

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2019

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File Number 000-19514

Gulfport Energy Corporation

(Exact Name of Registrant As Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation or Organization)
3001 Quail Springs Parkway
Oklahoma City, Oklahoma
(Address of Principal Executive Offices)

73-1521290
(IRS Employer Identification Number)

73134
(Zip Code)

(405) 252-4600
(Registrant Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.01 per share	GPOR	Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (Section 232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit such files). Yes No

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

Large Accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 26, 2019, 159,396,017 shares of the registrant's common stock were outstanding.

GULFPORT ENERGY CORPORATION
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GULFPORT ENERGY CORPORATION
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2019	December 31, 2018
	(In thousands, except share data)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 20,777	\$ 52,297
Accounts receivable—oil and natural gas sales	131,675	210,200
Accounts receivable—joint interest and other	46,645	22,497
Prepaid expenses and other current assets	9,474	10,607
Short-term derivative instruments	134,920	21,352
Total current assets	343,491	316,953
Property and equipment:		
Oil and natural gas properties, full-cost accounting, \$2,836,441 and \$2,873,037 excluded from amortization in 2019 and 2018, respectively	10,510,427	10,026,836
Other property and equipment	96,413	92,667
Accumulated depletion, depreciation, amortization and impairment	(4,882,729)	(4,640,098)
Property and equipment, net	5,724,111	5,479,405
Other assets:		
Equity investments	119,307	236,121
Long-term derivative instruments	5,036	—
Deferred tax asset	179,331	—
Inventories	9,001	4,754
Operating lease assets	19,334	—
Operating lease assets - related parties	53,579	—
Other assets	12,280	13,803
Total other assets	397,868	254,678
Total assets	\$ 6,465,470	\$ 6,051,036
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 493,830	\$ 518,380
Short-term derivative instruments	198	20,401
Current portion of operating lease liabilities	17,999	—
Current portion of operating lease liabilities - related parties	20,817	—
Current maturities of long-term debt	615	651
Total current liabilities	533,459	539,432
Long-term derivative instruments	210	13,992
Asset retirement obligation—long-term	88,491	79,952
Deferred tax liability	3,127	3,127
Non-current operating lease liabilities	1,335	—
Non-current operating lease liabilities - related parties	32,762	—
Long-term debt, net of current maturities	2,198,678	2,086,765
Total liabilities	2,858,062	2,723,268
Commitments and contingencies (Note 7)		
Preferred stock, \$0.01 par value; 5,000,000 shares authorized (30,000 authorized as redeemable 12% cumulative preferred stock, Series A), and none issued and outstanding	—	—
Stockholders' equity:		
Common stock - \$0.01 par value, 200,000,000 shares authorized, 159,396,017 issued and outstanding at June 30, 2019 and 162,986,045 at December 31, 2018	1,594	1,630
Paid-in capital	4,202,599	4,227,532
Accumulated other comprehensive loss	(48,615)	(56,026)
Accumulated deficit	(548,170)	(845,368)
Total stockholders' equity	3,607,408	3,327,768
Total liabilities and stockholders' equity	\$ 6,465,470	\$ 6,051,036

See accompanying notes to consolidated financial statements.

GULFPORT ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
(In thousands, except share data)				
Revenues:				
Natural gas sales	\$ 225,257	\$ 232,695	\$ 501,273	\$ 482,094
Oil and condensate sales	36,910	49,319	69,392	95,005
Natural gas liquid sales	25,687	41,271	57,812	88,107
Net gain (loss) on natural gas, oil and NGLs derivatives	171,140	(70,545)	151,095	(87,074)
	<u>458,994</u>	<u>252,740</u>	<u>779,572</u>	<u>578,132</u>
Costs and expenses:				
Lease operating expenses	22,388	22,912	42,195	41,818
Production taxes	8,098	7,659	16,019	14,513
Midstream gathering and processing expenses	72,015	71,440	142,297	135,633
Depreciation, depletion and amortization	124,951	121,915	243,384	232,933
General and administrative expenses	13,265	14,008	24,823	27,107
Accretion expense	1,359	1,015	2,426	2,019
	<u>242,076</u>	<u>238,949</u>	<u>471,144</u>	<u>454,023</u>
INCOME FROM OPERATIONS	<u>216,918</u>	<u>13,791</u>	<u>308,428</u>	<u>124,109</u>
OTHER EXPENSE (INCOME):				
Interest expense	34,880	33,704	69,000	67,669
Interest income	(159)	(33)	(311)	(70)
Insurance proceeds	(83)	(231)	(83)	(231)
Gain on sale of equity method investments	—	(122,035)	—	(122,035)
Loss (income) from equity method investments, net	125,582	(8,888)	121,309	(22,424)
Other expense (income)	1,073	(45)	646	(140)
	<u>161,293</u>	<u>(97,528)</u>	<u>190,561</u>	<u>(77,231)</u>
INCOME BEFORE INCOME TAXES	55,625	111,319	117,867	201,340
INCOME TAX BENEFIT	(179,331)	—	(179,331)	(69)
NET INCOME	<u>\$ 234,956</u>	<u>\$ 111,319</u>	<u>\$ 297,198</u>	<u>\$ 201,409</u>
NET INCOME PER COMMON SHARE:				
Basic	\$ 1.47	\$ 0.64	\$ 1.85	\$ 1.14
Diluted	\$ 1.47	\$ 0.64	\$ 1.84	\$ 1.13
Weighted average common shares outstanding—Basic	159,324,909	173,623,630	161,064,787	177,158,230
Weighted average common shares outstanding—Diluted	159,506,826	174,140,627	161,590,087	177,737,282

See accompanying notes to consolidated financial statements.

GULFPORT ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	2019	2018
	(In thousands)			
Net income	\$ 234,956	\$ 111,319	\$ 297,198	\$ 201,409
Foreign currency translation adjustment	3,610	(3,364)	7,411	(8,867)
Other comprehensive income (loss)	3,610	(3,364)	7,411	(8,867)
Comprehensive income	\$ 238,566	\$ 107,955	\$ 304,609	\$ 192,542

See accompanying notes to consolidated financial statements.

GULFPORT ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

	Common Stock		Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
(In thousands, except share data)						
Balance at January 1, 2019	162,986,045	\$ 1,630	\$ 4,227,532	\$ (56,026)	\$ (845,368)	\$ 3,327,768
Net Income	—	—	—	—	62,242	62,242
Other Comprehensive Income	—	—	—	3,801	—	3,801
Stock Compensation	—	—	2,785	—	—	2,785
Shares Repurchased	(3,618,634)	(37)	(28,293)	—	—	(28,330)
Issuance of Restricted Stock	54,554	1	(1)	—	—	—
Balance at March 31, 2019	<u>159,421,965</u>	<u>\$ 1,594</u>	<u>\$ 4,202,023</u>	<u>\$ (52,225)</u>	<u>\$ (783,126)</u>	<u>\$ 3,368,266</u>
Net Income	—	—	—	—	234,956	234,956
Other Comprehensive Income	—	—	—	3,610	—	3,610
Stock Compensation	—	—	2,846	—	—	2,846
Shares Repurchased	(296,587)	(3)	(2,267)	—	—	(2,270)
Issuance of Restricted Stock	270,639	3	(3)	—	—	—
Balance at June 30, 2019	<u>159,396,017</u>	<u>\$ 1,594</u>	<u>\$ 4,202,599</u>	<u>\$ (48,615)</u>	<u>\$ (548,170)</u>	<u>\$ 3,607,408</u>

(Continued on next page)

GULFPORT ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (continued)
(Unaudited)

	Common Stock		Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount				
	(In thousands, except share data)					
Balance at January 1, 2018	183,105,910	\$ 1,831	\$ 4,416,250	\$ (40,539)	\$ (1,275,928)	\$ 3,101,614
Net Income	—	—	—	—	90,090	90,090
Other Comprehensive Loss	—	—	—	(5,503)	—	(5,503)
Stock Compensation	—	—	2,685	—	—	2,685
Shares Repurchased	(9,692,356)	(97)	(99,900)	—	—	(99,997)
Issuance of Restricted Stock	109,933	1	(1)	—	—	—
Balance at March 31, 2018	<u>173,523,487</u>	<u>\$ 1,735</u>	<u>\$ 4,319,034</u>	<u>\$ (46,042)</u>	<u>\$ (1,185,838)</u>	<u>\$ 3,088,889</u>
Net Income	—	—	—	—	111,319	111,319
Other Comprehensive Loss	—	—	—	(3,364)	—	(3,364)
Stock Compensation	—	—	3,355	—	—	3,355
Shares Repurchased	(412,516)	(4)	(4,996)	—	—	(5,000)
Issuance of Restricted Stock	191,084	2	(2)	—	—	—
Balance at June 30, 2018	<u>173,302,055</u>	<u>\$ 1,733</u>	<u>\$ 4,317,391</u>	<u>\$ (49,406)</u>	<u>\$ (1,074,519)</u>	<u>\$ 3,195,199</u>

See accompanying notes to consolidated financial statements.

GULFPORT ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six months ended June 30,	
	2019	2018
	(In thousands)	
Cash flows from operating activities:		
Net income	\$ 297,198	\$ 201,409
Adjustments to reconcile net income to net cash provided by operating activities:		
Accretion expense	2,426	2,019
Depletion, depreciation and amortization	243,384	232,933
Stock-based compensation expense	3,379	3,624
Loss (income) from equity investments	121,449	(22,322)
Change in fair value of derivative instruments	(152,589)	102,248
Deferred income tax benefit	(179,331)	(69)
Amortization of loan costs	3,191	3,006
Gain on sale of equity investments and other assets	(112)	(122,035)
Distributions from equity method investments	2,457	—
Changes in operating assets and liabilities:		
Decrease in accounts receivable—oil and natural gas sales	78,525	6,564
Increase in accounts receivable—joint interest and other	(24,148)	(16,385)
Increase in accounts receivable—related parties	—	(110)
Decrease (increase) in prepaid expenses and other current assets	1,133	(5,786)
Increase in other assets	(296)	(1,517)
(Decrease) increase in accounts payable, accrued liabilities and other	(87,560)	28,184
Settlement of asset retirement obligation	(117)	(719)
Net cash provided by operating activities	<u>308,989</u>	<u>411,044</u>
Cash flows from investing activities:		
Additions to other property and equipment	(4,298)	(6,252)
Additions to oil and natural gas properties	(417,535)	(579,734)
Proceeds from sale of oil and natural gas properties	745	3,762
Proceeds from sale of other property and equipment	130	167
Proceeds from sale of equity method investments	—	221,965
Contributions to equity method investments	(432)	(1,569)
Distributions from equity method investments	1,945	1,196
Net cash used in investing activities	<u>(419,445)</u>	<u>(360,465)</u>
Cash flows from financing activities:		
Principal payments on borrowings	(345,350)	(150,285)
Borrowings on line of credit	455,000	225,000
Debt issuance costs and loan commitment fees	(114)	(624)
Payments for repurchase of stock	(30,600)	(104,997)
Net cash provided by (used in) financing activities	<u>78,936</u>	<u>(30,906)</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	<u>(31,520)</u>	<u>19,673</u>
Cash, cash equivalents and restricted cash at beginning of period	52,297	99,557
Cash, cash equivalents and restricted cash at end of period	<u>\$ 20,777</u>	<u>\$ 119,230</u>
Supplemental disclosure of cash flow information:		
Interest payments	\$ 67,472	\$ 59,915
Income tax receipts	\$ (1,794)	\$ —
Supplemental disclosure of non-cash transactions:		
Capitalized stock-based compensation	\$ 2,252	\$ 2,416
Asset retirement obligation capitalized	\$ 6,230	\$ 535
Interest capitalized	\$ 1,771	\$ 2,351
Foreign currency translation gain (loss) on equity method investments	\$ 7,411	\$ (8,867)

See accompanying notes to consolidated financial statements.

GULFPORT ENERGY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

These consolidated financial statements have been prepared by Gulfport Energy Corporation (the “Company” or “Gulfport”) without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”), and reflect all adjustments that, in the opinion of management, are necessary for a fair presentation of the results for the interim periods in all material respects, on a basis consistent with the annual audited consolidated financial statements. All such adjustments are of a normal, recurring nature. Certain information, accounting policies, and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles (“GAAP”) have been omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. These consolidated financial statements should be read in conjunction with the consolidated financial statements and the summary of significant accounting policies and notes included in the Company’s most recent annual report on Form 10-K. Results for the three and six months ended June 30, 2019 are not necessarily indicative of the results expected for the full year.

1. PROPERTY AND EQUIPMENT

The major categories of property and equipment and related accumulated depletion, depreciation, amortization and impairment as of June 30, 2019 and December 31, 2018 are as follows:

	June 30, 2019	December 31, 2018
	(In thousands)	
Oil and natural gas properties	\$ 10,510,427	\$ 10,026,836
Office furniture and fixtures	46,327	42,581
Building	44,565	44,565
Land	5,521	5,521
Total property and equipment	10,606,840	10,119,503
Accumulated depletion, depreciation, amortization and impairment	(4,882,729)	(4,640,098)
Property and equipment, net	<u>\$ 5,724,111</u>	<u>\$ 5,479,405</u>

Under the full cost method of accounting, the Company is required to perform a ceiling test each quarter. The test determines a limit, or ceiling, on the book value of the Company’s oil and natural gas properties. At June 30, 2019, the calculated ceiling was greater than the net book value of the Company’s oil and natural gas properties, and no ceiling test impairment was required for the three and six months ended June 30, 2019. No impairment was required for oil and natural gas properties for the three and six months ended June 30, 2018.

Included in oil and natural gas properties at June 30, 2019 is the cumulative capitalization of \$219.8 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 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 \$8.8 million and \$16.5 million for the three and six months ended June 30, 2019, respectively, and \$9.4 million and \$18.2 million for the three and six months ended June 30, 2018, respectively.

The average depletion rate per Mcfe, which is a function of capitalized costs, future development costs and the related underlying reserves in the periods presented, was \$1.00 and \$0.96 per Mcfe for the six months ended June 30, 2019 and 2018, respectively.

The following table summarizes the Company's non-producing properties excluded from amortization by area at June 30, 2019:

	<u>June 30, 2019</u>
	<u>(In thousands)</u>
Utica	\$ 1,475,997
MidContinent	1,359,279
Niobrara	454
Southern Louisiana	611
Bakken	100
	<u>\$ 2,836,441</u>

At December 31, 2018, approximately \$2.9 billion of non-producing leasehold costs was not subject to amortization.

The Company evaluates the costs excluded from its amortization calculation at least annually. Subject to industry conditions and the level of the Company's activities, the inclusion of most of the above referenced costs into the Company's amortization calculation typically occurs within three to five years. However, the majority of the Company's non-producing leases in the Utica Shale have five-year extension terms which could extend this time frame beyond five years.

A reconciliation of the Company's asset retirement obligation for these six months ended June 30, 2019 and 2018 is as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
	<u>(In thousands)</u>	
Asset retirement obligation, beginning of period	\$ 79,952	\$ 75,100
Liabilities incurred	5,153	909
Liabilities settled	(117)	(719)
Accretion expense	2,426	2,019
Revisions in estimated cash flows	1,077	(374)
Asset retirement obligation as of end of period	88,491	76,935
Less current portion	—	120
Asset retirement obligation, long-term	<u>\$ 88,491</u>	<u>\$ 76,815</u>

2. EQUITY INVESTMENTS

Investments accounted for by the equity method consist of the following as of June 30, 2019 and December 31, 2018:

	Approximate ownership %	Carrying value		Loss (income) from equity method investments			
				Three months ended June 30,		Six months ended June 30,	
		June 30, 2019	December 31, 2018	2019	2018	2019	2018
(In thousands)							
Investment in Tatex Thailand II, LLC	23.5%	\$ —	\$ —	\$ (1,945)	\$ (63)	\$ (2,085)	\$ (104)
Investment in Grizzly Oil Sands ULC	24.9999%	51,607	44,259	(54)	228	339	558
Investment in Timber Wolf Terminals LLC ⁽¹⁾	—%	—	—	—	534	—	536
Investment in Windsor Midstream LLC	22.5%	39	39	—	(9)	—	(9)
Investment in Mammoth Energy Services, Inc.	21.8%	67,661	191,823	127,581	(9,242)	123,055	(22,712)
Investment in Strike Force Midstream LLC ⁽²⁾	—%	—	—	—	(336)	—	(693)
		<u>\$ 119,307</u>	<u>\$ 236,121</u>	<u>\$ 125,582</u>	<u>\$ (8,888)</u>	<u>\$ 121,309</u>	<u>\$ (22,424)</u>

- (1) On June 5, 2018, the Company received its final distribution from Timber Wolf Terminals LLC ("Timber Wolf"). See below under *Timber Wolf Terminals LLC* for information regarding the subsequent dissolution of Timber Wolf.
- (2) On May 1, 2018, the Company sold its 25% interest in Strike Force Midstream LLC ("Strike Force") to EQT Midstream Partners, LP. See below under *Strike Force Midstream LLC* for information regarding this transaction.

The tables below summarize financial information for the Company's equity investments as of June 30, 2019 and December 31, 2018.

Summarized balance sheet information:

	June 30, 2019		December 31, 2018	
	(In thousands)			
Current assets	\$	477,559	\$	471,733
Noncurrent assets	\$	1,353,113	\$	1,302,488
Current liabilities	\$	167,901	\$	239,975
Noncurrent liabilities	\$	190,200	\$	94,575

Summarized results of operations:

	Three months ended June 30,		Six months ended June 30,					
	2019	2018	2019	2018				
(In thousands)								
Gross revenue	\$	179,114	\$	566,404	\$	443,958	\$	1,067,537
Net (loss) income	\$	(4,072)	\$	49,018	\$	20,684	\$	113,470

Tatex Thailand II, LLC

The Company has an indirect ownership interest in Tatex Thailand II, LLC ("Tatex II"). Tatex II held an 8.5% interest in APICO, LLC ("APICO"), an international oil and gas exploration company, before selling its interest in June 2019. APICO has a reserve base located in Southeast Asia through its ownership of concessions covering approximately 108,000 acres which includes the Phu Horm Field. The Company received \$2.1 million in distributions from Tatex II during the six months ended June 30, 2019, of which \$1.9 million related to proceeds from the sale of its interest in APICO.

Grizzly Oil Sands ULC

The Company, through its wholly owned subsidiary Grizzly Holdings Inc. (“Grizzly Holdings”), owns an approximate 24.9999% interest in Grizzly Oil Sands ULC (“Grizzly”), a Canadian unlimited liability company. The remaining interest in Grizzly is owned by Grizzly Oil Sands Inc. (“Oil Sands”). As of June 30, 2019, Grizzly had approximately 830,000 acres under lease in the Athabasca, Peace River and Cold Lake oil sands regions of Alberta, Canada. The Company reviewed its investment in Grizzly for impairment at June 30, 2019 and 2018 and determined no impairment was required. If commodity prices decline in the future however, impairment of the Company's investment in Grizzly may be necessary. During the six months ended June 30, 2019, Gulfport paid \$0.4 million in cash calls. Grizzly's functional currency is the Canadian dollar. The Company's investment in Grizzly was increased by \$3.5 million and \$7.3 million for the three and six months ended June 30, 2019, respectively, as a result of a foreign currency translation gain. The Company's investment in Grizzly was decreased by \$3.4 million and \$8.7 million for the three and six months ended June 30, 2018, respectively, as a result of a foreign currency translation loss.

Timber Wolf Terminals LLC

During 2012, the Company invested in Timber Wolf. Timber Wolf was formed to operate a crude/condensate terminal and a sand transloading facility in Ohio. Timber Wolf was dissolved in 2018.

Windsor Midstream LLC

At June 30, 2019, the Company held a 22.5% interest in Windsor Midstream LLC (“Midstream”), an entity controlled and managed by an unrelated third party. The Company received no distributions from Midstream during the six months ended June 30, 2019.

As of June 30, 2019, the Company determined that Midstream was a variable interest entity (“VIE”) but was not the primary beneficiary because it does not have a controlling financial interest in Midstream. This entity is considered a VIE because the limited partners lack substantive kick-out or participating rights over the general partner. The general partner has power to direct the activities that most significantly impact Midstream's economic performance. The Company accounts for its investment in VIEs following the equity method of accounting. The carrying amounts of the Company's equity investments are classified as other non-current assets on the accompanying consolidated balance sheets. The Company's maximum exposure to loss as a result of its involvement with VIEs is based on the Company's capital contributions and the economic performance of the VIEs, and is equal to the carrying value of the Company's investments which is the maximum loss the Company could be required to record in the consolidated statements of operations.

Mammoth Energy Services, Inc.

At June 30, 2019, the Company owned 9,829,548 shares, or approximately 21.8%, of the outstanding common stock of Mammoth Energy Services, Inc. (“Mammoth Energy”). The Company reviewed its investment in Mammoth Energy as of June 30, 2019 for impairment based on certain qualitative and quantitative factors. As a result of the calculated fair values and other qualitative factors, the Company concluded that an other than temporary impairment was indicated. This resulted in recording an aggregate impairment loss of \$125.4 million for the six months ended June 30, 2019, which is included in loss (income) from equity method investments, net in the accompanying consolidated statements of operations. If Mammoth Energy's common stock continues to trade below the Company's carrying value for a prolonged period of time, further impairment of the Company's investment in Mammoth Energy may be necessary. The Company's investment in Mammoth Energy was increased by \$0.1 million and \$0.2 million foreign currency gains resulting from Mammoth Energy's foreign subsidiary for the three and six months ended June 30, 2019, respectively. The Company's investment in Mammoth Energy was decreased by a \$0.1 million and \$0.3 million foreign currency loss resulting from Mammoth Energy's foreign subsidiary for the three and six months ended June 30, 2018, respectively. During the six months ended June 30, 2019, Gulfport received distributions of \$2.5 million from Mammoth Energy as a result of \$0.125 per share dividends in February 2019 and May 2019. The approximate fair value of the Company's investment in Mammoth Energy's common stock at June 30, 2019 was \$67.7 million based on the quoted market price of Mammoth Energy's common stock. The loss (income) from equity method investments presented in the table above reflects any intercompany profit eliminations.

