the owner of 100% of the Company' s issued and outstanding member interests. Regardless of the form of the restructuring or recapitalization to be undertaken prior to such IPO, the owners of the Company' s member interests would exchange their member interests for shares of common stock of the successor company, with the exchange ratio to be determined at such time. Employee acknowledges and agrees that in connection with such reorganization or recapitalization, the member interests and options granted to the Employee under this Agreement would also be converted into common stock or options to acquire common stock, as applicable, and all references to the Employer or the Company hereunder shall concurrently with the consummation of such restructuring or recapitalization constitute references to the successor to the Company whose common stock is issued in the IPO

12. **Binding Effect; Assignment**. The rights and obligations of the Employer under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Employer. This Agreement is a personal employment contract and the rights, obligations, and interests of the Employee hereunder may not be sold, assigned, delegated, transferred, pledged, or hypothecated.

13. **Entire Agreement**. This Agreement along with any addendums and exhibits hereto, supersedes all prior agreements and understandings, oral or written, if any, between the Employer and the Employee with respect to the terms and conditions of the Employee' s employment with the Employer. No supplement, modification, amendment, or waiver of any of the terms, conditions, or provisions in this Agreement can be made unless in writing and signed by both the Employer and the Employee.

14. **Construction and Interpretation**.

(a) This Agreement shall be construed pursuant to and governed by the laws of the State of Oklahoma (but any provision of Oklahoma law shall not apply if the application of such provision would result in the application of the law of a state or jurisdiction other than Oklahoma).

(b) The headings of the various sections in this Agreement are inserted for convenience of the parties and shall not affect the meaning, construction, or interpretation of this Agreement.

15. **Early Resolution Conference and Invalid Provisions**.

(a) This Agreement is understood to be clear and enforceable as written and is executed by the Parties on that basis. However, should the Employee later challenge any provision as unclear, unenforceable, or inapplicable as to any restricted activity in which Employee intends to engage, Employee will first notify the Employer in writing and meet with a representative of the Employer and a neutral mediator (if the Employer elects to retain one at its expense) to discuss resolution of any disputes between the Parties. Employee will provide this notification at least 14 days before Employee engages in any activity that could foreseeably fall within any restriction set

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forth herein. The failure to comply with this requirement shall waive the Employee' s right to challenge the reasonable scope, clarity, applicability, or enforceability of this Agreement and its restrictions at a later time. All rights of the Parties will be preserved if the early resolution conference requirement is complied with even if no agreement is reached at the conference.

(b) If any provision of this Agreement is held to be illegal, invalid, or unenforceable, such provision shall be fully severable; this Agreement shall be construed and enforced without such illegal, invalid, or unenforceable provision, and the remaining provisions in this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance. Further, if any of the restrictions in Section 6 are deemed unenforceable as written, the parties expressly authorize the court or arbitrator to revise, delete, or add to those restrictions to the extent necessary to enforce the intent of the parties and to provide effective protection for Employer' s goodwill, specialized training, Confidential Information, and other business interests.

16. **Binding Arbitration**. Aside from the early resolution conference outlined in Section 15 of this Agreement, the Parties agree that any dispute, controversy, or claim that concerns, arises out of, or relates in any way to this Agreement, or to any alleged breach of any term of this Agreement, shall be conclusively and promptly resolved through a binding arbitration proceeding conducted in confidence and in accordance with the American Arbitration Association' s ("***AAA***") Employment Arbitration Rules. Nothing contained herein precludes any party from seeking injunctive relief from a state or federal court for the sole purpose of enforcing the terms of this Agreement or any of the specific duties, obligations, or rights created by this Agreement.

Unless the Parties agree in writing to a different site, the arbitration hearing shall be held in New York, New York, and any final judgment upon the award may be entered by any court with jurisdiction in New York. The costs of the arbitration and all reasonable and necessary legal fees that are as a result of the claims or defenses asserted in the arbitration shall be awarded to the prevailing party. The prevailing party is either the party who is awarded legal or equitable relief on its claims by the arbitrator OR is a party who successfully defends against and defeats claims that were asserted against it in the arbitration proceeding.

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17. **Notice**. All notices which are required or may be given under this Agreement shall be in writing and shall be deemed to have been duly given: When received if personally delivered; when transmitted if transmitted by telecopy or similar electronic transmission method; one business day after it is sent, if sent by recognized expedited delivery service; and five days after it is sent, if mailed, first class mail, certified mail, return receipt requested, with postage prepaid. In each case notice shall be sent to:

The Employer:
c/o Mike O' Leary and Anthony Eppert
Andrews Kurth Kenyon LLP
600 Travis, Suite 4200
Houston, Texas 77002

The Employee:
Steven C. Dixon
100 East Main Street
Oklahoma City, OK 73104

18. **Section 409A of the Code**. This Agreement is intended to either avoid the application of, or comply with, Section 409A of the Code. To that end, this Agreement shall at all times be interpreted in a manner that is consistent with Section 409A of the Code. Further:

(a) Any reimbursement of any costs and expenses by the Employer to the Employee under this Agreement shall be made by the Employer in no event later than the close of the Employee' s taxable year following the taxable year in which the cost or expense is incurred by the Employee. The expenses incurred by the Employee in any calendar year that are eligible for reimbursement under this Agreement shall not affect the expenses incurred by the Employee in any other calendar year that are eligible for reimbursement hereunder, and the Employee' s right to receive any reimbursement hereunder shall not be subject to liquidation or exchange for any other benefit.

(b) A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A of the Code and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment," or like terms shall mean "separation from service." Any payment following a separation from service that would be subject to Section 409A(a)(2)(A)(i) of the Code as a distribution following a separation from service of a "specified employee" (as defined under Section 409A(a)(2)(B)(i) of the Code) shall be made on the first to occur of (1) ten days after the expiration of the six-month period following such separation from service, (2) death, or (3) such earlier date that complies with Section 409A of the Code. Upon the expiration of the foregoing delay period, all payments and benefits delayed pursuant to this Section 18 (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Employee in a lump sum, and any remaining payments and benefits due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them herein.

(c) Each payment that the Employee may receive under this Agreement shall be treated as a "separate payment" for purposes of Section 409A of the Code.

19. **Venue; Process; Prevailing Party**. The parties to this Agreement agree that jurisdiction and venue in any action brought pursuant to this Agreement to enforce its terms or otherwise with respect to the relationships between the parties shall properly and exclusively lie in New York, New York. Such jurisdiction and venue are intended to be exclusive of any other

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jurisdiction or venue. The parties agree that they will not object that any action commenced in the foregoing jurisdiction is commenced in a forum non conveniens. If any dispute between the parties as to their respective rights and entitlements under Section 6 result in claims being brought, the prevailing party shall be entitled to recover from the non-prevailing party, in addition to any other relief awarded, the costs and expenses incurred in connection with such suit or arbitration, including reasonable and necessary attorneys' fees. If there is no prevailing party, each party will pay its own attorneys' fees, costs, and expenses.

20. **Counterparts**. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

21. **Section 280G Gross-Up Payments**.

(a) If, during the term of the Employee's employment, there is a change in ownership or control of the Company that causes any payment or distribution by the Company to or for the benefit of the Employee (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section (such being a "***Payment***")) to be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "***Code***") (such excise tax, together with any interest or penalties incurred by the Employee with respect to such excise tax, being the "***Excise Tax***"), then the Employee shall be entitled to receive an additional payment (a "***Gross-Up Payment***") in an amount such that after payment by the Employee of all taxes (including any interest or penalties imposed with respect to such taxes), including any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Employee will retain an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. The Gross-Up Payment shall be paid to the Employee no later than the end of the taxable year next following the taxable year in which the Employee remits the taxes related to the Gross-Up Payment.

(b) Determination of the Gross-Up Payment. Subject to the provisions of Section 21(c), all determinations required to be made under this Section 21(b), including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by a certified public accounting firm or nationally recognized law firm designated by the Company and reasonably acceptable to the Employee (the "***Authorized Firm***"), which shall provide detailed supporting calculations both to the Company and the Employee within fifteen (15) business days of the receipt of notice from the Employee that there has been a Payment with respect to which the Employee in good faith believes a Gross-Up Payment may be due under this Section 21(b), or such earlier time as is requested by the Company. All fees and expenses of the Authorized Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 21(b), shall be paid by the Company to the Employee within five (5) days of the later of (i) the due date for the payment of any Excise Tax and (ii) the receipt of the Authorized Firm's determination. Any determination by the Authorized Firm shall be binding upon the Company and the Employee. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Authorized Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Company should have been made ("***Underpayment***"), consistent with the calculations

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required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 21(c) and the Employee thereafter is required to make a payment of any Excise Tax, the Authorized Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to the Employee or for the Employee' s benefit. The previous sentence shall apply equally to any overpayment of a Gross-Up Payment.

(c) Procedures. The Employee shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten (10) business days after the Employee is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Employee shall not pay such claim prior to the expiration of the thirty-day (30) period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Employee in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

(i) give the Company any information reasonably requested by the Company relating to such claim;

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Employee harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limiting the foregoing provisions of this Section 21(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Employee to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Employee agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Employee to pay such claim and sue for a refund, to the extent permitted by law, the Company shall advance the amount of such payment to the Employee on an interest-free basis (which shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid) and shall indemnify and hold the Employee harmless, on an

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after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and provided further that any extension of the statute of limitations relating to payment of taxes for the Employee' s taxable year with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company' s control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Employee shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) Refund. If, after the receipt by the Employee of an amount advanced by the Company pursuant to Section 21(c), the Employee becomes entitled to receive any refund with respect to such claim, the Employee shall (subject to the Company complying with the requirements of Section 21(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the Employee receives an amount advanced by the Company pursuant to Section 21(c), a determination is made that the Employee shall not be entitled to any refund with respect to such claim and the Company does not notify the Employee in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

[SIGNATURES ON NEXT PAGE]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

TAPSTONE ENERGY, LLC
The "Company"

By: /s/ David M. Edwards
Name: David M. Edwards
Title: Senior Vice President and Chief Financial Officer

Dated: April 12, 2017

EMPLOYEE

/s/ Steven C. Dixon
Steven C. Dixon

Dated: April 12, 2017

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EXHIBIT A

TAPSTONE ENERGY INC.
INDEMNIFICATION AGREEMENT

[TO BE ATTACHED]

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EXHIBIT B

TAPSTONE ENERGY INC.
WAIVER AND RELEASE

This Waiver and Release (this "***Agreement***") is made and entered into by and between Tapstone Energy Inc., a Delaware corporation (the "***Company***") and Steven C. Dixon ("***Employee***"), each referred to collectively as the "***Parties,***" and individually as "***Party***."

WHEREAS, the Company and Employee are parties to that certain Amended and Restated Employment Agreement dated April 12, 2017 (the "***Employment Agreement***");

WHEREAS, pursuant to the Employment Agreement, in consideration of the right to receive the Severance Benefits (as defined in the Employment Agreement), Employee must sign, return and not revoke this Agreement;

WHEREAS, the Company has executed and delivered this Agreement to Employee for his review and consideration as of the ("***Delivery Date***"); and

WHEREAS, Employee and the Company each desire to settle all matters related to Employee' s employment by the Company.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained in the Employment Agreement and in this Agreement, and for other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Parties agree as follows:

1. Release of Company. In consideration for the right to receive the Severance Benefits in accordance with the terms of the Employment Agreement and the mutual promises contained in the Employment Agreement and in this Agreement, Employee (on behalf of himself/herself, his/her heirs, administrators, representatives, executors, successors and assigns) hereby releases, waives, acquits and forever discharges the Company, its predecessors, successors, parents, subsidiaries, assigns, agents, current and former directors, officers, employees, partners, representatives, and attorneys, affiliated companies, and all persons acting by, through, under or in concert with the Company (collectively, the "***Released Parties***"), from any and all demands, rights, disputes, debts, liabilities, obligations, liens, promises, acts, agreements, charges, complaints, claims, controversies, and causes of action of any nature whatsoever, whether statutory, civil, or administrative, that Employee now has or may have against any of the Released Parties, arising in whole or in part at any time on or prior to the execution of this Release, in connection with his or her employment by the Company or the termination thereof.

This release specifically includes, but is not limited to, any claims of discrimination of any kind, breach of contract or any implied covenant of good faith and fair dealing, tortuous interference with a contract, intentional or negligent infliction of emotional distress, breach of privacy, misrepresentation, defamation, wrongful termination, or breach of fiduciary duty; provided, however, that the foregoing release shall not release the Company from the performance of its obligations under this Agreement.

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Additionally, this release specifically includes, but is not limited to, any claim or cause of action arising under Title VII of the Civil Rights Act of 1964, 42 U.S.C.A. §§ 2000 et seq., as amended by the Civil Rights Act of 1991; the Americans With Disabilities Act, 42 U.S.C. §§ 12101 et seq.; 42 U.S.C. §§ 1981; the Civil Rights Act of 1991, as amended; the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §§ 621 et seq.; the Older Workers Benefit Protection Act of 1990; the Employment Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 et seq.; the Family and Medical Leave Act; the Fair Labor Standards Act; the Oklahoma Anti-Discrimination Act, Okla. Stat. tit. 25, §§ 1101 et seq.; the Oklahoma Minimum Wage Act, Okla. Stat. tit. 40, §§ 197.1 et seq.; the Oklahoma Standards for Workplace Drug and Alcohol Testing Act, Okla. Stat. tit. 40, §§ 551 et seq.; Oklahoma Administrative Workers' Compensation Act (discrimination and/or retaliation claims), Okla. Stat. tit. 85A, § 7; or any other federal, state or local statute or common law cause of action of similar effect regarding employment related causes of action of employees against their employer.

2. Waiver of Certain Claims, Rights or Benefits. Without in any way limiting the generality of Section 1 above, by executing this Agreement and accepting the Severance Benefits, Employee specifically agrees to release all claims, rights, or benefits he or she may have for age discrimination arising out of or under the age Discrimination in Employment Act of 1967, 29 U.S.C. § 621, et seq., as currently amended, or any equivalent or comparable provision of state or local law.

3. Acknowledgements of Employee.

(a) Employee represents and acknowledges that in executing this Agreement, Employee does not rely and has not relied upon any representation or statement made by the Company, or its agents, representatives, or attorneys with regarding to the subject matter, basis or effect of this Agreement or otherwise, and that Employee has engaged, and been represented by, an attorney of Employee' s choosing in the negotiation and execution of this Agreement. Employee acknowledges that Employee has been advised by the Company to consult with counsel of Employee' s choosing with regard to the negotiation and execution of this Release, and has had an opportunity to do so.

(b) **EMPLOYEE UNDERSTANDS THAT BY SIGNING AND NOT REVOKING THIS RELEASE, EMPLOYEE IS WAIVING ANY AND ALL RIGHTS OR CLAIMS WHICH EMPLOYEE MAY HAVE UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT AND/OR THE OLDER WORKERS' BENEFIT ACT FOR AGE DISCRIMINATION ARISING FROM EMPLOYMENT WITH THE COMPANY, INCLUDING, WITHOUT LIMITATION, THE RIGHT TO SUE THE COMPANY IN FEDERAL OR STATE COURT FOR AGE DISCRIMINATION. EMPLOYEE FURTHER ACKNOWLEDGES THAT EMPLOYEE (i) DOES NOT WAIVE ANY CLAIMS OR RIGHTS THAT MAY ARISE AFTER THE DATE THIS AGREEMENT IS EXECUTED; (ii) WAIVES CLAIMS OR RIGHTS ONLY IN EXCHANGE FOR CONSIDERATION IN ADDITION TO ANYTHING OF VALUE TO WHICH EMPLOYEE IS ALREADY ENTITLED; AND (iii) AGREES THAT THIS AGREEMENT IS WRITTEN IN A MANNER CALCULATED TO BE UNDERSTOOD BY EMPLOYEE AND EMPLOYEE, IN FACT, UNDERSTANDS THE TERMS, CONTENTS, CONDITIONS AND EFFECTS OF THIS AGREEMENT AND HAS ENTERED INTO THIS AGREEMENT KNOWINGLY AND VOLUNTARILY.**

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(c) Employee acknowledges that he has been fully compensated for all labor and services performed for the Company and has been reimbursed for all business expenses incurred on behalf of the Company through the date of termination of employment, and that the Company does not owe Employee any expense reimbursement amounts, or wages, including vacation pay or paid time-off benefits.

(d) Notwithstanding anything contained in this Agreement to the contrary, this Agreement does not constitute a release nor a waiver of any of the following claims: (i) Employee' s right to file a charge or participate in an investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other governmental agency with jurisdiction to regulate employment conditions or regulations, provided further that Employee does release and relinquish any right to receive any money, property, or any other thing of value, or any other financial benefit or award, as a result of any proceeding of any kind or character initiated by any such governmental agencies or organizations; (ii) claims pursuant to the terms and conditions of the federal law known as COBRA or similar state law; (iii) claims for indemnity under any indemnification agreement with the Company or under its organizational documents, as provided by Oklahoma law or under any applicable insurance policy with respect to Employee' s liability as an employee, director or officer of the Company or its affiliates; and (iv) claims Employee may have as an employee participating in the Company' s qualified retirement plan.

4. Confidentiality. Employee agrees to keep this Agreement, its terms, and the amount of the Severance Benefits completely confidential; provided, however, that he or she may reveal such information to his or her attorney, accountants, financial advisor, spouse, or as required by a court of competent jurisdiction, or as otherwise required by law.

5. Time Period for Enforceability/Revocation of Agreement. The Company' s obligations under this Agreement are contingent upon Employee executing and delivering this Agreement to the Company. Employee may take up to twenty-one (21) days from the Delivery Date (the "***Consideration Period***") to consider this Agreement prior to executing it. Employee may execute and deliver this Agreement at any time during the Consideration Period. Any changes made to this Agreement after the Delivery Date will not restart the running of the Consideration Period. Any execution and delivery of this Agreement by Employee after the expiration of the Consideration Period shall be unenforceable, and the Company shall not be bound thereby. Employee shall have seven (7) days after execution of this Agreement to revoke ("***Revocation Period***") Employee' s consent to this Agreement by executing and delivering a written notice of revocation to the Company. No such revocation by Employee shall be effective unless it is in writing and signed by Employee and received by the Company prior to the expiration of the Revocation Period. Upon delivery of a notice of revocation to the Company, the obligations of the Parties under this Agreement shall be void and unenforceable, with the exception of Employee' s obligation to keep this Agreement confidential under Section 4 above.

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6. Effective Date. This Agreement shall become effective as of the date on which it is executed by Employee, provided that it is also signed by the Company and provided that Employee does not timely revoke this Agreement in accordance with the provisions of Section 5.

7. Governing Law, Jurisdiction & Venue. This Agreement, and any and all interactions between the Parties arising under or resulting from this Agreement, is governed by and construed in accordance with the laws of the State of Oklahoma, exclusive of its choice of law principles. Each Party irrevocably consents to the personal jurisdiction of the state or federal courts located in Oklahoma with regard to any dispute arising out of relating to this Agreement. All payments due hereunder and all obligations performable hereunder shall be payable and performable at the offices of the Company in Oklahoma. Employee represents to the Company that Employee has not filed any charge or complaint, nor initiated any other proceedings, against the Company or any of its employees or agents, with any governmental entity or court.

8. Injunctive Relief. Notwithstanding any other term of this Agreement, it is expressly agreed that a breach of this Agreement will cause irreparable harm to the Company and that a remedy at law would be inadequate. Therefore, in addition to any and all remedies available at law, the Company will be entitled to injunctive and/or other equitable remedies in the event of any threatened or actual violation of any of the provisions of this Agreement.

9. Entire Agreement. The Employment Agreement and this Agreement is the entire agreement between the Parties pertaining to the matters encompassed within it, and supersedes any other agreement, written or oral, that may exist between them relating to the matters encompassed herein, except that this Agreement does not in any way supersede or alter covenants not to compete, non-disclosure or non-solicitation agreements, or confidentiality agreements that may exist between Employee and the Company.

10. Severability. If any provision of this Agreement is found to be illegal or unenforceable, such finding shall not invalidate the remainder of this Agreement, and that provision shall be deemed to be severed or modified to the minimum extent necessary to equitably adjust the Parties' respective rights and obligations under this Agreement.

11. Execution. This Agreement may be executed in multiple counterparts, each of which will be deemed an original for all purposes. Facsimile copies of signature to this Agreement are as valid as original signatures.

[SIGNATURES ON NEXT PAGE]

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EMPLOYEE' S SIGNATURE BELOW MEANS THAT EMPLOYEE HAS READ THIS AGREEMENT AND AGREES AND CONSENTS TO ALL THE TERMS AND CONDITIONS CONTAINED HEREIN.

TAPSTONE ENERGY INC. The "Company"		**EMPLOYEE**	
By:	______________________	Signature:	______________________
Its:	______________________	Print Name:	Steven C. Dixon
Dated:	______________________	Dated:	______________________

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Exhibit 10.7

FORM OF

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "***Agreement***") is entered into as of **[●]**, by and between Tapstone Energy Inc., a Delaware corporation (the "***Company***") and David M. Edwards (the "***Executive***").

WHEREAS, the Executive is an employee of Tapstone Energy, LLC, a Delaware limited liability company;

WHEREAS, it is anticipated that a subsidiary of the Company will merge with and into Tapstone Energy, LLC prior to the effectiveness of the Tapstone Energy Inc. Form S-1 Registration Statement filed with the Securities and Exchange Commission (such effectiveness being the "***IPO***");

WHEREAS, this Agreement will be effective immediately prior to the IPO (the "***Effective Date***") and contingent upon the IPO; and

WHEREAS, the Company desires to employ the Executive as its Senior Vice President and Chief Financial Officer, subject to the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Executive hereby agree as follows:

1. Employment and Duties.

(a) General. The Executive shall serve as the Senior Vice President and Chief Financial Officer of the Company, reporting to the Company' s Chief Executive Officer and the Company' s Board of Directors (the "***Board***"). The Executive shall have such duties and responsibilities, commensurate with the Executive' s position, as may be reasonably assigned to the Executive from time to time by the Board. The Executive' s principal place of employment shall be Oklahoma City, Oklahoma. Notwithstanding anything in this Agreement to the contrary, the Executive' s employment with the Company shall be on an "*at-will*" basis and he shall have no rights to continued employment with the Company. The Executive shall be responsible for (1) management and supervision of the day-to-day financial affairs of the Company, subject to the matters that are expressly reserved herein or the Board, (2) the management and supervision of accounting and financial reporting, tax, treasury and funds management, insurance, forecasting and budgeting, financial planning and implementation, internal controls and audit, and risk management policies and (3) the execution of the policies of the Company and the Board and such other duties consistent with such Company position as from time to time may be assigned to him by the Company or the Board hereunder.

(b) Exclusive Services. For so long as the Executive is employed by the Company, the Executive shall devote his or her full attention to his or her duties hereunder, shall faithfully serve the Company, shall in all respects conform to and comply with the lawful and good faith directions and instructions given to him or her by the Company, and shall use his best efforts to promote and serve the interests of the Company. Further, unless the Company consents in writing, the Executive shall not, directly or indirectly, render services to any other person or organization or otherwise engage in activities that would interfere significantly with his faithful

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performance of his duties hereunder. Notwithstanding the foregoing, the Executive may (i) serve on corporate boards, provided he receives prior permission from the Board; and (ii) serve on corporate, civic, children sports organization or charitable boards or engage in charitable activities without remuneration therefor, provided that such activity does not contravene the first sentence of this Section 1(b).

(c) Dodd-Frank Act, Sarbanes-Oxley and Other Applicable Law Requirements. The Executive agrees (i) to abide by any compensation recovery, recoupment, anti-hedging, or other policy applicable to executives of the Company and its affiliates that is hereafter adopted by the Board or a duly authorized committee thereof to comply with applicable law as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "***Dodd-Frank Act***"), the Sarbanes-Oxley Act of 2002 ("***Sarbanes-Oxley***"), or other applicable law; and (ii) that the terms and conditions of this Agreement shall be deemed automatically and unilaterally amended to the minimum extent necessary to ensure compliance by the Executive and this Agreement with such policies, the Dodd-Frank Act, Sarbanes-Oxley, and any other applicable law.

2. Term of Employment. The Executive' s employment shall be covered by the terms of this Agreement, effective as of Effective Date, and shall continue for a period of two (2) years ("***Term***"), unless this Agreement (and the Executive' s employment hereunder) is otherwise terminated as set forth in this Agreement. Thereafter, this Agreement shall automatically renew thereafter for subsequent periods of one (1) year ("***Renewal Term***"), unless either party provides written notice to the other at least sixty (60) days prior to the end of the Term (or any Renewal Term thereafter) or unless this Agreement (and the Executive' s employment hereunder) is otherwise terminated as set forth in this Agreement.

3. Compensation and Benefits. Subject to the provisions of this Agreement, the Company shall pay and provide the following compensation and other benefits to the Executive during the Term as compensation for services rendered hereunder:

(a) Base Salary. The Company shall pay to the Executive an annual salary (the "***Base Salary***") at the rate of $375,000, payable in substantially equal installments at such intervals as may be determined by the Company in accordance with the Company' s then current ordinary payroll practices as established from time to time. The Base Salary shall be reviewed in good faith by the Compensation Committee of the Board, or in the absence thereof, the Board (the "***Committee***"), based upon the Executive' s performance, not less often than annually.

(b) Annual Bonus. For each calendar year during the Term, the Executive shall be eligible for a performance-based cash bonus with a target of 50% of the Executive' s Base Salary (the "***Annual Target Bonus***"), and it shall not exceed 100% of the Executive' s Base Salary, calculated by the Board in its sole and absolute discretion considering of the performance of the Company and the Executive. Such payment shall be made in two semi-annual payments in accordance with the Executive' s then ordinary payroll practices as established from time to time.

(c) Initial Equity Awards. The Executive shall also be entitled to receive the following initial grants, subject to his continued employment with the Company as of the date of grant or payment date (as the case may be): (i) common member interests, in the form of Class A Units to be granted on the Effective Date, equal to 0.20 % of all Class A Units and Incentive Units (which terms shall have the same definitions in this Section 3(f) as in the Limited Liability

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Company Agreement of the Company) of the Company outstanding equity as of December 31, 2016, with a four year vesting schedule vesting at an annual rate of 25% per year (with the initial vesting period commencing on January 1, 2017); and (ii) contingent upon the occurrence of the IPO, options to purchase common stock of the Company equal to 0.1% of all outstanding Class A Units and Incentive Units of the Company outstanding as of December 31, 2016 (tracked on a fully converted bases to the corporation that results from a reorganization of the Company immediately prior to the IPO), which options shall have an exercise price per share of common stock equal to 1.15x the price to the public market per share of common stock of the Company in the IPO, and immediately granted thereafter, with a four year vesting schedule, vesting at an annual rate of 25% per year (with the initial vesting period commencing on January 1, 2017).

(d) Annual Equity Awards. Unless otherwise determined by the Committee, commencing in fiscal year 2018 and on an annual basis thereafter, the Committee shall grant the Executive an annual equity award with a grant date fair value approximately equal to one and one-fourth times (1.25x) the sum of the Executive' s Base Salary and the Annual Target Bonus, divided evenly between stock options and restricted stock units unless otherwise mutually agreed upon by the Executive and the Committee, and subject to the terms and conditions set forth in the applicable award agreements.

(e) Stock Options. Any stock options granted pursuant to Sections 3(c) and 3(d) will be incentive stock options under Section 422 of the Internal Revenue Code of 1986, as amended (the "***Code***") to the extent permitted under Section 422(d) of the Code.

(f) Employee Benefits. The Executive shall be entitled to participate in all employee benefit arrangements that the Company may offer to its executives of like status from time to time, and as may be amended from time to time.

(g) Expenses. The Executive shall be entitled to reimbursement of business expenses that are incurred in the ordinary course of business, in accordance with the applicable expense reimbursement policies and procedures of the Company as in effect from time to time.

(h) Indemnification Agreement. The Indemnification Agreement attached hereto as **Exhibit A** is incorporated into this Agreement by reference.

4. Rights Upon a Termination of the Executive' s Employment.

(a) Termination of Employment by the Company for Cause or by the Executive Without Good Reason. If the Executive' s employment is terminated by the Company for Cause, or the Executive voluntarily terminates his employment without Good Reason, then the Executive shall receive only the following from the Company: (i) any unpaid Base Salary accrued through the termination date, (ii) a lump sum payment for any accrued but unused paid time off, (iii) rights to elect continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("***COBRA***"), and (iv) a lump sum payment for any previously unreimbursed business expenses incurred by the Executive on behalf of the Company during the term of his employment (collectively, such (i) through (iv) being the "***Accrued Rights***").

(i) For purposes of this Agreement, the term "***Cause***" shall mean a termination by the Company of the Executive' s employment because of: (A) any act or omission

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that constitutes an intentional and material breach by the Executive of any of his obligations under this Agreement; (B) the Executive' s conviction of, or plea of nolo contendere to, (1) any felony or (2) another crime involving dishonesty or moral turpitude or which could reflect negatively upon the Company or otherwise impair or impede its operations; (C) the Executive willfully engaging in any misconduct, negligence, act of dishonesty, violence or threat of violence (including any violation of federal securities laws) that is materially injurious to the Company or any of its subsidiaries or affiliates; (D) the Executive' s intentional and material breach of a written policy of the Company or the rules of any governmental or regulatory body applicable to the Company that is or could be materially injurious to the Company; (E) the Executive' s willful and repeated refusal to follow the lawful directions of the Board; or (F) any other willful misconduct by the Executive which is materially injurious to the financial condition, operations or business reputation of the Company or any of its subsidiaries or affiliates. Notwithstanding anything in this Section 4(a)(i), no event or condition described in Sections 4(a)(i)(A), (C), (D), (E) or (F) shall constitute Cause unless (x) within ninety (90) days from the Board first acquiring actual knowledge of the existence of the Cause condition, the Board provides the Executive written notice of its intention to terminate his employment for Cause and the grounds for such termination; (y) such grounds for termination (if susceptible to correction) are not corrected by the Executive within thirty (30) days of his receipt of such notice (or, in the event that such grounds cannot be corrected within such thirty-day (30) period, the Executive has not taken all reasonable steps within such thirty-day (30) period to correct such grounds as promptly as practicable thereafter); and (z) the Board terminates the Executive' s employment with the Company immediately following expiration of such thirty-day (30) period. For purposes of this Section 4(a)(i), any attempt by the Executive to correct a stated Cause shall not be deemed an admission by the Executive that the Board' s assertion of Cause is valid. Notwithstanding anything in this Agreement to the contrary, if the Executive' s employment with the Company is terminated without Cause, the Company shall have the sole discretion to later use after-acquired evidence to retroactively re-characterize the prior termination for Cause if such after-acquired evidences supports such an action.