Strike Force Midstream LLC

In February 2016, the Company, through its wholly owned subsidiary Gulfport Midstream Holdings, LLC (“Midstream Holdings”), entered into an agreement with Rice Midstream Holdings LLC (“Rice”), then a subsidiary of Rice Energy Inc., to

develop natural gas gathering assets in eastern Belmont County and Monroe County, Ohio through Strike Force. In 2017, Rice was acquired by EQT Corporation ("EQT"). The Company owned a 25% interest in Strike Force, which was sold to EQT Midstream Partners, LP in May 2018. The loss (income) from equity method investments presented in the table above reflects any intercompany profit eliminations.

3. LONG-TERM DEBT

Long-term debt consisted of the following items as of June 30, 2019 and December 31, 2018:

	June 30, 2019	December 31, 2018
	(In thousands)	
Revolving credit agreement ⁽¹⁾	\$ 155,000	\$ 45,000
6.625% senior unsecured notes due 2023	350,000	350,000
6.000% senior unsecured notes due 2024	650,000	650,000
6.375% senior unsecured notes due 2025	600,000	600,000
6.375% senior unsecured notes due 2026	450,000	450,000
Net unamortized debt issuance costs ⁽²⁾	(28,426)	(30,733)
Construction loan	22,719	23,149
Less: current maturities of long term debt	(615)	(651)
Debt reflected as long term	<u>\$ 2,198,678</u>	<u>\$ 2,086,765</u>

(1) The Company has entered into a senior secured revolving credit facility, as amended (the "revolving credit facility"), with The Bank of Nova Scotia, as the lead arranger and administrative agent and other lenders. On June 3, 2019, the Company further amended its revolving credit facility to, among other things, allow the Company to designate certain of its subsidiaries as unrestricted subsidiaries and to include LIBOR replacement provisions. Additionally, the borrowing base was reaffirmed at \$1.4 billion, and the Company's elected commitment amount remained at \$1.0 billion.

As of June 30, 2019, \$155.0 million was outstanding under the revolving credit facility and the total availability for future borrowings under this facility, after giving effect to an aggregate of \$251.5 million letters of credit, was \$593.5 million. The Company's wholly owned subsidiaries have guaranteed the obligations of the Company under the revolving credit facility.

At June 30, 2019, amounts borrowed under the revolving credit facility bore interest at a weighted average rate of 3.93%.

The Company was in compliance with its financial covenants under the revolving credit facility at June 30, 2019.

(2) Loan issuance costs related to the 6.625% Senior Notes due 2023 (the "2023 Notes"), the 6.000% Senior Notes due 2024 (the "2024 Notes"), the 6.375% Senior Notes due 2025 (the "2025 Notes") and the 6.375% Senior Notes due 2026 (the "2026 Notes") (collectively the "Notes") have been presented as a reduction to the Notes. At June 30, 2019, total unamortized debt issuance costs were \$4.0 million for the 2023 Notes, \$8.1 million for the 2024 Notes, \$11.7 million for the 2025 Notes and \$4.7 million for the 2026 Notes. In addition, loan commitment fee costs for the Company's construction loan agreement were \$0.1 million at June 30, 2019.

The Company capitalized approximately \$1.0 million and \$1.8 million in interest expense to undeveloped oil and natural gas properties during the three and six months ended June 30, 2019, respectively. The Company capitalized approximately \$1.5 million and \$2.4 million in interest expense to undeveloped oil and natural gas properties during the three and six months ended June 30, 2018, respectively.

4. COMMON STOCK AND CHANGES IN CAPITALIZATION

Stock Repurchase Program

In January 2018, the board of directors of the Company approved a stock repurchase program to acquire up to \$100 million of the Company's outstanding stock during 2018. In May 2018, the Company's board of directors authorized the expansion of its stock repurchase program, authorizing the Company to acquire up to an additional \$100 million of its outstanding common stock during 2018 for a total of up to \$200 million. The repurchase program did not require the Company to acquire any

specific number of shares. This repurchase program was authorized to extend through December 31, 2018 and the Company repurchased 20.7 million shares of common stock in 2018 for \$200.0 million in aggregate consideration.

In January 2019, the board of directors of the Company approved a new stock repurchase program to acquire up to \$400 million of the Company's outstanding common stock within a 24 month period. Purchases under the repurchase program may be made from time to time in open market or privately negotiated transactions, and are subject to market conditions, applicable legal requirements, contractual obligations and other factors. The repurchase program does not require the Company to acquire any specific number of shares. This repurchase program is authorized to extend through December 31, 2020 and may be suspended, modified, extended or discontinued by the board of directors at any time. The Company repurchased approximately 0.2 million and 3.8 million shares for a cost of approximately \$1.8 million and \$30.0 million during the three and six months ended June 30, 2019, respectively. Additionally, during each of the three and six months ended June 30, 2019, the Company repurchased approximately 0.1 million shares for a cost of approximately \$0.5 million and \$0.6 million, respectively, to satisfy tax withholding requirements incurred upon the vesting of restricted stock. All repurchased shares have been canceled and returned to the status of authorized but unissued shares.

5. STOCK-BASED COMPENSATION

The Company has granted restricted stock units to employees and directors pursuant to the 2013 Restated Incentive Stock Plan ("2013 Plan"), as discussed below. During the three and six months ended June 30, 2019, the Company's stock-based compensation cost was \$2.8 million and \$5.6 million, respectively, of which the Company capitalized \$1.1 million and \$2.3 million, respectively, relating to its exploration and development efforts. During the three and six months ended June 30, 2018, the Company's stock-based compensation cost was \$3.3 million and \$6.0 million, respectively, of which the Company capitalized \$1.3 million and \$2.4 million, respectively, relating to its exploration and development efforts. Stock compensation costs, net of the amounts capitalized, are included in general and administrative expenses in the accompanying consolidated statements of operations.

The following table summarizes restricted stock unit activity for the six months ended June 30, 2019:

	Number of Unvested Restricted Stock Units	Weighted Average Grant Date Fair Value	Number of Unvested Performance Vesting Restricted Stock Units	Weighted Average Grant Date Fair Value
Unvested shares as of January 1, 2019	1,535,811	\$ 11.57	\$ —	\$ —
Granted	770,661	6.96	228,659	9.66
Vested	(325,193)	10.08	—	—
Forfeited	(8,776)	12.44	—	—
Unvested shares as of June 30, 2019	1,972,503	\$ 10.01	228,659	\$ 9.66

Restricted Stock Units

Restricted stock units awarded under the 2013 Plan generally vest over a period of one year in the case of directors and three years in the case of employees and vesting is dependent upon the recipient meeting applicable service requirements. Stock-based compensation costs are recorded ratably over the service period. The grant date fair value of restricted stock units represents the closing market price of the Company's common stock on the date of grant. Unrecognized compensation expense as of June 30, 2019 related to restricted stock units was \$13.8 million. The expense is expected to be recognized over a weighted average period of 1.90 years.

Performance Vesting Restricted Stock Units

During the six months ended June 30, 2019, the Company awarded performance vesting units to its Chief Executive Officer under the 2013 Plan. The number of shares of common stock that will ultimately be issued will be determined by comparing the Company's total stockholder return relative to the total stockholder return of a predetermined group of peer companies at the end of the 36-month performance period. The grant date fair value was determined using the Monte Carlo simulation method and is being recorded ratably over the performance period. Expected volatilities utilized in the Monte Carlo model were estimated using a historical period consistent with the remaining performance period of approximately three years. The risk-free interest rate was based on the U.S. Treasury rate for a term commensurate with the expected life of the grant. The Company assumed a risk-free interest rate of 2.42% and a range of expected volatilities of 30.5% to 72.6% to estimate the fair

value of performance vesting units granted during the six months ended June 30, 2019. Unrecognized compensation expense as of June 30, 2019 related to performance vesting restricted shares was \$1.9 million. The expense is expected to be recognized over a weighted average period of 2.51 years.

6. EARNINGS PER SHARE

Reconciliations of the components of basic and diluted net income per common share are presented in the tables below:

	Three months ended June 30,					
	2019			2018		
	Income	Shares	Per Share	Income	Shares	Per Share
	(In thousands, except share data)					
Basic:						
Net income	\$ 234,956	159,324,909	\$ 1.47	\$ 111,319	173,623,630	\$ 0.64
Effect of dilutive securities:						
Stock options and awards	—	181,917		—	516,997	
Diluted:						
Net income	\$ 234,956	159,506,826	\$ 1.47	\$ 111,319	174,140,627	\$ 0.64
	Six months ended June 30,					
	2019			2018		
	Income	Shares	Per Share	Income	Shares	Per Share
	(In thousands, except share data)					
Basic:						
Net income	\$ 297,198	161,064,787	\$ 1.85	\$ 201,409	177,158,230	\$ 1.14
Effect of dilutive securities:						
Stock options and awards	—	525,300		—	579,052	
Diluted:						
Net income	\$ 297,198	161,590,087	\$ 1.84	\$ 201,409	177,737,282	\$ 1.13

7. COMMITMENTS AND CONTINGENCIES

Firm Transportation and Sales Commitments

The table below presents the firm sales commitments by year:

	(MMBtu per day)
Remaining 2019	493,000
2020	276,000
2021	179,000
2022	70,000
2023	42,000
Thereafter	25,000
Total	1,085,000

The table below presents the firm transportation commitments by year:

	(In thousands)
Remaining 2019	\$ 122,128
2020	273,973
2021	273,011
2022	273,011
2023	268,209
Thereafter	2,283,229
Total	\$ 3,493,561

Other Commitments

Effective October 1, 2014, the Company entered into a Sand Supply Agreement with Muskie Proppant LLC (“Muskie”), a subsidiary of Mammoth Energy and a related party. Pursuant to this agreement, as amended effective August 3, 2018, the Company has agreed to purchase annual and monthly amounts of proppant sand subject to exceptions specified in the agreement at agreed pricing plus agreed costs and expenses through 2021. Failure by either Muskie or the Company to deliver or accept the minimum monthly amount results in damages calculated per ton based on the difference between the monthly obligation amount and the amount actually delivered or accepted, as applicable. The Company did not incur any non-utilization fees under this agreement during the three months ended June 30, 2019 and incurred \$0.3 million of such fees during the six months ended June 30, 2019. The Company did not incur any non-utilization fees during the three months ended June 30, 2018 and incurred \$0.9 million of such fees during the six months ended June 30, 2018.

Future minimum commitments under this agreement at June 30, 2019 are:

	(In thousands)
Remaining 2019	\$ 12,000
2020	24,000
2021	24,000
Total	\$ 60,000

Litigation and Regulatory Proceedings

The Company is involved in a number of litigation and regulatory proceedings including those described below. Many of these proceedings are in early stages, and many of them seek or may seek damages and penalties, the amount of which is

indeterminate. The Company's total accrued liabilities in respect of litigation and regulatory proceedings is determined on a case-by-case basis and represents an estimate of probable losses after considering, among other factors, the progress of each case or proceeding, its experience and the experience of others in similar cases or proceedings, and the opinions and views of legal counsel. Significant judgment is required in making these estimates and their final liabilities may ultimately be materially different.

The Company, along with a number of other oil and gas companies, has been named as a defendant in two separate complaints, one filed by the State of Louisiana and the Parish of Cameron in the 38th Judicial District Court for the Parish of Cameron on February 9, 2016 and the other filed by the State of Louisiana and the District Attorney for the 15th Judicial District of the State of Louisiana in the 15th Judicial District Court for the Parish of Vermilion on July 29, 2016 (together, the "Complaints"). The Complaints allege that certain of the defendants' operations violated the State and Local Coastal Resources Management Act of 1978, as amended, and the rules, regulations, orders and ordinances adopted thereunder (the "CZM Laws") by causing substantial damage to land and waterbodies located in the coastal zone of the relevant Parish. The plaintiffs seek damages and other appropriate relief under the CZM Laws, including the payment of costs necessary to clear, re-vegetate, detoxify and otherwise restore the affected coastal zone of the relevant Parish to its original condition, actual restoration of such coastal zone to its original condition, and the payment of reasonable attorney fees and legal expenses and interest. The cases have been removed to the United States District Court for the Western District of Louisiana, and motions to remand are pending.

The cases are still in their early stages and the parties have conducted very little discovery. As a result, the Company has not had the opportunity to evaluate the applicability of the allegations made in plaintiffs' complaints to the Company's operations and management cannot determine the amount of loss, if any, that may result.

SEC Investigation

The SEC has commenced an investigation with respect to certain actions by former Company management, including alleged improper personal use of Company assets, and potential violations by former management and the Company of the Sarbanes-Oxley Act of 2002 in connection with such actions. The Company has fully cooperated and intends to continue to cooperate fully with the SEC's investigation. Although it is not possible to predict the ultimate resolution or financial liability with respect to this matter, the Company believes that the outcome of this matter will not have a material effect on the Company's business, financial condition or results of operations.

Business Operations

The Company is involved in various lawsuits and disputes incidental to its business operations, including commercial disputes, personal injury claims, royalty claims, property damage claims and contract actions.

Environmental Contingencies

The nature of the oil and gas business carries with it certain environmental risks for Gulfport and its subsidiaries. They have implemented various policies, programs, procedures, training and audits to reduce and mitigate such environmental risks. They conduct periodic reviews, on a company-wide basis, to assess changes in their environmental risk profile. Environmental reserves are established for environmental liabilities for which economic losses are probable and reasonably estimable. The Company manages its exposure to environmental liabilities in acquisitions by using an evaluation process that seeks to identify pre-existing contamination or compliance concerns and address the potential liability. Depending on the extent of an identified environmental concern, they may, among other things, exclude a property from the transaction, require the seller to remediate the property to their satisfaction in an acquisition or agree to assume liability for the remediation of the property.

The Company received several Finding of Violation ("FOVs") from the United States Environmental Protection Agency ("USEPA") alleging violations of the Clean Air Act at approximately 12 locations in Ohio. The first FOV for one site was dated December 11, 2013. Two subsequent FOVs incorporated and expanded the scope on January 4, 2017 and April 15, 2019. The Company has exchanged information with the USEPA and is engaged in discussions aimed at resolving the allegations. Resolution of the matter may result in monetary sanctions of more than \$100,000.

Other Matters

Based on management's current assessment, they are of the opinion that no pending or threatened lawsuit or dispute relating to its business operations is likely to have a material adverse effect on their future consolidated financial position.

results of operations or cash flows. The final resolution of such matters could exceed amounts accrued, however, and actual results could differ materially from management's estimates.

8. DERIVATIVE INSTRUMENTS

Natural Gas, Oil and Natural Gas Liquids Derivative Instruments

The Company seeks to reduce its exposure to unfavorable changes in natural gas, oil and natural gas liquids ("NGLs") prices, which are subject to significant and often volatile fluctuation, by entering into over-the-counter fixed price swaps, basis swaps and various types of option contracts. These contracts allow the Company to predict with greater certainty the effective natural gas, oil and NGLs prices to be received for hedged production and benefit operating cash flows and earnings when market prices are less than the fixed prices provided in the contracts. However, the Company will not benefit from market prices that are higher than the fixed prices in the contracts for hedged production.

Fixed price swaps are settled monthly based on differences between the fixed price specified in the contract and the referenced settlement price. When the referenced settlement price is less than the price specified in the contract, the Company receives an amount from the counterparty based on the price difference multiplied by the volume. Similarly, when the referenced settlement price exceeds the price specified in the contract, the Company pays the counterparty an amount based on the price difference multiplied by the volume. The prices contained in these fixed price swaps are based on the NYMEX Henry Hub for natural gas, the NYMEX West Texas Intermediate for oil and Mont Belvieu for propane, pentane and ethane. Below is a summary of the Company's open fixed price swap positions as of June 30, 2019.

	Location	Daily Volume (MMBtu/day)		Weighted Average Price
Remaining 2019	NYMEX Henry Hub	1,380,000	\$	2.81
2020	NYMEX Henry Hub	204,000	\$	2.77

	Location	Daily Volume (Bbls/day)		Weighted Average Price
Remaining 2019	NYMEX WTI	6,000	\$	60.81
2020	NYMEX WTI	6,000	\$	59.82

	Location	Daily Volume (Bbls/day)		Weighted Average Price
Remaining 2019	Mont Belvieu C2	1,000	\$	18.48
Remaining 2019	Mont Belvieu C3	4,000	\$	29.02
Remaining 2019	Mont Belvieu C5	1,000	\$	53.71

The Company sold call options and used the associated premiums to enhance the fixed price for a portion of the fixed price natural gas swaps listed above. Each short call option has an established ceiling price. When the referenced settlement price is above the price ceiling established by these short call options, the Company pays its counterparty an amount equal to the difference between the referenced settlement price and the price ceiling multiplied by the hedged contract volumes.

	Location	Daily Volume (MMBtu/day)		Weighted Average Price
Remaining 2019	NYMEX Henry Hub	30,000	\$	3.10

For a portion of the natural gas fixed price swaps listed above, the counterparty had the option to extend the original terms for an additional twelve months for the period of January 2019 through December 2019. In December 2018, the counterparties chose to exercise all natural gas fixed price swaps, resulting in an additional 100,000 MMBtu per day at a weighted average price of \$3.05 per MMBtu, which is included in the natural gas fixed price swaps listed above.

In addition, the Company entered into natural gas basis swap positions. As of June 30, 2019, the Company had the following natural gas basis swap positions open:

	Gulfport Pays	Gulfport Receives	Daily Volume (MMBtu/day)	Weighted Average Fixed Spread
Remaining 2019	Transco Zone 4	NYMEX Plus Fixed Spread	60,000	\$ (0.05)
2020	Transco Zone 4	NYMEX Plus Fixed Spread	60,000	\$ (0.05)
2020	Fixed Spread	ONEOK Minus NYMEX	10,000	\$ (0.54)

Balance Sheet Presentation

The Company reports the fair value of derivative instruments on the consolidated balance sheets as derivative instruments under current assets, noncurrent assets, current liabilities and noncurrent liabilities on a gross basis. The Company determines the current and noncurrent classification based on the timing of expected future cash flows of individual trades. The following table presents the fair value of the Company's derivative instruments on a gross basis at June 30, 2019 and December 31, 2018:

	June 30, 2019		December 31, 2018	
	(In thousands)			
Short-term derivative instruments - asset	\$	134,920	\$	21,352
Long-term derivative instruments - asset	\$	5,036	\$	—
Short-term derivative instruments - liability	\$	198	\$	20,401
Long-term derivative instruments - liability	\$	210	\$	13,992

Gains and Losses

The following table presents the gain and loss recognized in net gain (loss) on natural gas, oil and NGL derivatives in the accompanying consolidated statements of operations for the three and six months ended June 30, 2019 and 2018.

	Net gain (loss) on derivative instruments							
	Three months ended June 30,		Six months ended June 30,					
	2019	2018	2019	2018				
	(In thousands)							
Natural gas derivatives	\$	152,475	\$	(31,194)	\$	136,044	\$	(40,890)
Oil derivatives		11,871		(24,419)		11,417		(33,566)
NGL derivatives		6,794		(14,932)		3,634		(12,618)
Total	\$	171,140	\$	(70,545)	\$	151,095	\$	(87,074)

Offsetting of Derivative Assets and Liabilities

As noted above, the Company records the fair value of derivative instruments on a gross basis. The following table presents the gross amounts of recognized derivative assets and liabilities in the consolidated balance sheets and the amounts that are subject to offsetting under master netting arrangements with counterparties, all at fair value.

	As of June 30, 2019					
	Gross Assets (Liabilities) Presented in the Consolidated Balance Sheets		Gross Amounts Subject to Master Netting Agreements		Net Amount	
	(In thousands)					
Derivative assets	\$	139,956	\$	(408)	\$	139,548
Derivative liabilities	\$	(408)	\$	408	\$	—

As of December 31, 2018

	Gross Assets (Liabilities)		Gross Amounts		Net Amount
	Presented in the Consolidated Balance Sheets		Subject to Master Netting Agreements		
(In thousands)					
Derivative assets	\$	21,352	\$	(19,289)	\$ 2,063
Derivative liabilities	\$	(34,393)	\$	19,289	\$ (15,104)

Concentration of Credit Risk

By using derivative instruments that are not traded on an exchange, the Company is exposed to the credit risk of its counterparties. Credit risk is the risk of loss from counterparties not performing under the terms of the derivative instrument. When the fair value of a derivative instrument is positive, the counterparty is expected to owe the Company, which creates credit risk. To minimize the credit risk in 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 and competitive market makers. The Company's derivative contracts are with multiple counterparties to lessen its exposure to any individual counterparty. Additionally, the Company uses master netting agreements to minimize credit risk exposure. The creditworthiness of the Company's counterparties is subject to periodic review. None of the Company's derivative instrument contracts contain credit-risk related contingent features. Other than as provided by the Company's revolving credit facility, the Company is not required to provide credit support or collateral to any of its counterparties under its derivative instruments, nor are the counterparties required to provide credit support to the Company.

9. FAIR VALUE MEASUREMENTS

The Company records certain financial and non-financial assets and liabilities on the balance sheet at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants at the measurement date. Market or observable inputs are the preferred sources of values, followed by assumptions based on hypothetical transactions in the absence of market inputs. Fair value measurements are classified and disclosed in one of the following categories:

Level 1 – Quoted prices in active markets for identical assets and liabilities.

Level 2 – Quoted prices in active markets for similar assets and liabilities, quoted prices for identical or similar instruments in markets that are not active and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 – Significant inputs to the valuation model are unobservable.

Valuation techniques that maximize the use of observable inputs are favored. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement of assets and liabilities within the levels of the fair value hierarchy. Reclassifications of fair value between Level 1, Level 2 and Level 3 of the fair value hierarchy, if applicable, are made at the end of each quarter.

The following tables summarize the Company's financial and non-financial assets and liabilities by valuation level as of June 30, 2019 and December 31, 2018:

	June 30, 2019		
	Level 1	Level 2	Level 3
(In thousands)			
Assets:			
Derivative Instruments	\$ —	\$ 139,956	\$ —
Liabilities:			
Derivative Instruments	\$ —	\$ 408	\$ —

	December 31, 2018					
	Level 1		Level 2		Level 3	
	(In thousands)					
Assets:						
Derivative Instruments	\$	—	\$	21,352	\$	—
Liabilities:						
Derivative Instruments	\$	—	\$	34,393	\$	—

The Company estimates the fair value of all derivative instruments using industry-standard models that consider various assumptions, including current market and contractual prices for the underlying instruments, implied volatility, 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 instrument and can be supported by observable data.

The estimated fair values of proved oil and natural gas properties assumed in business combinations are based on a discounted cash flow model and market assumptions as to future commodity prices, projections of estimated quantities of oil and natural gas reserves, expectations for timing and amount of future development and operating costs, projections of future rates of production, expected recovery rates and risk-adjusted discount rates. The estimated fair values of unevaluated oil and natural gas properties was based on geological studies, historical well performance, location and applicable mineral lease terms. Based on the unobservable nature of certain of the inputs, the estimated fair value of the oil and gas properties assumed is deemed to use Level 3 inputs. The asset retirement obligations assumed as part of the business combination were estimated using the same assumptions and methodology as described below.

The fair value of the Company's investment in Mammoth Energy as of June 30, 2019 was estimated using Level 1 inputs, as the price per share was a quoted price in an active market for identical Mammoth Energy common shares.

The initial measurement of asset retirement obligations at fair value is calculated using discounted cash flow techniques and based on internal estimates of future retirement costs associated with oil and gas properties. Given the unobservable nature of the inputs, including plugging costs and reserve lives, the initial measurement of the asset retirement obligation liability is deemed to use Level 3 inputs. See Note 1 for further discussion of the Company's asset retirement obligations. Asset retirement obligations incurred during the six months ended June 30, 2019 were approximately \$5.2 million.

10. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts on the accompanying consolidated balance sheet for cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and current debt are carried at cost, which approximates market value due to their short-term nature. Long-term debt related to the Company's construction loan is carried at cost, which approximates market value based on the borrowing rates currently available to the Company with similar terms and maturities.

At June 30, 2019, the carrying value of the outstanding debt represented by the Notes was approximately \$2.0 billion, including the unamortized debt issuance cost of approximately \$4.0 million related to the 2023 Notes, approximately \$8.1 million related to the 2024 Notes, approximately \$11.7 million related to the 2025 Notes and approximately \$4.7 million related to the 2026 Notes. Based on the quoted market price, the fair value of the Notes was determined to be approximately \$1.6 billion at June 30, 2019.

11. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue Recognition

The Company's revenues are primarily derived from the sale of natural gas, oil and condensate and NGLs. Sales of natural gas, oil and condensate and NGLs are recognized in the period that the performance obligations are satisfied. The Company generally considers the delivery of each unit (MMBtu or Bbl) to be separately identifiable and represents a distinct performance obligation that is satisfied at the time control of the product is transferred to the customer. Revenue is measured based on consideration specified in the contract with the customer, and excludes any amounts collected on behalf of third parties. These contracts typically include variable consideration that is based on pricing tied to market indices and volumes delivered in the current month. As such, this market pricing may be constrained (i.e., not estimable) at the inception of the contract but will be recognized based on the applicable market pricing, which will be known upon transfer of the goods to the customer. The

payment date is usually within 30 days of the end of the calendar month in which the commodity is delivered. A significant number of the Company's product sales are short-term in nature generally through evergreen contracts with contract terms of one year or less, and the Company's product sales that have a contractual term greater than one year have no long-term fixed consideration.

Contract Balances

Receivables from contracts with customers are recorded when the right to consideration becomes unconditional, generally when control of the product has been transferred to the customer. Receivables from contracts with customers were \$131.7 million and \$210.2 million as of June 30, 2019 and December 31, 2018, respectively, and are reported in accounts receivable - oil and natural gas sales on the consolidated balance sheet. The Company currently has no assets or liabilities related to its revenue contracts, including no upfront or rights to deficiency payments.

Prior-Period Performance Obligations

The Company records revenue in the month production is delivered to the purchaser. However, settlement statements for certain sales may be received for 30 to 90 days after the date production is delivered, and as a result, the Company is required to estimate the amount of production that was delivered to the purchaser and the price that will be received for the sale of the product. The differences between the estimates and the actual amounts for product sales is recorded in the month that payment is received from the purchaser. For the six months ended June 30, 2019, revenue recognized in the reporting period related to performance obligations satisfied in prior reporting periods was not material.

12. LEASES

Effective January 1, 2019, the Company adopted Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*. The new standard supersedes the previous lease guidance by requiring lessees to recognize a right-of-use asset and lease liability on the balance sheet for all leases with lease terms of greater than one year while maintaining substantially similar classifications for financing and operating leases. The Company adopted the new standard on a prospective basis using the simplified transition method permitted by ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*. Offsetting right-of-use assets and corresponding lease liabilities recognized by the Company on the adoption date totaled approximately \$110 million, representing minimum payment obligations associated with identified leases with contractual durations exceeding one year. No cumulative-effect adjustment to retained earnings was required upon adoption of the new standard. The Company elected the package of practical expedients permitted under the new standard, which among other things, allows for lease and non-lease components in a contract to be accounted for as a single lease component for all asset classes and the carry forward of historical lease classifications.

Nature of Leases

The Company has operating leases associated with drilling rig commitments, pressure pumping services, field offices and other equipment with remaining lease terms with contractual durations in excess of one year. Short-term leases that have an initial term of one year or less are not capitalized.

The Company has entered into contracts for drilling rigs with third parties to ensure rig availability in its key operating areas. The Company has concluded its drilling rig contracts are operating leases as the assets are identifiable and the evaluation that the Company has the right to control the identified assets. The Company's drilling rig commitments are typically structured with an initial term of one to two years and expire at various dates through 2021. These agreements typically include renewal options at the end of the initial term. Due to the nature of the Company's drilling schedules and potential volatility in commodity prices, the Company is unable to determine at commencement with reasonable certainty if the renewal options will be exercised; therefore, renewal options are not considered in the lease term for drilling contracts. The operating lease liabilities associated with these rig commitments are based on the minimum contractual obligations, primarily standby rates, and do not include variable amounts based on actual activity in a given period. Pursuant to the full cost method of accounting, these costs are capitalized as part of oil and natural gas properties on the accompanying consolidated balance sheets. A portion of these costs are borne by other interest owners.

Effective October 1, 2014, the Company entered into an Amended and Restated Master Services Agreement for pressure pumping services with Stingray Pressure Pumping LLC (“Stingray Pressure”), a subsidiary of Mammoth Energy and a related party. Pursuant to this agreement, as amended effective July 1, 2018, Stingray Pressure has agreed to provide hydraulic fracturing, stimulation and related completion and rework services to the Company through 2021 and the Company has agreed to pay Stingray Pressure a monthly service fee plus the associated costs of the services provided. The Company has the right to suspend services of one crew and only one crew at any point in time without payment, fee or other obligation associated with the suspended crew, given appropriate notification of suspension. The Company has determined that the agreement with Stingray Pressure is an operating lease due to the implicit identification of assets and the evaluation that the Company has the right to control the identified assets. The operating lease liability associated with this agreement is based on the minimum contractual obligations, which is the monthly service fee for one crew, and does not include variable amounts based on actual activity in a given period. Pursuant to the full cost method of accounting, these costs are capitalized as part of oil and natural gas properties on the accompanying consolidated balance sheets. A portion of these costs are borne by other interest owners.

The Company rents office space for its field locations and certain other equipment from third parties, which expire at various dates through 2024. These agreements are typically structured with non-cancelable terms of one to five years. The Company has determined these agreements represent operating leases with a lease term that equals the primary non-cancelable contract term. The Company has included any renewal options that it has determined are reasonably certain of exercise in the determination of the lease terms.

Discount Rate

As most of the Company's leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Company's incremental borrowing rate reflects the estimated rate of interest that it would pay to borrow on a collateralized basis over a similar term an amount equal to the lease payments in a similar economic environment.

Maturities of operating lease liabilities as of June 30, 2019 were as follows:

	(In thousands)	
Remaining 2019	\$	25,243
2020		27,481
2021		22,731
2022		115
2023		90
Thereafter		30
Total lease payments	\$	75,690
Less: Imputed interest		(2,777)
Total	\$	72,913

Lease cost for the six months ended June 30, 2019 consisted of the following:

	(In thousands)	
Operating lease cost	\$	16,284
Operating lease cost - related party		11,220
Variable lease cost		960
Variable lease cost - related party		59,611
Short-term lease cost		183
Total lease cost ⁽¹⁾	\$	88,258

(1) The majority of the Company's total lease cost was capitalized to the full cost pool, and the remainder was included in general and administrative expenses in the accompanying consolidated statement of operations.

Supplemental cash flow information for the six months ended June 30, 2019 related to leases was as follows:

Cash paid for amounts included in the measurement of lease liabilities	(In thousands)	
Operating cash flows from operating leases	\$	120
Investing cash flow from operating leases	\$	12,288
Investing cash flow from operating leases - related party	\$	43,925

The weighted-average remaining lease term as of June 30, 2019 was 1.86 years. The weighted-average discount rate used to determine the operating lease liability as of June 30, 2019 was 3.78%.

13. INCOME TAXES

The Company records its quarterly tax provision based on an estimate of the annual effective tax rate expected to apply to continuing operations for the various jurisdictions in which it operates. The tax effects of certain items, such as tax rate changes, significant unusual or infrequent items, and certain changes in the assessment of the realizability of deferred taxes, are recognized as discrete items in the period in which they occur and are excluded from the estimated annual effective tax rate.

The Company's ability to utilize NOL carryforwards and other tax attributes to reduce future federal taxable income is subject to potential limitations under Internal Revenue Code Section 382 ("Section 382") and its related tax regulations. The utilization of these attributes may be limited if certain ownership changes by 5% stockholders (as defined in Treasury regulations pursuant to Section 382) and the effects of stock issuances by the Company during any three-year period result in a cumulative change of more than 50% in the beneficial ownership of Gulfport. The Company updates its Section 382 analysis to determine if an ownership change has occurred at each reporting period. If it is determined that an ownership change has occurred under these rules, the Company would generally be subject to an annual limitation on the use of pre-ownership change NOL carryforwards and certain other losses and/or credits. In addition, certain future transactions regarding the Company's equity, including the cumulative effects of small transactions as well as transactions beyond the Company's control, could cause an ownership change and therefore a potential limitation on the annual utilization of its deferred tax assets.

For the three and six months ended June 30, 2019, the Company's estimated annual effective tax rates were approximately (322.5)% and (152.2)%, respectively. The change is primarily due to the release of the valuation allowance that was previously recorded against deferred tax assets of \$179.3 million as a discrete adjustment in the quarter. The Company considered the release of the valuation allowance resulting from current period earnings in the estimated annual effective tax rate and recognized the tax benefit associated with future earnings as a discrete item.

For the three month period ended March 31, 2019, the Company maintained a full valuation allowance against its deferred tax assets based on its conclusion, considering all available evidence (both positive and negative), that it was more likely than not that the deferred tax assets would not be realized. A valuation allowance for deferred tax assets, including net operating losses, is recognized when it is more likely than not that some or all of the benefit from the deferred tax assets will not be realized. To assess that likelihood, the Company uses estimates and judgment regarding future taxable income, and considers the tax laws in the jurisdiction where such taxable income is generated, to determine whether a valuation allowance is required. Such evidence can include current financial position, results of operations, both actual and forecasted, the reversal of deferred tax liabilities and tax planning strategies as well as the current and forecasted business economics of the oil and gas industry.

As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. As of June 30, 2019, in part because in the current year the Company achieved more than three years of cumulative pretax income in the U.S. federal tax jurisdiction and the Company determined that an ownership change under Internal Revenue Code Section 382 did not occur that would further limit its ability to utilize net operating loss carryforwards, management determined that there was sufficient positive evidence to conclude that it is more likely than not that additional deferred taxes of \$207.2 million are realizable. The Company will recognize \$27.7 million of valuation allowance release as part of its estimated annualized effective tax rate and \$179.3 million as a discrete adjustment during the six month period ending June 30, 2019. It therefore reduced the valuation allowance accordingly. The Company maintained a valuation allowance of \$4.8 million related to foreign tax credits, general business credits and net operating losses in jurisdictions for which it has determined that it is more likely than not that deferred tax assets would not be realized.

14. CONDENSED CONSOLIDATING FINANCIAL INFORMATION

The 2023 Notes, the 2024 Notes, the 2025 Notes and the 2026 Notes are guaranteed on a senior unsecured basis by all existing consolidated subsidiaries that guarantee the Company's secured revolving credit facility or certain other debt (the "Guarantors"). The Notes are not guaranteed by Grizzly Holdings or Mule Sky LLC ("Mule Sky") (the "Non-Guarantors"). The Guarantors are 100% owned by Gulfport (the "Parent"), and the guarantees are full, unconditional, joint and several. There are no significant restrictions on the ability of the Parent or the Guarantors to obtain funds from each other in the form of a dividend or loan. Effective June 1, 2019, the Parent contributed interests in certain oil and gas assets and related liabilities to certain of the Guarantors.

The following condensed consolidating balance sheets, statements of operations, statements of comprehensive income and statements of cash flows are provided for the Parent, the Guarantors and the Non-Guarantors and include the consolidating adjustments and eliminations necessary to arrive at the information for the Company on a condensed consolidated basis. The information has been presented using the equity method of accounting for the Parent's ownership of the Guarantors and the Non-Guarantors.

CONDENSED CONSOLIDATING BALANCE SHEETS
(Amounts in thousands)

	June 30, 2019				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	\$ 10,940	\$ 9,799	\$ 38	\$ —	\$ 20,777
Accounts receivable - oil and natural gas sales	4,116	127,559	—	—	131,675
Accounts receivable - joint interest and other	9,043	37,602	—	—	46,645
Accounts receivable - intercompany	819,584	433,776	—	(1,253,360)	—
Prepaid expenses and other current assets	5,948	3,451	75	—	9,474
Short-term derivative instruments	134,920	—	—	—	134,920
Total current assets	984,551	612,187	113	(1,253,360)	343,491
Property and equipment:					
Oil and natural gas properties, full-cost accounting	1,352,894	9,158,193	69	(729)	10,510,427
Other property and equipment	92,343	751	3,319	—	96,413
Accumulated depletion, depreciation, amortization and impairment	(1,414,011)	(3,468,663)	(55)	—	(4,882,729)
Property and equipment, net	31,226	5,690,281	3,333	(729)	5,724,111
Other assets:					
Equity investments and investments in subsidiaries	5,171,925	—	51,607	(5,104,225)	119,307
Long-term derivative instruments	5,036	—	—	—	5,036
Deferred tax asset	179,331	—	—	—	179,331
Inventories	188	8,813	—	—	9,001
Operating lease assets	19,334	—	—	—	19,334
Operating lease assets - related parties	53,579	—	—	—	53,579
Other assets	11,682	598	—	—	12,280
Total other assets	5,441,075	9,411	51,607	(5,104,225)	397,868
Total assets	\$ 6,456,852	\$ 6,311,879	\$ 55,053	\$ (6,358,314)	\$ 6,465,470
Liabilities and Stockholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 74,597	\$ 419,190	\$ 43	\$ —	\$ 493,830
Accounts payable - intercompany	469,071	780,600	3,689	(1,253,360)	—
Short-term derivative instruments	198	—	—	—	198
Current portion of operating lease liabilities	17,999	—	—	—	17,999
Current portion of operating lease liabilities - related parties	20,817	—	—	—	20,817
Current maturities of long-term debt	615	—	—	—	615
Total current liabilities	583,297	1,199,790	3,732	(1,253,360)	533,459
Long-term derivative instruments	210	—	—	—	210
Asset retirement obligation - long-term	30,035	58,456	—	—	88,491
Deferred tax liability	3,127	—	—	—	3,127
Non-current operating lease liabilities	1,335	—	—	—	1,335
Non-current operating lease liabilities - related parties	32,762	—	—	—	32,762
Long-term debt, net of current maturities	2,198,678	—	—	—	2,198,678
Total liabilities	2,849,444	1,258,246	3,732	(1,253,360)	2,858,062
Stockholders' equity:					
Common stock	1,594	—	—	—	1,594
Paid-in capital	4,202,599	4,170,574	262,059	(4,432,633)	4,202,599
Accumulated other comprehensive loss	(48,615)	—	(46,527)	46,527	(48,615)
(Accumulated deficit) retained earnings	(548,170)	883,059	(164,211)	(718,848)	(548,170)
Total stockholders' equity	3,607,408	5,053,633	51,321	(5,104,954)	3,607,408
Total liabilities and stockholders' equity	\$ 6,456,852	\$ 6,311,879	\$ 55,053	\$ (6,358,314)	\$ 6,465,470

CONDENSED CONSOLIDATING BALANCE SHEETS
(Amounts in thousands)

	December 31, 2018				
	Parent	Guarantors	Non-Guarantor	Eliminations	Consolidated
Assets					
Current assets:					
Cash and cash equivalents	\$ 25,585	\$ 26,711	\$ 1	\$ —	\$ 52,297
Accounts receivable - oil and natural gas sales	146,075	64,125	—	—	210,200
Accounts receivable - joint interest and other	16,212	6,285	—	—	22,497
Accounts receivable - intercompany	671,633	319,464	—	(991,097)	—
Prepaid expenses and other current assets	8,433	2,174	—	—	10,607
Short-term derivative instruments	21,352	—	—	—	21,352
Total current assets	889,290	418,759	1	(991,097)	316,953
Property and equipment:					
Oil and natural gas properties, full-cost accounting,	7,044,550	2,983,015	—	(729)	10,026,836
Other property and equipment	91,916	751	—	—	92,667
Accumulated depletion, depreciation, amortization and impairment	(4,640,059)	(39)	—	—	(4,640,098)
Property and equipment, net	2,496,407	2,983,727	—	(729)	5,479,405
Other assets:					
Equity investments and investments in subsidiaries	2,856,988	—	44,259	(2,665,126)	236,121
Inventories	3,620	1,134	—	—	4,754
Other assets	12,624	1,178	—	1	13,803
Total other assets	2,873,232	2,312	44,259	(2,665,125)	254,678
Total assets	\$ 6,258,929	\$ 3,404,798	\$ 44,260	\$ (3,656,951)	\$ 6,051,036
Liabilities and Stockholders' Equity					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 419,107	\$ 99,273	\$ —	\$ —	\$ 518,380
Accounts payable - intercompany	320,259	670,708	130	(991,097)	—
Short-term derivative instruments	20,401	—	—	—	20,401
Current maturities of long-term debt	651	—	—	—	651
Total current liabilities	760,418	769,981	130	(991,097)	539,432
Long-term derivative instruments	13,992	—	—	—	13,992
Asset retirement obligation - long-term	66,859	13,093	—	—	79,952
Deferred tax liability	3,127	—	—	—	3,127
Long-term debt, net of current maturities	2,086,765	—	—	—	2,086,765
Total liabilities	2,931,161	783,074	130	(991,097)	2,723,268
Stockholders' equity:					
Common stock	1,630	—	—	—	1,630
Paid-in capital	4,227,532	1,915,598	261,626	(2,177,224)	4,227,532
Accumulated other comprehensive loss	(56,026)	—	(53,783)	53,783	(56,026)
(Accumulated deficit) retained earnings	(845,368)	706,126	(163,713)	(542,413)	(845,368)
Total stockholders' equity	3,327,768	2,621,724	44,130	(2,665,854)	3,327,768
Total liabilities and stockholders' equity	\$ 6,258,929	\$ 3,404,798	\$ 44,260	\$ (3,656,951)	\$ 6,051,036

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Amounts in thousands)

	Three months ended June 30, 2019				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Total revenues	\$ 280,291	\$ 178,703	\$ —	\$ —	\$ 458,994
Costs and expenses:					
Lease operating expenses	12,256	10,132	—	—	22,388
Production taxes	2,820	5,278	—	—	8,098
Midstream gathering and processing expenses	28,121	43,894	—	—	72,015
Depreciation, depletion and amortization	80,132	44,764	55	—	124,951
General and administrative expenses	16,745	(3,583)	103	—	13,265
Accretion expense	438	921	—	—	1,359
	<u>140,512</u>	<u>101,406</u>	<u>158</u>	<u>—</u>	<u>242,076</u>
INCOME (LOSS) FROM OPERATIONS	<u>139,779</u>	<u>77,297</u>	<u>(158)</u>	<u>—</u>	<u>216,918</u>
OTHER EXPENSE (INCOME):					
Interest expense	35,835	(955)	—	—	34,880
Interest income	(120)	(39)	—	—	(159)
Insurance proceeds	(83)	—	—	—	(83)
Loss (income) from equity method investments and investments in subsidiaries	47,449	—	(54)	78,187	125,582
Other expense	1,073	—	—	—	1,073
	<u>84,154</u>	<u>(994)</u>	<u>(54)</u>	<u>78,187</u>	<u>161,293</u>
INCOME (LOSS) BEFORE INCOME TAXES	55,625	78,291	(104)	(78,187)	55,625
INCOME TAX BENEFIT	(179,331)	—	—	—	(179,331)
NET INCOME (LOSS)	<u>\$ 234,956</u>	<u>\$ 78,291</u>	<u>\$ (104)</u>	<u>\$ (78,187)</u>	<u>\$ 234,956</u>

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Amounts in thousands)