(ii) For purposes of this Agreement, the term "***Good Reason***" shall mean a voluntary termination by the Executive of his employment because of: (A) a material diminution in the Executive' s Base Salary; (B) a material diminution in the nature or scope of the Executive' s authority, duties, or responsibilities from those applicable to him or her as of the Effective Date; (C) the Company requiring the Executive to be based at any office or location more than fifty (50) miles from Oklahoma City; or (D) a material breach by the Company of any term or provision of this Agreement. No event or condition described in this Section 4 shall constitute Good Reason unless, (x) within ninety (90) days from the Executive first acquiring actual knowledge of the existence of the Good Reason condition described in this Section 4(a)(ii), the Executive provides the Board written notice of his intention to terminate his employment for Good Reason and the grounds for such termination; (y) such grounds for termination (if susceptible to correction) are not corrected by the Board within thirty (30) days of the Board' s receipt of such notice (or, in the event that such grounds cannot be corrected within such thirty-day (30) period, the Board has not taken all reasonable steps within such thirty-day (30) period to correct such grounds as promptly as practicable thereafter); and (z) the Executive terminates his employment with the Company immediately following expiration of such thirty-day (30) period. For purposes of this Section 4(a)(ii), any attempt by the Board to correct a stated Good Reason shall not be deemed an admission by the Board that the Executive' s assertion of Good Reason is valid.

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(b) Termination of Employment by the Company Without Cause or by the Executive for Good Reason not in Connection with a Change In Control. If the Executive' s employment is terminated by the Company without Cause or by the Executive for Good Reason other than within the one-year (1) period following a Change in Control (the "***Protection Period***"), then the Executive shall receive the following from the Company: (i) the Accrued Rights, (ii) two and a half times (2.5x) the Executive' s Base Salary, (iii) two and a half times (2.5x) the Executive' s Annual Target Bonus, (iv) the Executive' s outstanding and unvested time-based equity awards shall vest pro-rata, based on the number of completed months in the vesting period prior to the termination of employment, (v) the Executive' s outstanding and unvested performance-based equity awards shall vest pro-rata, based on the number of completed months during the performance period prior to the termination of employment, with the vesting of such awards deemed to occur at target levels, and (vi) a lump sum amount equal to twelve (12) months' worth of the monthly premium payment to continue the Executive' s (and his family' s) existing group health, dental coverage and vision, calculated under the applicable provisions of COBRA, and calculated without regard to whether the Executive actually elects such continuation coverage (the "***COBRA Benefits***") (collectively, (i) through (vi) being the "***Involuntary Termination Severance Benefits***").

(i) For purposes of this Agreement, the term "***Change in Control***" shall have the meaning set forth in the Tapstone Energy Inc. 2017 Long-Term Incentive Plan (the "***2017 Plan***") or any successor long-term equity incentive plan maintained by the Company if the 2017 Plan has terminated prior to the event constituting the Change in Control.

(c) Termination of Employment by the Company Without Cause or by the Executive for Good Reason in Connection with a Change in Control. If the Executive' s employment is terminated by the Company without Cause or by the Executive for Good Reason during the Protection Period, then the Executive shall receive the following from the Company: (i) the Accrued Rights, (ii) two and a half times (2.5x) the Executive' s Base Salary, (iii) two and a half times (2.5x) the Executive' s Annual Target Bonus, (iv) full accelerated vesting of the Executive' s outstanding and unvested time-based equity awards, (v) full accelerated vesting of the Executive' s outstanding and unvested performance-based equity awards, with the vesting of such awards deemed to occur at maximum levels, and (vi) the COBRA Benefits (collectively, (i) through (vi) being the "***Change in Control Severance Benefits***").

(d) Termination of Employment due to Death or Disability. If the Executive' s employment is terminated by the Company due to the Executive' s death or Disability, then the Executive shall receive the following from the Company: (i) the Accrued Rights, (ii) the Executive' s outstanding and unvested time-based equity awards shall vest pro-rata, based on the number of completed months in the vesting period prior to the termination of employment, and (iii) the Executive' s outstanding and unvested performance-based equity awards shall vest pro-rata, based on the number of completed months during the performance period prior to the termination of employment, with the vesting of such awards deemed to occur at target levels (collectively, (i) through (iii) being the "***Death or Disability Severance Benefits***"). For the avoidance of doubt, in the event of a termination under this Section 4(d), neither the Executive nor his estate shall be entitled to any payments under this Agreement except for the Death or Disability Severance Benefits.

(i) For purposes of this Agreement, the term "***Disability***" means that the Executive: (x) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be

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expected to last for a continuous period of not less than twelve (12) months; (y) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company; or (z) is determined by the Social Security Administration to be disabled. Notwithstanding the foregoing, the Executive shall not be considered to have incurred a "Disability" unless he or she furnishes proof of such impairment sufficient to satisfy the Board in its sole discretion.

(e) Form and Timing of Severance Benefits. The Involuntary Termination Severance Benefits, the Change in Control Severance Benefits and the Death or Disability Severance Benefits (collectively, the "***Severance Benefits***"), as applicable, shall be paid to the Executive no later than the forty-fifth (45th) day immediately following the Executive' s "separation from service" (as defined under Section 409A of the Code), provided the Executive (or the Executive' s estate or legally appointed personal representative) first executes a release of any and all claims against the Company (set forth in Section 4(h), below) and the revocation period specified therein has expired without the Executive revoking such release. However, if such forty-five (45) day period straddles two (2) taxable years of the Executive, then the Company shall pay the Severance Benefits in the second of such taxable years, regardless of the taxable year in which the Executive actually delivers the executed release of claims.

(f) No Continued Benefits Following Termination. Unless otherwise specifically provided in this Agreement or contemplated by another agreement between the Executive and the Company, or as otherwise required by law, all compensation, equity plans, and benefits payable to the Executive under this Agreement shall terminate on the date of termination of the Executive' s employment with the Company under the terms of this Agreement.

(g) Resignation from Directorships, Officerships and Fiduciary Titles. The termination of the Executive' s employment for any reason shall constitute the Executive' s immediate resignation from (i) any officer or employee position the Executive has with the Company, unless mutually agreed upon by the Executive and the Board; (ii) any position on the Board; and (iii) all fiduciary positions (including as a trustee) the Executive holds with respect to any employee benefit plans or trusts established by the Company. The Executive agrees that this Agreement shall serve as written notice of resignation in this circumstance.

(h) Waiver and Release. Notwithstanding any other provisions of this Agreement to the contrary, unless expressly waived in writing by the Board in its sole discretion, the Company shall not make or provide any Severance Benefits under this Section 4 (other than the Accrued Rights), unless the Executive timely executes and delivers to the Company a general release (which shall be provided by the Company not later than five (5) days from the date on which the Executive' s employment is terminated and be substantially in the form attached hereto as **Exhibit B**), whereby the Executive (or his estate or legally appointed personal representative) releases the Company (and affiliates of the Company and other designated persons) from all employment based or related claims of the Executive and all obligations of the Company to the Executive other than with respect to (x) the Company' s obligations to make and provide the Severance Benefits and (y) any vested benefits to which the Executive is entitled under the terms of any Company benefit or equity plan, and the Executive does not revoke such release within any applicable revocation period following the Executive' s delivery of the executed release to the

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Company. If the requirements of this Section 4(h) are not satisfied by the Executive (or his estate or legally appointed personal representative), then no Severance Benefits (other than the Accrued Rights) shall be due to the Executive (or his estate) pursuant to this Agreement.

(i) Notice of Termination. Any termination of employment by the Company or the Executive shall be communicated by a written "***Notice of Termination***" to the other party hereto given in accordance with Section 8(m) of this Agreement. In the event of a termination by the Company for Cause, the Notice of Termination shall (i) indicate the specific termination provision in this Agreement relied upon, (ii) set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive' s employment under the provision so indicated and (iii) specify the date of termination. The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause or Good Reason shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive' s or the Company' s rights hereunder.

5. Non-Solicitation and Confidentiality. As a condition to continued employment, the Executive shall execute the Non-Solicitation and Confidentiality Agreement attached hereto as **Exhibit C** (the "***Restrictive Covenants***"). Any breach (or threatened breach) by the Executive of his obligations under the Restrictive Covenants, as determined by the Board in its reasonable discretion, shall constitute a material breach of this Agreement.

6. Section 280G Gross-Up Payment.

(a) If, during the term of the Executive' s employment, there is a change in ownership or control of the Company that causes any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 6(a)) (a "***Payment***") to be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "***Code***") (such excise tax, together with any interest or penalties incurred by the Executive with respect to such excise tax, being the "***Excise Tax***"), then the Executive shall be entitled to receive an additional payment (a "***Gross-Up Payment***") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive will retain an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. The Gross-Up Payment shall be paid to the Executive no later than the end of the taxable year next following the taxable year in which the Executive remits the taxes related to the Gross-Up Payment.

(b) Determination of the Gross-Up Payment. Subject to the provisions of Section 6(c), all determinations required to be made under this Section 6(b), including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by a certified public accounting firm or nationally recognized law firm designated by the Company and reasonably acceptable to the Executive (the "***Authorized Firm***"), which shall provide detailed supporting calculations both to the Company and the Executive within fifteen (15) business days of the receipt of notice from the Executive that there has been a Payment with respect to which the Executive in

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good faith believes a Gross-Up Payment may be due under this Section 6(b), or such earlier time as is requested by the Company. All fees and expenses of the Authorized Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 6(b), shall be paid by the Company to the Executive within five (5) days of the later of (i) the due date for the payment of any Excise Tax and (ii) the receipt of the Authorized Firm' s determination. Any determination by the Authorized Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Authorized Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Company should have been made ("***Underpayment***"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 6(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Authorized Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to the Executive or for the Executive' s benefit. The previous sentence shall apply equally to any overpayment of a Gross-Up Payment.

(c) Procedures. The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten (10) business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the thirty-day (30) period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim;

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limiting the foregoing provisions of this Section 6(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the

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taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, to the extent permitted by law, the Company shall advance the amount of such payment to the Executive on an interest-free basis (which shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid) and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and provided further that any extension of the statute of limitations relating to payment of taxes for the Executive' s taxable year with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company' s control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) Refund. If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 6(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company complying with the requirements of Section 6(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the Executive receives an amount advanced by the Company pursuant to Section 6(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

7. Section 409A of the Code. This Agreement is intended to either avoid the application of, or comply with, Section 409A of the Code. To that end this Agreement shall at all times be interpreted in a manner that is consistent with Section 409A of the Code. Notwithstanding any other provision in this Agreement to the contrary, the Company shall have the right, in its sole discretion, to adopt such amendments to this Agreement or take such other actions (including amendments and actions with retroactive effect) as it determines is necessary or appropriate for this Agreement to comply with Section 409A of the Code. Further:

(a) Any reimbursement of any costs and expenses by the Company to the Executive under this Agreement shall be made by the Company in no event later than the close of the Executive' s taxable year following the taxable year in which the cost or expense is incurred by the Executive. The expenses incurred by the Executive in any calendar year that are eligible for reimbursement under this Agreement shall not affect the expenses incurred by the Executive in any other calendar year that are eligible for reimbursement hereunder and the Executive' s right to receive any reimbursement hereunder shall not be subject to liquidation or exchange for any other benefit.

(b) Any payment following a separation from service that would be subject to Section 409A(a)(2)(A)(i) of the Code as a distribution following a separation from service of a

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"specified employee" (as defined under Section 409A(a)(2)(B)(i) of the Code) shall be made on the first to occur of (i) ten (10) days after the expiration of the six (6) month period following such separation from service, (ii) death or (iii) such earlier date that complies with Section 409A of the Code.

(c) Each payment that the Executive may receive under this Agreement shall be treated as a "separate payment" for purposes of Section 409A of the Code.

8. Miscellaneous.

(a) Defense of Claims. The Executive agrees that, during and following the Term, upon request from the Company, the Executive will cooperate with the Company in the defense of any claims or actions that may be made by or against the Company that affect the Executive' s prior areas of responsibility, except if the Executive' s reasonable interests are adverse to the Company in such claim or action. The Company agrees to promptly reimburse the Executive for all of the Executive' s reasonable legal fees, travel and other direct expenses incurred, or to be reasonably incurred – and, if the Executive is no longer employed with the Company, to compensate the Executive (at a pro rata hourly rate calculated based on the Executive' s salary at the time of the Executive' s separation) for the Executive' s time – to comply with the Executive' s obligations under this Section 8(a).

(b) Non-Disparagement. The Executive agrees that at no time during or after the termination of the Executive' s employment shall the Executive make, or cause or assist any other person to make, any statement or other communication to any third party which impugns or attacks, or is otherwise critical of, the reputation, business or character of the Company or its affiliates or any of its respective directors, officers or employees.

(c) Source of Payments. All payments provided under this Agreement, other than payments made pursuant to a plan or agreement which provides otherwise, shall be paid in cash from the general funds of the Company, and no special or separate fund shall be established, and no other segregation of assets shall be made, to assure payment. The Executive shall have no right, title or interest whatsoever in or to any investments which the Company may make to aid the Company in meeting its obligations hereunder. To the extent that any person acquires a right to receive payments from the Company hereunder, such right shall be no greater than the right of an unsecured creditor of the Company.

(d) Amendment, Waiver. This Agreement may not be modified, amended or waived in any manner, except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

(e) Entire Agreement. This Agreement, the Exhibits attached hereto, and the agreements specifically incorporated herein are the entire agreement and understanding of the parties hereto with respect to the matters covered herein and supersedes all prior or contemporaneous negotiations, commitments, agreements and writings with respect to the subject matter hereof, all such other negotiations, commitments, agreements and writings shall have no further force or effect, and the parties to any such other negotiation, commitment, agreement or writing shall have no further rights or obligations thereunder.

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(f) Governing Law. This Agreement shall be performable, governed by and construed in accordance with the laws of the State of Oklahoma, without regard to conflict of laws principles thereof.

(g) Disputes; Venue. Any disputes, claims and counterclaims under this Agreement shall be resolved in accordance with any internal dispute resolution policy of the Company in effect from time to time, including any arbitration provisions thereof. The prevailing party in any dispute that is resolved by the dispute resolution policy shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred by the prevailing party in connection with such dispute resolution policy.

(h) No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party' s rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

(i) Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

(j) Specific Performance/Injunctive Relief. In the event of the Executive' s breach or violation of any of the Restrictive Covenants contained in Section 5 and **Exhibit C**, the parties agree that, in addition to any other remedies it may have, the Company shall be entitled to equitable relief for specific performance, and the Executive hereby agrees and acknowledges that the Company has no adequate remedy at law for the breach of the employment covenants contained herein.

(k) No Assignment. Neither this Agreement nor any of the Executive' s rights and duties hereunder, shall be assignable or delegable by the Executive. Any purported assignment or delegation by the Executive in violation of the foregoing shall be null and void ab initio and of no force and effect. This Agreement may be assigned by the Company to a person or entity which is successor or any parent, subsidiary or other affiliate of the Company without the consent of the Executive. Upon such assignment, the rights and obligations of the Company hereunder shall become the rights and obligations of such affiliate or successor person or entity. Failure of a purchaser to assume this Agreement (as is) in a Change in Control shall be deemed to be a material breach of this Agreement.

(*l*) Successors; Binding Agreement. Upon the death of the Executive, this Agreement shall be binding upon personal or legal representatives, executors, administrators, successors, heirs, distributes, devisees and/or legatees.

(m) Notices. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three (3) days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the

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respective addresses set forth below in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

If to the Company:	Tapstone Energy, Inc. 100 East Main Street Oklahoma City, OK 73104 Attn: Human Resources
With a Copy to:	Andrews Kurth Kenyon LLP 600 Travis Street, Suite 4200 Houston, TX 77002 Attn: G. Michael O' Leary and Anthony Eppert
If to the Executive:	David M. Edwards 100 East Main Street Oklahoma City, OK 73104

(n) Withholding of Taxes. The Company may withhold from any amounts or benefits payable under this Agreement all taxes it may be required to withhold pursuant to any applicable law or regulation.

(o) Headings. The section headings in this Agreement are inserted only as a matter of convenience, and in no way define, limit or interpret the scope of this Agreement or of any particular section.

(p) Construction. Whenever the context so requires herein, the masculine shall include the feminine and neuter, and the singular shall include the plural. The words "includes" and "including" as used in this Agreement shall be deemed to be followed by the phrase "without limitation." The word "or" is not exclusive.

(q) Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(r) Survival. This Agreement shall terminate upon the termination of employment of the Executive; however, the following shall survive the termination of the Executive' s employment and/or the expiration or termination of this Agreement, regardless of the reasons for such expiration or termination: Section 3(h) ("Indemnification Agreement") and its corresponding **Exhibit A**, Section 4 ("Rights Upon a Termination of the Executive' s Employment") and its corresponding **Exhibit B**, Section 5 ("Non-Solicitation and Confidentiality") and its corresponding **Exhibit C**, Section 6 ("Section 280G Gross-Up Payment"), Section 8(a) ("Defense of Claims"), Section 8(b) ("Non-Disparagement"), Section 8(e) ("Entire Agreement"), Section 8(f) ("Governing Law"), Section 8(g) ("Disputes; Venue"), Section 8(j) ("Specific Performance/Injunctive Relief"), Section 8(*l*) ("Successors/Binding Agreement"), and Section 8(m) ("Notices").

[SIGNATURES ON NEXT PAGE]

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement effective as of the Effective Date.

EXECUTIVE:		**TAPSTONE ENERGY INC.:**	
Signature:	______________________	By:	______________________
Print Name:	David M. Edwards	Its:	______________________
Date:	______________________	Date:	______________________

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EXHIBIT A

TAPSTONE ENERGY INC.
INDEMNIFICATION AGREEMENT

[TO BE ATTACHED]

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EXHIBIT B

TAPSTONE ENERGY INC.
WAIVER AND RELEASE

This Waiver and Release (this "***Agreement***") is made and entered into by and between Tapstone Energy Inc., a Delaware corporation (the "***Company***") and David M. Edwards ("***Employee***"), each referred to collectively as the "***Parties***", and individually as "***Party***."

WHEREAS, the Company and Employee are parties to a certain Employment Agreement dated [ ] (the "***Employment Agreement***");

WHEREAS, pursuant to the Employment Agreement, in consideration of the right to receive the Severance Benefits (as defined in the Employment Agreement), Employee must sign, return and not revoke this Agreement;

WHEREAS, the Company has executed and delivered this Agreement to Employee for his review and consideration as of the ("***Delivery Date***"); and

WHEREAS, Employee and the Company each desire to settle all matters related to Employee' s employment by the Company.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained in the Employment Agreement and in this Agreement, and for other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Parties agree as follows:

1. Release of Company. In consideration for the right to receive the Severance Benefits in accordance with the terms of the Employment Agreement and the mutual promises contained in the Employment Agreement and in this Agreement, Employee (on behalf of himself/herself, his/her heirs, administrators, representatives, executors, successors and assigns) hereby releases, waives, acquits and forever discharges the Company, its predecessors, successors, parents, subsidiaries, assigns, agents, current and former directors, officers, employees, partners, representatives, and attorneys, affiliated companies, and all persons acting by, through, under or in concert with the Company (collectively, the "***Released Parties***"), from any and all demands, rights, disputes, debts, liabilities, obligations, liens, promises, acts, agreements, charges, complaints, claims, controversies, and causes of action of any nature whatsoever, whether statutory, civil, or administrative, that Employee now has or may have against any of the Released Parties, arising in whole or in part at any time on or prior to the execution of this Release, in connection with his or her employment by the Company or the termination thereof.

This release specifically includes, but is not limited to, any claims of discrimination of any kind, breach of contract or any implied covenant of good faith and fair dealing, tortuous interference with a contract, intentional or negligent infliction of emotional distress, breach of privacy, misrepresentation, defamation, wrongful termination, or breach of fiduciary duty; provided, however, that the foregoing release shall not release the Company from the performance of its obligations under this Agreement.

Additionally, this release specifically includes, but is not limited to, any claim or cause of action arising under Title VII of the Civil Rights Act of 1964, 42 U.S.C.A. §§ 2000 et seq., as

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amended by the Civil Rights Act of 1991; the Americans With Disabilities Act, 42 U.S.C. §§ 12101 et seq.; 42 U.S.C. §§ 1981; the Civil Rights Act of 1991, as amended; the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §§ 621 et seq.; the Older Workers Benefit Protection Act of 1990; the Employment Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 et seq.; the Family and Medical Leave Act; the Fair Labor Standards Act; the Oklahoma Anti-Discrimination Act, Okla. Stat. tit. 25, §§ 1101 et seq.; the Oklahoma Minimum Wage Act, Okla. Stat. tit. 40, §§ 197.1 et seq.; the Oklahoma Standards for Workplace Drug and Alcohol Testing Act, Okla. Stat. tit. 40, §§ 551 et seq.; Oklahoma Administrative Workers' Compensation Act (discrimination and/or retaliation claims), Okla. Stat. tit. 85A, § 7; or any other federal, state or local statute or common law cause of action of similar effect regarding employment related causes of action of employees against their employer.

2. Waiver of Certain Claims, Rights or Benefits. Without in any way limiting the generality of Section 1 above, by executing this Agreement and accepting the Severance Benefits, Employee specifically agrees to release all claims, rights, or benefits he or she may have for age discrimination arising out of or under the age Discrimination in Employment Act of 1967, 29 U.S.C. § 621, et seq., as currently amended, or any equivalent or comparable provision of state or local law.

3. Acknowledgements of Employee.

(a) Employee represents and acknowledges that in executing this Agreement, Employee does not rely and has not relied upon any representation or statement made by the Company, or its agents, representatives, or attorneys with regarding to the subject matter, basis or effect of this Agreement or otherwise, and that Employee has engaged, and been represented by, an attorney of Employee' s choosing in the negotiation and execution of this Agreement. Employee acknowledges that Employee has been advised by the Company to consult with counsel of Employee' s choosing with regard to the negotiation and execution of this Release, and has had an opportunity to do so.

(b) **EMPLOYEE UNDERSTANDS THAT BY SIGNING AND NOT REVOKING THIS RELEASE, EMPLOYEE IS WAIVING ANY AND ALL RIGHTS OR CLAIMS WHICH EMPLOYEE MAY HAVE UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT AND/OR THE OLDER WORKERS' BENEFIT ACT FOR AGE DISCRIMINATION ARISING FROM EMPLOYMENT WITH THE COMPANY, INCLUDING, WITHOUT LIMITATION, THE RIGHT TO SUE THE COMPANY IN FEDERAL OR STATE COURT FOR AGE DISCRIMINATION. EMPLOYEE FURTHER ACKNOWLEDGES THAT EMPLOYEE (i) DOES NOT WAIVE ANY CLAIMS OR RIGHTS THAT MAY ARISE AFTER THE DATE THIS AGREEMENT IS EXECUTED; (ii) WAIVES CLAIMS OR RIGHTS ONLY IN EXCHANGE FOR CONSIDERATION IN ADDITION TO ANYTHING OF VALUE TO WHICH EMPLOYEE IS ALREADY ENTITLED; AND (iii) AGREES THAT THIS AGREEMENT IS WRITTEN IN A MANNER CALCULATED TO BE UNDERSTOOD BY EMPLOYEE AND EMPLOYEE, IN FACT, UNDERSTANDS THE TERMS, CONTENTS, CONDITIONS AND EFFECTS OF THIS AGREEMENT AND HAS ENTERED INTO THIS AGREEMENT KNOWINGLY AND VOLUNTARILY.**

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(c) Employee acknowledges that he has been fully compensated for all labor and services performed for the Company and has been reimbursed for all business expenses incurred on behalf of the Company through the date of termination of employment, and that the Company does not owe Employee any expense reimbursement amounts, or wages, including vacation pay or paid time-off benefits.

(d) Notwithstanding anything contained in this Agreement to the contrary, this Agreement does not constitute a release nor a waiver of any of the following claims: (i) Employee' s right to file a charge or participate in an investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other governmental agency with jurisdiction to regulate employment conditions or regulations, provided further that Employee does release and relinquish any right to receive any money, property, or any other thing of value, or any other financial benefit or award, as a result of any proceeding of any kind or character initiated by any such governmental agencies or organizations; (ii) claims pursuant to the terms and conditions of the federal law known as COBRA or similar state law; (iii) claims for indemnity under any indemnification agreement with the Company or under its organizational documents, as provided by Oklahoma law or under any applicable insurance policy with respect to Employee' s liability as an employee, director or officer of the Company or its affiliates; and (iv) claims Employee may have as an employee participating in the Company' s qualified retirement plan.

4. Confidentiality. Employee agrees to keep this Agreement, its terms, and the amount of the Severance Benefits completely confidential; provided, however, that he or she may reveal such information to his or her attorney, accountants, financial advisor, spouse, or as required by a court of competent jurisdiction, or as otherwise required by law.

5. Time Period for Enforceability/Revocation of Agreement. The Company' s obligations under this Agreement are contingent upon Employee executing and delivering this Agreement to the Company. Employee may take up to twenty-one (21) days from the Delivery Date (the "***Consideration Period***") to consider this Agreement prior to executing it. Employee may execute and deliver this Agreement at any time during the Consideration Period. Any changes made to this Agreement after the Delivery Date will not restart the running of the Consideration Period. Any execution and delivery of this Agreement by Employee after the expiration of the Consideration Period shall be unenforceable, and the Company shall not be bound thereby. Employee shall have seven (7) days after execution of this Agreement to revoke ("***Revocation Period***") Employee' s consent to this Agreement by executing and delivering a written notice of revocation to the Company. No such revocation by Employee shall be effective unless it is in writing and signed by Employee and received by the Company prior to the expiration of the Revocation Period. Upon delivery of a notice of revocation to the Company, the obligations of the Parties under this Agreement shall be void and unenforceable, with the exception of Employee' s obligation to keep this Agreement confidential under Section 4 above.

6. Effective Date. This Agreement shall become effective as of the date on which it is executed by Employee, provided that it is also signed by the Company and provided that Employee does not timely revoke this Agreement in accordance with the provisions of Section 5.

7. Governing Law, Jurisdiction & Venue. This Agreement, and any and all interactions between the Parties arising under or resulting from this Agreement, is governed by and construed in

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accordance with the laws of the State of Oklahoma, exclusive of its choice of law principles. Each Party irrevocably consents to the personal jurisdiction of the state or federal courts located in Oklahoma with regard to any dispute arising out of relating to this Agreement. All payments due hereunder and all obligations performable hereunder shall be payable and performable at the offices of the Company in Oklahoma. Employee represents to the Company that Employee has not filed any charge or complaint, nor initiated any other proceedings, against the Company or any of its employees or agents, with any governmental entity or court.

8. Injunctive Relief. Notwithstanding any other term of this Agreement, it is expressly agreed that a breach of this Agreement will cause irreparable harm to the Company and that a remedy at law would be inadequate. Therefore, in addition to any and all remedies available at law, the Company will be entitled to injunctive and/or other equitable remedies in the event of any threatened or actual violation of any of the provisions of this Agreement.

9. Entire Agreement. The Employment Agreement and this Agreement is the entire agreement between the Parties pertaining to the matters encompassed within it, and supersedes any other agreement, written or oral, that may exist between them relating to the matters encompassed herein, except that this Agreement does not in any way supersede or alter covenants not to compete, non-disclosure or non-solicitation agreements, or confidentiality agreements that may exist between Employee and the Company.

10. Severability. If any provision of this Agreement is found to be illegal or unenforceable, such finding shall not invalidate the remainder of this Agreement, and that provision shall be deemed to be severed or modified to the minimum extent necessary to equitably adjust the Parties' respective rights and obligations under this Agreement.

11. Execution. This Agreement may be executed in multiple counterparts, each of which will be deemed an original for all purposes. Facsimile copies of signature to this Agreement are as valid as original signatures.

[SIGNATURES ON NEXT PAGE]

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EMPLOYEE' S SIGNATURE BELOW MEANS THAT EMPLOYEE HAS READ THIS AGREEMENT AND AGREES AND CONSENTS TO ALL THE TERMS AND CONDITIONS CONTAINED HEREIN.

TAPSTONE ENERGY INC. The "Company"		**EMPLOYEE**	
By:	____________________	Signature:	____________________
Its:	____________________	Print Name:	David M. Edwards
Dated:	____________________	Dated:	____________________

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EXHIBIT C

TAPSTONE ENERGY INC.
NON-SOLICITATION & CONFIDENTIALITY AGREEMENT

This Non-Solicitation & Confidentiality Agreement (this "***Agreement***") is made and entered into by Tapstone Energy Inc., a Delaware corporation (the "***Employer***") and David M. Edwards (the "***Employee***") and is effective as of [ ], 2017 (the "***Effective Date***"). In consideration of the mutual promises made herein, the parties hereto agree to the terms and conditions set forth below.

1. Definitions. As used within this Agreement, the following definitions shall apply:

(a) "***Affiliates***" means the Employer' s parents, subsidiaries, partners, agents, successors, assigns, and any other related or affiliated entities.

(b) "***Confidential Information***" means information of any kind, nature, or description, that (i) relates to the Employer' s business or the business of Affiliates, (ii) provides the Employer or Affiliates economic value or any business advantage, (iii) is not generally known to the public, and (iv) is learned or developed by the Employee as a direct or indirect result of, or during the course of, the Employee' s employment with the Employer. Confidential Information includes, but is not limited to, the Employer' s trade secrets, Affiliates' trade secrets, and inventions and may also relate to, without limitation: any customer; business, merchandise, or marketing procedures, processes, and services; hardware; software; research; marketing; developments; products; product lines; design; purchasing; finances and financial affairs; accounting; merchandising; selling; engineering; employees; training; business practices; acquisitions; potential acquisitions; customer lists; customer contact lists; vendor lists; supplier lists; pricing; pricing agreements; merchandise resources; supply resources; service resources; system designs; procedures or manuals; policies; the prices the Employer or Affiliates obtain or have obtained or at which they sell or have sold their services or products; or the name of the Employer' s or Affiliates' personnel and those to whom the personnel report.