	Three months ended June 30, 2018				
	Parent	Guarantors	Non-Guarantor	Eliminations	Consolidated
Total revenues	\$ 146,774	\$ 105,966	\$ —	\$ —	\$ 252,740
Costs and expenses:					
Lease operating expenses	16,593	6,319	—	—	22,912
Production taxes	4,793	2,866	—	—	7,659
Midstream gathering and processing expenses	52,542	18,898	—	—	71,440
Depreciation, depletion and amortization	121,915	—	—	—	121,915
General and administrative expenses	14,975	(968)	1	—	14,008
Accretion expense	795	220	—	—	1,015
	<u>211,613</u>	<u>27,335</u>	<u>1</u>	<u>—</u>	<u>238,949</u>
(LOSS) INCOME FROM OPERATIONS	<u>(64,839)</u>	<u>78,631</u>	<u>(1)</u>	<u>—</u>	<u>13,791</u>
OTHER (INCOME) EXPENSE:					
Interest expense	34,663	(959)	—	—	33,704
Interest income	(27)	(6)	—	—	(33)
Insurance proceeds	(231)	—	—	—	(231)
Gain on sale of equity method investments	(25,616)	(96,419)	—	—	(122,035)
(Income) loss from equity method investments and investments in subsidiaries	(183,901)	(336)	228	175,121	(8,888)
Other (income) expense	(1,046)	1	—	1,000	(45)
	<u>(176,158)</u>	<u>(97,719)</u>	<u>228</u>	<u>176,121</u>	<u>(97,528)</u>
INCOME (LOSS) BEFORE INCOME TAXES	<u>111,319</u>	<u>176,350</u>	<u>(229)</u>	<u>(176,121)</u>	<u>111,319</u>
INCOME TAX BENEFIT	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
NET INCOME (LOSS)	<u>\$ 111,319</u>	<u>\$ 176,350</u>	<u>\$ (229)</u>	<u>\$ (176,121)</u>	<u>\$ 111,319</u>

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Amounts in thousands)

	Six months ended June 30, 2019				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Total revenues	\$ 466,537	\$ 313,035	\$ —	\$ —	\$ 779,572
Costs and expenses:					
Lease operating expenses	27,149	15,046	—	—	42,195
Production taxes	6,081	9,938	—	—	16,019
Midstream gathering and processing expenses	71,420	70,877	—	—	142,297
Depreciation, depletion, and amortization	198,564	44,765	55	—	243,384
General and administrative expenses	28,977	(4,258)	104	—	24,823
Accretion expense	1,389	1,037	—	—	2,426
	<u>333,580</u>	<u>137,405</u>	<u>159</u>	<u>—</u>	<u>471,144</u>
INCOME (LOSS) FROM OPERATIONS	<u>132,957</u>	<u>175,630</u>	<u>(159)</u>	<u>—</u>	<u>308,428</u>
OTHER EXPENSE (INCOME):					
Interest expense	70,259	(1,259)	—	—	69,000
Interest income	(267)	(44)	—	—	(311)
Insurance proceeds	(83)	—	—	—	(83)
(Income) loss from equity method investments and investments in subsidiaries	(55,465)	—	339	176,435	121,309
Other expense	646	—	—	—	646
	<u>15,090</u>	<u>(1,303)</u>	<u>339</u>	<u>176,435</u>	<u>190,561</u>
INCOME (LOSS) BEFORE INCOME TAXES	<u>117,867</u>	<u>176,933</u>	<u>(498)</u>	<u>(176,435)</u>	<u>117,867</u>
INCOME TAX BENEFIT	<u>(179,331)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(179,331)</u>
NET INCOME (LOSS)	<u>\$ 297,198</u>	<u>\$ 176,933</u>	<u>\$ (498)</u>	<u>\$ (176,435)</u>	<u>\$ 297,198</u>

CONDENSED CONSOLIDATING STATEMENTS OF OPERATIONS
(Amounts in thousands)

	Six months ended June 30, 2018				
	Parent	Guarantors	Non-Guarantor	Eliminations	Consolidated
Total revenues	\$ 360,335	\$ 217,797	\$ —	\$ —	\$ 578,132
Costs and expenses:					
Lease operating expenses	30,424	11,394	—	—	41,818
Production taxes	8,804	5,709	—	—	14,513
Midstream gathering and processing expenses	98,208	37,425	—	—	135,633
Depreciation, depletion, and amortization	232,932	1	—	—	232,933
General and administrative expenses	28,786	(1,681)	2	—	27,107
Accretion expense	1,585	434	—	—	2,019
	<u>400,739</u>	<u>53,282</u>	<u>2</u>	<u>—</u>	<u>454,023</u>
(LOSS) INCOME FROM OPERATIONS	<u>(40,404)</u>	<u>164,515</u>	<u>(2)</u>	<u>—</u>	<u>124,109</u>
OTHER (INCOME) EXPENSE:					
Interest expense	69,056	(1,387)	—	—	67,669
Interest income	(58)	(12)	—	—	(70)
Insurance proceeds	(231)	—	—	—	(231)
Gain on sale of equity method investments	(25,616)	(96,419)	—	—	(122,035)
(Income) loss from equity method investments and investments in subsidiaries	(283,765)	(693)	558	261,476	(22,424)
Other (income) expense	(1,130)	(10)	—	1,000	(140)
	<u>(241,744)</u>	<u>(98,521)</u>	<u>558</u>	<u>262,476</u>	<u>(77,231)</u>
INCOME (LOSS) BEFORE INCOME TAXES	201,340	263,036	(560)	(262,476)	201,340
INCOME TAX BENEFIT	(69)	—	—	—	(69)
NET INCOME (LOSS)	<u>\$ 201,409</u>	<u>\$ 263,036</u>	<u>\$ (560)</u>	<u>\$ (262,476)</u>	<u>\$ 201,409</u>

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Amounts in thousands)

	Three months ended June 30, 2019				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net income (loss)	\$ 234,956	\$ 78,291	\$ (104)	\$ (78,187)	\$ 234,956
Foreign currency translation adjustment	3,610	61	3,549	(3,610)	3,610
Other comprehensive income (loss)	3,610	61	3,549	(3,610)	3,610
Comprehensive income (loss)	<u>\$ 238,566</u>	<u>\$ 78,352</u>	<u>\$ 3,445</u>	<u>\$ (81,797)</u>	<u>\$ 238,566</u>

	Three months ended June 30, 2018				
	Parent	Guarantors	Non-Guarantor	Eliminations	Consolidated
Net income (loss)	\$ 111,319	\$ 176,350	\$ (229)	\$ (176,121)	\$ 111,319
Foreign currency translation adjustment	(3,364)	14	(3,378)	3,364	(3,364)
Other comprehensive (loss) income	(3,364)	14	(3,378)	3,364	(3,364)
Comprehensive income (loss)	<u>\$ 107,955</u>	<u>\$ 176,364</u>	<u>\$ (3,607)</u>	<u>\$ (172,757)</u>	<u>\$ 107,955</u>

	Six months ended June 30, 2019				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net income (loss)	\$ 297,198	\$ 176,933	\$ (498)	\$ (176,435)	\$ 297,198
Foreign currency translation adjustment	7,411	155	7,256	(7,411)	7,411
Other comprehensive income (loss)	7,411	155	7,256	(7,411)	7,411
Comprehensive income (loss)	<u>\$ 304,609</u>	<u>\$ 177,088</u>	<u>\$ 6,758</u>	<u>\$ (183,846)</u>	<u>\$ 304,609</u>

	Six months ended June 30, 2018				
	Parent	Guarantors	Non-Guarantor	Eliminations	Consolidated
Net income (loss)	\$ 201,409	\$ 263,036	\$ (560)	\$ (262,476)	\$ 201,409
Foreign currency translation adjustment	(8,867)	(173)	(8,694)	8,867	(8,867)
Other comprehensive (loss) income	(8,867)	(173)	(8,694)	8,867	(8,867)
Comprehensive income (loss)	<u>\$ 192,542</u>	<u>\$ 262,863</u>	<u>\$ (9,254)</u>	<u>\$ (253,609)</u>	<u>\$ 192,542</u>

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	Six months ended June 30, 2019				
	Parent	Guarantors	Non-Guarantors	Eliminations	Consolidated
Net cash provided by operating activities	\$ 230,776	\$ 74,857	\$ 3,355	\$ 1	\$ 308,989
Net cash (used in) provided by investing activities	(324,357)	(91,769)	(3,751)	432	(419,445)
Net cash provided by (used in) financing activities	78,936	—	433	(433)	78,936
Net (decrease) increase in cash, cash equivalents and restricted cash	(14,645)	(16,912)	37	—	(31,520)
Cash, cash equivalents and restricted cash at beginning of period	25,585	26,711	1	—	52,297
Cash, cash equivalents and restricted cash at end of period	\$ 10,940	\$ 9,799	\$ 38	\$ —	\$ 20,777

	Six months ended June 30, 2018				
	Parent	Guarantors	Non-Guarantor	Eliminations	Consolidated
Net cash provided by operating activities	\$ 370,965	\$ 40,078	\$ —	\$ 1	\$ 411,044
Net cash (used in) provided by investing activities	(327,362)	(33,103)	(1,569)	1,569	(360,465)
Net cash (used in) provided by financing activities	(30,906)	—	1,570	(1,570)	(30,906)
Net increase in cash, cash equivalents and restricted cash	12,697	6,975	1	—	19,673
Cash, cash equivalents and restricted cash at beginning of period	67,908	31,649	—	—	99,557
Cash, cash equivalents and restricted cash at end of period	\$ 80,605	\$ 38,624	\$ 1	\$ —	\$ 119,230

15. RECENT ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Accounting Standards Board ("FASB") issued ASU No.2016-02, *Leases (Topic 842)*. The standard supersedes the previous lease guidance by requiring lessees to recognize a right-to-use asset and lease liability on the balance sheet for all leases with lease terms of greater than one year while maintaining substantially similar classifications for financing and operating leases. Subsequent to ASU 2016-02, the FASB issued several related ASU's to clarify the application of the lease standard. The Company adopted the new standard as of January 1, 2019 on a prospective basis using the simplified transition method permitted by ASU 2018-11, *Leases (Topic 842): Targeted Improvements*. The comparative information has not been restated and continues to be reported under the historic accounting standards in effect for those periods. See Note 12 for further discussion of the lease standard.

In June 2016, the FASB issued ASU No.2016-13, *Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments*. This ASU amends guidance on reporting credit losses for assets held at amortized cost basis and available for sale debt securities. For assets held at amortized cost basis, this ASU eliminates the probable initial recognition threshold in current GAAP and instead, requires an entity to reflect its current estimate of all expected credit losses. The amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposure, reinsurance receivables and any other financial assets not excluded from the scope that have the contractual right to receive cash. Additionally, in May 2019, the FASB issued ASU No.2019-05, *Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief*. The amendments in this update allow preparers to irrevocably elect the fair value option, on an instrument-by-instrument basis, for eligible financial assets measured at amortized cost basis upon adoption of 2016-13. The guidance is effective for periods after December 15, 2019, with early adoption permitted. The Company is currently evaluating the impact this standard will have on its financial statements and related disclosures and does not anticipate it to have a material effect.

In February 2018, the FASB issued ASU No.2018-02, *Income statement - Reporting Comprehensive Income (Topic 220) - Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*, which allows a reclassification from accumulated other comprehensive income to retained earnings for standard tax effects resulting from the Tax Cuts and Jobs Act of 2017. The amendment will be effective for reporting periods beginning after December 15, 2018, and early adoption is permitted. The Company assessed the impact of the ASU on its consolidated financial statements and related disclosures, and determined there was no material impact.

In August 2018, the FASB issued ASU No.2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement* which removes, modifies, and adds certain disclosure requirements on fair value measurements. The amendment will be effective for reporting periods beginning after December 15, 2019, and early adoption is permitted. The Company is currently assessing the impact of the ASU on its consolidated financial statements and related disclosures.

In August 2018, the FASB also issued ASU No.2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*, which aligns the accounting for costs associated with implementing a cloud computing arrangement in a hosting arrangement that is a service contract with the accounting for implementation costs incurred to develop or obtain internal-use software. The amendment will be effective for reporting periods beginning after December 15, 2019, and early adoption is permitted. The Company is currently assessing the impact of the ASU on its consolidated financial statements and related disclosures.

In November 2018, the FASB also issued ASU No.2018-18, *Collaborative Arrangements (Topic 808): Clarifying the Interaction Between Topic 808 and Topic 606*, which provides guidance on how to assess whether certain transactions between participants in a collaborative arrangement should be accounted for within the ASU No. 2014-09 revenue recognition standard discussed above. The amendment will be effective for reporting periods beginning after December 15, 2019, and early adoption is permitted. The Company is currently assessing the impact of the ASU on its consolidated financial statements and related disclosures.

16. SUBSEQUENT EVENTS

Sale of Southern Louisiana Assets

In December of 2018, the Company entered into an agreement to sell its non-core assets located in the WCBB and Hackberry fields of Louisiana to an undisclosed third party for a purchase price of approximately \$19.7 million. The Company

received approximately \$9.2 million in cash and retained contingent overriding royalty interests. In addition, the Company could also receive contingent payments based on commodity prices exceeding certain thresholds over the next two years. The buyer has agreed to assume all plugging and abandonment liabilities associated with these assets. The effective date of the transaction is August 15, 2018. The sale closed on July 3, 2019, subject to customary post-closing terms and conditions.

Debt Repurchases

In July 2019, the Company used borrowings under its revolving credit facility to repurchase in the open market approximately \$104.4 million aggregate principal amount of its outstanding 2023 Notes, 2024 Notes, 2025 Notes and 2026 Notes for \$80.3 million.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section and audited consolidated financial statements and related notes included in our Annual Report on Form 10-K and with the unaudited consolidated financial statements and related notes thereto presented in this Quarterly Report on Form 10-Q.

Cautionary Note Regarding Forward-Looking Statements

This report includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended ("the Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("the Exchange Act"). When used in this Quarterly Report, 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.

All statements other than statements of historical facts included in this report that address activities, events or developments that we expect or anticipate will or may occur in the future, including such things as estimated future net revenues from oil and natural gas reserves and the present value thereof, future capital expenditures (including the amount and nature thereof), business strategy and measures to implement strategy, competitive strengths, goals, expansion and growth of our business and operations, plans, references to future success, references to intentions as to future matters and other such matters are forward-looking statements. These statements are based on certain assumptions and analysis made by us in light of our experience and our perception of historical trends, current conditions and expected future developments as well as other factors we believe are appropriate in the circumstances. However, whether actual results and developments will conform with our expectations and predictions is subject to a number of risks and uncertainties, including, general economic, market or business conditions; commodity prices; the opportunities (or lack thereof) that may be presented to and pursued by us; competitive actions by other oil and natural gas companies; adverse developments or losses from pending or future litigation and regulatory proceedings; our ability to identify, complete and integrate acquisitions of properties and businesses; changes in laws or regulations; adverse weather conditions and natural disasters such as hurricanes and other factors, including those listed under Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2018, this Quarterly Report on Form 10-Q and in our other filings with the SEC, many of which are beyond our control and may cause our actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Should one or more of the risks or uncertainties described in this Quarterly Report 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 Quarterly Report 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 Quarterly Report.

Investors should note that Gulfport announces financial information in SEC filings, press releases and public conference calls. Gulfport may use the Investors section of its website (www.gulfportenergy.com) to communicate with investors. It is possible that the financial and other information posted there could be deemed to be material information. The information on Gulfport's website is not part of this Quarterly Report on Form 10-Q.

Overview

We are an independent oil and natural gas exploration and production company focused on the exploration, exploitation, acquisition and production of natural gas, crude oil and natural gas liquids, or NGLs, in the United States. Our corporate strategy is to internally identify prospects, acquire lands encompassing those prospects and evaluate those prospects using subsurface geology and geophysical data and exploratory drilling. Using this strategy, we have developed an oil and natural gas portfolio of proved reserves, as well as development and exploratory drilling opportunities on high potential conventional and unconventional oil and natural gas prospects. Our principal properties are located in the Utica Shale primarily in Eastern Ohio and the SCOOP Woodford and SCOOP Springer plays in Oklahoma. In addition, among other interests, we hold an acreage

position in the Alberta oil sands in Canada through our interest in Grizzly Oil Sands ULC ("Grizzly"), and an approximate 21.8% equity interest in Mammoth Energy Services, Inc. ("Mammoth Energy"), an energy services company listed on the Nasdaq Global Select Market (TUSK). We seek to achieve reserve growth and increase our cash flow through our annual drilling programs.

2019 Operational and Other Highlights

- During the six months ended June 30, 2019, we spud 11 gross (9.4 net) wells in the Utica Shale and participated in three additional gross (0.8 net) wells that were drilled by other operators on our Utica Shale acreage. In addition, during the six months ended June 30, 2019, we spud seven gross (5.7 net) wells in the SCOOP and participated in an additional 28 gross (0.6 net) wells that were drilled by other operators on our SCOOP acreage. Of the 18 new wells we spud, at June 30, 2019, 16 were in various stages of completion and two were being drilled. In addition, 31 gross and net operated wells were turned-to-sales in our Utica Shale operating area and nine gross (8.7 net) operated wells were turned-to-sales in our SCOOP operating area during the six months ended June 30, 2019.
- For the six months ended June 30, 2019, we decreased our unit general and administrative expense by 9% to \$0.10 per Mcfe from \$0.11 per Mcfe for the six months ended June 30, 2018.
- In January 2019, our board of directors approved a new stock repurchase program to acquire up to \$400 million of our outstanding common stock within a 24 month period, which we believe underscores the confidence we have in our business model, financial performance and asset base. As of July 26, 2019, we have repurchased approximately 3.8 million shares of our outstanding common stock pursuant to the plan for total consideration of approximately \$30.0 million.
- In December of 2018, we entered into an agreement to sell our non-core assets located in the WCBB and Hackberry fields of Louisiana to an undisclosed third party for a purchase price of approximately \$19.7 million. We received approximately \$9.2 million in cash and retained contingent overriding royalty interests. In addition, we could also receive contingent payments based on commodity prices exceeding certain thresholds over the next two years. The buyer has agreed to assume all plugging and abandonment liabilities associated with these assets. The effective date of the transaction is August 15, 2018. The sale closed on July 3, 2019, subject to customary post-closing terms and conditions.
- In July 2019, we used borrowings under our revolving credit facility to repurchase in the open market approximately \$104.4 million aggregate principal amount of our outstanding 2023 Notes, 2024 Notes, 2025 Notes and 2026 Notes for \$80.3 million.

2019 Production and Drilling Activity

During the three months ended June 30, 2019, our total net production was 111,602,875 thousand cubic feet, or Mcf, of natural gas, 649,216 barrels of oil and 57,188,687 gallons of NGLs for a total of 123,668 million cubic feet of natural gas equivalent, or MMcf, as compared to 108,236,412 Mcf of natural gas, 744,311 barrels of oil and 58,511,924 gallons of NGLs, or 121,061 MMcf, for the three months ended June 30, 2018. Our total net production averaged approximately 1,359.0 MMcf per day during the three months ended June 30, 2019, as compared to 1,330.3 MMcf per day during the same period in 2018. The 2% increase in production is largely the result of the continuing development of our Utica Shale and SCOOP acreage.

Utica Shale. From January 1, 2019 through June 30, 2019, we spud 11 gross (9.4 net) wells in the Utica Shale, of which one was being drilled and ten were in various stages of completion at June 30, 2019. We also participated in three additional gross (0.8 net) wells that were drilled by other operators on our Utica Shale acreage. From July 1, 2019 through July 26, 2019, we spud two gross (2.0 net) wells in the Utica Shale.

As of July 26, 2019, we had one operated horizontal rig running in the Utica Shale. We currently intend to spud 13 to 15 gross (10 to 11 net) horizontal wells, and commence sales from 47 to 51 gross (40 to 45 net) horizontal wells, on our Utica Shale acreage in 2019. We also anticipate an additional two to three net horizontal wells will be drilled, and sales commenced from two to three net horizontal wells, on our Utica Shale acreage by other operators during 2019.

Aggregate net production from our Utica Shale acreage during the three months ended June 30, 2019 was approximately 95,616 MMcf, or an average of 1,050.7 MMcf per day, of which 97% was natural gas and 3% was oil and NGLs.

SCOOP. From January 1, 2019 through June 30, 2019, we spud seven gross (5.7 net) wells in the SCOOP, of which one was being drilled and six were in various stages of completion at June 30, 2019. We also participated in an additional 28 gross (0.6 net) wells that were drilled by other operators on our SCOOP acreage. From July 1, 2019 through July 26, 2019, we did not spud any wells on our SCOOP acreage.

As of July 26, 2019, we had one operated horizontal rig running on our SCOOP acreage. We currently intend to spud nine to ten gross (seven to eight net) horizontal wells, and commence sales from 15 to 17 gross (14 to 15 net) horizontal wells, on our SCOOP acreage in 2019. We also anticipate one to two net wells will be drilled, and sales commenced from one to two net wells on our SCOOP acreage by other operators during 2019.

Aggregate net production from our SCOOP acreage during the three months ended June 30, 2019 was approximately 27,149 MMcf, or an average of 298.3 MMcf per day, of which 71% was from natural gas and 29% was from oil and NGLs.

WCBB. From January 1, 2019 through July 3, 2019, we did not spud any new wells or recompleting any wells in the WCBB field. Our aggregate net production from the WCBB field during the three months ended June 30, 2019 was approximately 685 MMcf, or an average of 7.5 MMcf per day, all of which was from oil. On July 3, 2019, we closed on the sale of all of our WCBB assets.

East Hackberry Field. From January 1, 2019 through July 3, 2019, we did not spud any new wells or recompleting any wells. Our aggregate net production from the East Hackberry field during the three months ended June 30, 2019 was approximately 91.3 MMcf, or an average of 1.0 MMcf per day, all of which was from oil. On July 3, 2019, we closed on the sale of our East Hackberry assets.

West Hackberry Field. From January 1, 2019 through July 3, 2019, we did not spud any new wells in our West Hackberry field. Our aggregate net production from the West Hackberry field during the three months ended June 30, 2019 was approximately 17.0 MMcf, or an average of 186.5 Mcfe per day, all of which was from oil. On July 3, 2019, we closed on the sale of our West Hackberry assets.