(c) "***Person***" means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust, or any other entity or organization.

(d) "***Restricted Customer***" means those Persons to which the Employer has sold or provided products or services to at any time during the twelve (12) months during and immediately prior to the Employee' s last day of employment and to which the Employer anticipates continuing to sell or provide products or services to following the Employee' s termination, and with respect to which the Employee has participated in any efforts related to the sales, marketing, negotiation or provision of goods or services, had contact with or supervised employees who had contact with, or received Confidential Information about within the twelve (12) months immediately prior to the Employee' s last day of employment.

2. Covenants of the Employer and the Employee.

(a) Covenants of the Employer. The Employee acknowledges that the Employer is an oil and natural gas company that, on an ongoing basis, receives, creates, and maintains highly confidential third-party and proprietary information. As a result of the employment relationship that is continued because of this Agreement, upon the full execution hereof, the Employer will provide the Employee with (i) Confidential Information and access to such information,

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(ii) specialized training, including self-study materials and course work, classroom training, on-line training, on-the-job training, or instruction as to the Employer' s products, services, operations, and methods of protecting Confidential Information, and/or (iii) goodwill support such as expense reimbursements in accordance with the Employer' s policies, Confidential Information related to the Employer' s current and prospective clients, customers, and business associates, or contact and relationships with current and potential clients, customers, and business associates, to help the Employee develop goodwill for the Employer. The foregoing is not contingent upon continued employment of the Employee for any length of time, but is contingent upon the Employee' s full compliance with the restrictions in Section 2 and Section 3. The Employee specifically acknowledges that the items described in (i), (ii), and (iii) above will be items that the Employee has not previously been given and that the Employee would not be given but for the execution of this Agreement.

(b) Covenants of the Employee. The Employee agrees not to, directly or indirectly, participate in the unauthorized use, disclosure, or conversion of any Confidential Information. Specifically, but without limitation, the Employee agrees not to use Confidential Information for his or her sole benefit, or for the benefit of any person or entity in any other way that harms the Employer or diminishes the value of the Confidential Information to the Employer. The Employee also agrees to use the specialized training, goodwill, and contacts developed with the Employer' s customers and contractors for the exclusive benefit of the Employer, and agrees not to use these items at any time in a way that would harm the business interests of the Company. Notwithstanding the foregoing, nothing in this Agreement prohibits the Employee from communicating with an appropriate governmental agency or entity regarding a possible violation of federal law or regulation or making disclosures that are protected under any whistleblower provisions of law or regulation. Importantly, the Employee is encouraged to communicate any such concerns directly with the Employer.

(c) Settlement of Rights. By this Agreement, the Employer is providing the Employee with new rights that were not previously in existence. In exchange for the foregoing and the additional terms agreed to in this Agreement, as well as the terms set forth in the Employment Agreement by and between the Employer and the Employee, the Employee agrees that (i) he or she is being provided with access to Confidential Information, specialized training, and the Employer' s goodwill with its customers and other persons, to which he or she has not previously had access, (ii) all goodwill developed with the Employer' s clients, customers, and other business contacts by the Employee during past employment with the Employer are the exclusive property of the Employer, and (iii) the Confidential Information and specialized training received by the Employee during any past employment with the Employer will be used only for the benefit of the Employer. The Employee waives and releases any claim that he or she should be able to use, for the benefit of any competing person or entity, client, and customer goodwill, specialized training, or Confidential Information that was previously received or developed by the Employee while working for the Employer.

(d) Goodwill with Customers. The Employee acknowledges that the Employer and the Affiliates have lasting relationships with their customers and own the goodwill in the Employee' s relationships with customers that the Employee will or has developed or maintained in the course and scope of the Employee' s employment with the Employer. If the Employee owned goodwill in a relationship with a customer when the Employee commenced employment with the Employer, then the Employee hereby assigns any and all such goodwill to the Employer, and the Employer shall become the owner of such goodwill.

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(e) The Employer' s Property. All documents and things provided to the Employee by the Employer or its Affiliates for use in connection with the Employee' s employment, or created by the Employee in the course and scope of the Employee' s employment with the Employer, are the property of the Employer or its Affiliates and shall be held by the Employee as a fiduciary on behalf of the Employer. Immediately upon termination of the Employee' s employment - without the requirement of a prior demand by the Employer - the Employee shall surrender to the Employer all such documents and things, including, but not limited to, all Confidential Information and all documents and things related to Restricted Customers, together with all copies, recording abstracts, notes, reproductions or electronic versions of any kind made from or about the documents and things and the information they contain.

(f) Duty of Loyalty. The Employee understands that by virtue of employment with the Employer, the Employee owes the Employer a duty of loyalty and agrees to treat all Confidential Information, training, relationships with customers, goodwill, and property entrusted to the Employee as a fiduciary. The Employee agrees to use such training and maintain and protect such Confidential Information, customer relationships, goodwill, and property solely for the Employer' s benefit. The Employee further agrees that nothing in this Agreement shall limit, in any way, the fiduciary duties that the Employee owes to the Employer under any applicable law, apart from this Agreement.

3. Non-Solicitation. The Employee agrees that the following covenants are reasonable and necessary agreements for the protection of the business interests covered in the fully enforceable, ancillary agreements set forth in this Agreement, including those in Section 2.

(a) Non-Solicitation of Restricted Customers. The Employee agrees that while employed by the Employer and for twelve (12) months after the last day of employment, regardless of the reason for termination of employment, the Employee shall not solicit a Restricted Customer for the sale or provision of goods and/or services. This paragraph is geographically limited to wherever any Restricted Customer can be found or is available for solicitation, which the parties stipulate is a reasonable geographic area because of the scope of the Employer' s operations and the Employee' s employment with the Employer. The Employee may not avoid the purpose and intent of this paragraph by engaging in conduct within the geographically limited area from a remote location through means such as telecommunications, written correspondence, computer generated or assisted communications, or other similar methods.

(b) Non-Solicitation of Employees and Contractors. The Employee agrees that while employed by the Employer and for twelve (12) months after the last day of employment, regardless of the reason for termination of employment, the Employee shall not directly or indirectly solicit, cause to be solicited, assist, or otherwise be involved with the solicitation of, any employee, contractor or other person to terminate that person' s employment, contract or relationship with the Employer or to breach that person' s employment agreement or contract with the Employer.

(c) Early Resolution Conference. This Agreement is understood to be clear and enforceable as written and is executed by both parties on that basis. However, should the Employee

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later challenge any provision as unclear, unenforceable, or inapplicable to any activity in which the Employee intends to engage, the Employee will first notify the Employer in writing and meet with the Employer' s representative and a neutral mediator (if the Employer elects to retain one at its expense) to discuss resolution of any disputes between the parties. The failure to comply with this requirement shall waive the Employee' s right to challenge the reasonable scope, clarity, applicability, or enforceability of this Agreement and its restrictions at a later time. All rights of both parties will be preserved if the Early Resolution Conference requirement is complied with even if no agreement is reached in the conference. The Employee further agrees that during the term of the restrictions in Sections 3(a) and 3(b), the Employee will communicate the Employee' s obligations under this Agreement to each new employer, which shall include providing each new employer with a copy of this Agreement.

4. Survival/Enforcement of Restrictive Covenants.

(a) Survival of Covenants. Each restriction set forth in Sections 2 and 3 shall survive the termination of the Employee' s employment with the Employer. The existence of any claim or cause of action of the Employee against the Employer, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Employer of any covenant contained in this Agreement. In the event an enforcement remedy is sought under Sections 3(a) or 3(b), the periods of time provided in those Sections shall be extended by one day for each day the Employee failed to comply with the restriction at issue.

(b) Remedies. In the event of breach or threatened breach by the Employee of any provision of Section 2 or Section 3 of this Agreement, the Employer shall be entitled to (i) injunctive relief by temporary restraining order, temporary injunction, or permanent injunction, (ii) recovery of all attorneys' fees and costs incurred by the Employer in obtaining such relief, and (iii) any other legal and equitable relief to which the Employer may be entitled, including without limitation any and all monetary costs and damages which the Employer may incur as a result of any such breach or threatened breach. An agreed amount for the bond to be posted if an injunction is sought by the Employer is Five Hundred Dollars ($500). The Employer may pursue any remedy available, without limitation, including declaratory relief, concurrently or consecutively in any order as to any breach, violation, or threatened breach or violation, and the pursuit of one such remedy at any time will not be deemed an election of remedies or waiver of the right to pursue any other remedy.

5. Miscellaneous.

(a) Notices. All notices provided for by this Agreement shall be given in writing and shall be deemed effective upon personal delivery or five (5) days after deposit with a national postal system or, if sent via overnight delivery, one day after deposit with an established overnight delivery system such as Federal Express. Notice shall be addressed in accordance with the following:

Employee:

David M. Edwards
100 East Main Street
Oklahoma, OK 73104

Employer:

Tapstone Energy, Inc.
Attn: Human Resources
100 East Main Street
Oklahoma City, OK 73104

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(b) Entire Agreement. No supplement, modification, amendment, or waiver of any of the terms, conditions, or provisions in this Agreement can be made unless they are in writing and signed by both the Employer and the Employee.

(c) Parties Bound. This Agreement and the rights and obligations under it shall be binding upon and inure to the benefit of the Employer, the Employee, and their respective heirs, personal representatives, successors and assigns; provided, however, that the Employee may not assign any rights or obligations under this Agreement without the express written consent of the Employer.

(d) Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable, such provision shall be fully severable; this Agreement shall be construed and enforced without such illegal, invalid, or unenforceable provision, and the remaining provisions in this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance. Further, if any of the restrictions in Sections 2 or 3 are deemed unenforceable as written, the parties expressly authorize the court or arbitrator to revise, delete, or add to those restrictions to the extent necessary to enforce the intent of the parties and to provide effective protection for the Employer' s goodwill, specialized training, Confidential Information, and other business interests.

(e) Waiver. Any waiver by the Employer of a breach of any provision of this Agreement must be in writing and signed by the Employer to be effective. Any waiver by the Employer of a breach of this Agreement shall not operate or be construed as a waiver by the Employer of any different or subsequent breach of this Agreement by the Employee.

(f) Governing Law and Venue. It is the intention of the parties that the laws of the State of Oklahoma should govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties hereto without regard to any contrary conflicts of laws principles. It is stipulated that Oklahoma has a compelling state interest in the subject matter of this Agreement, and that the Employee has or will have regular contact with Oklahoma in the performance of this Agreement. The agreed upon venue and personal jurisdiction for the parties on any claims or disputes under this Agreement is the United States District Court for Oklahoma (or should such court lack jurisdiction to hear such action, suit, or proceeding, in a state court in Oklahoma).

(g) Not a Contract of Employment or Other Engagement. The terms and conditions of this Agreement shall not be deemed to constitute a contract of employment between the Employer and the Employee. Any such employment is hereby acknowledged to be, to the extent applicable, an "*at will*" employment relationship that can be terminated at any time for any reason, or for no reason, with or without cause, and with or without notice, unless expressly

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provided in a written employment agreement. Nothing in this Agreement shall be deemed to give the Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discipline or discharge the Employee at any time.

(h) Section Headings. The headings contained in this Agreement are for reference only and do not affect in any way the meaning or interpretation of this Agreement.

[SIGNATURES ON NEXT PAGE]

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement effective as of the Effective Date.

TAPSTONE ENERGY INC. The "Employer"		**EMPLOYEE**	
By:	______________________	Signature:	______________________
Its:	______________________	Print Name:	David M. Edwards
Dated:	______________________	Dated:	______________________

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Exhibit 10.8

FORM OF

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "***Agreement***") is entered into as of **[●]**, by and between Tapstone Energy Inc., a Delaware corporation (the "***Company***") and **[●]** (the "***Executive***").

WHEREAS, the Executive is an employee of Tapstone Energy, LLC, a Delaware limited liability company;

WHEREAS, it is anticipated that a subsidiary of the Company will merge with and into Tapstone Energy, LLC prior to the effectiveness of the Tapstone Energy Inc. Form S-1 Registration Statement filed with the Securities and Exchange Commission (such effectiveness being the "***IPO***");

WHEREAS, this Agreement will be effective immediately prior to the IPO (the "***Effective Date***") and contingent upon the IPO; and

WHEREAS, the Company desires to employ the Executive as its [●], subject to the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Executive hereby agree as follows:

1. Employment and Duties.

(a) General. The Executive shall serve as the [●] of the Company, reporting to the [●]. The Executive shall have such duties and responsibilities, commensurate with the Executive' s position, as may be reasonably assigned to the Executive from time to time by [●]. The Executive' s principal place of employment shall be Oklahoma City, Oklahoma. Notwithstanding anything in this Agreement to the contrary, the Executive' s employment with the Company shall be on an "*at-will*" basis and he shall have no rights to continued employment with the Company. The Executive shall be responsible for [●].

(b) Exclusive Services. For so long as the Executive is employed by the Company, the Executive shall devote his or her full attention to his or her duties hereunder, shall faithfully serve the Company, shall in all respects conform to and comply with the lawful and good faith directions and instructions given to him or her by the Company, and shall use his best efforts to promote and serve the interests of the Company. Further, unless the Company consents in writing, the Executive shall not, directly or indirectly, render services to any other person or organization or otherwise engage in activities that would interfere significantly with his faithful performance of his duties hereunder. Notwithstanding the foregoing, the Executive may (i) serve on corporate boards, provided he receives prior permission from the Company' s Board of Directors ("***Board***"); and (ii) serve on corporate, civic, children sports organization or charitable boards or engage in charitable activities without remuneration therefor, provided that such activity does not contravene the first sentence of this Section 1(b).

(c) Dodd-Frank Act, Sarbanes-Oxley and Other Applicable Law Requirements. The Executive agrees (i) to abide by any compensation recovery, recoupment, anti-hedging, or other

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policy applicable to executives of the Company and its affiliates that is hereafter adopted by the Board or a duly authorized committee thereof to comply with applicable law as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "***Dodd-Frank Act***"), the Sarbanes-Oxley Act of 2002 ("***Sarbanes-Oxley***"), or other applicable law; and (ii) that the terms and conditions of this Agreement shall be deemed automatically and unilaterally amended to the minimum extent necessary to ensure compliance by the Executive and this Agreement with such policies, the Dodd-Frank Act, Sarbanes-Oxley, and any other applicable law.

2. Term of Employment. The Executive' s employment shall be covered by the terms of this Agreement, effective as of Effective Date, and shall continue for a period of two (2) years ("***Term***"), unless this Agreement (and the Executive' s employment hereunder) is otherwise terminated as set forth in this Agreement. Thereafter, this Agreement shall automatically renew thereafter for subsequent periods of one (1) year ("***Renewal Term***"), unless either party provides written notice to the other at least sixty (60) days prior to the end of the Term (or any Renewal Term thereafter) or unless this Agreement (and the Executive' s employment hereunder) is otherwise terminated as set forth in this Agreement.

3. Compensation and Benefits. Subject to the provisions of this Agreement, the Company shall pay and provide the following compensation and other benefits to the Executive during the Term as compensation for services rendered hereunder:

(a) Base Salary. The Company shall pay to the Executive an annual salary (the "***Base Salary***") at the rate of $[●], payable in substantially equal installments at such intervals as may be determined by the Company in accordance with the Company' s then current ordinary payroll practices as established from time to time. The Base Salary shall be reviewed in good faith by the Compensation Committee of the Board, or in the absence thereof, the Board (the "***Committee***"), based upon the Executive' s performance, not less often than annually.

(b) Annual Bonus. For each calendar year during the Term, the Executive shall be eligible for a performance-based cash bonus with a target of [●]% of the Executive' s Base Salary (the "***Annual Target Bonus***"), calculated by the Board in its sole and absolute discretion considering of the performance of the Company and the Executive. Such payment shall be made in two semi-annual payments in accordance with the Executive' s then ordinary payroll practices as established from time to time.

(c) Annual Equity Awards. Unless otherwise determined by the Committee, commencing in fiscal year [●] and on an annual basis thereafter, the Committee shall grant the Executive an annual equity award with a grant date fair value approximately equal to [●], subject to the terms and conditions set forth in the applicable award agreements.

(d) Employee Benefits. The Executive shall be entitled to participate in all employee benefit arrangements that the Company may offer to its executives of like status from time to time, and as may be amended from time to time.

(e) Expenses. The Executive shall be entitled to reimbursement of business expenses that are incurred in the ordinary course of business, in accordance with the applicable expense reimbursement policies and procedures of the Company as in effect from time to time.

(f) Indemnification Agreement. The Indemnification Agreement attached hereto as **Exhibit A** is incorporated into this Agreement by reference.

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4. Rights Upon a Termination of the Executive' s Employment.

(a) Termination of Employment by the Company for Cause or by the Executive Without Good Reason. If the Executive' s employment is terminated by the Company for Cause, or the Executive voluntarily terminates his employment without Good Reason, then the Executive shall receive only the following from the Company: (i) any unpaid Base Salary accrued through the termination date, (ii) a lump sum payment for any accrued but unused paid time off, (iii) rights to elect continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("***COBRA***"), and (iv) a lump sum payment for any previously unreimbursed business expenses incurred by the Executive on behalf of the Company during the term of his employment (collectively, such (i) through (iv) being the "***Accrued Rights***").

(i) For purposes of this Agreement, the term "***Cause***" shall mean a termination by the Company of the Executive' s employment because of: (A) any act or omission that constitutes an intentional and material breach by the Executive of any of his obligations under this Agreement; (B) the Executive' s conviction of, or plea of nolo contendere to, (1) any felony or (2) another crime involving dishonesty or moral turpitude or which could reflect negatively upon the Company or otherwise impair or impede its operations; (C) the Executive willfully engaging in any misconduct, negligence, act of dishonesty, violence or threat of violence (including any violation of federal securities laws) that is materially injurious to the Company or any of its subsidiaries or affiliates; (D) the Executive' s intentional and material breach of a written policy of the Company or the rules of any governmental or regulatory body applicable to the Company that is or could be materially injurious to the Company; (E) the Executive' s willful and repeated refusal to follow the lawful directions of the Board; or (F) any other willful misconduct by the Executive which is materially injurious to the financial condition, operations or business reputation of the Company or any of its subsidiaries or affiliates. Notwithstanding anything in this Section 4(a)(i), no event or condition described in Sections 4(a)(i)(A), (C), (D), (E) or (F) shall constitute Cause unless (x) within ninety (90) days from the Board first acquiring actual knowledge of the existence of the Cause condition, the Board provides the Executive written notice of its intention to terminate his employment for Cause and the grounds for such termination; (y) such grounds for termination (if susceptible to correction) are not corrected by the Executive within thirty (30) days of his receipt of such notice (or, in the event that such grounds cannot be corrected within such thirty-day (30) period, the Executive has not taken all reasonable steps within such thirty-day (30) period to correct such grounds as promptly as practicable thereafter); and (z) the Board terminates the Executive' s employment with the Company immediately following expiration of such thirty-day (30) period. For purposes of this Section 4(a)(i), any attempt by the Executive to correct a stated Cause shall not be deemed an admission by the Executive that the Board' s assertion of Cause is valid. Notwithstanding anything in this Agreement to the contrary, if the Executive' s employment with the Company is terminated without Cause, the Company shall have the sole discretion to later use after-acquired evidence to retroactively re-characterize the prior termination for Cause if such after-acquired evidences supports such an action.

(ii) For purposes of this Agreement, the term "***Good Reason***" shall mean a voluntary termination by the Executive of his employment because of: (A) a material diminution in the Executive' s Base Salary; (B) a material diminution in the nature or scope of the Executive' s

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authority, duties, or responsibilities from those applicable to him or her as of the Effective Date; (C) the Company requiring the Executive to be based at any office or location more than fifty (50) miles from Oklahoma City; or (D) a material breach by the Company of any term or provision of this Agreement. No event or condition described in this Section 4 shall constitute Good Reason unless, (x) within ninety (90) days from the Executive first acquiring actual knowledge of the existence of the Good Reason condition described in this Section 4(a)(ii), the Executive provides the Board written notice of his intention to terminate his employment for Good Reason and the grounds for such termination; (y) such grounds for termination (if susceptible to correction) are not corrected by the Board within thirty (30) days of the Board' s receipt of such notice (or, in the event that such grounds cannot be corrected within such thirty-day (30) period, the Board has not taken all reasonable steps within such thirty-day (30) period to correct such grounds as promptly as practicable thereafter); and (z) the Executive terminates his employment with the Company immediately following expiration of such thirty-day (30) period. For purposes of this Section 4(a)(ii), any attempt by the Board to correct a stated Good Reason shall not be deemed an admission by the Board that the Executive' s assertion of Good Reason is valid.

(b) Termination of Employment by the Company Without Cause or by the Executive for Good Reason not in Connection with a Change In Control. If the Executive' s employment is terminated by the Company without Cause or by the Executive for Good Reason other than within the one-year (1) period following a Change in Control (the "***Protection Period***"), then the Executive shall receive the following from the Company: (i) the Accrued Rights, (ii) [●] the Executive' s Base Salary, (iii) [●] the Executive' s Annual Target Bonus, (iv) the Executive' s outstanding and unvested time-based equity awards shall vest pro-rata, based on the number of completed months in the vesting period prior to the termination of employment, (v) the Executive' s outstanding and unvested performance-based equity awards shall vest pro-rata, based on the number of completed months during the performance period prior to the termination of employment, with the vesting of such awards deemed to occur at target levels, and (vi) a lump sum amount equal to twelve (12) months' worth of the monthly premium payment to continue the Executive' s (and his family' s) existing group health, dental coverage and vision, calculated under the applicable provisions of COBRA, and calculated without regard to whether the Executive actually elects such continuation coverage (the "***COBRA Benefits***") (collectively, (i) through (vi) being the "***Involuntary Termination Severance Benefits***").

(i) For purposes of this Agreement, the term "***Change in Control***" shall have the meaning set forth in the Tapstone Energy Inc. 2017 Long-Term Incentive Plan (the "***2017 Plan***") or any successor long-term equity incentive plan maintained by the Company if the 2017 Plan has terminated prior to the event constituting the Change in Control.

(c) Termination of Employment by the Company Without Cause or by the Executive for Good Reason in Connection with a Change in Control. If the Executive' s employment is terminated by the Company without Cause or by the Executive for Good Reason during the Protection Period, then the Executive shall receive the following from the Company: (i) the Accrued Rights, (ii) two and a half times (2.5x) the Executive' s Base Salary, (iii) two and a half times (2.5x) the Executive' s Annual Target Bonus, (iv) full accelerated vesting of the Executive' s outstanding and unvested time-based equity awards, (v) full accelerated vesting of the Executive' s outstanding and unvested performance-based equity awards, with the vesting of such awards deemed to occur at maximum levels, and (vi) the COBRA Benefits (collectively, (i) through (vi) being the "***Change in Control Severance Benefits***").

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(d) Termination of Employment due to Death or Disability. If the Executive' s employment is terminated by the Company due to the Executive' s death or Disability, then the Executive shall receive the following from the Company: (i) the Accrued Rights, (ii) the Executive' s outstanding and unvested time-based equity awards shall vest pro-rata, based on the number of completed months in the vesting period prior to the termination of employment, and (iii) the Executive' s outstanding and unvested performance-based equity awards shall vest pro-rata, based on the number of completed months during the performance period prior to the termination of employment, with the vesting of such awards deemed to occur at target levels (collectively, (i) through (iii) being the "***Death or Disability Severance Benefits***"). For the avoidance of doubt, in the event of a termination under this Section 4(d), neither the Executive nor his estate shall be entitled to any payments under this Agreement except for the Death or Disability Severance Benefits.

(i) For purposes of this Agreement, the term "***Disability***" means that the Executive: (x) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months; (y) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company; or (z) is determined by the Social Security Administration to be disabled. Notwithstanding the foregoing, the Executive shall not be considered to have incurred a "Disability" unless he or she furnishes proof of such impairment sufficient to satisfy the Board in its sole discretion.

(e) Form and Timing of Severance Benefits. The Involuntary Termination Severance Benefits, the Change in Control Severance Benefits and the Death or Disability Severance Benefits (collectively, the "***Severance Benefits***"), as applicable, shall be paid to the Executive no later than the forty-fifth (45th) day immediately following the Executive' s "separation from service" (as defined under Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***")), provided the Executive (or the Executive' s estate or legally appointed personal representative) first executes a release of any and all claims against the Company (set forth in Section 4(h), below) and the revocation period specified therein has expired without the Executive revoking such release. However, if such forty-five (45) day period straddles two (2) taxable years of the Executive, then the Company shall pay the Severance Benefits in the second of such taxable years, regardless of the taxable year in which the Executive actually delivers the executed release of claims.

(f) No Continued Benefits Following Termination. Unless otherwise specifically provided in this Agreement or contemplated by another agreement between the Executive and the Company, or as otherwise required by law, all compensation, equity plans, and benefits payable to the Executive under this Agreement shall terminate on the date of termination of the Executive' s employment with the Company under the terms of this Agreement.

(g) Resignation from Directorships, Officerships and Fiduciary Titles. The termination of the Executive' s employment for any reason shall constitute the Executive' s immediate resignation from (i) any officer or employee position the Executive has with the

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Company, unless mutually agreed upon by the Executive and the Board; (ii) any position on the Board; and (iii) all fiduciary positions (including as a trustee) the Executive holds with respect to any employee benefit plans or trusts established by the Company. The Executive agrees that this Agreement shall serve as written notice of resignation in this circumstance.

(h) Waiver and Release. Notwithstanding any other provisions of this Agreement to the contrary, unless expressly waived in writing by the Board in its sole discretion, the Company shall not make or provide any Severance Benefits under this Section 4 (other than the Accrued Rights), unless the Executive timely executes and delivers to the Company a general release (which shall be provided by the Company not later than five (5) days from the date on which the Executive' s employment is terminated and be substantially in the form attached hereto as **Exhibit B**), whereby the Executive (or his estate or legally appointed personal representative) releases the Company (and affiliates of the Company and other designated persons) from all employment based or related claims of the Executive and all obligations of the Company to the Executive other than with respect to (x) the Company' s obligations to make and provide the Severance Benefits and (y) any vested benefits to which the Executive is entitled under the terms of any Company benefit or equity plan, and the Executive does not revoke such release within any applicable revocation period following the Executive' s delivery of the executed release to the Company. If the requirements of this Section 4(h) are not satisfied by the Executive (or his estate or legally appointed personal representative), then no Severance Benefits (other than the Accrued Rights) shall be due to the Executive (or his estate) pursuant to this Agreement.

(i) Notice of Termination. Any termination of employment by the Company or the Executive shall be communicated by a written "***Notice of Termination***" to the other party hereto given in accordance with Section 8(m) of this Agreement. In the event of a termination by the Company for Cause, the Notice of Termination shall (i) indicate the specific termination provision in this Agreement relied upon, (ii) set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive' s employment under the provision so indicated and (iii) specify the date of termination. The failure by the Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause or Good Reason shall not waive any right of the Executive or the Company, respectively, hereunder or preclude the Executive or the Company, respectively, from asserting such fact or circumstance in enforcing the Executive' s or the Company' s rights hereunder.

5. Non-Solicitation and Confidentiality. As a condition to continued employment, the Executive shall execute the Non-Solicitation and Confidentiality Agreement attached hereto as **Exhibit C** (the "***Restrictive Covenants***"). Any breach (or threatened breach) by the Executive of his obligations under the Restrictive Covenants, as determined by the Board in its reasonable discretion, shall constitute a material breach of this Agreement.

6. Section 280G Gross-Up Payment.

(a) If, during the term of the Executive' s employment, there is a change in ownership or control of the Company that causes any payment or distribution by the Company to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, but determined without regard to any additional payments required under this Section 6(a)) (a "***Payment***") to be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "***Code***") (such excise tax,

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together with any interest or penalties incurred by the Executive with respect to such excise tax, being the "***Excise Tax***"), then the Executive shall be entitled to receive an additional payment (a "***Gross-Up Payment***") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including any income taxes (and any interest and penalties imposed with respect thereto) and Excise Tax imposed upon the Gross-Up Payment, the Executive will retain an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments. The Gross-Up Payment shall be paid to the Executive no later than the end of the taxable year next following the taxable year in which the Executive remits the taxes related to the Gross-Up Payment.

(b) Determination of the Gross-Up Payment. Subject to the provisions of Section 6(c), all determinations required to be made under this Section 6(b), including whether and when a Gross-Up Payment is required and the amount of such Gross-Up Payment and the assumptions to be utilized in arriving at such determination, shall be made by a certified public accounting firm or nationally recognized law firm designated by the Company and reasonably acceptable to the Executive (the "***Authorized Firm***"), which shall provide detailed supporting calculations both to the Company and the Executive within fifteen (15) business days of the receipt of notice from the Executive that there has been a Payment with respect to which the Executive in good faith believes a Gross-Up Payment may be due under this Section 6(b), or such earlier time as is requested by the Company. All fees and expenses of the Authorized Firm shall be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 6(b), shall be paid by the Company to the Executive within five (5) days of the later of (i) the due date for the payment of any Excise Tax and (ii) the receipt of the Authorized Firm' s determination. Any determination by the Authorized Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Authorized Firm hereunder, it is possible that Gross-Up Payments that will not have been made by the Company should have been made ("***Underpayment***"), consistent with the calculations required to be made hereunder. In the event that the Company exhausts its remedies pursuant to Section 6(c) and the Executive thereafter is required to make a payment of any Excise Tax, the Authorized Firm shall determine the amount of the Underpayment that has occurred and any such Underpayment shall be promptly paid by the Company to the Executive or for the Executive' s benefit. The previous sentence shall apply equally to any overpayment of a Gross-Up Payment.