We have no further capital obligations related to the Louisiana fields after July 3, 2019.

Niobrara Formation. From January 1, 2019 through July 26, 2019, there were no wells spud on our Niobrara Formation acreage. Aggregate net production was approximately 17.0 MMcf, or an average of 187.0 Mcfe per day during the three months ended June 30, 2019, all of which was from oil.

Bakken. As of June 30, 2019, we had an interest in 18 wells and overriding royalty interests in certain existing and future wells. Aggregate net production from this acreage during the three months ended June 30, 2019 was approximately 92.5 MMcfe, or an average of 1.0 MMcfe per day, of which 77% was from oil and 23% was from natural gas and natural gas liquids.

RESULTS OF OPERATIONS

Comparison of the Three Month Periods Ended June 30, 2019 and 2018

We reported net income of \$235.0 million for the three months ended June 30, 2019 as compared to net income of \$111.3 million for the three months ended June 30, 2018. This \$123.7 million period-to-period increase was due primarily to a \$206.3 million increase in oil and natural gas revenues and a \$179.3 million increase in income tax benefit, partially offset by a \$134.5 million increase in loss from equity method investments, including a \$125.4 million impairment related to our investment in Mammoth Energy and a \$122.0 million decrease in gain on sale of equity method investments for the three months ended June 30, 2019 as compared to the three months ended June 30, 2018. If Mammoth Energy's common stock continues to trade below our carrying value for a prolonged period of time, further impairment of our investment in Mammoth Energy may be necessary. The gain on sale of equity investments in 2018 was the result of the sale of our interest in Strike Force and the sale of Mammoth Energy common stock during 2018.

Natural Gas, Oil and NGL Revenues. For the three months ended June 30, 2019, we reported oil and natural gas revenues of \$459.0 million as compared to oil and natural gas revenues of \$252.7 million during the same period in 2018. This \$206.3 million, or 82%, increase in revenues was primarily attributable to the following:

- A \$241.7 million increase in natural gas, oil and condensate and NGLs sales due to a favorable change in gains and losses from derivative instruments. Of the total change, \$224.6 million was due to a favorable change in the fair value of our open derivative positions in each period and \$17.1 million was due to favorable changes in settlements related to our derivative positions. The favorable change in fair value of our open derivative positions is primarily a result of the decrease in the forward curve prices for natural gas from the previous reporting period.

Such increases were partially offset by:

- A \$12.4 million decrease in oil and condensate sales without the impact of derivatives due to a 14% decrease in oil and condensate market prices and a 13% decrease in oil and condensate sales volumes.
- A \$15.6 million decrease in NGLs sales without the impact of derivatives due to a 36% decrease in NGLs market prices and a 2% decrease in NGLs sales volumes.
- A \$7.4 million decrease in natural gas sales without the impact of derivatives due to a 6% decrease in natural gas market prices, partially offset by a 3% increase in natural gas sales volumes.

The following table summarizes our oil and condensate, natural gas and NGLs production and related pricing for the three months ended June 30, 2019, as compared to such data for the three months ended June 30, 2018:

	Three months ended June 30,	
	2019	2018
	(\$ In thousands)	
Natural gas sales		
Natural gas production volumes (MMcf)	111,603	108,236
Total natural gas sales	\$ 225,257	\$ 232,695
Natural gas sales without the impact of derivatives (\$/Mcf)	\$ 2.02	\$ 2.15
Impact from settled derivatives (\$/Mcf)	\$ 0.18	\$ 0.17
Average natural gas sales price, including settled derivatives (\$/Mcf)	\$ 2.20	\$ 2.32
Oil and condensate sales		
Oil and condensate production volumes (MBbls)	649	744

Total oil and condensate sales	\$	36,910	\$	49,319
Oil and condensate sales without the impact of derivatives (\$/Bbl)	\$	56.85	\$	66.26
Impact from settled derivatives (\$/Bbl)	\$	0.57	\$	(10.97)
Average oil and condensate sales price, including settled derivatives (\$/Bbl)	\$	57.42	\$	55.29
NGLs sales				
NGLs production volumes (MGal)		57,189		58,512
Total NGLs	\$	25,687	\$	41,271
NGLs sales without the impact of derivatives (\$/Gal)	\$	0.45	\$	0.71
Impact from settled derivatives (\$/Gal)	\$	0.06	\$	(0.07)
Average NGLs sales price, including settled derivatives (\$/Gal)	\$	0.51	\$	0.64
Natural gas, oil and condensate and NGLs sales				
Natural gas equivalents (MMcfe)		123,668		121,061
Total natural gas, oil and condensate and NGLs sales	\$	287,854	\$	323,285
Natural gas, oil and condensate and NGLs sales without the impact of derivatives (\$/Mcf)	\$	2.33	\$	2.67
Impact from settled derivatives (\$/Mcf)	\$	0.19	\$	0.05
Average natural gas, oil and condensate and NGLs sales price, including settled derivatives (\$/Mcf)	\$	2.52	\$	2.72
Production Costs:				
Average production costs (\$/Mcf)	\$	0.18	\$	0.19
Average production taxes (\$/Mcf)	\$	0.07	\$	0.06
Average midstream gathering and processing (\$/Mcf)	\$	0.58	\$	0.59
Total production costs, midstream costs and production taxes (\$/Mcf)	\$	0.83	\$	0.84

Lease Operating Expenses. Lease operating expenses ("LOE") not including production taxes decreased to \$22.4 million for the three months ended June 30, 2019 from \$22.9 million for the three months ended June 30, 2018. This \$0.5 million, or 2%, decrease was primarily the result of a decrease in wireline services, production chemicals, contract labor and facility maintenance expense, partially offset by an increase in disposal costs, location repairs and ad valorem taxes. In addition, due to increased efficiencies and a 2% increase in our production volumes for the three months ended June 30, 2019 as compared to the three months ended June 30, 2018, our per unit LOE decreased by 5% from \$0.19 per Mcfe to \$0.18 per Mcfe.

Production Taxes. Production taxes increased \$0.4 million, or 5%, to \$8.1 million for the three months ended June 30, 2019 from \$7.7 million for the three months ended June 30, 2018. This increase was primarily due to an increase in production volumes and an increase in the production tax rate associated with our SCOOP production.

Midstream Gathering and Processing Expenses. Midstream gathering and processing expenses increased to \$72.0 million for the three months ended June 30, 2019 from \$71.4 million for the same period in 2018. This \$0.6 million, or 1%, increase was primarily attributable to midstream expenses related to our increased production volumes in the Utica Shale and SCOOP resulting from our 2018 and 2019 drilling activities.

Depreciation, Depletion and Amortization. Depreciation, depletion and amortization ("DD&A") expense increased to \$125.0 million for the three months ended June 30, 2019, and consisted of \$122.5 million in depletion of oil and natural gas

properties and \$2.5 million in depreciation of other property and equipment, as compared to total DD&A expense of \$121.9 million for the three months ended June 30, 2018. This \$3.1 million, or 3%, increase was primarily due to an increase in our depletion rate as a result of a decrease in our full cost pool and a decrease in our total proved reserves volumes used to calculate our total DD&A expense, as well as an increase in our production.

General and Administrative Expenses. Net general and administrative expenses decreased to \$13.3 million for the three months ended June 30, 2019 from \$14.0 million for the three months ended June 30, 2018. This \$0.7 million, or 5%, decrease was primarily due to decreases in consulting fees and travel expense, partially offset by increases in computer support and tax services. In addition, for the three months ended June 30, 2019, we decreased our unit general and administrative expense by 8% to \$0.11 per Mcfe from \$0.12 per Mcfe for the three months ended June 30, 2018.

Interest Expense. Interest expense increased to \$34.9 million for the three months ended June 30, 2019 as compared to \$33.7 million for the three months ended June 30, 2018 due primarily to increased borrowings on our revolving credit facility as compared to the same period in 2018. In addition, total weighted average debt outstanding under our revolving credit facility was \$168.8 million for the three months ended June 30, 2019 as compared to \$112.9 million debt outstanding under such facility. As of June 30, 2019, amounts borrowed under our revolving credit facility bore interest at a weighted average rate of 3.93%. In addition, we capitalized approximately \$1.0 million and \$1.5 million in interest expense to undeveloped oil and natural gas properties during the three months ended June 30, 2019 and 2018, respectively. This \$0.5 million decrease in capitalized interest in the 2019 period was primarily the result of changes to our development plan for our oil and natural gas properties.

Income Taxes. As of June 30, 2019, we had a federal net operating loss carryforward of approximately \$920.4 million from prior years, in addition to numerous temporary differences, which gave rise to a net deferred tax asset. Quarterly, management performs a forecast of our taxable income and analyzes other relevant factors to determine whether it is more likely than not that a valuation allowance is needed, looking at both positive and negative factors. A valuation allowance for our deferred tax assets is established if, in management's opinion, it is more likely than not that some portion will not be realized. During the three months ending June 30, 2019, management determined there was sufficient positive evidence that it was more likely than not that the federal and some state net operating loss carryforwards should be realized and recorded a discrete tax benefit of \$179.3 million. We will recognize through the annual effective tax rate a projected release of valuation allowance of an additional \$27.7 million with respect to current year earnings. We will maintain a valuation allowance of \$4.8 million against the net deferred tax asset for certain tax attributes for which we have determined it is more likely than not those attribute carryforwards will expire prior to utilization.

Comparison of the Six Month Periods Ended June 30, 2019 and 2018

We reported net income of \$297.2 million for the six months ended June 30, 2019 as compared to net income of \$201.4 million for the six months ended June 30, 2018. This \$95.8 million period-to-period increase was due primarily to a \$201.4 million increase in natural gas, oil and NGL revenues and a \$179.3 million increase in income tax benefit, partially offset by a \$143.7 million increase in loss from equity method investments, including a \$125.4 million impairment related to our investment in Mammoth Energy, a \$122.0 million decrease in gain on sale of equity method investments, a \$10.5 million increase in DD&A and a \$6.7 million increase in midstream gathering and processing expenses for the six months ended June 30, 2019 as compared to the six months ended June 30, 2018. If Mammoth Energy's common stock continues to trade below our carrying value for a prolonged period of time, further impairment of our investment in Mammoth Energy may be necessary. The gain on sale of equity investments in 2018 was a result of the sale of our interest in Strike Force and the sale of Mammoth Energy common stock during 2018.

Oil and Gas Revenues. For the six months ended June 30, 2019, we reported oil and natural gas revenues of \$779.6 million as compared to oil and natural gas revenues of \$578.1 million during the same period in 2018. This \$201.4 million, or 35%, increase in revenues was primarily attributable to the following:

- A \$238.1 million increase in natural gas, oil and condensate and NGLs sales due to a favorable change in gains and losses from derivative instruments. Of the total change, \$254.8 million was due to favorable changes in the fair value of our open derivative positions in each period, partially offset by a \$16.7 million unfavorable change in settlements related to our derivative positions. The favorable change in fair value of our open derivative positions is primarily a result of the decrease in the forward curve prices for natural gas from the previous reporting period.
- A \$19.2 million increase in natural gas sales without the impact of derivatives due to a 2% increase in natural gas sales volumes and a 2% increase in natural gas market prices.

Such increases were partially offset by:

- A \$25.6 million decrease in oil and condensate sales without the impact of derivatives due to a 16% decrease in oil and condensate sales volumes and a 13% decrease in oil and condensate market prices.
- A \$30.3 million decrease in NGLs sales without the impact of derivatives due to a 28% decrease in NGLs market prices and a 9% decrease in NGLs sales volumes.

The following table summarizes our oil and condensate, natural gas and NGLs production and related pricing for the six months ended June 30, 2019, as compared to such data for the six months ended June 30, 2018:

	Six months ended June 30,	
	2019	2018
(\$ In thousands)		
Natural gas sales		
Natural gas production volumes (MMcf)	213,682	210,278
Total natural gas sales	\$ 501,273	\$ 482,094
Natural gas sales without the impact of derivatives (\$/Mcf)	\$ 2.35	\$ 2.29
Impact from settled derivatives (\$/Mcf)	\$ (0.03)	\$ 0.17
Average natural gas sales price, including settled derivatives (\$/Mcf)	\$ 2.32	\$ 2.46
Oil and condensate sales		
Oil and condensate production volumes (MBbls)	1,261	1,501
Total oil and condensate sales	\$ 69,392	\$ 95,005
Oil and condensate sales without the impact of derivatives (\$/Bbl)	\$ 55.03	\$ 63.29
Impact from settled derivatives (\$/Bbl)	\$ 0.31	\$ (8.29)
Average oil and condensate sales price, including settled derivatives (\$/Bbl)	\$ 55.34	\$ 55.00
NGLs sales		
NGLs production volumes (MGal)	113,019	124,268
Total NGLs sales	\$ 57,812	\$ 88,107
NGLs sales without the impact of derivatives (\$/Gal)	\$ 0.51	\$ 0.71
Impact from settled derivatives (\$/Gal)	\$ 0.04	\$ (0.05)
Average NGLs sales price, including settled derivatives (\$/Gal)	\$ 0.55	\$ 0.66
Natural gas, oil and condensate and NGLs sales		
Gas equivalents (MMcfe)	237,394	237,038
Total natural gas, oil and condensate and NGLs sales	\$ 628,477	\$ 665,206
Natural gas, oil and condensate and NGLs sales without the impact of derivatives (\$/Mcfe)	\$ 2.65	\$ 2.81
Impact from settled derivatives (\$/Mcfe)	\$ (0.01)	\$ 0.06
Average natural gas, oil and condensate and NGLs sales price, including settled derivatives (\$/Mcfe)	\$ 2.64	\$ 2.87
Production Costs:		
Average production costs (\$/Mcfe)	\$ 0.18	\$ 0.18
Average production taxes (\$/Mcfe)	\$ 0.07	\$ 0.06
Average midstream gathering and processing (\$/Mcfe)	\$ 0.60	\$ 0.57
Total production costs, midstream costs and production taxes (\$/Mcfe)	\$ 0.85	\$ 0.81

Lease Operating Expenses. Lease operating expenses not including production taxes increased to \$42.2 million for the six months ended June 30, 2019 from \$41.8 million for the six months ended June 30, 2018. This \$0.4 million, or 1%, increase was primarily the result of an increase in expenses related to location repair, disposal costs and ad valorem taxes, partially offset by a decrease in wireline services, facility maintenance expense and surface rentals.

Production Taxes. Production taxes increased to \$16.0 million for the six months ended June 30, 2019 from \$14.5 million for the same period in 2018. This \$1.5 million, or 10%, increase was primarily related to an increase in the production tax rate associated with our SCOOP production.

Midstream Gathering and Processing Expenses. Midstream gathering and processing expenses increased to \$142.3 million for the six months ended June 30, 2019 from \$135.6 million for the same period in 2018. This \$6.7 million, or 5%, increase was primarily attributable to midstream expenses related to our increased production volumes in the Utica Shale and SCOOP resulting from our 2018 and 2019 drilling activities as well as routine contract escalations associated with our Utica Shale production.

Depreciation, Depletion and Amortization. Depreciation, depletion and amortization expense increased to \$243.4 million for the six months ended June 30, 2019, and consisted of \$237.7 million in depletion of oil and natural gas properties and \$5.7 million in depreciation of other property and equipment, as compared to total DD&A expense of \$232.9 million for the six months ended June 30, 2018. This \$10.5 million, or 4%, increase was primarily due to an increase in our depletion rate as a result of a decrease in our full cost pool and a decrease in our total proved reserves volumes used to calculate our total DD&A expense and an increase in our production.

General and Administrative Expenses. Net general and administrative expenses decreased to \$24.8 million for the six months ended June 30, 2019 from \$27.1 million for the six months ended June 30, 2018. This \$2.3 million, or 8%, decrease was primarily due to decreases in consulting fees and travel expenses, partially offset by increases in tax services and computer support. In addition, for the six months ended June 30, 2019, we decreased our unit general and administrative expense by 9% to \$0.10 per Mcfe from \$0.11 per Mcfe the six months ended June 30, 2018.

Interest Expense. Interest expense increased to \$69.0 million for the six months ended June 30, 2019 from \$67.7 million for the six months ended June 30, 2018 due primarily to increased borrowings on our revolving credit facility. Total weighted average debt outstanding under our revolving credit facility was \$123.3 million for the six months ended June 30, 2019 as compared to \$100.1 million for the same period in 2018. Additionally, we capitalized approximately \$1.8 million and \$2.4 million in interest expense to undeveloped oil and natural gas properties during the six months ended June 30, 2019 and June 30, 2018, respectively. This \$0.6 million decrease in capitalized interest in the 2019 period was primarily the result of changes to our development plan for our oil and natural gas properties.

Income Taxes. As of June 30, 2019, we had a federal net operating loss carryforward of approximately \$920.4 million from prior years, in addition to numerous temporary differences, which gave rise to a net deferred tax asset. Quarterly, management performs a forecast of our taxable income and analyzes other relevant factors to determine whether it is more likely than not that a valuation allowance is needed, looking at both positive and negative factors. A valuation allowance for our deferred tax assets is established if, in management's opinion, it is more likely than not that some portion will not be realized. During the six months ending June 30, 2019, management determined there was sufficient positive evidence that it was more likely than not that the federal and some state net operating loss carryforwards should be realized and recorded a discrete tax benefit of \$179.3 million. We will recognize through the annual effective tax rate a projected release of valuation allowance of an additional \$27.7 million with respect to current year earnings. We will maintain a valuation allowance of \$4.8 million against the net deferred tax asset for certain tax attributes for which we have determined it is more likely than not those attribute carryforwards will expire prior to utilization.

Liquidity and Capital Resources

Overview.

Historically, our primary sources of funds have been cash flow from our producing oil and natural gas properties, borrowings under our revolving credit facility and issuances of equity and debt securities. Our ability to access any of these sources of funds can be significantly impacted by decreases in oil and natural gas prices or oil and natural gas production.

Net cash flow provided by operating activities was \$309.0 million for the six months ended June 30, 2019 as compared to \$411.0 million for the same period in 2018. This \$102.0 million decrease was primarily the result of a decrease in cash receipts from our oil and natural gas purchasers due to an 8% decrease in net revenues after giving effect to settled derivative

instruments and an increase in our operating expenses. In addition, we received \$2.5 million in dividends from our investment in Mammoth Energy during the six months ended June 30, 2019.

Net cash used in investing activities for the six months ended June 30, 2019 was \$419.4 million as compared to \$360.5 million for the same period in 2018. During the six months ended June 30, 2019, we spent \$417.5 million in additions to oil and natural gas properties, of which \$256.7 million was spent on our 2019 drilling and completion activities, \$83.9 million was spent on expenses attributable to wells spud, completed and recompleted during 2018, \$25.8 million was spent on lease related costs, primarily the acquisition of leases in the Utica Shale and \$27.8 million was spent on tubulars, with the remainder attributable mainly to future location development and capitalized general and administrative expenses. During the six months ended June 30, 2019, we invested \$0.4 million in Grizzly and received a distribution of \$1.9 million from Tatex. We did not make any investments in our other equity investments during the six months ended June 30, 2019.

Net cash provided by financing activities for the six months ended June 30, 2019 was \$78.9 million as compared to net cash used in financing activities of \$30.9 million for the same period in 2018. The 2019 amount provided by financing activities is primarily attributable to net borrowings under our credit facility partially offset by purchases under our stock repurchase program of approximately \$30.0 million.

Credit Facility.

We have entered into a senior secured revolving credit facility, as amended, with The Bank of Nova Scotia, as the lead arranger and administrative agent and other lenders. The credit agreement provides for a maximum facility amount of \$1.5 billion and matures on December 13, 2021. As of June 30, 2019, we had a borrowing base of \$1.4 billion, with an elected commitment of \$1.0 billion, and \$155.0 million in borrowings outstanding. Total funds available for borrowing under our revolving credit facility, after giving effect to an aggregate of \$251.5 million of outstanding letters of credit, were \$593.5 million as of June 30, 2019. This facility is secured by substantially all of our assets. Our wholly owned subsidiaries, excluding Grizzly Holdings Inc. ("Grizzly Holdings") and Mule Sky LLC ("Mule Sky") guarantee our obligations under our revolving credit facility.

Advances under our revolving credit facility may be in the form of either base rate loans or eurodollar loans. The interest rate for base rate loans is equal to (1) the applicable rate, which ranges from 0.25% to 1.25%, plus (2) the highest of: (a) the federal funds rate plus 0.50%, (b) the rate of interest in effect for such day as publicly announced from time to time by agent as its "prime rate," and (c) the eurodollar rate for an interest period of one month plus 1.00%. The interest rate for eurodollar loans is equal to (1) the applicable rate, which ranges from 1.25% to 2.25%, plus (2) the London interbank offered rate that appears on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate for deposits in U.S. dollars, or, if such rate is not available, the rate as administered by ICE Benchmark Administration (or any other person that takes over administration of such rate) per annum equal to the offered rate on such other page or other service that displays an average London interbank offered rate as administered by ICE Benchmark Administration (or any other person that takes over the administration of such rate) for deposits in U.S. dollars, or, if such rate is not available, the average quotations for three major New York money center banks of whom the agent shall inquire as the "London Interbank Offered Rate" for deposits in U.S. dollars. At June 30, 2019, amounts borrowed under our credit facility bore interest at a weighted average rate of 3.93%.

Our revolving credit facility contains customary negative covenants including, but not limited to, restrictions on our and our subsidiaries' ability to: incur indebtedness; grant liens; pay dividends and make other restricted payments; make investments; make fundamental changes; enter into swap contracts and forward sales contracts; dispose of assets; change the nature of their business; and enter into transactions with their affiliates. The negative covenants are subject to certain exceptions as specified in our revolving credit facility. Our revolving credit facility also contains certain affirmative covenants, including, but not limited to the following financial covenants: (1) the ratio of net funded debt to EBITDAX (net income, excluding (i) any non-cash revenue or expense associated with swap contracts resulting from ASC 815 and (ii) any cash or non-cash revenue or expense attributable to minority investment plus without duplication and, in the case of expenses, to the extent deducted from revenues in determining net income, the sum of (a) the aggregate amount of consolidated interest expense for such period, (b) the aggregate amount of income, franchise, capital or similar tax expense (other than ad valorem taxes) for such period, (c) all amounts attributable to depletion, depreciation, amortization and asset or goodwill impairment or writedown for such period, (d) all other non-cash charges, (e) exploration costs deducted in determining net income under successful efforts accounting, (f) actual cash distributions received from minority investments, (g) to the extent actually reimbursed by insurance, expenses with respect to liability on casualty events or business interruption, and (h) all reasonable transaction expenses related to dispositions and acquisitions of assets, investments and debt and equity offerings (provided that expenses related to any unsuccessful dispositions will be limited to \$3.0 million in the aggregate) for a twelve-month period may not be greater than

4.00 to 1.00; and (2) the ratio of EBITDAX to interest expense for a twelve-month period may not be less than 3.00 to 1.00. We were in compliance with these financial covenants at June 30, 2019.

Senior Notes.

In April 2015, we issued an aggregate of \$350.0 million in principal amount of our Senior Notes due 2023 (the "2023 Notes"). Interest on these senior notes accrues at a rate of 6.625% per annum on the outstanding principal amount thereof from April 21, 2015, payable semi-annually on May 1 and November 1 of each year, commencing on November 1, 2015. The 2023 Notes will mature on May 1, 2023.

On October 14, 2016, we issued an aggregate of \$650.0 million in principal amount of our Senior Notes due 2024 (the "2024 Notes"). Interest on the 2024 Notes accrues at a rate of 6.000% per annum on the outstanding principal amount thereof from October 14, 2016, payable semi-annually on April 15 and October 15 of each year, commencing on April 15, 2017. The 2024 Notes will mature on October 15, 2024.

On December 21, 2016, we issued an aggregate of \$600.0 million in principal amount of our Senior Notes due 2025 (the "2025 Notes"). Interest on the 2025 Notes accrues at a rate of 6.375% per annum on the outstanding principal amount thereof from December 21, 2016, payable semi-annually on May 15 and November 15 of each year, commencing on May 15, 2017. The 2025 Notes will mature on May 15, 2025.

On October 11, 2017, we issued \$450.0 million in aggregate principal amount of our Senior Notes due 2026 (the "2026 Notes" and, together with the 2023 Notes, the 2024 Notes, and the 2025 Notes, the "Notes"). Interest on the 2026 Notes accrues at a rate of 6.375% per annum on the outstanding principal amount thereof from October 11, 2017, payable semi-annually on January 15 and July 15 of each year, commencing on January 15, 2018. The 2026 Notes will mature on January 15, 2026. We received approximately \$444.1 million in net proceeds from the offering of the 2026 Notes, a portion of which was used to repay all of our outstanding borrowings under our secured revolving credit facility on October 11, 2017 and the balance was used to fund the remaining outstand related to our 2017 capital development plans.

All of our existing and future restricted subsidiaries that guarantee our secured revolving credit facility or certain other debt guarantee the Notes, provided, however, that the Notes are not guaranteed by Grizzly Holdings or Mule Sky, and will not be guaranteed by any of our future unrestricted subsidiaries. The guarantees rank equally in the right of payment with all of the senior indebtedness of the subsidiary guarantors and senior in the right of payment to any future subordinated indebtedness of the subsidiary guarantors. The Notes and the guarantees are effectively subordinated to all of our and the subsidiary guarantors' secured indebtedness (including all borrowings and other obligations under our amended and restated credit agreement) to the extent of the value of the collateral securing such indebtedness, and structurally subordinated to all indebtedness and other liabilities of any of our subsidiaries that do not guarantee the Notes.

If we experience a change of control (as defined in the senior note indentures relating to the Notes), we will be required to make an offer to repurchase the Notes and at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. If we sell certain assets and fail to use the proceeds in a manner specified in our senior note indentures, we will be required to use the remaining proceeds to make an offer to repurchase the Notes at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the date of repurchase. The senior note indentures relating to the Notes contain certain covenants that, subject to certain exceptions and qualifications, among other things, limit our ability and the ability of our restricted subsidiaries to incur or guarantee additional indebtedness, make certain investments, declare or pay dividends or make distributions on capital stock, prepay subordinated indebtedness, sell assets including capital stock of restricted subsidiaries, agree to payment restrictions affecting our restricted subsidiaries, consolidate, merge, sell or otherwise dispose of all or substantially all of our assets, enter into transactions with affiliates, incur liens, engage in business other than the oil and gas business and designate certain of our subsidiaries as unrestricted subsidiaries. Under the indentures relating to the Notes, certain of these covenants are subject to termination upon the occurrence of certain events, including in the event the Notes are ranked as "investment grade."

In connection with the issuance of the 2024 Notes, 2025 Notes and 2026 Notes, we and our subsidiary guarantors entered into registration rights agreements, pursuant to which we agreed to file a registration statement with respect to offers to exchange the 2024 Notes, 2025 Notes and 2026 Notes, as applicable, for new issues of substantially identical debt securities registered under the Securities Act. The exchange offers for the 2024 Notes and 2025 Notes were completed on September 13, 2017, and the exchange offer for the 2026 Notes was completed on March 22, 2018.

We may use a combination of cash and borrowings under our revolving credit facility to retire our outstanding debt, through privately negotiated transactions, open market repurchases, redemptions, tender offers or otherwise, but we are under no obligation to do so.

Construction Loan.

On June 4, 2015, we entered into a construction loan agreement (the "construction loan") with InterBank for the construction of our new corporate headquarters in Oklahoma City, which was substantially completed in December 2016. The construction loan allows for maximum principal borrowings of \$24.5 million and required us to fund 30% of the cost of the construction before any funds could be drawn, which occurred in January 2016. Interest accrues daily on the outstanding principal balance at a fixed rate of 4.50% per annum and we make monthly payments of interest and principal. The final payment is due June 4, 2025. As of June 30, 2019, the total borrowings under the construction loan were approximately \$22.7 million.

Capital Expenditures.

Our recent capital commitments have been primarily for the execution of our drilling programs, for acquisitions in the Utica Shale and our SCOOP acquisition in 2017, and for investments in entities that may provide services to facilitate the development of our acreage. Our strategy is to continue to (1) increase cash flow generated from our operations by undertaking new drilling, workover, sidetrack and recompletion projects to exploit our existing properties, subject to economic and industry conditions, (2) pursue acquisition and disposition opportunities and (3) pursue business integration opportunities.

Of our net reserves at December 31, 2018, 55.4% were categorized as proved undeveloped. Our proved reserves will generally decline as reserves are depleted, except to the extent that we conduct successful exploration or development activities or acquire properties containing proved developed reserves, or both. To realize reserves and increase production, we must continue our exploratory drilling, undertake other replacement activities or use third parties to accomplish those activities.

For further discussion on activities related to our capital expenditures incurred through June 30, 2019 see 2019 Production and Drilling Activity section above.

As of June 30, 2019, our net investment in Grizzly was approximately \$51.6 million. We do not currently anticipate any material capital expenditures in 2019 related to Grizzly's activities.

We had no capital expenditures during the six months ended June 30, 2019 related to our interests in Thailand. We do not currently anticipate any capital expenditures in Thailand in 2019.

In response to current declining forward natural gas prices, we are shifting to building an organization that is focused on disciplined capital allocation, cash flow generation and a commitment to executing a thoughtful, clearly communicated business plan that enhances value for all of our stockholders. We plan to maximize results with the core assets in our portfolio today and focus on returns that will allow us to operate within our cash flow in 2019. As a result, we currently expect to reduce our planned capital expenditures by approximately 29% as compared to 2018.

Our total capital expenditures for 2019 are currently estimated to be in the range of \$525.0 million to \$550.0 million for drilling and completion expenditures, with activity weighted to the first half of the year, of which \$436.0 million was spent as of June 30, 2019. In addition, we currently expect to spend \$40.0 to \$50.0 million in 2019 for non-drilling and completion expenditures, which includes acreage expenses, primarily lease extensions in the Utica Shale, of which \$23.2 million was spent as of June 30, 2019. The 2019 range of capital expenditures is lower than the \$814.7 million spent in 2018, primarily due to the decrease in current commodity prices, specifically natural gas prices, and our desire to fund our capital development program within cash flow, as well as to generate free cash flow.

In January 2019, our board of directors approved a new stock repurchase program to acquire up to \$400 million of our outstanding common stock within a 24 month period. We intend to purchase shares under the repurchase program opportunistically with available funds primarily from cash flow from operations and sale of non-core assets while maintaining sufficient liquidity to fund our capital development programs.

We continually monitor market conditions and are prepared to adjust our drilling program if commodity prices dictate. Currently, we believe that our cash flow from operations, cash on hand and borrowings under our revolving credit facility will be sufficient to meet our normal recurring operating needs and capital requirements for the next twelve months. We believe that

our strong liquidity position, hedge portfolio and conservative balance sheet position us well to react quickly to changing commodity prices and accelerate or decelerate our activity within the Utica Shale and the SCOOP as the market conditions warrant. Notwithstanding the foregoing, in the event commodity prices decline from current levels, our capital or other costs increase, our equity method investments require additional contributions and/or we pursue additional equity method investments or acquisitions, we may be required to obtain additional funds which we would seek to do through traditional borrowings, offerings of debt or equity securities or other means, including the sale of assets. We regularly evaluate new acquisition opportunities. Needed capital may not be available to us on acceptable terms or at all. Further, if we are unable to obtain funds when needed or on acceptable terms, we may be required to delay or curtail implementation of our business plan or not be able to complete acquisitions that may be favorable to us. If the current low commodity price environment worsens, our revenues, cash flows, results of operations, liquidity and reserves may be materially and adversely affected.

Commodity Price Risk

See Item 3. "Quantitative and Qualitative Disclosures about Market Risk" for information regarding our open fixed price swaps at June 30, 2019.

Contractual and Commercial Obligations

We have various contractual obligations in the normal course of our operations and financing activities. There have been no material changes to our contractual obligations from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018.

Off-balance Sheet Arrangements

We may enter into off-balance sheet arrangements and transactions that can give rise to material off-balance sheet obligations. As of June 30, 2019, our material off-balance sheet arrangements and transactions include \$251.5 million in letters of credit outstanding against our 2019 revolving credit facility and \$73.9 million in surety bonds issued as financial assurance on midstream firm transportation agreements. Management believes these items will expire without being funded. There are no other transactions, arrangements or other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect our liquidity or availability of our capital resources. See Note 7 to our consolidated financial statements for further discussion of the various financial guarantees we have issued.

Critical Accounting Policies and Estimates

As of June 30, 2019, there have been no significant changes in our critical accounting policies from those disclosed in our 2018 Annual Report on Form 10-K.

New Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update ("ASU") No.2016-02, *Leases (Topic 842)*. The standard supersedes the previous lease guidance by requiring lessees to recognize a right-to-use asset and lease liability on the balance sheet for all leases with lease terms of greater than one year while maintaining substantially similar classifications for financing and operating leases. Subsequent to ASU 2016-02, the FASB issued several related ASU's to clarify the application of the lease standard. We adopted the new standard as of January 1, 2019 on a prospective basis using the simplified transition method permitted by ASU 2018-11, *Leases (Topic 842): Targeted Improvements*. The comparative information has not been restated and continues to be reported under the historic accounting standards in effect for those periods. See Note 12 to our consolidated financial statements for further discussion of the lease standard.

In June 2016, the FASB issued ASU No.2016-13, *Financial Instruments—Credit Losses: Measurement of Credit Losses on Financial Instruments*. This ASU amends guidance on reporting credit losses for assets held at amortized cost basis and available for sale debt securities. For assets held at amortized cost basis, this ASU eliminates the probable initial recognition threshold in current GAAP and instead, requires an entity to reflect its current estimate of all expected credit losses. The amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposure, reinsurance receivables and any other financial assets not excluded from the scope that have the contractual right to receive cash. Additionally, in May 2019, the FASB issued ASU No.2019-05, *Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief*. The amendments in this update allow preparers to irrevocably elect the fair value option, on an instrument-by-instrument basis, for eligible financial assets measured at amortized cost basis upon adoption of 2016-13. The guidance is effective for periods after December 15, 2019, with early adoption permitted. We are currently evaluating the

impact this standard will have on our financial statements and related disclosures and do not anticipate it to have a material effect.

In February 2018, the FASB issued ASU No.2018-02, *Income statement - Reporting Comprehensive Income (Topic 220) - Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income*, which allows a reclassification from accumulated other comprehensive income to retained earnings for standard tax effects resulting from the Tax Cuts and Jobs Act of 2017. The amendment will be effective for reporting periods beginning after December 15, 2018, and early adoption is permitted. We assessed the impact of the ASU on our consolidated financial statements and related disclosures, and determined there was no material impact.

In August 2018, the FASB issued ASU No.2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement* which removes, modifies, and adds certain disclosure requirements on fair value measurements. The amendment will be effective for reporting periods beginning after December 15, 2019, and early adoption is permitted. We are currently assessing the impact of the ASU on our consolidated financial statements and related disclosures.

In August 2018, the FASB also issued ASU No.2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*, which aligns the accounting for costs associated with implementing a cloud computing arrangement in a hosting arrangement that is a service contract with the accounting for implementation costs incurred to develop or obtain internal-use software. The amendment will be effective for reporting periods beginning after December 15, 2019, and early adoption is permitted. We are currently assessing the impact of the ASU on our consolidated financial statements and related disclosures.

In November 2018, the FASB also issued ASU No.2018-18, *Collaborative Arrangements (Topic 808): Clarifying the Interaction Between Topic 808 and Topic 606*, which provides guidance on how to assess whether certain transactions between participants in a collaborative arrangement should be accounted for within the ASU No. 2014-09 revenue recognition standard discussed above. The amendment will be effective for reporting periods beginning after December 15, 2019, and early adoption is permitted. We are currently assessing the impact of the ASU on our consolidated financial statements and related disclosures.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our revenues, operating results, profitability, future rate of growth and the carrying value of our oil and natural gas properties depend primarily upon the prevailing prices for oil and natural gas. Historically, oil and natural gas prices have been volatile and are subject to fluctuations in response to changes in supply and demand, market uncertainty and a variety of additional factors, including: worldwide and domestic supplies of oil and natural gas; the level of prices, and expectations about future prices, of oil and natural gas; the cost of exploring for, developing, producing and delivering oil and natural gas; the expected rates of declining current production; weather conditions, including hurricanes, that can affect oil and natural gas operations over a wide area; the level of consumer demand; the price and availability of alternative fuels; technical advances affecting energy consumption; risks associated with operating drilling rigs; the availability of pipeline capacity; the price and level of foreign imports; domestic and foreign governmental regulations and taxes; the ability of the members of the Organization of Petroleum Exporting Countries to agree to and maintain oil price and production controls; political instability or armed conflict in oil and natural gas producing regions; and the overall economic environment.

These factors and the volatility of the energy markets make it extremely difficult to predict future oil and natural gas price movements with any certainty. During 2018, West Texas Intermediate ("WTI") prices ranged from \$44.48 to \$77.41 per barrel and the Henry Hub spot market price of natural gas ranged from \$2.49 to \$6.24 per MMBtu. On July 26, 2019, the WTI posted price for crude oil was \$56.20 per Bbl and the Henry Hub spot market price for natural gas was \$2.23 per MMBtu. If the prices of oil and natural gas decline from current levels, our operations, financial condition and level of expenditures for the development of our oil and natural gas reserves may be materially and adversely affected. In addition, lower oil and natural gas prices may reduce the amount of oil and natural gas that we can produce economically. This may result in our having to make substantial downward adjustments to our estimated proved reserves. If this occurs or if our production estimates change or our exploration or development activities are curtailed, full cost accounting rules may require us to write down, as a non-cash charge to earnings, the carrying value of our oil and natural gas properties. Reductions in our reserves could also negatively impact the borrowing base under our revolving credit facility, which could further limit our liquidity and ability to conduct additional exploration and development activities.

To mitigate the effects of commodity price fluctuations on our oil and natural gas production, we had the following open fixed price swap positions at June 30, 2019:

	Location	Daily Volume (MMBtu/day)	Weighted Average Price
Remaining 2019	NYMEX Henry Hub	1,380,000	\$ 2.81
2020	NYMEX Henry Hub	204,000	\$ 2.77

	Location	Daily Volume (Bbls/day)	Weighted Average Price
Remaining 2019	NYMEX WTI	6,000	\$ 60.81
2020	NYMEX WTI	6,000	\$ 59.82

	Location	Daily Volume (Bbls/day)	Weighted Average Price
Remaining 2019	Mont Belvieu C2	1,000	\$ 18.48
Remaining 2019	Mont Belvieu C3	4,000	\$ 29.02
Remaining 2019	Mont Belvieu C5	1,000	\$ 53.71

We sold call options and used the associated premiums to enhance the fixed price for a portion of the fixed price natural gas swaps listed above. Each short call option has an established ceiling price. When the referenced settlement price is above the price ceiling established by these short call options, we pay our counterparty an amount equal to the difference between the referenced settlement price and the price ceiling multiplied by the hedged contract volumes.

	Location	Daily Volume (MMBtu/day)	Weighted Average Price
Remaining 2019	NYMEX Henry Hub	30,000	\$ 3.10

For a portion of the natural gas fixed price swaps listed above, the counterparty has an option to extend the original terms an additional twelve months for the period January 2019 through December 2019. In December 2018, the counterparties chose to exercise all natural gas fixed price swaps, resulting in an additional 100,000 MMBtu per day at a weighted average price of \$3.05 per MMBtu, which is included in the natural gas fixed price swaps listed above.

In addition, we have entered into natural gas basis swap positions. As of June 30, 2019, we had the following natural gas basis swap positions open:

	Gulfport Pays	Gulfport Receives	Daily Volume (MMBtu/day)	Weighted Average Fixed Spread
Remaining 2019	Transco Zone 4	NYMEX Plus Fixed Spread	60,000	\$ (0.05)
2020	Transco Zone 4	NYMEX Plus Fixed Spread	60,000	\$ (0.05)
2020	Fixed Spread	ONEOK Minus NYMEX	10,000	\$ (0.54)

Under our 2019 contracts, we have hedged approximately 94% to 96% of our estimated 2019 production. Such arrangements may expose us to risk of financial loss in certain circumstances, including instances where production is less than expected or oil prices increase. At June 30, 2019, we had a net asset derivative position of \$139.5 million as compared to a net liability derivative position of \$50.2 million as of June 30, 2018, related to our fixed price swaps. Utilizing actual derivative contractual volumes, a 10% increase in underlying commodity prices would have reduced the fair value of these instruments by approximately \$99.8 million, while a 10% decrease in underlying commodity prices would have increased the fair value of these instruments by approximately \$99.7 million. However, any realized derivative gain or loss would be substantially offset by a decrease or increase, respectively, in the actual sales value of production covered by the derivative instrument.

Our revolving amended and restated credit agreement is structured under floating rate terms, as advances under this facility may be in the form of either base rate loans or eurodollar loans. As such, our interest expense is sensitive to fluctuations in the prime rates in the U.S. or, if the eurodollar rates are elected, the eurodollar rates. At June 30, 2019, we had \$155.0 million in borrowings outstanding under our revolving credit facility which bore interest at a weighted average rate of 3.93%. A 1.0% increase in the average interest rate for the six months ended June 30, 2019 would have resulted in an estimated \$0.4 million increase in interest expense. As of June 30, 2019, we did not have any interest rate swaps to hedge our interest risks.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Control and Procedures. Under the direction of our Chief Executive Officer and President and our Chief Financial Officer, we have established disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. The disclosure controls and procedures are also intended to ensure that such information is accumulated and communicated to management, including our Chief Executive Officer and President and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

As of June 30, 2019, an evaluation was performed under the supervision and with the participation of management, including our Chief Executive Officer and President and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Exchange Act. Based upon our evaluation, our Chief Executive Officer and President and our Chief Financial Officer have concluded that, as of June 30, 2019, our disclosure controls and procedures are effective.

Changes in Internal Control over Financial Reporting. There have not been any changes in our internal control over financial reporting that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

Litigation and Regulatory Proceedings

We are involved in a number of litigation and regulatory proceedings including those described below. Many of these proceedings are in early stages, and many of them seek or may seek damages and penalties, the amount of which is indeterminate. Our total accrued liabilities in respect of litigation and regulatory proceedings is determined on a case-by-case basis and represents an estimate of probable losses after considering, among other factors, the progress of each case or proceeding, our experience and the experience of others in similar cases or proceedings, and the opinions and views of legal counsel. Significant judgment is required in making these estimates and our final liabilities may ultimately be materially different.

We, along with a number of other oil and gas companies, have been named as a defendant in two separate complaints, one filed by the State of Louisiana and the Parish of Cameron in the 38th Judicial District Court for the Parish of Cameron on February 9, 2016 and the other filed by the State of Louisiana and the District Attorney for the 15th Judicial District of the State of Louisiana in the 15th Judicial District Court for the Parish of Vermilion on July 29, 2016 (together, the "Complaints"). The Complaints allege that certain of the defendants' operations violated the State and Local Coastal Resources Management Act of 1978, as amended, and the rules, regulations, orders and ordinances adopted thereunder (the "CZM Laws") by causing substantial damage to land and waterbodies located in the coastal zone of the relevant Parish. The plaintiffs seek damages and other appropriate relief under the CZM Laws, including the payment of costs necessary to clear, re-vegetate, detoxify and otherwise restore the affected coastal zone of the relevant Parish to its original condition, actual restoration of such coastal zone to its original condition, and the payment of reasonable attorney fees and legal expenses and interest. The cases have been removed to the United States District Court for the Western District of Louisiana, and motions to remand are pending.

The cases are still in their early stages and the parties have conducted very little discovery. As a result, we have not had the opportunity to evaluate the applicability of the allegations made in plaintiffs' complaints to our operations and management cannot determine the amount of loss, if any, that may result.