(c) Procedures. The Executive shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would require the payment by the Company of the Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten (10) business days after the Executive is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the thirty-day (30) period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Executive shall:

(i) give the Company any information reasonably requested by the Company relating to such claim;

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(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company;

(iii) cooperate with the Company in good faith in order effectively to contest such claim; and

(iv) permit the Company to participate in any proceedings relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax (including interest and penalties with respect thereto) imposed as a result of such representation and payment of costs and expenses. Without limiting the foregoing provisions of this Section 6(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, to the extent permitted by law, the Company shall advance the amount of such payment to the Executive on an interest-free basis (which shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid) and shall indemnify and hold the Executive harmless, on an after-tax basis, from any Excise Tax or income tax (including interest or penalties with respect thereto) imposed with respect to such advance or with respect to any imputed income with respect to such advance; and provided further that any extension of the statute of limitations relating to payment of taxes for the Executive' s taxable year with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company' s control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) Refund. If, after the receipt by the Executive of an amount advanced by the Company pursuant to Section 6(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company complying with the requirements of Section 6(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the Executive receives an amount advanced by the Company pursuant to Section 6(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.

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7. Section 409A of the Code. This Agreement is intended to either avoid the application of, or comply with, Section 409A of the Code. To that end this Agreement shall at all times be interpreted in a manner that is consistent with Section 409A of the Code. Notwithstanding any other provision in this Agreement to the contrary, the Company shall have the right, in its sole discretion, to adopt such amendments to this Agreement or take such other actions (including amendments and actions with retroactive effect) as it determines is necessary or appropriate for this Agreement to comply with Section 409A of the Code. Further:

(a) Any reimbursement of any costs and expenses by the Company to the Executive under this Agreement shall be made by the Company in no event later than the close of the Executive' s taxable year following the taxable year in which the cost or expense is incurred by the Executive. The expenses incurred by the Executive in any calendar year that are eligible for reimbursement under this Agreement shall not affect the expenses incurred by the Executive in any other calendar year that are eligible for reimbursement hereunder and the Executive' s right to receive any reimbursement hereunder shall not be subject to liquidation or exchange for any other benefit.

(b) Any payment following a separation from service that would be subject to Section 409A(a)(2)(A)(i) of the Code as a distribution following a separation from service of a "specified employee" (as defined under Section 409A(a)(2)(B)(i) of the Code) shall be made on the first to occur of (i) ten (10) days after the expiration of the six (6) month period following such separation from service, (ii) death or (iii) such earlier date that complies with Section 409A of the Code.

(c) Each payment that the Executive may receive under this Agreement shall be treated as a "separate payment" for purposes of Section 409A of the Code.

8. Miscellaneous.

(a) Defense of Claims. The Executive agrees that, during and following the Term, upon request from the Company, the Executive will cooperate with the Company in the defense of any claims or actions that may be made by or against the Company that affect the Executive' s prior areas of responsibility, except if the Executive' s reasonable interests are adverse to the Company in such claim or action. The Company agrees to promptly reimburse the Executive for all of the Executive' s reasonable legal fees, travel and other direct expenses incurred, or to be reasonably incurred – and, if the Executive is no longer employed with the Company, to compensate the Executive (at a pro rata hourly rate calculated based on the Executive' s salary at the time of the Executive' s separation) for the Executive' s time – to comply with the Executive' s obligations under this Section 8(a).

(b) Non-Disparagement. The Executive agrees that at no time during or after the termination of the Executive' s employment shall the Executive make, or cause or assist any other person to make, any statement or other communication to any third party which impugns or attacks, or is otherwise critical of, the reputation, business or character of the Company or its affiliates or any of its respective directors, officers or employees.

(c) Source of Payments. All payments provided under this Agreement, other than payments made pursuant to a plan or agreement which provides otherwise, shall be paid in

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cash from the general funds of the Company, and no special or separate fund shall be established, and no other segregation of assets shall be made, to assure payment. The Executive shall have no right, title or interest whatsoever in or to any investments which the Company may make to aid the Company in meeting its obligations hereunder. To the extent that any person acquires a right to receive payments from the Company hereunder, such right shall be no greater than the right of an unsecured creditor of the Company.

(d) Amendment, Waiver. This Agreement may not be modified, amended or waived in any manner, except by an instrument in writing signed by both parties hereto. The waiver by either party of compliance with any provision of this Agreement by the other party shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by such party of a provision of this Agreement.

(e) Entire Agreement. This Agreement, the Exhibits attached hereto, and the agreements specifically incorporated herein are the entire agreement and understanding of the parties hereto with respect to the matters covered herein and supersedes all prior or contemporaneous negotiations, commitments, agreements and writings with respect to the subject matter hereof, all such other negotiations, commitments, agreements and writings shall have no further force or effect, and the parties to any such other negotiation, commitment, agreement or writing shall have no further rights or obligations thereunder.

(f) Governing Law. This Agreement shall be performable, governed by and construed in accordance with the laws of the State of Oklahoma, without regard to conflict of laws principles thereof.

(g) Disputes; Venue. Any disputes, claims and counterclaims under this Agreement shall be resolved in accordance with any internal dispute resolution policy of the Company in effect from time to time, including any arbitration provisions thereof. The prevailing party in any dispute that is resolved by the dispute resolution policy shall be entitled to recover from the other party reasonable attorneys' fees, costs and expenses incurred by the prevailing party in connection with such dispute resolution policy.

(h) No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

(i) Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

(j) Specific Performance/Injunctive Relief. In the event of the Executive's breach or violation of any of the Restrictive Covenants contained in Section 5 and **Exhibit C**, the parties agree that, in addition to any other remedies it may have, the Company shall be entitled to equitable relief for specific performance, and the Executive hereby agrees and acknowledges that the Company has no adequate remedy at law for the breach of the employment covenants contained herein.

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(k) No Assignment. Neither this Agreement nor any of the Executive' s rights and duties hereunder, shall be assignable or delegable by the Executive. Any purported assignment or delegation by the Executive in violation of the foregoing shall be null and void ab initio and of no force and effect. This Agreement may be assigned by the Company to a person or entity which is successor or any parent, subsidiary or other affiliate of the Company without the consent of the Executive. Upon such assignment, the rights and obligations of the Company hereunder shall become the rights and obligations of such affiliate or successor person or entity. Failure of a purchaser to assume this Agreement (as is) in a Change in Control shall be deemed to be a material breach of this Agreement.

(*l*) Successors; Binding Agreement. Upon the death of the Executive, this Agreement shall be binding upon personal or legal representatives, executors, administrators, successors, heirs, distributes, devisees and/or legatees.

(m) Notices. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three (3) days after it has been mailed by United States registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below in this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

If to the Company: Tapstone Energy Inc.
100 East Main Street
Oklahoma City, OK 73104
Attn: Human Resources

With a Copy to: Andrews Kurth Kenyon LLP
600 Travis Street, Suite 4200
Houston, TX 77002
Attn: G. Michael O' Leary and Anthony Eppert

If to the Executive:

(n) Withholding of Taxes. The Company may withhold from any amounts or benefits payable under this Agreement all taxes it may be required to withhold pursuant to any applicable law or regulation.

(o) Headings. The section headings in this Agreement are inserted only as a matter of convenience, and in no way define, limit or interpret the scope of this Agreement or of any particular section.

(p) Construction. Whenever the context so requires herein, the masculine shall include the feminine and neuter, and the singular shall include the plural. The words "includes" and "including" as used in this Agreement shall be deemed to be followed by the phrase "without limitation." The word "or" is not exclusive.

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(q) Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

(r) Survival. This Agreement shall terminate upon the termination of employment of the Executive; however, the following shall survive the termination of the Executive’ s employment and/or the expiration or termination of this Agreement, regardless of the reasons for such expiration or termination: Section 3(f) (“Indemnification Agreement”) and its corresponding **Exhibit A**, Section 4 (“Rights Upon a Termination of the Executive’ s Employment”) and its corresponding **Exhibit B**, Section 5 (“Non-Solicitation and Confidentiality”) and its corresponding **Exhibit C**, Section 6 (“Section 280G Gross-Up Payment”), Section 8(a) (“Defense of Claims”), Section 8(b) (“Non-Disparagement”), Section 8(e) (“Entire Agreement”), Section 8(f) (“Governing Law”), Section 8(g) (“Disputes; Venue”), Section 8(j) (“Specific Performance/Injunctive Relief”), Section 8(l) (“Successors/Binding Agreement”), and Section 8(m) (“Notices”).

[SIGNATURES ON NEXT PAGE]

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement effective as of the Effective Date.

EXECUTIVE:		**TAPSTONE ENERGY INC.:**	
Signature:	______________________	By:	______________________
Print Name:	______________________	Its:	______________________
Date:	______________________	Date:	______________________

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EXHIBIT A

TAPSTONE ENERGY INC.
INDEMNIFICATION AGREEMENT

[TO BE ATTACHED]

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EXHIBIT B

TAPSTONE ENERGY INC.
WAIVER AND RELEASE

This Waiver and Release (this "***Agreement***") is made and entered into by and between Tapstone Energy Inc., a Delaware corporation (the "***Company***") and [●] ("***Employee***"), each referred to collectively as the "***Parties***", and individually as "***Party***."

WHEREAS, the Company and Employee are parties to that certain Employment Agreement dated (the "***Employment Agreement***");

WHEREAS, pursuant to the Employment Agreement, in consideration of the right to receive the Severance Benefits (as defined in the Employment Agreement), Employee must sign, return and not revoke this Agreement;

WHEREAS, the Company has executed and delivered this Agreement to Employee for his review and consideration as of the ("***Delivery Date***"); and

WHEREAS, Employee and the Company each desire to settle all matters related to Employee' s employment by the Company.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained in the Employment Agreement and in this Agreement, and for other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the Parties agree as follows:

1. Release of Company. In consideration for the right to receive the Severance Benefits in accordance with the terms of the Employment Agreement and the mutual promises contained in the Employment Agreement and in this Agreement, Employee (on behalf of himself/herself, his/her heirs, administrators, representatives, executors, successors and assigns) hereby releases, waives, acquits and forever discharges the Company, its predecessors, successors, parents, subsidiaries, assigns, agents, current and former directors, officers, employees, partners, representatives, and attorneys, affiliated companies, and all persons acting by, through, under or in concert with the Company (collectively, the "***Released Parties***"), from any and all demands, rights, disputes, debts, liabilities, obligations, liens, promises, acts, agreements, charges, complaints, claims, controversies, and causes of action of any nature whatsoever, whether statutory, civil, or administrative, that Employee now has or may have against any of the Released Parties, arising in whole or in part at any time on or prior to the execution of this Release, in connection with his or her employment by the Company or the termination thereof.

This release specifically includes, but is not limited to, any claims of discrimination of any kind, breach of contract or any implied covenant of good faith and fair dealing, tortuous interference with a contract, intentional or negligent infliction of emotional distress, breach of privacy, misrepresentation, defamation, wrongful termination, or breach of fiduciary duty; provided, however, that the foregoing release shall not release the Company from the performance of its obligations under this Agreement.

Additionally, this release specifically includes, but is not limited to, any claim or cause of action arising under Title VII of the Civil Rights Act of 1964, 42 U.S.C.A. §§ 2000 et seq., as

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amended by the Civil Rights Act of 1991; the Americans With Disabilities Act, 42 U.S.C. §§ 12101 et seq.; 42 U.S.C. §§ 1981; the Civil Rights Act of 1991, as amended; the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. §§ 621 et seq.; the Older Workers Benefit Protection Act of 1990; the Employment Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 et seq.; the Family and Medical Leave Act; the Fair Labor Standards Act; the Oklahoma Anti-Discrimination Act, Okla. Stat. tit. 25, §§ 1101 et seq.; the Oklahoma Minimum Wage Act, Okla. Stat. tit. 40, §§ 197.1 et seq.; the Oklahoma Standards for Workplace Drug and Alcohol Testing Act, Okla. Stat. tit. 40, §§ 551 et seq.; Oklahoma Administrative Workers' Compensation Act (discrimination and/or retaliation claims), Okla. Stat. tit. 85A, § 7; or any other federal, state or local statute or common law cause of action of similar effect regarding employment related causes of action of employees against their employer.

2. Waiver of Certain Claims, Rights or Benefits. Without in any way limiting the generality of Section 1 above, by executing this Agreement and accepting the Severance Benefits, Employee specifically agrees to release all claims, rights, or benefits he or she may have for age discrimination arising out of or under the age Discrimination in Employment Act of 1967, 29 U.S.C. § 621, et seq., as currently amended, or any equivalent or comparable provision of state or local law.

3. Acknowledgements of Employee.

(a) Employee represents and acknowledges that in executing this Agreement, Employee does not rely and has not relied upon any representation or statement made by the Company, or its agents, representatives, or attorneys with regarding to the subject matter, basis or effect of this Agreement or otherwise, and that Employee has engaged, and been represented by, an attorney of Employee' s choosing in the negotiation and execution of this Agreement. Employee acknowledges that Employee has been advised by the Company to consult with counsel of Employee' s choosing with regard to the negotiation and execution of this Release, and has had an opportunity to do so.

(b) **EMPLOYEE UNDERSTANDS THAT BY SIGNING AND NOT REVOKING THIS RELEASE, EMPLOYEE IS WAIVING ANY AND ALL RIGHTS OR CLAIMS WHICH EMPLOYEE MAY HAVE UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT AND/OR THE OLDER WORKERS' BENEFIT ACT FOR AGE DISCRIMINATION ARISING FROM EMPLOYMENT WITH THE COMPANY, INCLUDING, WITHOUT LIMITATION, THE RIGHT TO SUE THE COMPANY IN FEDERAL OR STATE COURT FOR AGE DISCRIMINATION. EMPLOYEE FURTHER ACKNOWLEDGES THAT EMPLOYEE (i) DOES NOT WAIVE ANY CLAIMS OR RIGHTS THAT MAY ARISE AFTER THE DATE THIS AGREEMENT IS EXECUTED; (ii) WAIVES CLAIMS OR RIGHTS ONLY IN EXCHANGE FOR CONSIDERATION IN ADDITION TO ANYTHING OF VALUE TO WHICH EMPLOYEE IS ALREADY ENTITLED; AND (iii) AGREES THAT THIS AGREEMENT IS WRITTEN IN A MANNER CALCULATED TO BE UNDERSTOOD BY EMPLOYEE AND EMPLOYEE, IN FACT, UNDERSTANDS THE TERMS, CONTENTS, CONDITIONS AND EFFECTS OF THIS AGREEMENT AND HAS ENTERED INTO THIS AGREEMENT KNOWINGLY AND VOLUNTARILY.**

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(c) Employee acknowledges that he has been fully compensated for all labor and services performed for the Company and has been reimbursed for all business expenses incurred on behalf of the Company through the date of termination of employment, and that the Company does not owe Employee any expense reimbursement amounts, or wages, including vacation pay or paid time-off benefits.

(d) Notwithstanding anything contained in this Agreement to the contrary, this Agreement does not constitute a release nor a waiver of any of the following claims: (i) Employee' s right to file a charge or participate in an investigation or proceeding conducted by the Equal Employment Opportunity Commission or any other governmental agency with jurisdiction to regulate employment conditions or regulations, provided further that Employee does release and relinquish any right to receive any money, property, or any other thing of value, or any other financial benefit or award, as a result of any proceeding of any kind or character initiated by any such governmental agencies or organizations; (ii) claims pursuant to the terms and conditions of the federal law known as COBRA or similar state law; (iii) claims for indemnity under any indemnification agreement with the Company or under its organizational documents, as provided by Oklahoma law or under any applicable insurance policy with respect to Employee' s liability as an employee, director or officer of the Company or its affiliates; and (iv) claims Employee may have as an employee participating in the Company' s qualified retirement plan.

4. Confidentiality. Employee agrees to keep this Agreement, its terms, and the amount of the Severance Benefits completely confidential; provided, however, that he or she may reveal such information to his or her attorney, accountants, financial advisor, spouse, or as required by a court of competent jurisdiction, or as otherwise required by law.

5. Time Period for Enforceability/Revocation of Agreement. The Company' s obligations under this Agreement are contingent upon Employee executing and delivering this Agreement to the Company. Employee may take up to twenty-one (21) days from the Delivery Date (the "***Consideration Period***") to consider this Agreement prior to executing it. Employee may execute and deliver this Agreement at any time during the Consideration Period. Any changes made to this Agreement after the Delivery Date will not restart the running of the Consideration Period. Any execution and delivery of this Agreement by Employee after the expiration of the Consideration Period shall be unenforceable, and the Company shall not be bound thereby. Employee shall have seven (7) days after execution of this Agreement to revoke ("***Revocation Period***") Employee' s consent to this Agreement by executing and delivering a written notice of revocation to the Company. No such revocation by Employee shall be effective unless it is in writing and signed by Employee and received by the Company prior to the expiration of the Revocation Period. Upon delivery of a notice of revocation to the Company, the obligations of the Parties under this Agreement shall be void and unenforceable, with the exception of Employee' s obligation to keep this Agreement confidential under Section 4 above.

6. Effective Date. This Agreement shall become effective as of the date on which it is executed by Employee, provided that it is also signed by the Company and provided that Employee does not timely revoke this Agreement in accordance with the provisions of Section 5.

7. Governing Law, Jurisdiction & Venue. This Agreement, and any and all interactions between the Parties arising under or resulting from this Agreement, is governed by and construed in

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accordance with the laws of the State of Oklahoma, exclusive of its choice of law principles. Each Party irrevocably consents to the personal jurisdiction of the state or federal courts located in Oklahoma with regard to any dispute arising out of relating to this Agreement. All payments due hereunder and all obligations performable hereunder shall be payable and performable at the offices of the Company in Oklahoma. Employee represents to the Company that Employee has not filed any charge or complaint, nor initiated any other proceedings, against the Company or any of its employees or agents, with any governmental entity or court.

8. Injunctive Relief. Notwithstanding any other term of this Agreement, it is expressly agreed that a breach of this Agreement will cause irreparable harm to the Company and that a remedy at law would be inadequate. Therefore, in addition to any and all remedies available at law, the Company will be entitled to injunctive and/or other equitable remedies in the event of any threatened or actual violation of any of the provisions of this Agreement.

9. Entire Agreement. The Employment Agreement and this Agreement is the entire agreement between the Parties pertaining to the matters encompassed within it, and supersedes any other agreement, written or oral, that may exist between them relating to the matters encompassed herein, except that this Agreement does not in any way supersede or alter covenants not to compete, non-disclosure or non-solicitation agreements, or confidentiality agreements that may exist between Employee and the Company.

10. Severability. If any provision of this Agreement is found to be illegal or unenforceable, such finding shall not invalidate the remainder of this Agreement, and that provision shall be deemed to be severed or modified to the minimum extent necessary to equitably adjust the Parties' respective rights and obligations under this Agreement.

11. Execution. This Agreement may be executed in multiple counterparts, each of which will be deemed an original for all purposes. Facsimile copies of signature to this Agreement are as valid as original signatures.

[SIGNATURES ON NEXT PAGE]

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EMPLOYEE' S SIGNATURE BELOW MEANS THAT EMPLOYEE HAS READ THIS AGREEMENT AND AGREES AND CONSENTS TO ALL THE TERMS AND CONDITIONS CONTAINED HEREIN.

TAPSTONE ENERGY INC. The "Company"		**EMPLOYEE**	
By:	______________________	Signature:	______________________
Its:	______________________	Print Name:	______________________
Dated:	______________________	Dated:	______________________

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EXHIBIT C

TAPSTONE ENERGY INC.
NON-SOLICITATION & CONFIDENTIALITY AGREEMENT

This Non-Solicitation & Confidentiality Agreement (this "***Agreement***") is made and entered into by Tapstone Energy Inc., a Delaware corporation (the "***Employer***") and [●] (the "***Employee***") and is effective as of [   ], 2017 (the "***Effective Date***"). In consideration of the mutual promises made herein, the parties hereto agree to the terms and conditions set forth below.

1. Definitions. As used within this Agreement, the following definitions shall apply:

(a) "***Affiliates***" means the Employer' s parents, subsidiaries, partners, agents, successors, assigns, and any other related or affiliated entities.

(b) "***Confidential Information***" means information of any kind, nature, or description, that (i) relates to the Employer' s business or the business of Affiliates, (ii) provides the Employer or Affiliates economic value or any business advantage, (iii) is not generally known to the public, and (iv) is learned or developed by the Employee as a direct or indirect result of, or during the course of, the Employee' s employment with the Employer. Confidential Information includes, but is not limited to, the Employer' s trade secrets, Affiliates' trade secrets, and inventions and may also relate to, without limitation: any customer; business, merchandise, or marketing procedures, processes, and services; hardware; software; research; marketing; developments; products; product lines; design; purchasing; finances and financial affairs; accounting; merchandising; selling; engineering; employees; training; business practices; acquisitions; potential acquisitions; customer lists; customer contact lists; vendor lists; supplier lists; pricing; pricing agreements; merchandise resources; supply resources; service resources; system designs; procedures or manuals; policies; the prices the Employer or Affiliates obtain or have obtained or at which they sell or have sold their services or products; or the name of the Employer' s or Affiliates' personnel and those to whom the personnel report.

(c) "***Person***" means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust, or any other entity or organization.

(d) "***Restricted Customer***" means those Persons to which the Employer has sold or provided products or services to at any time during the twelve (12) months during and immediately prior to the Employee' s last day of employment and to which the Employer anticipates continuing to sell or provide products or services to following the Employee' s termination, and with respect to which the Employee has participated in any efforts related to the sales, marketing, negotiation or provision of goods or services, had contact with or supervised employees who had contact with, or received Confidential Information about within the twelve (12) months immediately prior to the Employee' s last day of employment.

2. Covenants of the Employer and the Employee.

(a) Covenants of the Employer. The Employee acknowledges that the Employer is an oil and natural gas company that, on an ongoing basis, receives, creates, and maintains highly confidential third-party and proprietary information. As a result of the employment relationship that is continued because of this Agreement, upon the full execution hereof, the Employer will provide the Employee with (i) Confidential Information and access to such information,

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(ii) specialized training, including self-study materials and course work, classroom training, on-line training, on-the-job training, or instruction as to the Employer' s products, services, operations, and methods of protecting Confidential Information, and/or (iii) goodwill support such as expense reimbursements in accordance with the Employer' s policies, Confidential Information related to the Employer' s current and prospective clients, customers, and business associates, or contact and relationships with current and potential clients, customers, and business associates, to help the Employee develop goodwill for the Employer. The foregoing is not contingent upon continued employment of the Employee for any length of time, but is contingent upon the Employee' s full compliance with the restrictions in Section 2 and Section 3. The Employee specifically acknowledges that the items described in (i), (ii), and (iii) above will be items that the Employee has not previously been given and that the Employee would not be given but for the execution of this Agreement.

(b) Covenants of the Employee. The Employee agrees not to, directly or indirectly, participate in the unauthorized use, disclosure, or conversion of any Confidential Information. Specifically, but without limitation, the Employee agrees not to use Confidential Information for his or her sole benefit, or for the benefit of any person or entity in any other way that harms the Employer or diminishes the value of the Confidential Information to the Employer. The Employee also agrees to use the specialized training, goodwill, and contacts developed with the Employer' s customers and contractors for the exclusive benefit of the Employer, and agrees not to use these items at any time in a way that would harm the business interests of the Company. Notwithstanding the foregoing, nothing in this Agreement prohibits the Employee from communicating with an appropriate governmental agency or entity regarding a possible violation of federal law or regulation or making disclosures that are protected under any whistleblower provisions of law or regulation. Importantly, the Employee is encouraged to communicate any such concerns directly with the Employer.

(c) Settlement of Rights. By this Agreement, the Employer is providing the Employee with new rights that were not previously in existence. In exchange for the foregoing and the additional terms agreed to in this Agreement, as well as the terms set forth in the Employment Agreement by and between the Employer and the Employee, the Employee agrees that (i) he or she is being provided with access to Confidential Information, specialized training, and the Employer' s goodwill with its customers and other persons, to which he or she has not previously had access, (ii) all goodwill developed with the Employer' s clients, customers, and other business contacts by the Employee during past employment with the Employer are the exclusive property of the Employer, and (iii) the Confidential Information and specialized training received by the Employee during any past employment with the Employer will be used only for the benefit of the Employer. The Employee waives and releases any claim that he or she should be able to use, for the benefit of any competing person or entity, client, and customer goodwill, specialized training, or Confidential Information that was previously received or developed by the Employee while working for the Employer.

(d) Goodwill with Customers. The Employee acknowledges that the Employer and the Affiliates have lasting relationships with their customers and own the goodwill in the Employee' s relationships with customers that the Employee will or has developed or maintained in the course and scope of the Employee' s employment with the Employer. If the Employee owned goodwill in a relationship with a customer when the Employee commenced employment with the Employer, then the Employee hereby assigns any and all such goodwill to the Employer, and the Employer shall become the owner of such goodwill.

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(e) The Employer' s Property. All documents and things provided to the Employee by the Employer or its Affiliates for use in connection with the Employee' s employment, or created by the Employee in the course and scope of the Employee' s employment with the Employer, are the property of the Employer or its Affiliates and shall be held by the Employee as a fiduciary on behalf of the Employer. Immediately upon termination of the Employee' s employment - without the requirement of a prior demand by the Employer - the Employee shall surrender to the Employer all such documents and things, including, but not limited to, all Confidential Information and all documents and things related to Restricted Customers, together with all copies, recording abstracts, notes, reproductions or electronic versions of any kind made from or about the documents and things and the information they contain.

(f) Duty of Loyalty. The Employee understands that by virtue of employment with the Employer, the Employee owes the Employer a duty of loyalty and agrees to treat all Confidential Information, training, relationships with customers, goodwill, and property entrusted to the Employee as a fiduciary. The Employee agrees to use such training and maintain and protect such Confidential Information, customer relationships, goodwill, and property solely for the Employer' s benefit. The Employee further agrees that nothing in this Agreement shall limit, in any way, the fiduciary duties that the Employee owes to the Employer under any applicable law, apart from this Agreement.

3. Non-Solicitation. The Employee agrees that the following covenants are reasonable and necessary agreements for the protection of the business interests covered in the fully enforceable, ancillary agreements set forth in this Agreement, including those in Section 2.

(a) Non-Solicitation of Restricted Customers. The Employee agrees that while employed by the Employer and for twelve (12) months after the last day of employment, regardless of the reason for termination of employment, the Employee shall not solicit a Restricted Customer for the sale or provision of goods and/or services. This paragraph is geographically limited to wherever any Restricted Customer can be found or is available for solicitation, which the parties stipulate is a reasonable geographic area because of the scope of the Employer' s operations and the Employee' s employment with the Employer. The Employee may not avoid the purpose and intent of this paragraph by engaging in conduct within the geographically limited area from a remote location through means such as telecommunications, written correspondence, computer generated or assisted communications, or other similar methods.

(b) Non-Solicitation of Employees and Contractors. The Employee agrees that while employed by the Employer and for twelve (12) months after the last day of employment, regardless of the reason for termination of employment, the Employee shall not directly or indirectly solicit, cause to be solicited, assist, or otherwise be involved with the solicitation of, any employee, contractor or other person to terminate that person' s employment, contract or relationship with the Employer or to breach that person' s employment agreement or contract with the Employer.

(c) Early Resolution Conference. This Agreement is understood to be clear and enforceable as written and is executed by both parties on that basis. However, should the Employee

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later challenge any provision as unclear, unenforceable, or inapplicable to any activity in which the Employee intends to engage, the Employee will first notify the Employer in writing and meet with the Employer' s representative and a neutral mediator (if the Employer elects to retain one at its expense) to discuss resolution of any disputes between the parties. The failure to comply with this requirement shall waive the Employee' s right to challenge the reasonable scope, clarity, applicability, or enforceability of this Agreement and its restrictions at a later time. All rights of both parties will be preserved if the Early Resolution Conference requirement is complied with even if no agreement is reached in the conference. The Employee further agrees that during the term of the restrictions in Sections 3(a) and 3(b), the Employee will communicate the Employee' s obligations under this Agreement to each new employer, which shall include providing each new employer with a copy of this Agreement.

4. Survival/Enforcement of Restrictive Covenants.

(a) Survival of Covenants. Each restriction set forth in Sections 2 and 3 shall survive the termination of the Employee' s employment with the Employer. The existence of any claim or cause of action of the Employee against the Employer, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Employer of any covenant contained in this Agreement. In the event an enforcement remedy is sought under Sections 3(a) or 3(b), the periods of time provided in those Sections shall be extended by one day for each day the Employee failed to comply with the restriction at issue.

(b) Remedies. In the event of breach or threatened breach by the Employee of any provision of Section 2 or Section 3 of this Agreement, the Employer shall be entitled to (i) injunctive relief by temporary restraining order, temporary injunction, or permanent injunction, (ii) recovery of all attorneys' fees and costs incurred by the Employer in obtaining such relief, and (iii) any other legal and equitable relief to which the Employer may be entitled, including without limitation any and all monetary costs and damages which the Employer may incur as a result of any such breach or threatened breach. An agreed amount for the bond to be posted if an injunction is sought by the Employer is Five Hundred Dollars ($500). The Employer may pursue any remedy available, without limitation, including declaratory relief, concurrently or consecutively in any order as to any breach, violation, or threatened breach or violation, and the pursuit of one such remedy at any time will not be deemed an election of remedies or waiver of the right to pursue any other remedy.

5. Miscellaneous.

(a) Notices. All notices provided for by this Agreement shall be given in writing and shall be deemed effective upon personal delivery or five (5) days after deposit with a national postal system or, if sent via overnight delivery, one day after deposit with an established overnight delivery system such as Federal Express. Notice shall be addressed in accordance with the following:

Employee:	Employer:
	Tapstone Energy Inc. Attn: Human Resources 100 East Main Street Oklahoma City, OK 73104

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(b) Entire Agreement. No supplement, modification, amendment, or waiver of any of the terms, conditions, or provisions in this Agreement can be made unless they are in writing and signed by both the Employer and the Employee.

(c) Parties Bound. This Agreement and the rights and obligations under it shall be binding upon and inure to the benefit of the Employer, the Employee, and their respective heirs, personal representatives, successors and assigns; provided, however, that the Employee may not assign any rights or obligations under this Agreement without the express written consent of the Employer.

(d) Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable, such provision shall be fully severable; this Agreement shall be construed and enforced without such illegal, invalid, or unenforceable provision, and the remaining provisions in this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance. Further, if any of the restrictions in Sections 2 or 3 are deemed unenforceable as written, the parties expressly authorize the court or arbitrator to revise, delete, or add to those restrictions to the extent necessary to enforce the intent of the parties and to provide effective protection for the Employer' s goodwill, specialized training, Confidential Information, and other business interests.

(e) Waiver. Any waiver by the Employer of a breach of any provision of this Agreement must be in writing and signed by the Employer to be effective. Any waiver by the Employer of a breach of this Agreement shall not operate or be construed as a waiver by the Employer of any different or subsequent breach of this Agreement by the Employee.

(f) Governing Law and Venue. It is the intention of the parties that the laws of the State of Oklahoma should govern the validity of this Agreement, the construction of its terms, and the interpretation of the rights and duties of the parties hereto without regard to any contrary conflicts of laws principles. It is stipulated that Oklahoma has a compelling state interest in the subject matter of this Agreement, and that the Employee has or will have regular contact with Oklahoma in the performance of this Agreement. The agreed upon venue and personal jurisdiction for the parties on any claims or disputes under this Agreement is the United States District Court for Oklahoma (or should such court lack jurisdiction to hear such action, suit, or proceeding, in a state court in Oklahoma).

(g) Not a Contract of Employment or Other Engagement. The terms and conditions of this Agreement shall not be deemed to constitute a contract of employment between the Employer and the Employee. Any such employment is hereby acknowledged to be, to the extent applicable, an "*at will*" employment relationship that can be terminated at any time for any reason, or for no reason, with or without cause, and with or without notice, unless expressly

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provided in a written employment agreement. Nothing in this Agreement shall be deemed to give the Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to discipline or discharge the Employee at any time.

(h) <u>Section Headings</u>. The headings contained in this Agreement are for reference only and do not affect in any way the meaning or interpretation of this Agreement.

[SIGNATURES ON NEXT PAGE]

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement effective as of the Effective Date.

TAPSTONE ENERGY INC. The "Employer"		**EMPLOYEE**	
By:	______________________	Signature:	______________________
Its:	______________________	Print Name:	______________________
Dated:	______________________	Dated:	______________________

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Exhibit 10.9

PERFORMANCE-BASED
FORM OF AWARD
Award No.

TAPSTONE ENERGY INC.
2017 EQUITY INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK AWARD

Subject to the terms and conditions of this Notice of Restricted Stock Award (this "***Notice***"), the Restricted Stock Award Agreement attached hereto (the "***Award Agreement***"), and the Tapstone Energy Inc. 2017 Long-Term Incentive Plan (the "***Plan***"), the below individual (the "***Participant***") is hereby granted the below number of Shares (the "***Covered Shares***") of common stock in Tapstone Energy Inc., a Delaware corporation (the "***Company***"). Unless otherwise specifically indicated, all terms used in this Notice shall have the meaning as set forth in the Award Agreement or the Plan.

Identifying Information:

Participant Name	____________	Date of Grant:	____________
and Address:	____________	Number of "Covered Shares":	____________
	____________	Purchase Price per Share:	____________
		Vesting Commencement Date:	____________

Vesting Schedule:

Subject to the Participant' s continuous status as a Service Provider, and the terms of the Plan, this Notice and the Award Agreement, the Covered Shares shall not vest until both the following time-based and performance-based vesting schedules (collectively, the "***Vesting Schedule***") are satisfied. Under the time-based portion of the Vesting Schedule, the Covered Shares shall vest accordance with the following schedule:

[INSERT VESTING SCHEDULE]

Under the performance-based portion of the Vesting Schedule, the Covered Shares shall vest (if at all) in accordance with SCHEDULE 1 (attached to this Notice). Notwithstanding the foregoing, upon the earlier of the Participant' s death or Disability, a pro rata portion of the Participant' s unvested Covered Shares shall automatically vest, determined by multiplying the total number of Covered Shares awarded hereunder by a fraction, the numerator of which is the number of whole months elapsed from the Date of Grant until the date of death or Disability, and the denominator of which is [●] (reduced by the number of Covered Shares that had vested prior to such date).

Representations of the Participant:

The Participant has reviewed this Notice, the Award Agreement and the Plan in their entirety, has had an opportunity to have such reviewed by his or her legal and tax advisers, and hereby attests that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents or affiliates. The Participant represents to the Company that he or she is familiar with the terms of this Notice, the Award Agreement and the Plan, and hereby accepts the Covered Shares subject to all of its terms. The Participant hereby agrees that all questions of interpretation and administration relating to this Notice, the Award Agreement and the Plan shall be solely resolved by the Committee.

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Electronic Signature:

This Notice may be executed by the Participant and the Company by means of electronic or digital signatures, which shall have the same force and effect as manual signatures. The Participant agrees that clicking "I Accept" (or a tab of similar intent) in connection with or response to any electronic communication or other medium has the effect of affixing the Participant' s electronic signature to this Notice. This Award of Covered Shares shall be forfeited by the Participant if it is not duly executed by electronic signature by the Participant within the number of days set forth in the electronic transmission of this Award Agreement following the Date of Grant.

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SCHEDULE 1

TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK AWARD

Pursuant to the Notice, the performance-based portion of the Vesting Schedule shall be as follows:

____

The performance-based portion of the Vesting Schedule shall be satisfied no later than [DATE].

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TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

RESTRICTED STOCK AWARD AGREEMENT

Subject to the terms and conditions of the Notice of Restricted Stock Award (the "***Notice***"), this Restricted Stock Award Agreement (this "***Award Agreement***"), and the Tapstone Energy Inc. 2017 Long-Term Incentive Plan (the "***Plan***"), Tapstone Energy Inc., a Delaware corporation (the "***Company***") hereby grants the individual set forth in the Notice (the "***Participant***") Shares of common stock (the "***Covered Shares***"). Unless otherwise specifically indicated, all terms used in this Award Agreement shall have the meaning as set forth in the Notice or the Plan.

1. Purchase Price Per Share. If the Covered Shares are subject to a purchase price, as set forth in the Notice, the Participant shall have the right to purchase such Covered Shares at the specified purchase price in accordance with such procedures as may be established by the Committee from time to time.

2. Vesting Schedule and Risk of Forfeiture.

(a) Vesting Schedule. Subject to the Participant' s continuous status with the Company as a Service Provider and any other limitations set forth in the Notice, the Plan or this Award Agreement, the Covered Shares shall vest in accordance with the Vesting Schedule provided in the Notice.

(b) Risk of Forfeiture. The Covered Shares shall be subject to a risk of forfeiture until such time the risk of forfeiture lapses in accordance with the Vesting Schedule. All or any portion of the Covered Shares subject to a risk of forfeiture shall automatically be forfeited and immediately returned to the Company if the Participant' s continuous status as a Service Provider is interrupted or terminated for any reason other than as permitted under the Plan. Additionally, and notwithstanding anything in the Notice or this Award Agreement to the contrary, the vested and unvested Covered Shares shall be forfeited if the Participant' s continuous status as a Service Provider is terminated for Cause or if the Participant breaches (as determined by the Board) any provisions of the Notice, this Award Agreement or the Plan. The Company shall implement any forfeiture under this Section 2 in a unilateral manner, without the Participant' s consent, and with no payment to the Participant, cash or otherwise, for the forfeited Covered Shares.

3. Transfer Restrictions. The Covered Shares issued to the Participant hereunder may not be sold, transferred by gift, pledged, hypothecated, or otherwise transferred or disposed of by the Participant (other than by will or by the laws of descent or distribution) prior to the date when the Covered Shares become vested pursuant to the Vesting Schedule. Any attempt to transfer Covered Shares in violation of this Section 3 shall be null and void and shall be disregarded. The terms of the Plan and this Award Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant.

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4. Escrow of Shares. For purposes of facilitating the enforcement of the provisions of the Notice, this Award Agreement and the Plan, the Participant agrees, immediately upon his or her deemed receipt of the certificate(s) for the Covered Shares to deliver such certificate(s) (or electronic equivalent), together with a Stock Assignment Separate from Certificate in the form attached hereto as **Exhibit A** (executed in blank by the Participant and with respect to each such stock certificate), to the Secretary or Assistant Secretary of the Company, or their designee, to hold in escrow for so long as such Covered Shares have not vested pursuant to the Vesting Schedule or until such time as this Award Agreement is no longer in effect. Such escrow agent shall have the authority to take all such actions and to effectuate all such transfers and/or releases as may be necessary or appropriate to accomplish the objectives of this Award Agreement in accordance with the terms hereof. The Participant hereby acknowledges that the appointment of the Secretary or Assistant Secretary of the Company (or their designee) as the escrow holder hereunder with the stated authorities is a material inducement to the Company to enter into the Notice and this Award Agreement and that such appointment is coupled with an interest and is accordingly irrevocable. The Participant agrees that such escrow holder shall not be liable to any party hereto (or to any other party) for any actions or omissions unless such escrow holder is grossly negligent relative thereto. The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Upon the vesting of Covered Shares, the escrow holder will, without further order or instruction, transmit to the Participant the certificate (or electronic equivalent) evidencing such Shares, subject, however, to satisfaction of any withholding obligations provided in Section 7, below.

5. Additional Securities. Any securities or cash received as the result of an adjustment provided for in Section 15 of the Plan (the "***Additional Securities***") shall be retained in escrow in the same manner and subject to the same conditions and restrictions as the Covered Shares with respect to which they were issued, including the Vesting Schedule. If the Additional Securities consist of a convertible security, the Participant may exercise any conversion right, and any securities so acquired shall constitute Additional Securities. In the event of any change in certificates (or electronic equivalent) evidencing the Shares or the Additional Securities by reason of any transaction under Article 15 of the Plan, the escrow holder is authorized to deliver to the issuer the certificates (or electronic equivalent) evidencing the Shares or Additional Securities in exchange for the certificates (or electronic equivalent) of the replacement securities.

6. Distributions. The Company shall disburse to the Participant all regular cash dividends with respect to the Shares and Additional Securities, whether vested or otherwise, less the amount to satisfy any applicable withholding obligations, on the same payment date dividends are disbursed to other stockholders of the Company. Such dividends shall be fully vested on the date the dividends are disbursed and shall not be subject to the Vesting Schedule.

7. Taxes. The Participant hereby acknowledges and understands that he or she may suffer adverse tax consequences as a result of the Participant' s receipt of (or purchase of), vesting in, or disposition of, the Covered Shares.

(a) Representations. The Participant has reviewed with his or her own tax advisors the tax consequences of this Award Agreement and the Covered Shares granted hereunder, including any U.S. federal, state and local tax laws, and any other applicable taxing jurisdiction. The Participant is relying solely on such advisors and not on any statements or

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representations of the Company or any of its agents. The Participant hereby acknowledges and understands that he or she (and not the Company) shall be responsible for his or her own tax liability that may arise as a result of his or her receiving this Award Agreement and the Covered Shares granted hereunder.

(b) Section 83(b) Election. The Participant hereby acknowledges that he or she has been informed that if he or she makes a timely election (the "***Election***") pursuant to Section 83(b) of the Code to be taxed currently on any difference between the Fair Market Value of the Covered Shares and any purchase price paid, this will result in a recognition of taxable income to the Participant on the date the Covered Shares were granted. Absent such an Election, taxable income will be measured and recognized by the Participant at the time or times on which the Covered Shares become vested. The Participant is strongly encouraged to seek the advice of his or her own tax consultants in connection with the Covered Shares granted pursuant to the Plan and this Award Agreement, and the advisability of filing the Election under Section 83(b) of the Code. A form of Election under Section 83(b) is attached hereto as **Exhibit B**.

THE PARTICIPANT ACKNOWLEDGES THAT IT IS THE PARTICIPANT' S SOLE RESPONSIBILITY AND NOT THE COMPANY' S OR ANY AFFILIATE TO TIMELY FILE THE ELECTION UNDER SECTION 83(b) OF THE CODE, EVEN IF THE PARTICIPANT REQUESTS THE COMPANY, AFFILIATE OR THEIR REPRESENTATIVE TO MAKE THIS FILING ON THE PARTICIPANT' S BEHALF.

(c) Payment of Withholding Taxes. The Participant shall make appropriate arrangements with the Company for the satisfaction of all U.S. federal, state, local and non-U.S. income and employment tax withholding requirements applicable to any Covered Shares. The Committee shall have the sole authority to determine whether a "net withholding" may be permitted or is required for purposes of the Participant satisfying his or her obligations under this Section 7(c). The Participant hereby acknowledges his or her understanding that the Company' s obligations under this Award Agreement are fully contingent on the Participant first satisfying this Section 7(c). Therefore, a failure of the Participant to reasonably satisfy this Section 7 in accordance with the Committee' s sole and absolute discretion shall result in the automatic termination and expiration of this Award Agreement and the Company' s obligations hereunder. The Participant hereby agrees that a breach of this Section 7(c) shall be deemed to be a material breach of this Award Agreement.

8. Legality of Initial Issuance. No Covered Shares shall be issued unless and until the Committee has determined that: (i) the Company and the Participant have taken all actions required to register the Covered Shares under the Securities Act or to perfect an exemption from the registration requirements thereof, if applicable; (ii) all applicable listing requirements of any stock exchange or other securities market on which the Covered Shares are listed has been satisfied; and (iii) any other applicable provision of state or U.S. federal law or other Applicable Law has been satisfied.

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9. Restrictive Legends. The share certificate evidencing the Covered Shares issued hereunder shall be endorsed with the following legends (in addition to any legend required under applicable U.S. federal, state securities laws and under any other Applicable Law):

(a) On the face of the certificate:

"TRANSFER OF THIS STOCK IS RESTRICTED IN ACCORDANCE WITH THE CONDITIONS PRINTED ON THE REVERSE OF THIS CERTIFICATE"

(b) On the reverse of the certificate:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED PURSUANT TO THE TERMS OF THE TAPSTONE ENERGY, INC 2017 LONG-TERM INCENTIVE PLAN AND MAY NOT BE SOLD PLEDGED, TRANSFERRED, ASSIGNED OR OTHERWISE ENCUMBERED IN ANY MANNER EXCEPT AS IS SET FORTH IN THE TERMS OF SUCH AWARD."

However, in instances where Covered Shares are issued electronically, this Section 9 shall apply only to the extent administratively practical.

10. Restrictions on Transfer.

(a) Stop-Transfer Notices. The Participant agrees that, in order to ensure compliance with the restrictions referred to herein and applicable law, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(b) Rights of the Company. The Company shall not (i) record on its books the transfer of any Covered Shares that have been sold or transferred in contravention of this Award Agreement or (ii) treat as the owner of Covered Shares, or otherwise to accord voting, dividend or liquidation rights to, any transferee to whom Covered Shares have been transferred in contravention of this Award Agreement. Any transfer of Covered Shares not made in conformance with this Award Agreement shall be null and void and shall not be recognized by the Company.

11. Notice. Any notice required by the terms of this Award Agreement shall be given in writing and shall be deemed to be effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Participant at the address that he or she most recently provided to the Company.

12. Successor and Assigns. Except as provided herein to the contrary, this Award Agreement shall be binding upon and inure to the benefit of the parties to this Award Agreement, their respective successors and permitted assigns.

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13. Assignment. Except as otherwise provided in this Award Agreement, the Participant shall not assign any of his or her rights under the Notice or this Award Agreement without the prior written consent of the Company, which consent may be withheld in its sole discretion. The Company shall be permitted to assign its rights or obligations under the Notice or this Award Agreement, but no such assignment shall release the Company of its obligations pursuant to the Notice or this Award Agreement.

14. Construction; Severability. The captions used in this Award Agreement are inserted for convenience and shall not be deemed to be a part of the Shares for construction or interpretation. Except where otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise. The validity, legality or enforceability of the remainder of this Award Agreement shall not be affected even if one or more of the provisions of this Award Agreement shall be held to be invalid, illegal or unenforceable in any respect.

15. Administration and Interpretation. Any determination by the Committee in connection with any question or issue arising under the Notice, the Plan or this Award Agreement shall be final, conclusive and binding on the Participant, the Company and all other persons. Any question or dispute regarding the interpretation of this Award Agreement or the receipt of the Covered Shares or Shares hereunder shall be submitted by the Participant to the Committee. The resolution of such question or dispute by the Committee shall be final and binding on all parties.

16. Counterparts. This Award Agreement may be executed in any number of counterparts, any of which may be executed and transmitted by facsimile, and each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

17. Entire Agreement; Governing Law; and Amendments. The provisions of the Plan and the Notice are incorporated herein by reference. The Plan, the Notice and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant' s interest except by means of a writing signed by the Company and the Participant. This Award Agreement is governed by the laws of the State of Delaware applicable to contracts executed in and to be performed in that State.

18. Venue. The Company, the Participant and the Participant' s assignees agree that any suit, action or proceeding arising out of or related to the Notice, this Award Agreement or the Plan shall be brought in the United States District Court for the District of Delaware (or should such court lack jurisdiction to hear such action, suit or proceeding, in a state court in Delaware) and that all parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. If any one or more provisions of this Section 19 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

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19. No Guarantee of Continued Service. THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUOUS STATUS AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED OR ACQUIRING SHARES HEREUNDER). THE PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE COVERED SHARES GRANTED HEREUNDER, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH THE PARTICIPANT' S RIGHT OR THE COMPANY' S/AFFILIATE' S RIGHT TO TERMINATE THE PARTICIPANT' S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

20. Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed to be a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed to be a waiver or relinquishment of such right or power at any other time or times.

* * * * *

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EXHIBIT A

TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

STOCK ASSIGNMENT SEPARATE FROM CERTIFICATE

[Please sign this document but do not date it. The date and information of the transferee will be completed if and when the shares are assigned.]

FOR VALUE RECEIVED, hereby sells, assigns and transfers unto , ( ) shares of the Common Stock of Tapstone Energy Inc., a Delaware corporation (the "***Company***"), standing in his or her name on the books of the Company represented by Certificate No. (or electronic equivalent) herewith, and does hereby irrevocably constitute and appoint the Secretary of the Company with the power of attorney to transfer the said stock in the books of the Company with full power of substitution. This assignment may be executed by the Participant by means of electronic or digital signatures, which shall have the same force and effect as manual signatures. The Participant agrees that clicking "I Accept" (or a tab of similar intent) in connection with or response to any electronic communication or other medium has effect of affixing the Participant' s electronic signature to this assignment.

Dated: ______________________________

____
Signature of the Participant

____
Print Name

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EXHIBIT B

ELECTION UNDER SECTION 83(b)
OF THE INTERNAL REVENUE CODE OF 1986

This statement is made under Section 83(b) of the Internal Revenue Code of 1986, as amended, pursuant to Section 1.83-2 of the regulations.

1. The taxpayer who performed the services is:

Name: ______________________________

Address: ______________________________

____

Social Security No.: ______________________________

Taxable Year: ______________________________

2. The property with respect to which the election is made is shares of the common stock of Tapstone Energy, Inc. (the "***Company***").

3. The property was transferred to the undersigned on .

4. The property is subject to a forfeiture condition pursuant to which the issuer has the right to acquire the property without compensation to the taxpayer if for any reason taxpayer' s service with the issuer is terminated. The forfeiture condition lapses in a series of installments depending on certain conditions set forth in an Award Agreement.

5. The fair market value of such property at the time of transfer (determined without regard to any restriction other than a restriction which by its terms will never lapse) is $ per share x shares = $.

6. For the property transferred, the undersigned paid $ per share x shares = $.

7. The amount to include in gross income is $ **[The result of the amount reported in Item 5 minus the amount reported in Item 6.]**

8. A copy of this statement was furnished to the Company for whom taxpayer rendered the services underlying the transfer of such property.

9. This statement is executed on , .

____
Signature of Spouse (if any)

____
Signature of Taxpayer

This election must be filed within 30 days after the date of transfer with the Internal Revenue Service Center with which Holder files his or her federal income tax returns. This filing should be made by registered or certified mail, return receipt requested. Holder must retain a copy of the completed form for his or her records, and deliver another additional copy to the Company.

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Exhibit 10.10

FORM OF AWARD
Award No.

TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK AWARD

Subject to the terms and conditions of this Notice of Restricted Stock Award (this "***Notice***"), the Restricted Stock Award Agreement attached hereto (the "***Award Agreement***"), and the Tapstone Energy Inc. 2017 Long-Term Incentive Plan (the "***Plan***"), the below individual (the "***Participant***") is hereby granted the below number of Shares (the "***Covered Shares***") of common stock in Tapstone Energy Inc., a Delaware corporation (the "***Company***"). Unless otherwise specifically indicated, all terms used in this Notice shall have the meaning as set forth in the Award Agreement or the Plan.

Identifying Information:

Participant Name	______________________	Date of Grant:	______________________
and Address:	______________________	Number of "Covered Shares":	______________________
	______________________	Purchase Price per Share:	______________________
		Vesting Commencement Date:	______________________

Vesting Schedule:

Subject to the Participant' s continuous status as a Service Provider, and the terms of the Plan, this Notice and the Award Agreement, the Covered Shares shall vest over a [●]-year period in accordance with the following vesting schedule (the "***Vesting Schedule***"):

[INSERT VESTING SCHEDULE]

Notwithstanding the foregoing, upon the earlier of the Participant' s death or Disability, a pro rata portion of the Participant' s unvested Covered Shares shall automatically vest, determined by multiplying the total number of Covered Shares awarded hereunder by a fraction, the numerator of which is the number of whole months elapsed from the Date of Grant until the date of death or Disability, and the denominator of which is [●] (reduced by the number of Covered Shares that had vested prior to such date).

Representations of the Participant:

The Participant has reviewed this Notice, the Award Agreement and the Plan in their entirety, has had an opportunity to have such reviewed by his or her legal and tax advisers, and hereby attests that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents or affiliates. The Participant represents to the Company that he or she is familiar with the terms of this Notice, the Award Agreement and the Plan, and hereby accepts the Covered Shares subject to all of its terms. The Participant hereby agrees that all questions of interpretation and administration relating to this Notice, the Award Agreement and the Plan shall be solely resolved by the Committee.

Electronic Signature:

This Notice may be executed by the Participant and the Company by means of electronic or digital signatures, which shall have the same force and effect as manual signatures. The Participant agrees that clicking "I Accept" (or a tab of similar intent) in connection with or response to any electronic communication or other medium has the effect of affixing the Participant' s electronic signature to this Notice. This Award of Covered Shares shall be forfeited by the Participant if it is not duly executed by electronic signature by the Participant within the number of days set forth in the electronic transmission of this Award Agreement following the Date of Grant.

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TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

RESTRICTED STOCK AWARD AGREEMENT

Subject to the terms and conditions of the Notice of Restricted Stock Award (the "***Notice***"), this Restricted Stock Award Agreement (this "***Award Agreement***"), and the Tapstone Energy Inc. 2017 Long-Term Incentive Plan (the "***Plan***"), Tapstone Energy Inc., a Delaware corporation (the "***Company***") hereby grants the individual set forth in the Notice (the "***Participant***") Shares of common stock (the "***Covered Shares***"). Unless otherwise specifically indicated, all terms used in this Award Agreement shall have the meaning as set forth in the Notice or the Plan.

1. Purchase Price Per Share. If the Covered Shares are subject to a purchase price, as set forth in the Notice, the Participant shall have the right to purchase such Covered Shares at the specified purchase price in accordance with such procedures as may be established by the Committee from time to time.

2. Vesting Schedule and Risk of Forfeiture.

(a) Vesting Schedule. Subject to the Participant' s continuous status with the Company as a Service Provider and any other limitations set forth in the Notice, the Plan or this Award Agreement, the Covered Shares shall vest in accordance with the Vesting Schedule provided in the Notice.

(b) Risk of Forfeiture. The Covered Shares shall be subject to a risk of forfeiture until such time the risk of forfeiture lapses in accordance with the Vesting Schedule. All or any portion of the Covered Shares subject to a risk of forfeiture shall automatically be forfeited and immediately returned to the Company if the Participant' s continuous status as a Service Provider is interrupted or terminated for any reason other than as permitted under the Plan. Additionally, and notwithstanding anything in the Notice or this Award Agreement to the contrary, the vested and unvested Covered Shares shall be forfeited if the Participant' s continuous status as a Service Provider is terminated for Cause or if the Participant breaches (as determined by the Board) any provisions of the Notice, this Award Agreement or the Plan. The Company shall implement any forfeiture under this Section 2 in a unilateral manner, without the Participant' s consent, and with no payment to the Participant, cash or otherwise, for the forfeited Covered Shares.

3. Transfer Restrictions. The Covered Shares issued to the Participant hereunder may not be sold, transferred by gift, pledged, hypothecated, or otherwise transferred or disposed of by the Participant (other than by will or by the laws of descent or distribution) prior to the date when the Covered Shares become vested pursuant to the Vesting Schedule. Any attempt to transfer Covered Shares in violation of this Section 3 shall be null and void and shall be disregarded. The terms of the Plan and this Award Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant.

4. Escrow of Shares. For purposes of facilitating the enforcement of the provisions of the Notice, this Award Agreement and the Plan, the Participant agrees, immediately upon his

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or her deemed receipt of the certificate(s) for the Covered Shares to deliver such certificate(s) (or electronic equivalent), together with a Stock Assignment Separate from Certificate in the form attached hereto as **Exhibit A** (executed in blank by the Participant and with respect to each such stock certificate), to the Secretary or Assistant Secretary of the Company, or their designee, to hold in escrow for so long as such Covered Shares have not vested pursuant to the Vesting Schedule or until such time as this Award Agreement is no longer in effect. Such escrow agent shall have the authority to take all such actions and to effectuate all such transfers and/or releases as may be necessary or appropriate to accomplish the objectives of this Award Agreement in accordance with the terms hereof. The Participant hereby acknowledges that the appointment of the Secretary or Assistant Secretary of the Company (or their designee) as the escrow holder hereunder with the stated authorities is a material inducement to the Company to enter into the Notice and this Award Agreement and that such appointment is coupled with an interest and is accordingly irrevocable. The Participant agrees that such escrow holder shall not be liable to any party hereto (or to any other party) for any actions or omissions unless such escrow holder is grossly negligent relative thereto. The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Upon the vesting of Covered Shares, the escrow holder will, without further order or instruction, transmit to the Participant the certificate (or electronic equivalent) evidencing such Shares, subject, however, to satisfaction of any withholding obligations provided in Section 7, below.

5. Additional Securities. Any securities or cash received as the result of an adjustment provided for in Section 15 of the Plan (the "***Additional Securities***") shall be retained in escrow in the same manner and subject to the same conditions and restrictions as the Covered Shares with respect to which they were issued, including the Vesting Schedule. If the Additional Securities consist of a convertible security, the Participant may exercise any conversion right, and any securities so acquired shall constitute Additional Securities. In the event of any change in certificates (or electronic equivalent) evidencing the Shares or the Additional Securities by reason of any transaction under Article 15 of the Plan, the escrow holder is authorized to deliver to the issuer the certificates (or electronic equivalent) evidencing the Shares or Additional Securities in exchange for the certificates (or electronic equivalent) of the replacement securities.

6. Distributions. The Company shall disburse to the Participant all regular cash dividends with respect to the Shares and Additional Securities, whether vested or otherwise, less the amount to satisfy any applicable withholding obligations, on the same payment date dividends are disbursed to other stockholders of the Company. Such dividends shall be fully vested on the date the dividends are disbursed and shall not be subject to the Vesting Schedule.

7. Taxes. The Participant hereby acknowledges and understands that he or she may suffer adverse tax consequences as a result of the Participant' s receipt of (or purchase of), vesting in, or disposition of, the Covered Shares.

(a) Representations. The Participant has reviewed with his or her own tax advisors the tax consequences of this Award Agreement and the Covered Shares granted hereunder, including any U.S. federal, state and local tax laws, and any other applicable taxing jurisdiction. The Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Participant hereby acknowledges and understands that he or she (and not the Company) shall be responsible for his or her own tax liability that may arise as a result of his or her receiving this Award Agreement and the Covered Shares granted hereunder.

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(b) Section 83(b) Election. The Participant hereby acknowledges that he or she has been informed that if he or she makes a timely election (the "***Election***") pursuant to Section 83(b) of the Code to be taxed currently on any difference between the Fair Market Value of the Covered Shares and any purchase price paid, this will result in a recognition of taxable income to the Participant on the date the Covered Shares were granted. Absent such an Election, taxable income will be measured and recognized by the Participant at the time or times on which the Covered Shares become vested. The Participant is strongly encouraged to seek the advice of his or her own tax consultants in connection with the Covered Shares granted pursuant to the Plan and this Award Agreement, and the advisability of filing the Election under Section 83(b) of the Code. A form of Election under Section 83(b) is attached hereto as **Exhibit B**.

THE PARTICIPANT ACKNOWLEDGES THAT IT IS THE PARTICIPANT' S SOLE RESPONSIBILITY AND NOT THE COMPANY' S OR ANY AFFILIATE TO TIMELY FILE THE ELECTION UNDER SECTION 83(b) OF THE CODE, EVEN IF THE PARTICIPANT REQUESTS THE COMPANY, AFFILIATE OR THEIR REPRESENTATIVE TO MAKE THIS FILING ON THE PARTICIPANT' S BEHALF.

(c) Payment of Withholding Taxes. The Participant shall make appropriate arrangements with the Company for the satisfaction of all U.S. federal, state, local and non-U.S. income and employment tax withholding requirements applicable to any Covered Shares. The Committee shall have the sole authority to determine whether a "net withholding" may be permitted or is required for purposes of the Participant satisfying his or her obligations under this Section 7(c). The Participant hereby acknowledges his or her understanding that the Company' s obligations under this Award Agreement are fully contingent on the Participant first satisfying this Section 7(c). Therefore, a failure of the Participant to reasonably satisfy this Section 7 in accordance with the Committee' s sole and absolute discretion shall result in the automatic termination and expiration of this Award Agreement and the Company' s obligations hereunder. The Participant hereby agrees that a breach of this Section 7(c) shall be deemed to be a material breach of this Award Agreement.