SEC Investigation

The SEC has commenced an investigation with respect to certain actions by former Company management, including alleged improper personal use of Company assets, and potential violations by former management and the Company of the Sarbanes-Oxley Act of 2002 in connection with such actions. We have fully cooperated and intend to continue to cooperate fully with the SEC's investigation. Although it is not possible to predict the ultimate resolution or financial liability with respect to this matter, we believe that the outcome of this matter will not have a material effect on our business, financial condition or results of operations.

Business Operations

We are involved in various lawsuits and disputes incidental to our business operations, including commercial disputes, personal injury claims, royalty claims, property damage claims and contract actions.

Environmental Contingencies

The nature of the oil and gas business carries with it certain environmental risks for us and our subsidiaries. We have implemented various policies, programs, procedures, training and audits to reduce and mitigate such environmental risks. We conduct periodic reviews, on a company-wide basis, to assess changes in our environmental risk profile. Environmental reserves are established for environmental liabilities for which economic losses are probable and reasonably estimable. We manage our exposure to environmental liabilities in acquisitions by using an evaluation process that seeks to identify pre-existing contamination or compliance concerns and address the potential liability. Depending on the extent of an identified environmental concern, we may, among other things, exclude a property from the transaction, require the seller to remediate the property to our satisfaction in an acquisition or agree to assume liability for the remediation of the property.

We received several Findings of Violation ("FOV") from the United States Environmental Protection Agency ("USEPA") alleging violations of the Clean Air Act at less than 20 locations in Ohio. The first FOV for one site was dated December 11,

2013. Two subsequent FOVs incorporated and expanded the scope on January 4, 2017 and April 15, 2019. We have exchanged information with the USEPA and are engaged in discussions aimed at resolving the allegations. Resolution of the matter may result in monetary sanctions of more than \$100,000.

Other Matters

Based on management's current assessment, we are of the opinion that no pending or threatened lawsuit or dispute relating to our business operations are likely to have a material adverse effect on our future consolidated financial position, results of operations or cash flows. The final resolution of such matters could exceed amounts accrued, however, and actual results could differ materially from management's estimates.

ITEM 1A. RISK FACTORS

See risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Unregistered Sales of Equity Securities

None.

Issuer Repurchases of Equity Securities

Our common stock repurchase activity for the three months ended June 30, 2019 was as follows:

Period	Total number of shares purchased ⁽²⁾	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs ⁽²⁾	Approximate maximum dollar value of shares that may yet be purchased under the plans or programs ⁽¹⁾
April 2019	296,587	\$ 7.65	224,563	\$ 370,000,000
May 2019	—	\$ —	—	\$ 370,000,000
June 2019	—	\$ —	—	\$ 370,000,000
Total	296,587	\$ 7.65	224,563	

(1) In January 2019, our board of directors approved a new stock repurchase program to acquire up to \$400 million of our outstanding common stock within a 24 month period. This repurchase program may be suspended from time to time, modified, extended or discontinued by our board of directors at any time.

(2) In April 2019, we repurchased and canceled 224,563 shares under the repurchase program at a weighted average price of \$7.96 per share. Additionally, in April 2019, we repurchased and canceled 72,024 shares of our common stock at a weighted average price of \$6.69 to satisfy tax withholding requirements incurred upon the vesting of restricted stock unit awards.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

2019 Amended and Restated Stock Incentive Plan

On June 6, 2019, at the 2019 Annual Meeting of Stockholders of Gulfport Energy Corporation, our stockholders approved the 2019 Amended and Restated Stock Incentive Plan (as amended and restated, the “Plan”), which amended and restated our 2013 Restated Stock Incentive Plan. The Plan had previously been unanimously adopted, subject to stockholder approval, by the Compensation Committee (the “Compensation Committee”) of our board of directors (our “Board”), acting upon authority delegated to it by our Board. The Plan, among other things, increases the share reserve by an additional 5,000,000 shares and extends the expiration date from April 18, 2023 to April 28, 2029. A detailed summary of the Plan is set forth in our definitive proxy statement filed with the SEC on April 30, 2019. The description of the Plan herein and the summary of the Plan in the proxy statement are qualified in their entirety by reference to the full text of the Plan, which is attached to hereto as Exhibit 10.1 and incorporated by reference herein.

Indemnification Agreements

On August 1, 2019, the Company entered into indemnification agreements with each of its directors and David M. Wood, the Company’s Chief Executive Officer and President, Donnie Moore, the Company’s Chief Operating Officer, and Patrick K. Craine, the Company’s General Counsel and Corporate Secretary. The indemnification agreements require the Company to indemnify those individuals to the fullest extent permitted under Delaware law against liabilities that may arise by reason of their service to the Company, and to advance expenses incurred as a result of any proceeding against them as to which they could be indemnified. The indemnification agreements superseded any existing indemnification agreements between the Company and those individuals. The description of the indemnification agreements herein is qualified in its entirety by reference to the full text of the form of indemnification agreement, which is attached to hereto as Exhibit 10.2 and incorporated by reference herein.

Employment Agreements

Effective August 1, 2019, the Company entered into employment agreements (the “Employment Agreements”) with David M. Wood, the Company’s Chief Executive Officer and President, Donnie Moore, the Company’s Chief Operating Officer, and Patrick K. Craine, the Company’s General Counsel and Corporate Secretary (each, an “Executive”).

Each Employment Agreement provides for an initial term that extends through December 31, 2023; provided that the agreement will automatically renew for successive one-year terms unless the Company or the Executive gives written notice not to renew at least 90 days before the end of the initial term or any renewal term. If a change in control (as defined in the Employment Agreement) occurs during the term of the Employment Agreement, the term will be extended to the later of the original expiration date of the term or the date that is 24 months after the effective date of the change of control.

The Employment Agreements provide the respective Executive with, among other things: (i) an annual base salary of \$834,000, \$505,000 and \$435,000, for Messrs. Wood, Moore and Craine, respectively, (ii) eligibility to earn a target annual bonus under the Company’s annual incentive plan equal to 125%, 100% and 90% of base salary for Messrs. Wood, Moore and Craine, respectively, (iii) eligibility for annual grants of equity awards as determined in the sole discretion of the Compensation Committee pursuant to the Company’s equity compensation plans; provided that, with respect to the calendar year ending December 31, 2020, each of Messrs. Wood, Moore and Craine will receive awards that have a target aggregate fair value of 500%, 350% and 200% of base pay, respectively, and (iv) benefits that are customarily provided to similarly situated executives of the Company.

The Employment Agreements further provide that (i) if the Executive’s employment is terminated without cause by the Company or by the Executive for good reason (as such terms are defined in the Employment Agreements), such Executive is entitled to severance compensation equal to (a) 100% of annual base salary and target annual bonus, (b) pro rata target annual bonus, (c) pro rata vesting of the Executive’s unvested awards (with performance awards vested based on performance through the termination date), (d) immediate vesting of any Company matching or other contributions to the Company’s non-qualified deferred compensation plans, if any (“Company Non-Qualified Contributions”), and (e) a lump sum payment equal to the Executive’s monthly COBRA premium for a 12 month period, and (ii) if the Executive’s employment is terminated without cause by the Company or by the Executive for good reason, in each case, within 24 months following a change in control, such Executive is entitled to severance compensation equal to (v) 200% of annual base salary and target annual bonus, (w) pro rata target annual bonus, (x) immediate vesting of the Executive’s unvested awards (with performance awards vested based on performance through the termination date), (y) immediate vesting of any Company Non-Qualified Contributions, and (z) a lump sum payment equal to the Executive’s monthly COBRA premium for an 18 month period. Any severance benefits

payable under the Employment Agreement is conditioned on timely execution of a waiver and release of claims. Each Employment Agreement also contains a one-year post-employment non-solicitation clause and standard confidentiality, trade secrets and cooperation provisions.

The description of the Employment Agreements herein is qualified in its entirety by reference to the full text of the Employment Agreements, which are attached to hereto as Exhibits 10.3, 10.4 and 10.5 and incorporated by reference herein.

ITEM 6. EXHIBITS

Exhibit Number	Description
3.1	Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Form 8-K, File No. 000-19514, filed by the Company with the SEC on April 26, 2006).
3.2	Certificate of Amendment No. 1 to Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.2 to Form 10-Q, File No. 000-19514, filed by the Company with the SEC on November 6, 2009).
3.3	Certificate of Amendment No. 2 to Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Form 8-K, File No. 000-19514, filed by the Company with the SEC on July 23, 2013).
3.4	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Form 8-K, File No. 000-19514, filed by the Company with the SEC on July 12, 2006).
3.5	First Amendment to the Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Form 8-K, File No. 000-19514, filed by the Company with the SEC on July 23, 2013).
3.6	Second Amendment to the Amended and Restated Bylaws (incorporated by reference to Exhibit 3.1 to the Form 8-K, File No. 000-19514, filed by the Company on May 2, 2014).
4.1	Form of Common Stock certificate (incorporated by reference to Exhibit 4.1 to Amendment No. 2 to the Registration Statement on Form SB-2, File No. 333-115396, filed by the Company with the SEC on July 22, 2004).
4.5	Indenture, dated as of April 21, 2015, among the Company, the subsidiary guarantors party thereto and Wells Fargo Bank, N.A., as trustee (including the form of the Company's 6.625% Senior Notes due 2023) (incorporated by reference to Exhibit 4.1 to the Form 8-K, File No. 000-19514, filed by the Company with the SEC on April 21, 2015).
4.6	Indenture, dated as of October 14, 2016, among Gulfport Energy Corporation, the subsidiary guarantors party thereto and Wells Fargo Bank, N.A., as trustee (including the form of Gulfport Energy Corporation's 6.000% Senior Notes due 2024) (incorporated by reference to Exhibit 4.1 to the Form 8-K, File No. 000-19514, filed by the Company with the SEC on October 19, 2016).
4.7	Indenture, dated as of December 21, 2016, among Gulfport Energy Corporation, the subsidiary guarantors party thereto and Wells Fargo Bank, N.A., as trustee (including the form of Gulfport Energy Corporation's 6.375% Senior Notes due 2025) (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, File No. 000-19514, filed by the Company with the SEC on December 21, 2016).
4.8	Indenture, dated as of October 11, 2017, among Gulfport Energy Corporation, the subsidiary guarantors party thereto and Wells Fargo Bank, N.A., as trustee (including the form of Gulfport Energy Corporation's 6.375% Senior Notes due 2026) (incorporated by reference to Exhibit 4.1 to the Form 8-K, File No. 000-19514, filed by the Company with the SEC on October 11, 2017).
4.9	Registration Rights Agreement, dated as of February 17, 2017, by and between Gulfport Energy Corporation and Vitruvian II Woodford, LLC (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, File No. 000-19514, filed by the Company with the SEC on February 24, 2017).
10.1+	2019 Amended and Restated Stock Incentive Plan (incorporated by reference to Appendix A to the Company's Definitive Proxy Statement on Schedule 14A, File No. 000-19514, filed by the Company with the SEC on April 30, 2019).
10.2*+	Form of Indemnification Agreement.
10.3*+	Employment Agreement, entered into and effective as of August 1, 2019, by and between Gulfport Energy Corporation and David M. Wood.
10.4*+	Employment Agreement, entered into and effective as of August 1, 2019, by and between Gulfport Energy Corporation and Donnie Moore.

10.5*+	Employment Agreement, entered into and effective as of August 1, 2019, by and between Gulfport Energy Corporation and Patrick K. Craine.
31.1*	Certification of Chief Executive Officer of the Registrant pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
31.2*	Certification of Chief Financial Officer of the Registrant pursuant to Rule 13a-14(a) promulgated under the Securities Exchange Act of 1934, as amended.
32.1*	Certification of Chief Executive Officer of the Registrant pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code.
32.2*	Certification of Chief Financial Officer of the Registrant pursuant to Rule 13a-14(b) promulgated under the Securities Exchange Act of 1934, as amended, and Section 1350 of Chapter 63 of Title 18 of the United States Code.
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.
104*	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

* Filed herewith.

+ Management contract, compensation plan or arrangement.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 2, 2019

GULFPORT ENERGY CORPORATION

By:

/s/ Keri Crowell

Keri Crowell
Chief Financial Officer

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the “*Agreement*”) is made and entered into as of [•], 2019 between Gulfport Energy Corporation, a Delaware corporation (the “*Company*”), and [•] (“*Indemnitee*”).

RECITALS

A. Highly competent persons have become more reluctant to serve corporations as directors or officers or in other capacities unless they are provided with adequate protection through insurance or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation.

B. The Board of Directors of the Company (the “*Board*”) has determined that, to attract and retain qualified individuals, the Company will maintain on an ongoing basis, at its sole expense, liability insurance to protect persons serving the Company and its subsidiaries from certain liabilities. Although the furnishing of such insurance has been a customary and widespread practice among United States-based corporations and other business enterprises, the Company believes that, given current market conditions and trends, such insurance may be available to it in the future only at higher premiums and with more exclusions. At the same time, directors, officers, and other persons in service to corporations or business enterprises are being increasingly 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. The Amended and Restated Bylaws of the Company (the “*Bylaws*”) require indemnification of the officers and directors of the Company. Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (“*DGCL*”). 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.

C. The uncertainties relating to liability insurance and to indemnification have increased the difficulty of attracting and retaining such persons.

D. The Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company’s stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future.

E. It is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified.

F. This Agreement is a supplement to and in furtherance of the Bylaws and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

G. Indemnitee does not regard the protection available under the Bylaws and insurance as adequate in the present circumstances, and may not be willing to serve as an officer or director without adequate protection, and the Company desires Indemnitee to serve in such capacity. 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 Indemnitee be so indemnified.

H. This Agreement supersedes and replaces in its entirety any previous Indemnification Agreement entered into between the Company and the Indemnitee.

AGREEMENT

NOW, THEREFORE, in consideration of Indemnitee's agreement to serve as an officer and/or director from and after the date hereof, the parties hereto agree as follows:

1. Indemnity of Indemnitee. The Company hereby agrees to hold harmless and indemnify Indemnitee to the fullest extent permitted by the laws of the State of Delaware in effect on the date hereof, as such may be amended from time to time to increase the scope of such permitted indemnification. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Proceedings Other Than Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(a) if, by reason of Indemnitee's Corporate Status, the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), Indemnitee shall be indemnified against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee, or on Indemnitee's behalf, in connection with such Proceeding or any claim, issue or matter therein, if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe the Indemnitee's conduct was unlawful.

(b) Proceedings by or in the Right of the Company. Indemnitee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of Indemnitee's Corporate Status, the Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnitee, or on the Indemnitee's behalf, in connection with such Proceeding if the Indemnitee acted in good faith and in a manner the Indemnitee reasonably believed to be in or not opposed to the best interests of the Company; provided, however, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnitee shall have been adjudged to be liable to the Company unless and to the extent that the Court of Chancery of the State of Delaware shall determine that such indemnification may be made.

(c) Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, Indemnitee shall be indemnified to the maximum extent permitted by law, as such may be amended from time to time, against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, 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 claim, issue or matter. For purposes of this Section and without limitation, the termination of any 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.

2. Additional Indemnity. In addition to, and without regard to any limitations on, the indemnification provided for in Section 1 of this Agreement, the Company shall and hereby does indemnify and hold harmless Indemnitee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on Indemnitee's behalf if, by reason of Indemnitee's Corporate Status, Indemnitee is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the negligence or active or passive wrongdoing of Indemnitee. The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall

be that the Company shall not be obligated to make any payment to Indemnitee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 7 and 8 hereof) to be unlawful.

3. Partial Indemnity. If Indemnitee is entitled under any provision of this Agreement to indemnification by the Company for a portion of any Expenses, judgments, penalties, fines and amounts paid in settlement but not for the total amount thereof, the Company shall nevertheless indemnify Indemnitee for the portion thereof to which Indemnitee is entitled.

4. Contribution.

(a) Whether or not the indemnification provided in Sections 1 and 2 hereof is available, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnitee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnitee.

(b) The Company shall not enter into any settlement of any action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnitee.

(c) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnitee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnitee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, from the transaction or events from which such action, suit or proceeding arose; provided, however, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnitee who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, in connection with the transaction or events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which applicable law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnitee, who are jointly liable with Indemnitee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnitee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(d) The Company hereby agrees to fully indemnify and hold Indemnitee harmless from any claims of contribution which may be brought by officers, directors or employees of the Company, other than Indemnitee, who may be jointly liable with Indemnitee.

(e) 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 judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/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/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

5. Indemnification for Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness, or is made (or asked) to respond to discovery requests, in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

6. Advancement of Expenses. Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred by or on behalf of Indemnitee in connection with any Proceeding by reason of Indemnitee's Corporate Status within 30 days after the receipt by the Company of a statement or statements from Indemnitee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnitee and shall include or be preceded or accompanied by a written undertaking by or on behalf of Indemnitee to repay any Expenses advanced if it shall ultimately be determined that Indemnitee is not entitled to be indemnified against such Expenses in the form attached hereto as Exhibit A, which shall be accepted without reference to Indemnitee's ability to repay such advancement of Expenses. Indemnitee's right to such advancement is not subject to the satisfaction of any standard of conduct. In connection with any request for the advancement of Expenses, Indemnitee shall not be required to provide any documentation or information to the extent that the provision thereof would undermine or otherwise jeopardize attorney-client privilege. Any advances and undertakings to repay pursuant to this Section 6 shall be unsecured and interest free.

7. Procedures and Presumptions for Determination of Entitlement to Indemnification. It is the intent of this Agreement to secure for Indemnitee rights of indemnity that are as favorable as may be permitted under the DGCL and public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) 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 the Proceeding. 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. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 7(a) hereof, a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following methods, which, except for the fourth method in the event of a Change of Control as defined in Section 14 of this Agreement, shall be at the election of the Board: (1) by a majority vote of the Disinterested Directors, even though less than a quorum, (2) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum, (3) if there are no Disinterested Directors or if the Disinterested Directors so direct, by independent legal counsel in a written opinion to the Board, a copy of which shall be delivered to the Indemnitee or (4) in the event of a Change of Control, a majority vote of the Disinterested Directors if the Indemnitee so requests in writing, or otherwise by independent legal counsel in a written opinion to the Board, a copy of which shall be delivered to the Indemnitee.

(c) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 7(b) hereof, the Independent Counsel shall be selected as provided in this Section 7(c). The Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising Indemnitee of the identity of the Independent Counsel so selected. Indemnitee may, within 10 days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of “**Independent Counsel**” as defined in Section 14 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 7(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition the Court of Chancery of the State of Delaware or other court of competent jurisdiction for resolution of any objection which shall have been made by the Indemnitee to the Company’s selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 7(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 7(b) hereof, and the Company shall pay all reasonable fees and expenses incident to the procedures of this Section 7(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(d) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Any determination by the Company (including by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct may be challenged by the Indemnitee in Chancery Court of the State of Delaware (the “**Delaware Court**”). 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.

(e) Indemnitee shall be deemed to have acted in good faith if Indemnitee’s action is based on the 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, by committees of the Board 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 reasonable care by the Enterprise. In addition, the knowledge and/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. Whether or not the foregoing provisions of this Section 7(e) are satisfied, it shall in any event be presumed that Indemnitee has at all times acted in good faith and in a manner Indemnitee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(f) If the person, persons or entity empowered or selected under Section 7 to determine whether Indemnitee is entitled to indemnification shall not have made a determination within 30 days after receipt by the Company of the request therefor (or, in the event such determination is being made by Independent

Counsel, within 30 days of the engagement of such Independent Counsel), the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; provided, however, that such 30-day period may be extended for a reasonable time, not to exceed an additional 30 days, if the person, persons or entity making such determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto.

(g) 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 Independent Counsel or member of the Board shall act reasonably and in good faith in making a determination regarding the Indemnitee's entitlement to indemnification under this Agreement.

(h) Any costs or expenses (including attorneys' fees and disbursements) 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.

(i) The Company acknowledges that a settlement or other disposition short of final judgment may be successful if it permits a party to avoid expense, delay, distraction, disruption and uncertainty. In the event that any action, claim or proceeding to which Indemnitee is a party is resolved in any manner other than by adverse judgment against Indemnitee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnitee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(j) 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) of itself 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 Indemnitee 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.

8. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 7 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 6 of this Agreement, (iii) no determination of entitlement to indemnification is made pursuant to Section 7(b) of this Agreement within 60 days after receipt by the Company of the request for indemnification (or, in the event such determination is being made by Independent Counsel, within 60 days of the engagement of such Independent Counsel), (iv) payment of indemnification is not made pursuant to this Agreement within five days after receipt by the Company of a written request therefor or (v) payment of indemnification is not made within five days after a determination has been made that Indemnitee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 7 of this Agreement, Indemnitee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of Indemnitee's entitlement to such indemnification.

Indemnitee shall commence such proceeding seeking an adjudication within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 8(a). The Company shall not oppose Indemnitee's right to seek any such adjudication.

(b) In the event that a determination shall have been made pursuant to Section 7(b) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 8 shall be conducted in all respects as a *de novo* trial on the merits, and Indemnitee shall not be prejudiced by reason of the adverse determination under Section 7(b).

(c) If a determination shall have been made pursuant to Section 7(b) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding commenced pursuant to this Section 8, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 8, seeks a judicial adjudication of Indemnitee's rights under, or to recover damages for breach of, this Agreement, or to recover under any directors' and officers' liability insurance policies maintained by the Company, the Company shall pay on Indemnitee's behalf, in advance, any and all expenses (of the types described in the definition of Expenses in Section 14 of this Agreement) actually and reasonably incurred by Indemnitee in such judicial adjudication, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 8 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within five days after receipt by the Company of a written request therefore) advance, to the extent not prohibited by law, such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses 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 of Expenses or insurance recovery, as the case may be.

(f) 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.

9. Non-Exclusivity; Survival of Rights; Insurance; Subrogation; Primacy of Indemnification.

(a) The rights of indemnification 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, a resolution of directors of the Company, or otherwise.