8. Legality of Initial Issuance. No Covered Shares shall be issued unless and until the Committee has determined that: (i) the Company and the Participant have taken all actions required to register the Covered Shares under the Securities Act or to perfect an exemption from the registration requirements thereof, if applicable; (ii) all applicable listing requirements of any stock exchange or other securities market on which the Covered Shares are listed has been satisfied; and (iii) any other applicable provision of state or U.S. federal law or other Applicable Law has been satisfied.

9. Restrictive Legends. The share certificate evidencing the Covered Shares issued hereunder shall be endorsed with the following legends (in addition to any legend required under applicable U.S. federal, state securities laws and under any other Applicable Law):

(a) On the face of the certificate:

"TRANSFER OF THIS STOCK IS RESTRICTED IN ACCORDANCE WITH THE CONDITIONS PRINTED ON THE REVERSE OF THIS CERTIFICATE"

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(b) On the reverse of the certificate:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ISSUED PURSUANT TO THE TERMS OF THE TAPSTONE ENERGY, INC 2017 LONG-TERM INCENTIVE PLAN AND MAY NOT BE SOLD PLEDGED, TRANSFERRED, ASSIGNED OR OTHERWISE ENCUMBERED IN ANY MANNER EXCEPT AS IS SET FORTH IN THE TERMS OF SUCH AWARD."

However, in instances where Covered Shares are issued electronically, this Section 9 shall apply only to the extent administratively practical.

10. Restrictions on Transfer.

(a) Stop-Transfer Notices. The Participant agrees that, in order to ensure compliance with the restrictions referred to herein and applicable law, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(b) Rights of the Company. The Company shall not (i) record on its books the transfer of any Covered Shares that have been sold or transferred in contravention of this Award Agreement or (ii) treat as the owner of Covered Shares, or otherwise to accord voting, dividend or liquidation rights to, any transferee to whom Covered Shares have been transferred in contravention of this Award Agreement. Any transfer of Covered Shares not made in conformance with this Award Agreement shall be null and void and shall not be recognized by the Company.

11. Notice. Any notice required by the terms of this Award Agreement shall be given in writing and shall be deemed to be effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Participant at the address that he or she most recently provided to the Company.

12. Successor and Assigns. Except as provided herein to the contrary, this Award Agreement shall be binding upon and inure to the benefit of the parties to this Award Agreement, their respective successors and permitted assigns.

13. Assignment. Except as otherwise provided in this Award Agreement, the Participant shall not assign any of his or her rights under the Notice or this Award Agreement without the prior written consent of the Company, which consent may be withheld in its sole discretion. The Company shall be permitted to assign its rights or obligations under the Notice or this Award Agreement, but no such assignment shall release the Company of its obligations pursuant to the Notice or this Award Agreement.

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14. Construction; Severability. The captions used in this Award Agreement are inserted for convenience and shall not be deemed to be a part of the Shares for construction or interpretation. Except where otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise. The validity, legality or enforceability of the remainder of this Award Agreement shall not be affected even if one or more of the provisions of this Award Agreement shall be held to be invalid, illegal or unenforceable in any respect.

15. Administration and Interpretation. Any determination by the Committee in connection with any question or issue arising under the Notice, the Plan or this Award Agreement shall be final, conclusive and binding on the Participant, the Company and all other persons. Any question or dispute regarding the interpretation of this Award Agreement or the receipt of the Covered Shares or Shares hereunder shall be submitted by the Participant to the Committee. The resolution of such question or dispute by the Committee shall be final and binding on all parties.

16. Counterparts. This Award Agreement may be executed in any number of counterparts, any of which may be executed and transmitted by facsimile, and each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

17. Entire Agreement; Governing Law; and Amendments. The provisions of the Plan and the Notice are incorporated herein by reference. The Plan, the Notice and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant’ s interest except by means of a writing signed by the Company and the Participant. This Award Agreement is governed by the laws of the State of Delaware applicable to contracts executed in and to be performed in that State.

18. Venue. The Company, the Participant and the Participant’ s assignees agree that any suit, action or proceeding arising out of or related to the Notice, this Award Agreement or the Plan shall be brought in the United States District Court for the District of Delaware (or should such court lack jurisdiction to hear such action, suit or proceeding, in a state court in Delaware) and that all parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. If any one or more provisions of this Section 19 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

19. No Guarantee of Continued Service. THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING

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SCHEDULE HEREOF IS EARNED ONLY BY CONTINUOUS STATUS AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED OR ACQUIRING SHARES HEREUNDER). THE PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE COVERED SHARES GRANTED HEREUNDER, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH THE PARTICIPANT' S RIGHT OR THE COMPANY' S/AFFILIATE' S RIGHT TO TERMINATE THE PARTICIPANT' S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

20. Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed to be a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed to be a waiver or relinquishment of such right or power at any other time or times.

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EXHIBIT A

TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

STOCK ASSIGNMENT SEPARATE FROM CERTIFICATE

[Please sign this document but do not date it. The date and information of the transferee will be completed if and when the shares are assigned.]

FOR VALUE RECEIVED, hereby sells, assigns and transfers unto , ( ) shares of the Common Stock of Tapstone Energy Inc., a Delaware corporation (the "***Company***"), standing in his or her name on the books of the Company represented by Certificate No. (or electronic equivalent) herewith, and does hereby irrevocably constitute and appoint the Secretary of the Company with the power of attorney to transfer the said stock in the books of the Company with full power of substitution. This assignment may be executed by the Participant by means of electronic or digital signatures, which shall have the same force and effect as manual signatures. The Participant agrees that clicking "I Accept" (or a tab of similar intent) in connection with or response to any electronic communication or other medium has effect of affixing the Participant' s electronic signature to this assignment.

Dated: ______________________________

____
Signature of the Participant

____
Print Name

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EXHIBIT B

ELECTION UNDER SECTION 83(b)
OF THE INTERNAL REVENUE CODE OF 1986

This statement is made under Section 83(b) of the Internal Revenue Code of 1986, as amended, pursuant to Section 1.83-2 of the regulations.

1. The taxpayer who performed the services is:

Name: ________________________________

Address: ________________________________

____

Social Security No.: ________________________________

Taxable Year: ________________________________

2. The property with respect to which the election is made is shares of the common stock of Tapstone Energy, Inc. (the "***Company***").

3. The property was transferred to the undersigned on .

4. The property is subject to a forfeiture condition pursuant to which the issuer has the right to acquire the property without compensation to the taxpayer if for any reason taxpayer' s service with the issuer is terminated. The forfeiture condition lapses in a series of installments depending on certain conditions set forth in an Award Agreement.

5. The fair market value of such property at the time of transfer (determined without regard to any restriction other than a restriction which by its terms will never lapse) is $ per share x shares = $.

6. For the property transferred, the undersigned paid $ per share x shares = $.

7. The amount to include in gross income is $ **[The result of the amount reported in Item 5 minus the amount reported in Item 6.]**

8. A copy of this statement was furnished to the Company for whom taxpayer rendered the services underlying the transfer of such property.

9. This statement is executed on , .

____
Signature of Spouse (if any)

____
Signature of Taxpayer

This election must be filed within 30 days after the date of transfer with the Internal Revenue Service Center with which Holder files his or her federal income tax returns. This filing should be made by registered or certified mail, return receipt requested. Holder must retain a copy of the completed form for his or her records, and deliver another additional copy to the Company.

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Exhibit 10.11

PERFORMANCE-BASED
FORM OF AWARD
Award No.

TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

Subject to the terms and conditions of this Notice of Restricted Stock Unit Award (this "***Notice***"), the Restricted Stock Unit Award Agreement attached hereto (the "***Award Agreement***"), and the Tapstone Energy Inc. 2017 Long-Term Incentive Plan (the "***Plan***"), the below individual (the "***Participant***") is hereby granted the below number of Restricted Stock Units (the "***RSUs***") in Tapstone Energy Inc., a Delaware corporation (the "***Company***"). Unless otherwise specifically indicated, all terms used in this Notice shall have the meaning as set forth in the Award Agreement or the Plan.

Identifying Information:

Participant Name	______________________	Date of Grant:	______________________
and Address:	______________________	Number of RSUs:	______________________
	______________________	Vesting Commencement Date:	______________________

Vesting Schedule:

Subject to the Participant' s continuous status as a Service Provider and the terms of the Plan and this Notice and the Award Agreement, the RSUs shall not vest until both the following time-based and performance-based vesting schedules (collectively, the "***Vesting Schedule***") are satisfied. Under the time-based portion of the Vesting Schedule, the RSUs shall vest accordance with the following schedule:

[INSERT VESTING SCHEDULE]

Under the performance-based portion of the Vesting Schedule, the RSUs shall vest (if at all) in accordance with **SCHEDULE 1** (attached to this Notice). Notwithstanding the foregoing, upon the earlier of the Participant' s death or Disability, a pro rata portion of the Participant' s unvested RSUs shall automatically vest, determined by multiplying the total number of RSUs awarded hereunder by a fraction, the numerator of which is the number of whole months elapsed from the Date of Grant until the date of death or Disability, and the denominator of which is [●] (reduced by the number of RSUs that had vested prior to such date).

Representations of the Participant:

The Participant has reviewed this Notice, the Award Agreement and the Plan in their entirety, has had an opportunity to have such reviewed by his or her legal and tax advisers, and hereby attests that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents or affiliates. The Participant represents to the Company that he or she is familiar with the terms of this Notice, the Award Agreement and the Plan, and hereby accepts the RSUs subject to all of its terms. The Participant hereby agrees that all questions of interpretation and administration relating to this Notice, the Award Agreement and the Plan shall be solely resolved by the Committee.

Electronic Signature:

This Notice may be executed by the Participant and the Company by means of electronic or digital signatures, which shall have the same force and effect as manual signatures. The Participant agrees that clicking "I Accept" (or a tab of similar intent) in connection with or response to any electronic communication or other medium has the effect of affixing the Participant' s electronic signature to this Notice. This Award of RSUs shall be forfeited by the Participant if it is not duly executed by electronic signature by the Participant within the number of days set forth in the electronic transmission of this Award Agreement following the Date of Grant.

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SCHEDULE 1

TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

Pursuant to the Notice, the performance-based portion of the Vesting Schedule shall be as follows:

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The performance-based portion of the Vesting Schedule shall be satisfied no later than [DATE].

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TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

Subject to the terms and conditions of the Notice of Restricted Stock Unit Award (the "***Notice***"), this Restricted Stock Unit Award Agreement (this "***Award Agreement***"), and the Tapstone Energy Inc. 2017 Long-Term Incentive Plan (the "***Plan***"), Tapstone Energy Inc., a Delaware corporation (the "***Company***") hereby grants the individual set forth in the Notice (the "***Participant***") Restricted Stock Units (the "***RSUs***"). Unless otherwise specifically indicated, all terms used in this Award Agreement shall have the meaning as set forth in the Notice or the Plan.

1. Vesting Schedule and Risk of Forfeiture.

(a) Vesting Schedule. Subject to the Participant' s continuous status with the Company as a Service Provider and any other limitations set forth in the Notice, the Plan or this Award Agreement, the RSUs shall vest in accordance with the Vesting Schedule provided in the Notice.

(b) Risk of Forfeiture. The RSUs shall be subject to a risk of forfeiture until such time the risk of forfeiture lapses in accordance with the Vesting Schedule. All or any portion of the RSUs subject to a risk of forfeiture shall automatically be forfeited and immediately returned to the Company if the Participant' s continuous status as a Service Provider is interrupted or terminated for any reason other than as permitted under the Plan. Additionally, and notwithstanding anything in the Notice or this Award Agreement to the contrary, the vested and unvested RSUs shall be forfeited if the Participant' s continuous status as a Service Provider is terminated for Cause or if the Participant breaches (as determined by the Board) any provisions of the Notice, this Award Agreement or the Plan. The Company shall implement any forfeiture under this Section 1 in a unilateral manner, without the Participant' s consent, and with no payment to the Participant, cash or otherwise, for the forfeited RSUs.

2. Settlement of RSUs into Shares. Subject to the terms of this Award Agreement, on the date all or any portion of the RSUs become nonforfeitable pursuant to the Vesting Schedule, each RSU that becomes nonforfeitable shall immediately and automatically be converted into one Share of the Company' s Common Stock and immediately thereafter shall be granted to the Participant.

3. Taxes. The Participant hereby acknowledges and understands that he or she may suffer adverse tax consequences as a result of the Participant' s receipt of, vesting in, or disposition of, the RSUs.

(a) Representations. The Participant has reviewed with his or her own tax advisors the tax consequences of this Award Agreement and the RSUs granted hereunder, including any U.S. federal, state and local tax laws, and any other applicable taxing jurisdiction. The Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Participant hereby acknowledges and understands that he or she (and not the Company) shall be responsible for his or her own tax liability that may arise as a result of his or her receiving this Award Agreement and the RSUs granted hereunder.

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(b) Payment of Withholding Taxes. The Participant shall make appropriate arrangements with the Company for the satisfaction of all U.S. federal, state, local and non-U.S. income and employment tax withholding requirements applicable to any RSUs that settle in Shares in accordance with Section 2. The Committee shall have the sole authority to determine whether a "net withholding" may be permitted or is required for purposes of the Participant satisfying his or her obligations under this Section 3(b). The Participant hereby acknowledges his or her understanding that the Company' s obligations under this Award Agreement are fully contingent on the Participant first satisfying this Section 3(b). Therefore, a failure of the Participant to reasonably satisfy this Section 3 in accordance with the Committee' s sole and absolute discretion shall result in the automatic termination and expiration of this Award Agreement and the Company' s obligations hereunder. The Participant hereby agrees that a breach of this Section 3(b) shall be deemed to be a material breach of this Award Agreement.

(c) No Application of Section 409A. The RSUs and this Award Agreement are intended to avoid the application of Section 409A of the Code ("***Section 409A***") because there is no deferral arrangement. Notwithstanding any other provision in the Plan or this Award Agreement to the contrary, the Committee shall have the right, in its sole discretion, to adopt such amendments to the Plan or this Award Agreement or take such other actions (including amendments and actions with retroactive effect) as the Committee determines are necessary or appropriate for the RSUs to comply with Section 409A.

4. Transferability of RSUs. The RSUs may not be transferred in any manner other than by will or by the laws of descent and distribution. Notwithstanding the foregoing, the Participant may designate one or more beneficiaries of the Participant' s RSUs in the event of the Participant' s death on a beneficiary designation form provided by the Committee. The terms of this Award Agreement shall be binding upon the executors, administrators, heirs, successors and transferees of the Participant.

5. Rights as a Stockholder of the Company. The Participant' s receipt of the grant of RSUs pursuant to the Notice and this Award Agreement shall provide and confer no rights or status as a stockholder of the Company until such time the RSUs are converted in accordance with Section 2 of this Award Agreement.

6. Legality of Initial Issuance. No Shares shall be issued in accordance with Section 2 of this Award Agreement unless and until the Committee has determined that: (i) the Company and the Participant have taken all actions required to register the Shares under the Securities Act or to perfect an exemption from the registration requirements thereof, if applicable; (ii) all applicable listing requirements of any stock exchange or other securities market on which the Shares are listed has been satisfied; and (iii) any other applicable provision of state or U.S. federal law or other Applicable Law has been satisfied.

7. Notice. Any notice required by the terms of this Award Agreement shall be given in writing and shall be to be deemed to be effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Participant at the address that he or she most recently provided to the Company.

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8. Successors and Assigns. Except as provided herein to the contrary, this Award Agreement shall be binding upon and inure to the benefit of the parties to this Award Agreement, their respective successors and permitted assigns.

9. No Assignment. Except as otherwise provided in this Award Agreement, the Participant shall not assign any of his or her rights under the Notice or this Award Agreement without the prior written consent of the Company, which consent may be withheld in its sole discretion. The Company shall be permitted to assign its rights or obligations under the Notice or this Award Agreement, but no such assignment shall release the Company of its obligations pursuant to the Notice or this Award Agreement.

10. Construction; Severability. The captions used in this Award Agreement are inserted for convenience and shall not be deemed to be a part of the RSUs for construction or interpretation. Except where otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise. The validity, legality or enforceability of the remainder of this Award Agreement shall not be affected even if one or more of the provisions of this Award Agreement shall be held to be invalid, illegal or unenforceable in any respect.

11. Administration and Interpretation. Any determination by the Committee in connection with any question or issue arising under the Notice, the Plan or this Award Agreement shall be final, conclusive and binding on the Participant, the Company and all other persons. Any question or dispute regarding the interpretation of this Award Agreement or the receipt of the RSUs hereunder shall be submitted by the Participant to the Committee. The resolution of such question or dispute by the Committee shall be final and binding on all parties.

12. Counterparts. This Award Agreement may be executed in any number of counterparts, any of which may be executed and transmitted by facsimile, and each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

13. Entire Agreement; Governing Law; and Amendments. The provisions of the Plan and the Notice are incorporated herein by reference. The Plan, the Notice and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant' s interest except by means of a writing signed by the Company and the Participant. This Award Agreement is governed by the laws of the State of Delaware applicable to contracts executed in and to be performed in that State. Notwithstanding the foregoing or any other provision in the Plan or this Award Agreement to the contrary, the Committee shall have the right, in its sole discretion, to unilaterally adopt amendments to this Award Agreement or the Plan to the minimum extent necessary or appropriate (as determined by the Committee in its sole discretion) for the RSUs to comply with Section 409A.

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14. Venue. The Company, the Participant and the Participant’ s assignees agree that any suit, action or proceeding arising out of or related to the Notice, this Award Agreement or the Plan shall be brought in the United States District Court for the District of Delaware (or should such court lack jurisdiction to hear such action, suit or proceeding, in a state court in Delaware) and that all parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. If any one or more provisions of this Section 15 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

15. No Guarantee of Continued Service. THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF RSUs PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUOUS STATUS AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED RSUs OR ACQUIRING SHARES HEREUNDER). THE PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE RIGHT GRANTED HEREUNDER, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH THE PARTICIPANT’ S RIGHT OR THE COMPANY’ S/AFFILIATE’ S RIGHT TO TERMINATE THE PARTICIPANT’ S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

16. Unsecured General Creditor. The Participant shall have no legal or equitable rights, interests or claims in any property or assets of the Company due to the Notice, this Award Agreement and the grant of RSUs hereunder. For purposes of the payment of benefits under the Notice and this Award Agreement, the Participant shall have no more rights than those of a general creditor of the Company. The Company’ s obligation under the Notice and this Award Agreement shall be that of a conditional unfunded and unsecured promise to pay money or property in the future.

17. Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed to be a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed to be a waiver or relinquishment of such right or power at any other time or times.

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Exhibit 10.12

FORM OF AWARD
Award No.

TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

NOTICE OF RESTRICTED STOCK UNIT AWARD

Subject to the terms and conditions of this Notice of Restricted Stock Unit Award (this "***Notice***"), the Restricted Stock Unit Award Agreement attached hereto (the "***Award Agreement***"), and the Tapstone Energy Inc. 2017 Long-Term Incentive Plan (the "***Plan***"), the below individual (the "***Participant***") is hereby granted the below number of Restricted Stock Units (the "***RSUs***") in Tapstone Energy Inc., a Delaware corporation (the "***Company***"). Unless otherwise specifically indicated, all terms used in this Notice shall have the meaning as set forth in the Award Agreement or the Plan.

Identifying Information:

Participant Name	____________________	Date of Grant:	____________________
and Address:	____________________	Number of RSUs:	____________________
	____________________	Vesting Commencement Date:	____________________

Vesting Schedule:

Subject to the Participant' s continuous status as a Service Provider and the terms of the Plan and this Notice and the Award Agreement, the RSUs shall vest over a [●]-year period in accordance with the following vesting schedule (the "***Vesting Schedule***"):

[INSERT VESTING SCHEDULE]

Notwithstanding the foregoing, upon the earlier of the Participant' s death or Disability, a pro rata portion of the Participant' s unvested RSUs shall automatically vest, determined by multiplying the total number of RSUs awarded hereunder by a fraction, the numerator of which is the number of whole months elapsed from the Date of Grant until the date of death or Disability, and the denominator of which is [●] (reduced by the number of RSUs that had vested prior to such date).

Representations of the Participant:

The Participant has reviewed this Notice, the Award Agreement and the Plan in their entirety, has had an opportunity to have such reviewed by his or her legal and tax advisers, and hereby attests that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents or affiliates. The Participant represents to the Company that he or she is familiar with the terms of this Notice, the Award Agreement and the Plan, and hereby accepts the RSUs subject to all of its terms. The Participant hereby agrees that all questions of interpretation and administration relating to this Notice, the Award Agreement and the Plan shall be solely resolved by the Committee.

Electronic Signature:

This Notice may be executed by the Participant and the Company by means of electronic or digital signatures, which shall have the same force and effect as manual signatures. The Participant agrees that clicking "I Accept" (or a tab of similar intent) in connection with or response to any electronic communication or other medium has the effect of affixing the Participant' s electronic signature to this Notice. This Award of RSUs shall be forfeited by the Participant if it is not duly executed by electronic signature by the Participant within the number of days set forth in the electronic transmission of this Award Agreement following the Date of Grant.

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TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD AGREEMENT

Subject to the terms and conditions of the Notice of Restricted Stock Unit Award (the "***Notice***"), this Restricted Stock Unit Award Agreement (this "***Award Agreement***"), and the Tapstone Energy Inc. 2017 Long-Term Incentive Plan (the "***Plan***"), Tapstone Energy Inc., a Delaware corporation (the "***Company***") hereby grants the individual set forth in the Notice (the "***Participant***") Restricted Stock Units (the "***RSUs***"). Unless otherwise specifically indicated, all terms used in this Award Agreement shall have the meaning as set forth in the Notice or the Plan.

1. Vesting Schedule and Risk of Forfeiture.

(a) Vesting Schedule. Subject to the Participant' s continuous status with the Company as a Service Provider and any other limitations set forth in the Notice, the Plan or this Award Agreement, the RSUs shall vest in accordance with the Vesting Schedule provided in the Notice.

(b) Risk of Forfeiture. The RSUs shall be subject to a risk of forfeiture until such time the risk of forfeiture lapses in accordance with the Vesting Schedule. All or any portion of the RSUs subject to a risk of forfeiture shall automatically be forfeited and immediately returned to the Company if the Participant' s continuous status as a Service Provider is interrupted or terminated for any reason other than as permitted under the Plan. Additionally, and notwithstanding anything in the Notice or this Award Agreement to the contrary, the vested and unvested RSUs shall be forfeited if the Participant' s continuous status as a Service Provider is terminated for Cause or if the Participant breaches (as determined by the Board) any provisions of the Notice, this Award Agreement or the Plan. The Company shall implement any forfeiture under this Section 1 in a unilateral manner, without the Participant' s consent, and with no payment to the Participant, cash or otherwise, for the forfeited RSUs.

2. Settlement of RSUs into Shares. Subject to the terms of this Award Agreement, on the date all or any portion of the RSUs become nonforfeitable pursuant to the Vesting Schedule, each RSU that becomes nonforfeitable shall immediately and automatically be converted into one Share of the Company' s Common Stock and immediately thereafter shall be granted to the Participant.

3. Taxes. The Participant hereby acknowledges and understands that he or she may suffer adverse tax consequences as a result of the Participant' s receipt of, vesting in, or disposition of, the RSUs.

(a) Representations. The Participant has reviewed with his or her own tax advisors the tax consequences of this Award Agreement and the RSUs granted hereunder, including any U.S. federal, state and local tax laws, and any other applicable taxing jurisdiction. The Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Participant hereby acknowledges and understands that he or she (and not the Company) shall be responsible for his or her own tax liability that may arise as a result of his or her receiving this Award Agreement and the RSUs granted hereunder.

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(b) Payment of Withholding Taxes. The Participant shall make appropriate arrangements with the Company for the satisfaction of all U.S. federal, state, local and non-U.S. income and employment tax withholding requirements applicable to any RSUs that settle in Shares in accordance with Section 2. The Committee shall have the sole authority to determine whether a "net withholding" may be permitted or is required for purposes of the Participant satisfying his or her obligations under this Section 3(b). The Participant hereby acknowledges his or her understanding that the Company' s obligations under this Award Agreement are fully contingent on the Participant first satisfying this Section 3(b). Therefore, a failure of the Participant to reasonably satisfy this Section 3 in accordance with the Committee' s sole and absolute discretion shall result in the automatic termination and expiration of this Award Agreement and the Company' s obligations hereunder. The Participant hereby agrees that a breach of this Section 3(b) shall be deemed to be a material breach of this Award Agreement.

(c) No Application of Section 409A. The RSUs and this Award Agreement are intended to avoid the application of Section 409A of the Code ("***Section 409A***") because there is no deferral arrangement. Notwithstanding any other provision in the Plan or this Award Agreement to the contrary, the Committee shall have the right, in its sole discretion, to adopt such amendments to the Plan or this Award Agreement or take such other actions (including amendments and actions with retroactive effect) as the Committee determines are necessary or appropriate for the RSUs to comply with Section 409A.

4. Transferability of RSUs. The RSUs may not be transferred in any manner other than by will or by the laws of descent and distribution. Notwithstanding the foregoing, the Participant may designate one or more beneficiaries of the Participant' s RSUs in the event of the Participant' s death on a beneficiary designation form provided by the Committee. The terms of this Award Agreement shall be binding upon the executors, administrators, heirs, successors and transferees of the Participant.

5. Rights as a Stockholder of the Company. The Participant' s receipt of the grant of RSUs pursuant to the Notice and this Award Agreement shall provide and confer no rights or status as a stockholder of the Company until such time the RSUs are converted in accordance with Section 2 of this Award Agreement.

6. Legality of Initial Issuance. No Shares shall be issued in accordance with Section 2 of this Award Agreement unless and until the Committee has determined that: (i) the Company and the Participant have taken all actions required to register the Shares under the Securities Act or to perfect an exemption from the registration requirements thereof, if applicable; (ii) all applicable listing requirements of any stock exchange or other securities market on which the Shares are listed has been satisfied; and (iii) any other applicable provision of state or U.S. federal law or other Applicable Law has been satisfied.

7. Notice. Any notice required by the terms of this Award Agreement shall be given in writing and shall be to be deemed to be effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Participant at the address that he or she most recently provided to the Company.

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8. Successors and Assigns. Except as provided herein to the contrary, this Award Agreement shall be binding upon and inure to the benefit of the parties to this Award Agreement, their respective successors and permitted assigns.

9. No Assignment. Except as otherwise provided in this Award Agreement, the Participant shall not assign any of his or her rights under the Notice or this Award Agreement without the prior written consent of the Company, which consent may be withheld in its sole discretion. The Company shall be permitted to assign its rights or obligations under the Notice or this Award Agreement, but no such assignment shall release the Company of its obligations pursuant to the Notice or this Award Agreement.

10. Construction; Severability. The captions used in this Award Agreement are inserted for convenience and shall not be deemed to be a part of the RSUs for construction or interpretation. Except where otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise. The validity, legality or enforceability of the remainder of this Award Agreement shall not be affected even if one or more of the provisions of this Award Agreement shall be held to be invalid, illegal or unenforceable in any respect.

11. Administration and Interpretation. Any determination by the Committee in connection with any question or issue arising under the Notice, the Plan or this Award Agreement shall be final, conclusive and binding on the Participant, the Company and all other persons. Any question or dispute regarding the interpretation of this Award Agreement or the receipt of the RSUs hereunder shall be submitted by the Participant to the Committee. The resolution of such question or dispute by the Committee shall be final and binding on all parties.

12. Counterparts. This Award Agreement may be executed in any number of counterparts, any of which may be executed and transmitted by facsimile, and each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

13. Entire Agreement; Governing Law; and Amendments. The provisions of the Plan and the Notice are incorporated herein by reference. The Plan, the Notice and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant' s interest except by means of a writing signed by the Company and the Participant. This Award Agreement is governed by the laws of the State of Delaware applicable to contracts executed in and to be performed in that State. Notwithstanding the foregoing or any other provision in the Plan or this Award Agreement to the contrary, the Committee shall have the right, in its sole discretion, to unilaterally adopt amendments to this Award Agreement or the Plan to the minimum extent necessary or appropriate (as determined by the Committee in its sole discretion) for the RSUs to comply with Section 409A.

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14. Venue. The Company, the Participant and the Participant' s assignees agree that any suit, action or proceeding arising out of or related to the Notice, this Award Agreement or the Plan shall be brought in the United States District Court for the District of Delaware (or should such court lack jurisdiction to hear such action, suit or proceeding, in a state court in Delaware) and that all parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. If any one or more provisions of this Section 15 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

15. No Guarantee of Continued Service. THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF RSUs PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUOUS STATUS AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED RSUs OR ACQUIRING SHARES HEREUNDER). THE PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE RIGHT GRANTED HEREUNDER, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH THE PARTICIPANT' S RIGHT OR THE COMPANY' S/AFFILIATE' S RIGHT TO TERMINATE THE PARTICIPANT' S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

16. Unsecured General Creditor. The Participant shall have no legal or equitable rights, interests or claims in any property or assets of the Company due to the Notice, this Award Agreement and the grant of RSUs hereunder. For purposes of the payment of benefits under the Notice and this Award Agreement, the Participant shall have no more rights than those of a general creditor of the Company. The Company' s obligation under the Notice and this Award Agreement shall be that of a conditional unfunded and unsecured promise to pay money or property in the future.

17. Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed to be a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed to be a waiver or relinquishment of such right or power at any other time or times.

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Exhibit 10.13

FORM OF AWARD
Award No.

TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

NOTICE OF STOCK OPTION AWARD

Subject to the terms and conditions of this Notice of Stock Option Award (this "***Notice***"), the Stock Option Award Agreement attached hereto (the "***Award Agreement***"), and the Tapstone Energy Inc. 2017 Long-Term Incentive Plan (the "***Plan***"), the below individual (the "***Participant***") is hereby granted an option (the "***Option***") to purchase the below number of Shares of common stock in Tapstone Energy Inc., a Delaware corporation (the "***Company***"). Unless otherwise specifically indicated, all terms used in this Notice shall have the meaning as set forth in the Award Agreement or the Plan.

Identifying Information:

Participant Name: ______________________________
and Address: ______________________________
____

Type of Option: ☐ Nonstatutory Stock Option
☐ Incentive Stock Option

Expiration Date: [Insert 10 years from Date of Grant]
____

Date of Grant: ______________________________
Vesting Commencement Date: ______________________________
Exercise Price per Share: ______________________________
Total Number of Shares ("***Optioned Shares***"): ______________________________

Vesting Schedule:

Subject to the Participant' s continuous status as a Service Provider and the terms of the Plan, this Notice and the Award Agreement, the Optioned Shares shall vest over a [●]-year period in accordance with the following vesting schedule (the "***Vesting Schedule***"):

[INSERT VESTING SCHEDULE]

Notwithstanding the foregoing, upon the earlier of the Participant' s death or Disability, a pro rata portion of the Participant' s unvested Optioned Shares shall automatically vest, determined by multiplying the total number of Optioned Shares awarded hereunder by a fraction, the numerator of which is the number of whole months elapsed from the Date of Grant until the date of death or Disability, and the denominator of which is [●] (reduced by the number of Optioned Shares that had vested prior to such date).

Maximum Exercise Period:

Pursuant to Section 4 of the Award Agreement and Section 7(d) of the Plan, the post-termination exercise period shall be:

Event Triggering Termination of Option	Max Time to Exercise Following Triggering Event
Termination of Service Provider status (except as provided below)	30 days
Termination of Service Provider status due to Disability	12 months
Termination of Service Provider status due to death	12 months

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Representations of the Participant:

The Participant has reviewed this Notice, the Award Agreement and the Plan in their entirety, has had an opportunity to have such reviewed by his or her legal and tax advisers, and hereby attests that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents or affiliates. The Participant represents to the Company that he or she is familiar with the terms of this Notice, the Award Agreement and the Plan, and hereby accepts the Optioned Shares subject to all of its terms. The Participant hereby agrees that all questions of interpretation and administration relating to this Notice, the Award Agreement and the Plan shall be solely resolved by the Committee.

Electronic Signature:

This Notice may be executed by the Participant and the Company by means of electronic or digital signatures, which shall have the same force and effect as manual signatures. The Participant agrees that clicking "I Accept" (or a tab of similar intent) in connection with or response to any electronic communication or other medium has the effect of affixing the Participant' s electronic signature to this Notice. This Award of Optioned Shares shall be forfeited by the Participant if it is not duly executed by electronic signature by the Participant within the number of days set forth in the electronic transmission of this Award Agreement following the Date of Grant.

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TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

STOCK OPTION AWARD AGREEMENT

Subject to the terms and conditions of the Notice of Stock Option Award (the "***Notice***"), this Stock Option Award Agreement (this "***Award Agreement***") and the Tapstone Energy Inc. 2017 Long-Term Incentive Plan (the "***Plan***"), Tapstone Energy Inc., a Delaware corporation (the "***Company***") hereby grants the individual set forth in the Notice (the "***Participant***") an option (the "***Option***") to purchase Shares of the Company' s common stock. Unless otherwise specifically indicated, all terms used in this Award Agreement shall have the meaning as set forth in the Notice or the Plan.

1. Grant of the Option. The principal features of the Option, including the number of Optioned Shares subject to the Option, are set forth in the Notice.

2. Vesting Schedule. Subject to the Participant' s continuous status with the Company as a Service Provider and any other limitations set forth in the Notice, the Plan or this Award Agreement, the Optioned Shares shall vest in accordance with the Vesting Schedule provided in the Notice.

3. Risk of Forfeiture. The Optioned Shares shall be subject to a risk of forfeiture until such time the risk of forfeiture lapses in accordance with the Vesting Schedule. All or any portion of the Optioned Shares subject to a risk of forfeiture shall automatically be forfeited and immediately returned to the Company if the Participant' s continuous status as a Service Provider is interrupted or terminated for any reason other than as permitted under the Plan. Additionally, and notwithstanding anything in the Notice or this Award Agreement to the contrary, the vested and unvested Optioned Shares shall be forfeited if the Participant' s continuous status as a Service Provider is terminated for Cause or if the Participant breaches (as determined by the Board) any provisions of the Notice, this Award Agreement or the Plan. The Company shall implement any forfeiture under this Section 3 in a unilateral manner, without the Participant' s consent, and with no payment to the Participant, cash or otherwise, for the forfeited Optioned Shares.

4. Exercise of Option.

(a) Right to Exercise. The Optioned Shares shall be exercisable during its term cumulatively according to the Vesting Schedule set forth above and the applicable provisions of the Plan; however, the Optioned Shares shall not be exercised for a fraction of a Share. Additionally, and notwithstanding anything in the Notice, this Award Agreement, the Plan or any other agreement to the contrary, the Participant' s right to exercise vested Optioned Shares shall automatically expire, and the vested Optioned Shares shall automatically terminate, upon the end of the period (the "***Maximum Exercise Period***") prescribed in the Notice following the earliest of these events: (i) the termination of the status of the Participant as a Service Provider (except as provided below); (ii) the termination of the status of the Participant as a Service Provider due to Disability; and (iii) the termination of the status of the Participant as a Service Provider due to death. As provided under the Plan, and notwithstanding anything to the contrary, all Optioned Shares shall automatically expire and terminate upon the Expiration Date (as set forth in the Notice) to the extent not then exercised. Thereafter, no vested Optioned Shares may be exercised.

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(b) Method of Exercise. The Option shall be exercisable to the extent then vested by delivery of a written exercise notice in a form acceptable to the Committee (the "***Exercise Notice***"), which shall state the election to exercise the Option, the number of Shares with respect to which the Option is being exercised, and such other representations and agreements as may be required by the Company. The Exercise Notice shall be signed by the Participant (or by the Participant' s beneficiary or other person entitled to exercise the Option in the event of the Participant' s death under the Plan) and shall be delivered in person or by certified mail to the Secretary of the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Shares exercised. The Option shall be deemed to be exercised as of the date (the "***Exercise Date***"): (i) the date the Company receives (as determined by the Committee in its sole, but reasonable, discretion) the fully executed Exercise Notice accompanied by payment of the aggregate Exercise Price, and (ii) all other applicable terms and conditions of the Award Agreement are satisfied in the sole discretion of the Committee.

(c) Approval by Stockholders and Compliance Restrictions on Exercise. Notwithstanding any other provision of this Award Agreement to the contrary, no portion of the Option shall be exercisable at any time prior to the approval of the Plan by the stockholders of the Company. No Shares shall be issued pursuant to the exercise of an Option unless the issuance and exercise, including the form of consideration used to pay the Exercise Price, comply with Applicable Laws.

(d) Issuance of Shares. After receiving the Exercise Notice, the Company shall cause to be issued a certificate or certificates (or electronic equivalent) for the Shares as to which the Option has been exercised, registered in the name of the person exercising this Option (or in the names of such person and his or her spouse as community property or as joint tenants with right of survivorship). The Company shall cause the certificate or certificates to be deposited in escrow or delivered to or upon the order of the person exercising the Option.

5. Method of Payment. Payment of the aggregate Exercise Price shall be by any of the following forms of consideration, or a combination thereof, at the election of the Participant:

(a) cash or check;

(b) if approved by the Committee (in its sole discretion), consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan or a net exercise feature; or

(c) if approved by the Committee (in its sole discretion), surrender of other Shares which, if accepted by the Company, would not subject the Company to adverse accounting as determined by the Committee.

6. Non-Transferability of Option. The Option and the rights and privileges conferred hereby shall not be sold, transferred by gift, pledged, hypothecated, or otherwise transferred or disposed of (whether by operation of law or otherwise) in any manner otherwise than by will or by the laws of descent or distribution, shall not be subject to sale under execution,

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attachment, levy or similar process and may be exercised during the lifetime of the Participant only by the Participant. The terms of the Notice, this Award Agreement and the Plan shall be binding upon the executors, administrators, heirs, successors and assigns of the Participant.

7. Term of Option. The Option shall in any event expire on the Expiration Date set forth in the Notice, and may be exercised prior to the Expiration Date only in accordance with the Plan and the terms of this Award Agreement.

8. Tax. The Participant hereby acknowledges and understands that he or she may suffer adverse tax consequences as a result of the Participant' s exercise of the Option or disposition of the Optioned Shares.

(a) Representations. The Participant has reviewed with his or her own tax advisors the tax consequences of this Award Agreement and the Optioned Shares granted hereunder, including any U.S. federal, state and local tax laws, and any other applicable taxing jurisdiction. The Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Participant hereby acknowledges and understands that he or she (and not the Company) shall be responsible for his or her own tax liability that may arise as a result of his or her receiving this Award Agreement and the Optioned Shares granted hereunder.

(b) Payment of Withholding Taxes. The Participant shall make appropriate arrangements with the Company for the satisfaction of all U.S. federal, state, local and non-U.S. income and employment tax withholding requirements applicable to the Option exercise. The Committee shall have the sole authority to determine whether a "net withholding" may be permitted or is required for purposes of the Participant satisfying his or her obligations under this Section 8(b). The Participant hereby acknowledges his or her understanding that the Company' s obligations under this Award Agreement are fully contingent on the Participant first satisfying this Section 8(b). Therefore, a failure of the Participant to reasonably satisfy this Section 8 in accordance with the Committee' s sole and absolute discretion shall result in the automatic termination and expiration of this Award Agreement and the Company' s obligations hereunder. The Participant hereby agrees that a breach of this Section 8 shall be deemed to be a material breach of this Award Agreement.

(c) Notice of Disqualifying Disposition of Shares. If the Option granted to the Participant herein is designated as an Incentive Stock Option, and if the Participant sells or otherwise disposes of any of the Shares acquired pursuant to the Incentive Stock Option on or before the later of: (i) the date two years after the Date of Grant and (ii) the date one year after the date of exercise, the Participant shall immediately notify the Company in writing of such disposition. The Participant hereby acknowledges and agrees that the Participant may be subject to income tax withholding by the Company on the compensation income recognized by the Participant in connection with the exercise of the Option.

9. Adjustment of Shares. In the event of any transaction described in Section 15(a) of the Plan, the terms of the Option (including, without limitation, the number and kind of the Optioned Shares and the Exercise Price) may be adjusted as set forth therein. This Award Agreement shall in no way affect the right of the Company to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer any part of its business or assets.

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10. Legality of Initial Issuance. No Shares shall be issued upon the exercise of the Option unless and until the Committee has determined that: (i) the Company and the Participant have taken all actions required to register the Shares under the Securities Act or to perfect an exemption from the registration requirements thereof, if applicable; (ii) all applicable listing requirements of any stock exchange or other securities market on which the Shares are listed has been satisfied; and (iii) any other applicable provision of state or U.S. federal law or other Applicable Laws has been satisfied.

11. No Registration Rights. The Company may, but shall not be obligated to, register or qualify the sale of Shares under the Securities Act or any other Applicable Laws. The Company shall not be obligated to take any affirmative action in order to cause the sale of Shares under this Award Agreement to comply with any law.

12. Restrictions. Regardless of whether the offering and sale of Shares under the Plan have been registered under the Securities Act or have been registered or qualified under the securities laws of any state, the Company at its discretion may impose restrictions upon the sale, pledge or other transfer of the Shares (including the placement of appropriate legends on share certificates or the imposition of stop-transfer instructions) if, in the judgment of the Company, such restrictions are necessary or desirable in order to achieve compliance with Applicable Laws.

13. Notice. Any notice required by the terms of this Award Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Participant at the address that he or she most recently provided to the Company.

14. Successors and Assigns. Except as provided herein to the contrary, this Award Agreement shall be binding upon and inure to the benefit of the parties to this Award Agreement, their respective successors and permitted assigns.

15. No Assignment. Except as otherwise provided in this Award Agreement, the Participant shall not assign any of his or her rights under the Notice or this Award Agreement without the prior written consent of the Company, which consent may be withheld in its sole discretion. The Company shall be permitted to assign its rights or obligations under the Notice or this Award Agreement, but no such assignment shall release the Company of its obligations pursuant to the Notice or this Award Agreement.

16. Construction; Severability. The captions used in this Award Agreement are inserted for convenience and shall not be deemed to be a part of the Option for construction or interpretation. Except where otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term “or” is not intended to be exclusive, unless the context clearly requires otherwise. The validity, legality or enforceability of the remainder of this Award Agreement shall not be affected even if one or more of the provisions of this Award Agreement shall be held to be invalid, illegal or unenforceable in any respect.

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17. Administration and Interpretation. Any determination by the Committee in connection with any question or issue arising under the Notice, the Plan or this Award Agreement shall be final, conclusive and binding on the Participant, the Company and all other persons. Any question or dispute regarding the interpretation of this Award Agreement or the receipt of the Option hereunder shall be submitted by the Participant to the Committee. The resolution of such question or dispute by the Committee shall be final and binding on all parties.

18. Counterparts. This Award Agreement may be executed in any number of counterparts, any of which may be executed and transmitted by facsimile, and each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

19. Entire Agreement; Governing Law; and Amendments. The provisions of the Plan and the Notice are incorporated herein by reference. The Plan, the Notice and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant' s interest except by means of a writing signed by the Company and the Participant. This Award Agreement is governed by the laws of the State of Delaware applicable to contracts executed in and to be performed in that State.

20. Venue. The Company, the Participant and the Participant' s assignees agree that any suit, action or proceeding arising out of or related to the Notice, this Award Agreement or the Plan shall be brought in the United States District Court for the District of Delaware (or should such court lack jurisdiction to hear such action, suit or proceeding, in a state court in Delaware) and that all parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. If any one or more provisions of this Section 21 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

21. No Guarantee of Continued Service. THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUOUS STATUS AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THE OPTION OR ACQUIRING SHARES HEREUNDER). THE PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE OPTION GRANTED HEREUNDER, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH THE PARTICIPANT' S RIGHT OR THE COMPANY' S/ AFFILIATE' S RIGHT TO TERMINATE THE PARTICIPANT' S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

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22. Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed to be a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed to be a waiver or relinquishment of such right or power at any other time or times.

* * * * *

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Exhibit 10.14

FORM OF AWARD
Award No.

TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

NOTICE OF STOCK APPRECIATION RIGHT AWARD

Subject to the terms and conditions of this Notice of Stock Appreciation Right Award (this "***Notice***"), the Stock Appreciation Right Award Agreement attached hereto (the "***Award Agreement***"), and the Tapstone Energy Inc. 2017 Long-Term Incentive Plan (the "***Plan***"), the below individual (the "***Participant***") is hereby granted the below number of Stock Appreciation Rights (the "***SARs***") in Tapstone Energy Inc., a Delaware corporation (the "***Company***"). Unless otherwise specifically indicated, all terms used in this Notice shall have the meaning as set forth in the Award Agreement or the Plan.

Identifying Information:

Participant Name:	______________________	Date of Grant:	______________________
and Address:	______________________	Number of SARs:	______________________
	______________________	Vesting Commencement Date:	______________________

Vesting Schedule:

Subject to the Participant' s continuous status as a Service Provider and the terms of the Plan, this Notice and the Award Agreement, the SARs shall vest over a [●]-year period in accordance with the following vesting schedule (the "***Vesting Schedule***"):

[INSERT VESTING SCHEDULE]

Notwithstanding the foregoing, upon the earlier of the Participant' s death or Disability, a pro rata portion of the Participant' s unvested SARs shall automatically vest, determined by multiplying the total number of SARs awarded hereunder by a fraction, the numerator of which is the number of whole months elapsed from the Date of Grant until the date of death or Disability, and the denominator of which is [●] (reduced by the number of SARs that had vested prior to such date).

Representations of the Participant:

The Participant has reviewed this Notice, the Award Agreement and the Plan in their entirety, has had an opportunity to have such reviewed by his or her legal and tax advisers, and hereby attests that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents or affiliates. The Participant represents to the Company that he or she is familiar with the terms of this Notice, the Award Agreement and the Plan, and hereby accepts the SARs subject to all of its terms. The Participant hereby agrees that all questions of interpretation and administration relating to this Notice, the Award Agreement and the Plan shall be solely resolved by the Committee.

Electronic Signature:

This Notice may be executed by the Participant and the Company by means of electronic or digital signatures, which shall have the same force and effect as manual signatures. The Participant agrees that clicking "I Accept" (or a tab of similar intent) in connection with or response to any electronic communication or other medium has the effect of affixing the Participant' s electronic signature to this Notice. This Award of SARs shall be forfeited by the Participant if it is not duly executed by electronic signature by the Participant within the number of days set forth in the electronic transmission of this Award Agreement following the Date of Grant.

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TAPSTONE ENERGY INC.
2017 LONG-TERM INCENTIVE PLAN

STOCK APPRECIATION RIGHT AWARD AGREEMENT

Subject to the terms and conditions of the Notice of Stock Appreciation Right Award (the "***Notice***"), this Stock Appreciation Right Award Agreement (this "***Award Agreement***"), and the Tapstone Energy Inc. 2017 Long-Term Incentive Plan (the "***Plan***"), Tapstone Energy Inc., a Delaware corporation (the "***Company***") hereby grants the individual set forth in the Notice (the "***Participant***") Stock Appreciation Rights (the "***SARs***"). Unless otherwise specifically indicated, all terms used in this Award Agreement shall have the meaning as set forth in the Notice or the Plan.

1. Number and Purpose of SARs. The Participant has been awarded the number of SARs as set forth in the Notice. Subject to the terms and conditions contained in the Notice and this Award Agreement, the general purpose of the SARs is to provide the Participant with the prospective ability to receive a cash payment equal in value to the appreciation of the Company' s common stock from the Date of Grant to the conversion and payment set forth in Section 3, below.

2. Vesting Schedule and Risk of Forfeiture.

(a) Vesting Schedule. Subject to the Participant' s continuous status with the Company as a Service Provider and any other limitations set forth in the Notice, the Plan or this Award Agreement, the SARs shall vest in accordance with the Vesting Schedule provided in the Notice.

(b) Risk of Forfeiture. The SARs shall be subject to a risk of forfeiture until such time the risk of forfeiture lapses in accordance with the Vesting Schedule. All or any portion of the SARs subject to a risk of forfeiture shall automatically be forfeited and immediately returned to the Company if the Participant' s continuous status as a Service Provider is interrupted or terminated for any reason other than as permitted under the Plan. Additionally, and notwithstanding anything in the Notice or this Award Agreement to the contrary, the vested and unvested SARs shall be forfeited if the Participant' s continuous status as a Service Provider is terminated for Cause or if the Participant breaches (as determined by the Board) any provisions of the Notice, this Award Agreement or the Plan. The Company shall implement any forfeiture under this Section 2 in a unilateral manner, without the Participant' s consent, and with no payment to the Participant, cash or otherwise, for the forfeited SARs.

3. Conversion, Payment of SARs. Subject to the terms of this Award Agreements, on the Vesting Date, the portion of the SARs that became vested shall automatically and immediately be converted to the right to receive a cash payment from the Company in an amount equal to the positive difference (if any) between the Fair Market Value of the Company' s common stock as of the Vesting Date and the Fair Market Value of the Company' s common stock as of the Date of Grant and immediately thereafter shall be made to the Participant.

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4. Taxes. The Participant hereby acknowledges and understands that he or she may suffer adverse tax consequences as a result of the Participant' s receipt of, vesting in, or disposition of, the SARs.

(a) Representations. The Participant has reviewed with his or her own tax advisors the tax consequences of this Award Agreement and the SARs granted hereunder, including any U.S. federal, state and local tax laws, and any other applicable taxing jurisdiction. The Participant is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. The Participant hereby acknowledges and understands that he or she (and not the Company) shall be responsible for his or her own tax liability that may arise as a result of his or her receiving this Award Agreement and the SARs granted hereunder.

(b) Payment of Withholding Taxes. The Participant shall make appropriate arrangements with the Company for the satisfaction of all U.S. federal, state, local and non-U.S. income and employment tax withholding requirements applicable to any SARs that settle in accordance with Section 3. The Participant hereby acknowledges his or her understanding that the Company' s obligations under this Award Agreement are fully contingent on the Participant first satisfying this Section 4(b). Therefore, a failure of the Participant to reasonably satisfy this Section 4 in accordance with the Committee' s sole and absolute discretion shall result in the automatic termination and expiration of this Award Agreement and the Company' s obligations hereunder. The Participant hereby agrees that a breach of this Section 4(b) shall be deemed to be a material breach of this Award Agreement.

(c) No Application of Section 409A. The SARs and this Award Agreement are intended to avoid the application of Section 409A of the Code ("***Section 409A***") because there is no deferral arrangement. Notwithstanding any other provision in the Plan or this Award Agreement to the contrary, the Committee shall have the right, in its sole discretion, to adopt such amendments to the Plan or this Award Agreement or take such other actions (including amendments and actions with retroactive effect) as the Committee determines are necessary or appropriate for the SARs to comply with Section 409A.

5. Transferability of SARs. The SARs may not be transferred in any manner other than by will or by the laws of descent and distribution. Notwithstanding the foregoing, the Participant may designate one or more beneficiaries of the Participant' s SARs in the event of the Participant' s death on a beneficiary designation form provided by the Committee. The terms of this Award Agreement shall be binding upon the executors, administrators, heirs, successors and transferees of the Participant.

6. Rights as a Stockholder of the Company. The Participant' s receipt of the grant of SARs pursuant to the Notice and this Award Agreement shall provide and confer no rights or status as a stockholder of the Company until such time the SARs are converted in accordance with Section 3 of this Award Agreement.

7. Notice. Any notice required by the terms of this Award Agreement shall be given in writing and shall be deemed effective upon personal delivery or upon deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid. Notice shall be addressed to the Company at its principal executive office and to the Participant at the address that he or she most recently provided to the Company.

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8. Successors and Assigns. Except as provided herein to the contrary, this Award Agreement shall be binding upon and inure to the benefit of the parties to this Award Agreement, their respective successors and permitted assigns.

9. Assignment. Except as otherwise provided in this Award Agreement, the Participant shall not assign any of his or her rights under the Notice or this Award Agreement without the prior written consent of the Company, which consent may be withheld in its sole discretion. The Company shall be permitted to assign its rights or obligations under the Notice or this Award Agreement, but no such assignment shall release the Company of its obligations pursuant to the Notice or this Award Agreement.

10. Construction; Severability. The captions used in this Award Agreement are inserted for convenience and shall not be deemed to be a part of the SARs for construction or interpretation. Except where otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise. The validity, legality or enforceability of the remainder of this Award Agreement shall not be affected even if one or more of the provisions of this Award Agreement shall be held to be invalid, illegal or unenforceable in any respect.

11. Administration and Interpretation. Any determination by the Committee in connection with any question or issue arising under the Notice, the Plan or this Award Agreement shall be final, conclusive and binding on the Participant, the Company and all other persons. Any question or dispute regarding the interpretation of this Award Agreement or the receipt of the SARs hereunder shall be submitted by the Participant to the Committee. The resolution of such question or dispute by the Committee shall be final and binding on all parties.

12. Counterparts. This Award Agreement may be executed in any number of counterparts, any of which may be executed and transmitted by facsimile, and each of which shall be deemed to be an original, but all of which together shall be deemed to be one and the same instrument.

13. Entire Agreement; Governing Law; and Amendments. The provisions of the Plan and the Notice are incorporated herein by reference. The Plan, the Notice and this Award Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof, and may not be modified adversely to the Participant' s interest except by means of a writing signed by the Company and the Participant. This Award Agreement is governed by the laws of the State of Delaware applicable to contracts executed in and to be performed in that State. Notwithstanding the foregoing or any other provision in the Plan or this Award Agreement to the contrary, the Committee shall have the right, in its sole discretion, to unilaterally adopt amendments to this Award Agreement or the Plan to the minimum extent necessary or appropriate (as determined by the Committee in its sole discretion) for the SARs to comply with Section 409A.

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14. Venue. The Company, the Participant and the Participant' s assignees agree that any suit, action or proceeding arising out of or related to the Notice, this Award Agreement or the Plan shall be brought in the United States District Court for the District of Delaware (or should such court lack jurisdiction to hear such action, suit or proceeding, in a state court in Delaware) and that all parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection the party may have to the laying of venue for any such suit, action or proceeding brought in such court. If any one or more provisions of this Section 15 shall for any reason be held invalid or unenforceable, it is the specific intent of the parties that such provisions shall be modified to the minimum extent necessary to make it or its application valid and enforceable.

15. No Guarantee of Continued Service. THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF SARS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUOUS STATUS AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED SARS OR ACQUIRING SHARES HEREUNDER). THE PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE RIGHT GRANTED HEREUNDER, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH THE PARTICIPANT' S RIGHT OR THE COMPANY' S/AFFILIATE' S RIGHT TO TERMINATE THE PARTICIPANT' S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

16. Unsecured General Creditor. The Participant shall have no legal or equitable rights, interests or claims in any property or assets of the Company due to the Notice, this Award Agreement and the grant of SARs hereunder. For purposes of the payment of benefits under the Notice and this Award Agreement, the Participant shall have no more rights than those of a general creditor of the Company. The Company' s obligation under the Notice and this Award Agreement shall be that of a conditional unfunded and unsecured promise to pay money or property in the future.

17. Waiver. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof will not be deemed to be a waiver of such term, covenant, or condition, nor will any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed to be a waiver or relinquishment of such right or power at any other time or times.

* * * * *

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Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated March 1, 2017, with respect to the financial statements of Tapstone Energy Inc. contained in the Registration Statement and Prospectus. We consent to the use of the aforementioned report in the Registration Statement and Prospectus, and to the use of our name as it appears under the caption "Experts."

/s/ GRANT THORNTON LLP

Oklahoma City, Oklahoma
April 12, 2017

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Exhibit 23.1.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated March 1, 2017, with respect to the consolidated financial statements of Tapstone Energy, LLC contained in the Registration Statement and Prospectus. We consent to the use of the aforementioned report in the Registration Statement and Prospectus, and to the use of our name as it appears under the caption "Experts."

/s/ GRANT THORNTON LLP

Oklahoma City, Oklahoma
April 12, 2017

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Exhibit 23.2

LEE KEELING AND ASSOCIATES, INC.
INTERNATIONAL PETROLEUM CONSULTANTS
115 West 3rd Street, Suite 700
Tulsa, Oklahoma 74103-3410
(918) 587-5521
www.lkaengineers.com

CONSENT OF LEE KEELING AND ASSOCIATES, INC.

We hereby consent to the references to our firm in this Registration Statement on Form S-1 for Tapstone Energy Inc., and to the use of information from, and the inclusion of, our report, dated February 24, 2016, with respect to the estimates of the proved reserves and related future net cash flows of Tapstone Energy, LLC as of December 31, 2015, in this Registration Statement. We further consent to the reference to our firm under the heading "Experts" in this Registration Statement and related prospectus.

/s/ Lee Keeling and Associates, Inc.
Lee Keeling and Associates, Inc.

Tulsa, Oklahoma
April 12, 2017

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Exhibit 23.3

RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS
TBPE REGISTERED ENGINEERING FIRM F-1580
1100 LOUISIANA SUITE 4600 HOUSTON, TEXAS 77002-5294
FAX (713) 651-0849
TELEPHONE (713) 651-9191

CONSENT OF RYDER SCOTT COMPANY, L.P.

We hereby consent to the references to our firm in this Registration Statement on Form S-1 for Tapstone Energy Inc., and to the use of information from, and the inclusion of, our reports, dated February 22, 2017 and April 11, 2017, with respect to the estimates of the proved reserves, future production and related future net income of Tapstone Energy, LLC as of December 31, 2016 and beginning January 1, 2017, respectively, in this Registration Statement. We further consent to the reference to our firm under the heading "Experts" in this Registration Statement and related prospectus.

/s/ Ryder Scott Company, L.P.
RYDER SCOTT COMPANY, L.P.
TBPE Firm Registration No. F-1580

Houston, Texas
April 12, 2017

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Exhibit 99.3

Tapstone Energy, LLC

Estimated

Future Reserves and Income

Attributable to Certain

Leasehold Interests

NYMEX Pricing Parameters

Beginning

January 1, 2017

/s/ Stuart L. Filler

Stuart L. Filler, P.E.
TBPE License No. 60823
Vice President

[SEAL]

RYDER SCOTT COMPANY, L.P.
TBPE Firm Registration No. F-1580

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

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RYDER SCOTT COMPANY
PETROLEUM CONSULTANTS
TBPE REGISTERED ENGINEERING FIRM F-1580
1100 LOUISIANA SUITE 4600 HOUSTON, TEXAS 77002-5294 FAX (713) 651-0849
TELEPHONE (713) 651-9191

April 11, 2017

Mr. Steve Dixon, CEO & President
Tapstone Energy, LLC
100 East Main Street
Oklahoma City, Oklahoma 73104

Dear Mr. Dixon:

At your request, Ryder Scott Company, L.P. (Ryder Scott) has prepared an estimate of the proved reserves, future production, and income attributable to certain leasehold interests of Tapstone Energy, LLC. (Tapstone), beginning January 1, 2017. The subject properties are located in the states of Kansas, Oklahoma and Texas. The reserves and income data were estimated based on the definitions and disclosure guidelines of the United States Securities and Exchange Commission (SEC) contained in Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register (SEC regulations) except however, they were based on escalated price and cost assumptions provided and requested by Tapstone. Such forecasts were based on projected escalations or other forward-looking changes to current prices and/or costs as noted. Our third party study, completed on April 7, 2017, and presented herein, was prepared for public disclosure by Tapstone in filings made with the SEC in accordance with the disclosure requirements set forth in the SEC regulations.

The properties evaluated by Ryder Scott represent 100 percent of the total net proved liquid hydrocarbon reserves and 100 percent of the total net proved gas reserves of Tapstone beginning January 1, 2017.

The estimated reserves and future net income amounts presented in this report, beginning January 1, 2017, are related to hydrocarbon prices. The hydrocarbon prices used in the preparation of this report are based on escalated pricing assumptions provided by Tapstone and are explained in more detail later in this report. Actual future prices may vary significantly from the prices assumed in this report; therefore, volumes of reserves actually recovered and the amounts of income actually received may differ significantly from the estimated quantities presented in this report. The results of this study are summarized as follows.

SUITE 600, 1015 4TH STREET, S.W. CALGARY, ALBERTA T2R 1J4 TEL (403) 262-2799 FAX (403) 262-2790
621 17TH STREET, SUITE 1550 DENVER, COLORADO 80293-1501 TEL (303) 623-9147 FAX (303) 623-4258

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STRIP PRICE PARAMETERS
Estimated Net Reserves and Income Data
Attributable to Certain Leasehold Interests of
Tapstone Energy, LLC
Beginning January 1, 2017

	Proved			
	Developed			Total
	Producing	Non-Producing	Undeveloped	Proved
Net Remaining Reserves				
Oil/Condensate - Mbbl	8,478	102	10,930	19,510
Plant Products - Mbbl	20,241	3	10,598	30,842
Gas - MMcf	275,817	3,585	153,202	432,604
Income Data ($M)				
Future Gross Revenue	$1,722,475	$ 18,001	$1,298,663	$3,039,139
Deductions	852,247	6,980	765,102	1,624,329
Future Net Income (FNI)	$870,228	$ 11,021	$533,561	$1,414,810
Discounted FNI @ 10%	$449,104	$ 1,969	$219,261	$670,334

Liquid hydrocarbons are expressed in standard 42 U.S. gallon barrels and are shown in thousands of barrels (Mbbl). All gas volumes are reported on an "as sold basis" expressed in millions of cubic feet (MMcf) at the official temperature and pressure bases of the areas in which the gas reserves are located. In this report, the revenues, deductions, and income data are expressed as thousands of U.S. dollars ($M).

The estimates of the reserves, future production, and income attributable to properties in this report were prepared using the economic software package ARIESTM Petroleum Economics and Reserves Software, a copyrighted program of Halliburton. The program was used at the request of Tapstone. Ryder Scott has found this program to be generally acceptable, but notes that certain summaries and calculations may vary due to rounding and may not exactly match the sum of the properties being summarized. Furthermore, one line economic summaries may vary slightly from the more detailed cash flow projections of the same properties, also due to rounding. The rounding differences are not material.

The future gross revenue is after the deduction of production taxes. The deductions incorporate the normal direct costs of operating the wells, ad valorem taxes, recompletion costs, development costs, and certain abandonment costs net of salvage. Certain variable operating costs are shown in the "Other" cost column of the cash flow tables. In some areas, the operating costs include transportation costs. The future net income is before the deduction of state and federal income taxes and general administrative overhead, and has not been adjusted for outstanding loans that may exist nor does it include any adjustment for cash on hand or undistributed income.

Liquid hydrocarbon reserves account for approximately 54.2 percent and gas reserves account for the remaining 45.8 percent of total future gross revenue from proved reserves.

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The discounted future net income shown above was calculated using a discount rate of 10 percent per annum compounded monthly. Future net income was discounted at four other discount rates which were also compounded monthly. These results are shown in summary form as follows.

Discount Rate Percent	Discounted Future Net Income ($M) Beginning January 1, 2017 Total Proved
5	$ 916,017
15	$ 527,632
20	$ 435,129
25	$ 370,497

The results shown above are presented for your information and should not be construed as our estimate of fair market value.

Reserves Included in This Report

The proved reserves included herein conform to the definition as set forth in the Securities and Exchange Commission' s Regulations Part 210.4-10(a), except that they are based on price parameters which allow for future changes in current economic conditions as discussed in other sections of this report, whereas the definition approved by the SEC assumes constant price parameters using the average prices during the 12-month period prior to the "as of date" of this report, determined as the unweighted arithmetic averages of the prices in effect on the first-day-of-the-month for each month within such period, unless prices were defined by contractual arrangements.. An abridged version of the SEC reserves definitions from 210.4-10(a) entitled "Petroleum Reserves Definitions" is included as an attachment to this report.

The various proved reserve status categories are defined under the attachment entitled "Petroleum Reserves Status Definitions and Guidelines" in this report. The proved developed non-producing reserves included herein consist of the shut-in and behind pipe categories.

No attempt was made to quantify or otherwise account for any accumulated gas production imbalances that may exist. We were advised by Tapstone that no material gas imbalances exist. The proved gas volumes presented herein do not include volumes of gas consumed in operations as reserves.

Reserves are "estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations." All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves, and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. At Tapstone' s request, this report addresses only the proved reserves attributable to the properties evaluated herein.

Proved oil and gas reserves are "those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward." The proved reserves included herein were estimated using deterministic methods. The SEC has defined reasonable certainty for proved reserves, when based on deterministic methods, as a "high degree of confidence that the quantities will be recovered."

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Proved reserve estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change. For proved reserves, the SEC states that "as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to the estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease." Moreover, estimates of proved reserves may be revised as a result of future operations, effects of regulation by governmental agencies or geopolitical or economic risks. Therefore, the proved reserves included in this report are estimates only and should not be construed as being exact quantities, and if recovered, the revenues therefrom, and the actual costs related thereto, could be more or less than the estimated amounts.

It should be noted that the estimated quantities of reserves presented in this report, which were based on escalated price and cost parameters, may differ from the quantities of reserves which would be estimated using constant current price and cost parameters.

Tapstone' s operations may be subject to various levels of governmental controls and regulations. These controls and regulations may include, but may not be limited to, matters relating to land tenure and leasing, the legal rights to produce hydrocarbons, drilling and production practices, environmental protection, marketing and pricing policies, royalties, various taxes and levies including income tax, and are subject to change from time to time. Such changes in governmental regulations and policies may cause volumes of proved reserves actually recovered and amounts of proved income actually received to differ significantly from the estimated quantities.

The estimates of proved reserves presented herein were based upon a detailed study of the properties in which Tapstone owns an interest; however, we have not made any field examination of the properties. No consideration was given in this report to potential environmental liabilities that may exist nor were any costs included for potential liabilities to restore and clean up damages, if any, caused by past operating practices.

Estimates of Reserves

The estimation of reserves involves two distinct determinations. The first determination results in the estimation of the quantities of recoverable oil and gas and the second determination results in the estimation of the uncertainty associated with those estimated quantities in accordance with the definitions set forth by the Securities and Exchange Commission' s Regulations Part 210.4-10(a). The process of estimating the quantities of recoverable oil and gas reserves relies on the use of certain generally accepted analytical procedures. These analytical procedures fall into three broad categories or methods: (1) performance-based methods, (2) volumetric-based methods and (3) analogy. These methods may be used individually or in combination by the reserve evaluator in the process of estimating the quantities of reserves. Reserve evaluators must select the method or combination of methods which in their professional judgment is most appropriate given the nature and amount of reliable geoscience and engineering data available at the time of the estimate, the established or anticipated performance characteristics of the reservoir being evaluated, and the stage of development or producing maturity of the property.

In many cases, the analysis of the available geoscience and engineering data and the subsequent interpretation of this data may indicate a range of possible outcomes in an estimate, irrespective of the method selected by the evaluator. When a range in the quantity of reserves is identified, the evaluator must determine the uncertainty associated with the incremental quantities of the reserves. If the reserve quantities are estimated using the deterministic incremental approach, the uncertainty for each discrete incremental quantity of the reserves is addressed by the reserve category

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assigned by the evaluator. Therefore, it is the categorization of reserve quantities as proved, probable and/or possible that addresses the inherent uncertainty in the estimated quantities reported. For proved reserves, uncertainty is defined by the SEC as reasonable certainty wherein the "quantities actually recovered are much more likely than not to be achieved." The SEC states that "probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered." The SEC states that "possible reserves are those additional reserves that are less certain to be recovered than probable reserves and the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves." All quantities of reserves within the same reserve category must meet the SEC definitions as noted above.

Estimates of reserves quantities and their associated reserve categories may be revised in the future as additional geoscience or engineering data become available. Furthermore, estimates of reserves quantities and their associated reserve categories may also be revised due to other factors such as changes in economic conditions, results of future operations, effects of regulation by governmental agencies or geopolitical or economic risks as previously noted herein.

The proved reserves for the properties included herein were estimated by performance methods, the volumetric method, analogy, or a combination of these methods. Approximately 97 percent of the proved reserves attributable to producing wells and/or reservoirs were estimated by the decline curve analysis performance method, which utilized extrapolations of historical production and pressure data available through September 2016 in those cases where such data were considered to be definitive. The data utilized in this analysis were furnished to Ryder Scott by Tapstone or obtained from public data sources and were considered sufficient for the purpose thereof. The remaining 3 percent of the proved producing reserves were estimated by the volumetric method, analogy, or a combination of those methods. These methods were used where there were inadequate historical performance data to establish a definitive trend and where the use of production performance data as a basis for the reserve estimates was considered to be inappropriate.

Approximately 100 percent of the proved developed non-producing and undeveloped reserves included herein were estimated by a combination of analogy and the volumetric method. The volumetric analysis utilized pertinent well data furnished to Ryder Scott by Tapstone or which we have obtained from public data sources that were available through September 2016. The data utilized from the analogues as well as well data incorporated into our volumetric analysis were considered sufficient for the purpose thereof.

To estimate economically recoverable proved oil and gas reserves and related future net cash flows, we consider many factors and assumptions including, but not limited to, the use of reservoir parameters derived from geological, geophysical and engineering data which cannot be measured directly, economic criteria based on costs and pricing assumptions provided to us, and forecasts of future production rates. Under the SEC regulations 210.4-10(a)(22)(v) and (26), proved reserves must be anticipated to be economically producible from a given date forward based on existing economic conditions including the prices and costs at which economic producibility from a reservoir is to be determined; which for this report, as stated previously are based on pricing and cost parameters provided by and requested to be used by Tapstone.

Tapstone has informed us that they have furnished us all of the material accounts, records, geological and engineering data, and reports and other data required for this investigation. In preparing our forecast of future proved production and income, we have relied upon data furnished by Tapstone with respect to property interests owned, production and well tests from examined wells, normal direct costs of operating the wells or leases, other costs such as transportation and/or processing fees, ad

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valorem and production taxes, recompletion and development costs, development plans, abandonment costs after salvage, product price assumptions, adjustments or differentials to product prices, geological structural and isochore maps, well logs, core analyses, and pressure measurements. Ryder Scott reviewed such factual data for its reasonableness; however, we have not conducted an independent verification of the data furnished by Tapstone. We consider the factual data used in this report appropriate and sufficient for the purpose of preparing the estimates of reserves and future net revenues herein.

In summary, we consider the assumptions, data, methods and analytical procedures used in this report appropriate for the purpose hereof, and we have used all such methods and procedures that we consider necessary and appropriate to prepare the estimates of reserves herein. The proved reserves included herein were determined in conformance with the United States Securities and Exchange Commission (SEC) Modernization of Oil and Gas Reporting; Final Rule, including all references to Regulation S-X and Regulation S-K, referred to herein collectively as the "SEC Regulations." In our opinion, the proved reserves presented in this report comply with the definitions, guidelines and disclosure requirements as required by the SEC regulations, except as noted previously.

Future Production Rates

For wells currently on production, our forecasts of future production rates are based on historical performance data. If no production decline trend has been established, future production rates were held constant, or adjusted for the effects of curtailment where appropriate, until a decline in ability to produce was anticipated. An estimated rate of decline was then applied to depletion of the reserves. If a decline trend has been established, this trend was used as the basis for estimating future production rates.

Test data and other related information were used to estimate the anticipated initial production rates for those wells or locations that are not currently producing. For reserves not yet on production, sales were estimated to commence at an anticipated date furnished by Tapstone. Wells or locations that are not currently producing may start producing earlier or later than anticipated in our estimates due to unforeseen factors causing a change in the timing to initiate production. Such factors may include delays due to weather, the availability of rigs, the sequence of drilling, completing and/or recompleting wells and/or constraints set by regulatory bodies.

The future production rates from wells currently on production or wells or locations that are not currently producing may be more or less than estimated because of changes including, but not limited to, reservoir performance, operating conditions related to surface facilities, compression and artificial lift, pipeline capacity and/or operating conditions, producing market demand and/or allowables or other constraints set by regulatory bodies.

Hydrocarbon Prices

The future hydrocarbon price parameters and escalations used in this report were specified by Tapstone and are noted below. Estimates of future price parameters have been revised in the past because of changes in governmental policies, changes in hydrocarbon supply and demand, and variations in general economic conditions. The price parameters used in this report may be revised in the future for similar reasons.

Tapstone furnished us with the forecast of the above mentioned average benchmark prices assumed to be in effect beginning on January 1, 2017, and throughout the life of the properties. In certain geographic areas, the price reference and benchmark prices may be defined by contractual arrangements.

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The product prices that were actually used to determine the future gross revenue for each property reflect adjustments to the benchmark prices for gravity, quality, local conditions, gathering and transportation fees, and/or distance from market, referred to herein as "differentials." The differentials used in the preparation of this report were furnished to us by Tapstone. The differentials furnished to us were accepted as factual data and reviewed by us for their reasonableness; however, we have not conducted an independent verification of the data used by Tapstone to determine these differentials.

In addition, the table below summarizes the net volume weighted benchmark prices adjusted for differentials and referred to herein as the "average realized prices." The average realized prices shown in the table below were determined from the total future gross revenue before production taxes and the total net reserves for the geographic area and presented in accordance with SEC disclosure requirements for each of the geographic areas included in the report.

	AVERAGE BENCHMARK PRICES			AVERAGE REALIZED PRICES Total Proved		
Year	WTI - Cushing $/bbl	Henry Hub $/MMBtu		Oil/Cond $/bbl	Plant Products** $/bbl	Gas $/Mcf
2017	56.19	3.606		55.29	19.98	3.51
2018	56.59	3.141		55.69	20.32	3.03
2019	56.10	2.873		55.20	19.30	2.74
2020	56.05	2.877		55.15	19.51	2.75
2021	56.21	2.905		55.31	19.57	2.78
2022	56.51	2.934		55.61	19.66	2.81
2023	57.23	3.023		56.33	19.88	2.90
2024	57.70	3.158		56.80	20.02	3.04
2025	58.03	3.308		57.13	20.13	3.19
2026+	58.10	3.680	*	57.20	20.15	3.75

* *Arithmetic average for Henry Hub gas benchmark price of years 2026 through 2029. Maximum gas price is $3.905/MMBTU in 2029 and thereafter. Average realized gas price is average realized through depletion.*

** *Plant product prices are based on a percentage of the oil prices for each field.*

The effects of derivative instruments designated as price hedges of oil and gas quantities are not reflected in our individual property evaluations.

Costs

Operating costs for the leases and wells in this report were furnished by Tapstone and are based on the operating expense reports of Tapstone and include only those costs directly applicable to the leases or wells. The operating costs include a portion of general and administrative costs allocated directly to the leases and wells. The operating costs furnished to us were accepted as factual data and reviewed by us for their reasonableness; however, we have not conducted an independent verification of the operating cost data used by Tapstone. Where applicable, transportation charges have been included in the operating costs. In areas that have shown a historic track record, additional costs have been included to cover routine but non-specific workover costs. No deduction was made for loan repayments, interest expenses, or exploration and development prepayments that were not charged directly to the leases or wells.

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Development costs were furnished to us by Tapstone and are based on authorizations for expenditure for the proposed work or actual costs for similar projects. The development costs furnished to us were accepted as factual data and reviewed by us for their reasonableness; however, we have not conducted an independent verification of these costs. The estimated net cost of abandonment after salvage was included for properties where abandonment costs net of salvage were significant. The estimates of the net abandonment costs furnished by Tapstone were accepted without independent verification. This report includes abandonment costs for wells that are producing below the economic limit with no remaining reserves, and wells which are currently shut-in. We were advised that the ARIES™ database provided by Tapstone contains all wells in which they own an interest, regardless of their producing or economic status. All wells in the database have abandonment costs included, thus the cash flows include P&A costs for wells with zero reserves forecasted at January 1, 2017. Abandonment has been assumed to occur two years after January 1, 2017, or two years after the economic limit has been reached.

The proved developed non-producing and undeveloped reserves in this report have been incorporated herein in accordance with Tapstone' s plans to develop these reserves beginning January 1, 2017. The implementation of Tapstone' s development plans as presented to us and incorporated herein is subject to the approval process adopted by Tapstone' s management. As the result of our inquiries during the course of preparing this report, Tapstone has informed us that the development activities included herein have been subjected to and received the internal approvals required by Tapstone' s management at the appropriate local, regional and/or corporate level. In addition to the internal approvals as noted, certain development activities may still be subject to specific partner AFE processes, Joint Operating Agreement (JOA) requirements, or other administrative approvals external to Tapstone. Where appropriate, Tapstone has provided written documentation supporting their commitment to proceed with the development activities as presented to us. Additionally, Tapstone has informed us that they are not aware of any legal, regulatory, or political obstacles that would significantly alter their plans.

Current costs used by Tapstone were held constant throughout the life of the properties.

Standards of Independence and Professional Qualification

Ryder Scott is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1937. Ryder Scott is employee-owned and maintains offices in Houston, Texas; Denver, Colorado; and Calgary, Alberta, Canada. We have over eighty engineers and geoscientists on our permanent staff. By virtue of the size of our firm and the large number of clients for which we provide services, no single client or job represents a material portion of our annual revenue. We do not serve as officers or directors of any privately-owned or publicly-traded oil and gas company and are separate and independent from the operating and investment decision-making process of our clients. This allows us to bring the highest level of independence and objectivity to each engagement for our services.

Ryder Scott actively participates in industry-related professional societies and organizes an annual public forum focused on the subject of reserves evaluations and SEC regulations. Many of our staff have authored or co-authored technical papers on the subject of reserves related topics. We encourage our staff to maintain and enhance their professional skills by actively participating in ongoing continuing education.

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Prior to becoming an officer of the Company, Ryder Scott requires that staff engineers and geoscientists have received professional accreditation in the form of a registered or certified professional engineer' s license or a registered or certified professional geoscientist' s license, or the equivalent thereof, from an appropriate governmental authority or a recognized self-regulating professional organization.

We are independent petroleum engineers with respect to Tapstone. Neither we nor any of our employees have any financial interest in the subject properties and neither the employment to do this work nor the compensation is contingent on our estimates of reserves for the properties which were reviewed.

The results of this study, presented herein, are based on technical analysis conducted by teams of geoscientists and engineers from Ryder Scott. The professional qualifications of the undersigned, the technical persons primarily responsible for overseeing, reviewing and approving the evaluation of the reserves information discussed in this report, are included as an attachment to this letter.

Terms of Usage

The results of our third party study, presented in report form herein, were prepared in accordance with the disclosure requirements set forth in the SEC regulations and intended for public disclosure as an exhibit in filings made with the SEC by Tapstone.

For filings made with the SEC under the 1933 Securities Act, we have provided our written consent for the references to our name as well as to the references to our third party report in the registration statement on Form S-1 by Tapstone. Our consent for such use is included as a separate exhibit to the filings made with the SEC by Tapstone.

We have provided Tapstone with a digital version of the original signed copy of this report letter. In the event there are any differences between the digital version included in filings made by Tapstone and the original signed report letter, the original signed report letter shall control and supersede the digital version.

The data and work papers used in the preparation of this report are available for examination by authorized parties in our offices. Please contact us if we can be of further service.

Very truly yours,

RYDER SCOTT COMPANY, L.P.
TBPE Firm Registration No. F-1580

/s/ Stuart L. Filler

Stuart L. Filler, P.E.
TBPE License No. 60823
Vice President

[SEAL]

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Professional Qualifications of Primary Technical Person

The conclusions presented in this report are the result of technical analysis conducted by teams of geoscientists and engineers from Ryder Scott Company, L.P. Stuart L. Filler was the primary technical person responsible for overseeing the estimate of the reserves, future production and income prepared by Ryder Scott presented herein.

Mr. Filler, an employee of Ryder Scott Company, L.P. (Ryder Scott) since 2014, is a Vice President and also serves as Project Coordinator, responsible for coordinating and supervising staff and consulting engineers of the company in ongoing reservoir evaluation studies worldwide. Before joining Ryder Scott, Mr. Filler served in a number of engineering positions with Golden Engineering, Core Laboratories, CSX Oil and Gas, Energy Development Corporation, Devon Energy Corporation, Southwestern Energy Company, and HighMount Exploration and Production. For more information regarding Mr. Filler' s geographic and job specific experience, please refer to the Ryder Scott website at www.ryderscott.com/Company/Employees.

Mr. Filler earned a Bachelor of Science degree in Petroleum Engineering from Texas A&M University in 1974, a Master of Science degree in Petroleum Engineering from the University of Houston – University Park in 1986, and completed course work and qualifying examinations at The University of Texas at Austin. Mr. Filler received an Army ROTC 4-year scholarship, was a Distinguished Military Graduate, and served as an Airborne-qualified Infantry officer for over 4 years. Mr. Filler received a Petroleum Society of CIM scholarship to attend graduate school and is a registered Professional Engineer in the State of Texas. He is also a member of the Society of Petroleum Evaluation Engineers and Society of Petroleum Engineers and an Associate Member of the American Association of Petroleum Geologists. Mr. Filler is a past President of the Society of Petroleum Evaluation Engineers and served on the Reserves Definition Committee ("RDC") of that organization. He also served as a member of the Society of Petroleum Engineers Oil and Gas Reserves Committee ("OGRC") and the Books Committee. He assisted in the approval of the Petroleum Resources Management System ("SPE-PRMS") as a member of OGRC and RDC and was a co-author of two chapters in the SPE-PRMS Applications Guidelines document.

In addition to gaining experience and competency through prior work experience, the Texas Board of Professional Engineers requires a minimum of fifteen hours of continuing education annually, including at least one hour in the area of professional ethics, which Mr. Filler fulfills. As part of his 2016 continuing education hours, Mr. Filler attended 1 hour of formalized training at the 2016 RSC Reserves Conference relating to the definitions and disclosure guidelines contained in the United States Securities and Exchange Commission Title 17, Code of Federal Regulations, Modernization of Oil and Gas Reporting, Final Rule released January 14, 2009 in the Federal Register. Mr. Filler attended an additional 12 hours of formalized in-house training as well as 6 hours of formalized external training during 2016 covering such topics as the SPE/WPC/AAPG/SPEE Petroleum Resources Management System, reservoir engineering, geoscience, and petroleum economics evaluation methods, procedures and software and ethics for consultants. Mr. Filler has attended presentations by Dr. John Lee on the current SEC reserves reporting regulations and on modern production forecasting techniques. In addition, Mr. Filler has presented courses on SEC compliance and reserves estimation for companies and for the Society of Petroleum Evaluation Engineers. He is a co-author of a paper on modeling deep water reservoirs and of a presentation on integrated geoscience and engineering evaluation of a deep water reservoir.

Based on his educational background, professional training, and more than 35 years of practical experience in the estimation and evaluation of petroleum reserves, Mr. Filler has attained the professional qualifications as a Reserves Estimator and Reserves Auditor set forth in Article III of the "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information" promulgated by the Society of Petroleum Engineers as of February 19, 2007.

RYDER SCOTT COMPANY PETROLEUM CONSULTANTS

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PETROLEUM RESERVES DEFINITIONS

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

PREAMBLE

On January 14, 2009, the United States Securities and Exchange Commission (SEC) published the "Modernization of Oil and Gas Reporting; Final Rule" in the Federal Register of National Archives and Records Administration (NARA). The "Modernization of Oil and Gas Reporting; Final Rule" includes revisions and additions to the definition section in Rule 4-10 of Regulation S-X, revisions and additions to the oil and gas reporting requirements in Regulation S-K, and amends and codifies Industry Guide 2 in Regulation S-K. The "Modernization of Oil and Gas Reporting; Final Rule", including all references to Regulation S-X and Regulation S-K, shall be referred to herein collectively as the "SEC regulations". The SEC regulations take effect for all filings made with the United States Securities and Exchange Commission as of December 31, 2009, or after January 1, 2010. Reference should be made to the full text under Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) for the complete definitions (direct passages excerpted in part or wholly from the aforementioned SEC document are denoted in italics herein).

Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. All reserve estimates involve an assessment of the uncertainty relating the likelihood that the actual remaining quantities recovered will be greater or less than the estimated quantities determined as of the date the estimate is made. The uncertainty depends chiefly on the amount of reliable geologic and engineering data available at the time of the estimate and the interpretation of these data. The relative degree of uncertainty may be conveyed by placing reserves into one of two principal classifications, either proved or unproved. Unproved reserves are less certain to be recovered than proved reserves and may be further sub-classified as probable and possible reserves to denote progressively increasing uncertainty in their recoverability. Under the SEC regulations as of December 31, 2009, or after January 1, 2010, a company may optionally disclose estimated quantities of probable or possible oil and gas reserves in documents publicly filed with the SEC. The SEC regulations continue to prohibit disclosure of estimates of oil and gas resources other than reserves and any estimated values of such resources in any document publicly filed with the SEC unless such information is required to be disclosed in the document by foreign or state law as noted in §229.1202 Instruction to Item 1202.

Reserves estimates will generally be revised only as additional geologic or engineering data become available or as economic conditions change.

Reserves may be attributed to either natural energy or improved recovery methods. Improved recovery methods include all methods for supplementing natural energy or altering natural forces in the reservoir to increase ultimate recovery. Examples of such methods are pressure maintenance, natural gas cycling, waterflooding, thermal methods, chemical flooding, and the use of miscible and immiscible displacement fluids. Other improved recovery methods may be developed in the future as petroleum technology continues to evolve.

Reserves may be attributed to either conventional or unconventional petroleum accumulations. Petroleum accumulations are considered as either conventional or unconventional based on the nature of their in-place characteristics, extraction method applied, or degree of processing prior to sale.

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Examples of unconventional petroleum accumulations include coalbed or coalseam methane (CBM/CSM), basin-centered gas, shale gas, gas hydrates, natural bitumen and oil shale deposits. These unconventional accumulations may require specialized extraction technology and/or significant processing prior to sale.

Reserves do not include quantities of petroleum being held in inventory.

Because of the differences in uncertainty, caution should be exercised when aggregating quantities of petroleum from different reserves categories.

RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(26) defines reserves as follows:

Reserves. *Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.*

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

PROVED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(22) defines proved oil and gas reserves as follows:

Proved oil and gas reserves. *Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible–from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations–prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.*

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and

(B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

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PROVED RESERVES (SEC DEFINITIONS) CONTINUED

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and

(B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

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PETROLEUM RESERVES STATUS DEFINITIONS AND GUIDELINES

As Adapted From:
RULE 4-10(a) of REGULATION S-X PART 210
UNITED STATES SECURITIES AND EXCHANGE COMMISSION (SEC)

and

PETROLEUM RESOURCES MANAGEMENT SYSTEM (SPE-PRMS)
Sponsored and Approved by:
SOCIETY OF PETROLEUM ENGINEERS (SPE)
WORLD PETROLEUM COUNCIL (WPC)
AMERICAN ASSOCIATION OF PETROLEUM GEOLOGISTS (AAPG)
SOCIETY OF PETROLEUM EVALUATION ENGINEERS (SPEE)

Reserves status categories define the development and producing status of wells and reservoirs. Reference should be made to Title 17, Code of Federal Regulations, Regulation S-X Part 210, Rule 4-10(a) and the SPE-PRMS as the following reserves status definitions are based on excerpts from the original documents (direct passages excerpted from the aforementioned SEC and SPE-PRMS documents are denoted in italics herein).

DEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(6) defines developed oil and gas reserves as follows:

Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

> *(i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and*
>
> *(ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.*

Developed Producing (SPE-PRMS Definitions)

While not a requirement for disclosure under the SEC regulations, developed oil and gas reserves may be further sub-classified according to the guidance contained in the SPE-PRMS as Producing or Non-Producing.

Developed Producing Reserves

Developed Producing Reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate.

Improved recovery reserves are considered producing only after the improved recovery project is in operation.

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Developed Non-Producing

Developed Non-Producing Reserves include shut-in and behind-pipe reserves.

Shut-In

Shut-in Reserves are expected to be recovered from:

(1) completion intervals which are open at the time of the estimate, but which have not started producing;

(2) wells which were shut-in for market conditions or pipeline connections; or

(3) wells not capable of production for mechanical reasons.

Behind-Pipe

Behind-pipe Reserves are expected to be recovered from zones in existing wells, which will require additional completion work or future re-completion prior to start of production.

In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

UNDEVELOPED RESERVES (SEC DEFINITIONS)

Securities and Exchange Commission Regulation S-X §210.4-10(a)(31) defines undeveloped oil and gas reserves as follows:

Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

(i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.

(ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

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Exhibit 99.4

Consent of Director Nominee

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "**Securities Act**"), in connection with the Registration Statement on Form S-1 (the "**Registration Statement**") of Tapstone Energy Inc. (the "**Company**"), the undersigned hereby consents to being named and described as a director nominee in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 13th day of April, 2017.

/s/ Robert W. Baker

Robert W. Baker

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Exhibit 99.5

Consent of Director Nominee

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "**Securities Act**"), in connection with the Registration Statement on Form S-1 (the "**Registration Statement**") of Tapstone Energy Inc. (the "**Company**"), the undersigned hereby consents to being named and described as a director nominee in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 13th day of April, 2017.

/s/ Martha A. Burger

Martha A. Burger

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Exhibit 99.6

Consent of Director Nominee

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "**Securities Act**"), in connection with the Registration Statement on Form S-1 (the "**Registration Statement**") of Tapstone Energy Inc. (the "**Company**"), the undersigned hereby consents to being named and described as a director nominee in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 13th day of April, 2017.

/s/ David F. Posnick
David F. Posnick

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Exhibit 99.7

Consent of Director Nominee

Pursuant to Rule 438 of Regulation C promulgated under the Securities Act of 1933, as amended (the "**Securities Act**"), in connection with the Registration Statement on Form S-1 (the "**Registration Statement**") of Tapstone Energy Inc. (the "**Company**"), the undersigned hereby consents to being named and described as a director nominee in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, any amendment to such Registration Statement or any subsequent Registration Statement filed pursuant to Rule 462(b) under the Securities Act and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

IN WITNESS WHEREOF, the undersigned has executed this consent as of the 13th day of April, 2017.

/s/ David A. Reed

David A. Reed

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