(b) 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.

(c) To the extent that a change in the DGCL, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Restated Certificate of Incorporation of

the Company or Bylaws and 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.

(d) 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.

(e) For the duration of Indemnitee's services as a director or officer of the Company, and thereafter for so long as Indemnitee shall be subject to any pending Proceeding, the Company shall use commercially reasonable efforts to continue to maintain in effect policies of directors' and officers' liability insurance providing coverage that is at least substantially comparable in scope and amount to that provided by the Company's current policies of directors' and officers' liability insurance. 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 director, officer, employee, agent or fiduciary under such policy or policies. Upon request, the Company will provide to Indemnitee copies of all directors' and officers' liability insurance applications, binders, policies, declaration, endorsements and other related materials. At the time of the receipt of a notice of a claim pursuant to the terms hereof, 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 the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(f) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(g) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(h) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise.

10. Exceptions to Right of Indemnification. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or 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 Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law; or

(b) in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or

any such part of any Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law or (iii) an adjudication initiated pursuant to Section 8(a) hereof.

11. Duration of Agreement.

(a) All agreements and obligations of the Company contained herein shall continue for so long as Indemnitee may have any liability or potential liability by virtue of serving as an officer or director of the Company (or is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Indemnitee shall be subject to any Proceeding (or any proceeding commenced under Section 8 hereof) by reason of Indemnitee's Corporate Status, whether or not Indemnitee is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement.

(b) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), assigns, spouses, heirs, executors and personal and legal representatives. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part of the business or assets of the Company, by written agreement, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

12. Security. To the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

13. Enforcement.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it hereby in order to induce Indemnitee to serve as an officer or director of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an officer or director 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.

(c) The Company shall not seek from a court, or agree to, a "bar order" which would have the effect of prohibiting or limiting the Indemnitee's rights to receive advancement of expenses under this Agreement.

14. Definitions. For purposes of this Agreement:

(a) "**Change of Control**" means the occurrence of any of the following events:

(i) The acquisition after the date of this Agreement by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 15% or more of either the then-outstanding shares of common stock of the Company (the "**Outstanding Company Common Stock**") or the combined

voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the “**Outstanding Company Voting Securities**”);

(ii) Individuals who, as of the date of this Agreement, constitute the Board of Directors (the “**Incumbent Directors**”) cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual who becomes a director of the Company subsequent to the date of this Agreement and whose election or appointment by the Board of Directors or nomination for election by the Company’s stockholders was approved by a vote of at least a majority of the then Incumbent Directors will be considered as an Incumbent Director, unless such individual’s initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person or entity other than the Company;

(iii) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company or any of its Subsidiaries, a sale or other disposition of all or substantially all of the assets of the Company or an acquisition of assets or stock of another entity by the Company or any of its Subsidiaries (each a “**Business Combination**”) unless, in each case, following such Business Combination (i) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the then-outstanding shares of common stock and the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including a corporation that, as a result of such Business Combination, owns the Company or all or substantially all of the Company’s assets either directly or through one or more Subsidiaries) in substantially the same proportions as their ownership immediately prior to such Business Combination of the Outstanding Company Common Stock and the Outstanding Company Voting Securities, as the case may be, (ii) no person or entity (excluding (A) any entity resulting from such Business Combination or (B) any employee benefit plan (or related trust) of the Company or corporation resulting from such Business Combination) beneficially owns, directly or indirectly 15% or more of either the then- outstanding shares of common stock of the corporation resulting from such Business Combination or the combined voting power of the then-outstanding voting securities of such corporation, except to the extent that such ownership existed prior to such Business Combination, and (iii) at least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board of Directors, providing for such Business Combination; or

(iv) Approval by the stockholders of the Company of a complete liquidation or dissolution of the Company.

(b) “**Corporate Status**” describes the status of a person who is or was a director, officer, partner, trustee, member, employee, agent or fiduciary of the Company or of any other corporation, partnership, joint venture, trust, limited liability company, employee benefit plan or other enterprise that such person is or was serving at the express written request of the Company.

(c) “**Disinterested Director**” means 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.

(d) “**Enterprise**” shall mean the Company and any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the express written request of the Company as a director, officer, partner, trustee, member, employee, agent or fiduciary.

(e) “**Expenses**” shall include all reasonable attorneys’ 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, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including without limitation the premium, security for, and other costs relating to any cost bond, supersede as bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(f) “**Independent Counsel**” means a law firm, or a member of a law firm, that is experienced in matters of public companies, fiduciary duties and corporation law and neither presently is, nor in the past five 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. Notwithstanding the foregoing, 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. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

(g) “**Proceeding**” includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise, whether civil, criminal, administrative, investigative or other and whether made pursuant to federal, state or other law, in which Indemnitee was, is or will be involved as a party or otherwise, by reason of Indemnitee’s Corporate Status, by reason of any action taken by Indemnitee or of any inaction on Indemnitee’s part while acting in Indemnitee’s Corporate Status; in each case whether or not Indemnitee is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnitee pursuant to Section 8 of this Agreement to enforce Indemnitee’s rights under this Agreement.

15. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. Further, the invalidity or unenforceability of any provision hereof as to Indemnitee shall in no way affect the validity or enforceability of any provision hereof as to the other. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnitee indemnification rights to the fullest extent permitted by applicable laws. In the event any provision hereof conflicts with any applicable law, such provision shall be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.

16. Modification and Waiver. No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be binding unless in writing and signed by the party against whom enforcement is sought, and no such waiver shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

17. Notice By Indemnitee. Indemnitee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The

failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnitee under this Agreement or otherwise unless and only to the extent that such failure or delay materially prejudices the Company.

18. Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

(a) To Indemnitee at the address set forth below Indemnitee's signature hereto.

(b) To the Company
at:

Gulfport Energy Corporation
3001 Quail Springs Parkway
Oklahoma City, Oklahoma 73134
Attention: Secretary

or to such other address as may have been furnished to Indemnitee by the Company or to the Company by Indemnitee, as the case may be.

19. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. Counterparts may be delivered via electronic mail or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

20. Headings. 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.

21. Governing 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. 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 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.

22. Mutual Acknowledgement. Both the Company and Indemnitee acknowledge that in certain instances, federal law or public policy may override applicable state law and prohibit the Company from indemnifying its directors and officers under this Agreement or otherwise. For example, the Company and Indemnitee acknowledge that the Securities and Exchange Commission (the "**SEC**") has taken the position that indemnification is not permissible for liabilities arising under certain federal securities laws, and federal legislation prohibits indemnification for certain ERISA violations. Indemnitee understands and acknowledges that the Company has undertaken or may be required in the future to undertake with the SEC to submit the question of indemnification to a court in certain circumstances for a determination of the Company's right under public policy to indemnify Indemnitee.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement on and as of the day and year first above written.

GULFPORT ENERGY CORPORATION

By: _____

Name:

Title:

INDEMNITEE

Address:

**EXHIBIT A
UNDERTAKING**

This Undertaking is submitted pursuant to that certain Indemnification Agreement, dated as of [•] (the “Indemnification Agreement”), between Gulfport Energy Corporation, a Delaware corporation (the “Company”), and the undersigned. Capitalized terms used and not otherwise defined herein have the meanings ascribed to such terms in the Indemnification Agreement.

The undersigned hereby requests **[payment], [advancement], [reimbursement]** by the Company of Expenses which the undersigned **[has incurred] [reasonably expects to incur]** in connection with [•] (the “Indemnifiable Claim”).

The undersigned hereby undertakes to repay the **[payment], [advancement], [reimbursement]** of Expenses made by the Company to or on behalf of the undersigned in response to the foregoing request to the extent it is determined, following the final disposition of the Indemnifiable Claim and in accordance with Section 7 of the Indemnification Agreement, that the undersigned is not entitled to indemnification by the Company under the Indemnification Agreement with respect to the Indemnifiable Claim.

IN WITNESS WHEREOF, the undersigned has executed this Undertaking as of this [•] day of [•], [•].

[Indemnitee]

EMPLOYMENT AGREEMENT
between
GULFPORT ENERGY CORPORATION
and
David M. Wood
Effective August 1, 2019

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made effective August 1, 2019 (the "Effective Date"), between GULFPORT ENERGY CORPORATION, a Delaware corporation (the "Company") and David M. Wood, an individual (the "Executive").

WITNESSETH:

WHEREAS, the Company desires to retain the services of the Executive and the Executive desires to make the Executive's services available to the Company.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the Company and the Executive agree as follows:

1. Employment. The Company hereby employs the Executive and the Executive hereby accepts such employment subject to the terms and conditions contained in this Agreement.

2. Executive's Duties. The Executive is employed on a full-time basis. Throughout the term of this Agreement, the Executive will use the Executive's best efforts and due diligence to assist the Company in achieving the most profitable operation of the Company and the Company's affiliated entities consistent with developing and maintaining a quality business operation.
 - 2.1 Specific Duties. The Executive will serve as Chief Executive Officer and President for the Company, and in such other positions as might be mutually agreed upon by the parties. The Executive shall perform all of the duties required to fully and faithfully execute the office and position to which the Executive is appointed, and such other duties as may be reasonably requested by the Executive's supervisor or by the Company. During the term of this Agreement, the Executive may be nominated for election or appointed to serve as a director or officer of any of the Company's affiliated entities as determined in such affiliates' board of directors' sole discretion. The services of the Executive will be requested and directed by the Board of Directors of the Company (the "Board").

- 2.2 Duty of Loyalty. The Executive acknowledges and agrees that the Executive has a fiduciary duty of loyalty to act in the best interests of the Company and to do no act that would materially injure the business, interests or reputation of the Company or any of its affiliates. In keeping with these duties, the Executive shall make full disclosure to the Company of all business opportunities pertaining to the Company's business and shall not appropriate for the Executive's own benefit business opportunities concerning the subject matter of the fiduciary relationship.
- 2.3 Policies and Procedures. The Company has issued various policies and procedures applicable to all employees of the Company and its related and affiliated entities including policies which set forth the general human resources policies of the Company and addresses frequently asked questions regarding the Company. The Executive agrees to comply with such policies and procedures except to the extent inconsistent with this Agreement. Such policies and procedures may be changed or adopted in the sole discretion of the Company without advance notice.
3. Other Activities. The Executive shall devote substantially all of the Executive's business time and attention to the performance of the Executive's duties hereunder and will not engage in any other business, profession, or occupation for compensation or otherwise which would conflict with the performance of such services either directly or indirectly without the prior written consent of the Board. Notwithstanding the foregoing, the Executive will be permitted to (a) with the prior written consent of the Board, act or serve as a director, trustee, committee member, or principal of any type of business, civic, or charitable organization, and (b) purchase or own less than five percent (5%) of the publicly traded securities of any corporation; provided that, such ownership represents a passive investment and that the Executive is not a controlling person of, or a member of a group that controls, such corporation; provided further that, the activities described in clauses (a) and (b) do not interfere with the performance of the Executive's duties and responsibilities to the Company as provided hereunder, including, but not limited to, the obligations set forth in Section 2.
4. Executive's Compensation. The Company agrees to compensate the Executive as follows:

- 4.1 Base Salary. A base salary (the "Base Salary"), at the initial annual rate of not less than \$834,000 will be paid to the Executive in regular installments in accordance with the Company's designated payroll schedule.
- 4.2 Bonus. In addition to the Base Salary described in Section 4.1 of this Agreement, the Executive shall be eligible for an annual bonus for each fiscal year during the Term on the same basis as other executive officers under the Company's then current annual incentive plan with a target of 125% of Base Salary which shall be payable in accordance with the terms of such plan and the performance metrics established by the Compensation Committee of the Board (the "Committee").
- 4.3 Equity Compensation. During the term of the Executive's employment, the Executive will be eligible for annual grants of restricted stock, restricted stock units, performance-based awards, stock options or other awards as determined in the sole discretion of the Committee in its discretion pursuant to the Company's equity compensation plans (generally referred to as "Equity Compensation Plans"), subject to the terms and conditions of the Equity Compensation Plans and the terms and conditions of each award as determined by the Committee in its discretion; provided that, with respect to the calendar year ending December 31, 2020 ("FY 2020"), the Executive will receive awards that have a target aggregate fair value equal to 500% of Base Salary. For each calendar year following FY 2020, the target aggregate fair value of such awards shall be as determined by the Committee in its discretion, it being understood that the Committee may elect to not provide the Executive an award with respect to a particular year.

Notwithstanding the foregoing, the Executive will not be deemed to have terminated for Good Reason unless (A) the Executive provides written notice to the Company of the existence of one of the conditions described above within ninety (90) days after the Executive has knowledge of the initial existence of the condition, (B) the Company fails to remedy the condition so identified within thirty (30) days after receipt of such notice (if capable of correction), (C) the Executive provides a notice of termination to the Company within thirty (30) days of the expiration of the Company's period to remedy the condition specifying an effective date for the Executive's termination, and (D) the effective date of the Executive's termination of employment is within ninety (90) days after the Executive provides written notice to the Company of the existence of the condition referred to in clause (A).

4.4 Benefits. The Company will provide the Executive with benefits that are customarily provided to similarly situated executives of the Company and as are set forth in and governed by the Company's employment policies and applicable plan documents. Additionally, the Company will provide paid time off ("PTO") to the Executive, the amount of which will be determined in accordance with the Company's PTO policy. No additional compensation will be paid for failure to take PTO. The Company will also provide the Executive the opportunity to apply for coverage under the Company's medical, life and disability plans, if any. If the Executive is accepted for coverage under such plans, the Company will make such coverage available to the Executive on the same terms as is customarily provided by the Company to the plan participants as modified from time to time in the Company's sole discretion. The Executive will be entitled to receive reimbursement for all reasonable business expenses incurred by the Executive in accordance with the Company's expense reimbursement policy. All payments for reimbursement under this Section 4.4 shall be paid promptly but in no event later than the last day of the Executive's taxable year following the taxable year in which the Executive incurred such expenses.

5. Term. The term of the Executive's employment under the provisions of this Agreement shall be for a period commencing on the Effective Date and shall continue until December 31, 2023 (the "Initial Expiration Date"), unless terminated earlier pursuant to Section 6; provided that, upon the Initial Expiration Date and each annual anniversary thereafter (such date and each annual anniversary thereof, a "Renewal Date"), the Agreement shall be deemed to be automatically extended, upon the same terms and conditions, for successive periods of one year, unless either party provides written notice of its intention not to extend the term of the Agreement at least ninety (90) days prior to the applicable Renewal Date (the period of the Executive's employment under this Agreement being the "Term"); provided, however, if during the Term of this Agreement a Change of Control (as defined in Exhibit A attached hereto) occurs, the Term of this Agreement shall be extended to the later of the original expiration date of the Term or the expiration of the Change of Control Period. For purposes of this Agreement, "Change of Control Period" means the twenty-four (24) month period commencing on the effective date of a Change of Control.
6. Termination. This Agreement will continue in effect until the expiration of the term stated in Section 5 of this Agreement unless earlier terminated pursuant to this Section 6. For purposes of this Agreement, "Termination Date" shall mean (a) if the Executive's employment is terminated by death, the date of death; (b) if the Executive's employment is terminated pursuant to Section 6.4 due to a disability, thirty (30) days after notice of termination is provided to the Executive in accordance with Section 6.4; (c) if the Executive's employment is terminated by Company without Cause or by the Executive for Good Reason pursuant to Section 6.1.1 or 6.1.2, on the effective date of termination specified in the notice required by Section 6.1.1 or 6.1.2 respectively; (d) if the Executive's employment is terminated by Company for Cause pursuant to Section 6.1.3, the date on which the notice of termination required by Section 6.1.3 is given; or (e) if the Executive's employment is terminated by the Executive pursuant to Section 6.2, on the effective date of termination specified by the Executive in the notice of termination required by Section 6.2 unless the Company rejects such date as allowed by Section 6.2, in which case it would be the date specified by the Company.

6.1 Termination by Company. The Executive's employment under this Agreement may be terminated prior to the expiration of the Term under the following circumstances:

6.1.1 Termination without Cause or for Good Reason Outside of a Change of Control Period

- a) Termination by the Company without Cause. The Company may terminate the Executive's employment without Cause at any time by the service of written notice of termination to the Executive specifying an effective date of such termination not sooner than the date of such notice.

- b) Termination by the Executive for Good Reason. The Executive may terminate employment with the Company for "Good Reason" and such termination will not be a breach of this Agreement by the Executive. For purposes of this Section 6.1.1(b), Good Reason shall mean the occurrence of one of the events set forth below:
 - (i) elimination of the Executive's job position or material reduction in duties and/or reassignment of the Executive to a new position of materially less authority; or

 - (ii) a material reduction in the Executive's Base Salary.

- c) Obligations of the Company. In the event the Executive is Terminated without Cause or terminates employment for Good Reason outside of a Change of Control Period, the Executive will receive as termination compensation on the date sixty (60) days following the Termination Date: (a) a payment of one (1) times the sum of Base Salary and Annual Bonus in a lump sum payment; (b) a payment of the pro-rata portion of the Annual Bonus for the fiscal year in which the Termination Date occurs determined based on the number of days that have lapsed during the calendar year prior to the Termination Date divided by 365; (c) pro rata vesting through the last day of the month in which the Termination Date occurs of all unvested awards granted to the Executive under the Equity Compensation Plans (provided performance-based restricted stock units shall only be payable subject to the attainment of the performance measures through the Termination Date (or the most recent practicable date) as provided under the terms of the applicable award agreement); (d) any Company matching or other contributions to the Company's non-qualified deferred compensation plans, if any, (the "Company Non-Qualified Contributions") shall be immediately vested; (e) a lump sum payment of any PTO pay accrued but unused through the Termination Date and (f) a lump sum payment equal to the Executive's monthly COBRA premium for a twelve (12) month period. For purposes of this Agreement "Annual Bonus" shall be defined as the Executive's target bonus for the year in which the Termination Date occurs. The right to the foregoing termination compensation described under clauses (a), (b), (c) and (d) above is subject to the Executive's timely execution, without revocation, of the Company's waiver and release agreement substantially in the form attached hereto as "Exhibit B" which will operate as a release of all legally waivable claims against the Company and the Executive's compliance with all of the provisions of this Agreement, including all post-employment obligations.

6.1.2 Termination without Cause or for Good Reason During a Change of Control Period

Notwithstanding the foregoing, the Executive will not be deemed to have terminated for Good Reason unless (A) the Executive provides written notice to the Company of the existence of one of the conditions described above within ninety (90) days after the Executive has knowledge of the initial existence of the condition, (B) the Company fails to remedy the condition so identified within thirty (30) days after receipt of such notice (if capable of correction), (C) the Executive provides a Notice of Termination to the Company within thirty (30) days of the expiration of the Company's period to remedy the condition specifying an effective date for the Executive's termination, and (D) the effective date of the Executive's termination of employment is within ninety (90) days after the Executive provides written notice to the Company of the existence of the condition referred to in clause (A).

- (a) Termination by the Company without Cause. The Company may terminate the Executive's employment without Cause during a Change of Control Period at any time by the service of written notice of termination to the Executive specifying an effective date of such termination not sooner than the date of such notice.

- (b) Termination by the Executive for Good Reason. The Executive may terminate employment with the Company for "Good Reason" and such termination will not be a breach of this Agreement by the Executive. For purposes of this Section 6.1.2(b), Good Reason during a Change of Control Period shall mean the occurrence of one of the events set forth below:
 - (i) elimination of the Executive's job position or material reduction in duties and/or reassignment of the Executive to a new position of materially less authority;

 - (ii) a material reduction in the Executive's Base Salary; or

- (iii) a requirement that the Executive relocate to a location outside of a fifty (50) mile radius of the location of his or her office or principal base of operation immediately prior to the effective date of a Change of Control.

- (c) Obligations of the Company. In the event the Executive is Terminated without Cause or terminates employment for Good Reason during a Change of Control Period, the Executive will receive as termination compensation on the date sixty (60) days following the Termination Date: (a) a payment of two (2) times the sum of Base Salary and Annual Bonus in a lump sum payment; (b) a payment of the pro-rata portion of the Annual Bonus for the fiscal year in which the Termination Date occurs determined based on the number of days that have lapsed during the calendar year prior to the Termination Date divided by 365; (c) all unvested awards granted under the Equity Compensation Plans shall be immediately vested (provided performance-based restricted stock units shall only be payable subject to the attainment of the performance measures through the Termination Date (or the most recent practicable date) as provided under the terms of the applicable award agreement); (d) any Company Non-Qualified Contributions shall be immediately vested; (e) a lump sum payment of any PTO pay accrued but unused through the Termination Date and (f) a lump sum payment equal to the Executive's monthly COBRA premium for an eighteen (18) month period. The right to the foregoing termination compensation described under clauses (a), (b), (c) and (d) above is subject to the Executive's timely execution, without revocation, of the Company's waiver and release agreement substantially in the form attached hereto as "Exhibit B" which will operate as a release of all legally waivable claims against the Company and the Executive's compliance with all of the provisions of this Agreement, including all post-employment obligations.

6.1.3

Termination for Cause. The Company may terminate the employment of the Executive hereunder at any time for Cause (as hereinafter defined) (such a termination being referred to in this Agreement as a "Termination For Cause") by giving the Executive written notice of such termination. As used in this Agreement, "Cause" means:

In the event this Agreement is terminated for Cause, the Company will not have any obligation to provide any further payments or benefits to the Executive after the Termination Date other than a lump sum payment within thirty (30) days of the Termination Date of any PTO pay accrued but unused through the Termination Date.

- (i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer believes that the Executive has not substantially performed the Executive's duties, or

- (ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company. For purposes of this provision, no act, or failure to act, on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

6.2 Termination by Executive. The Executive may voluntarily terminate employment under this Agreement for any reason by the service of written notice of such termination to the Company specifying an effective date of termination no sooner than thirty (30) days and no later than sixty (60) days after the date of such notice; provided, however, if less than thirty (30) days remain in the Term, the minimum notice required from the Executive under this Section 6.2 shall be reduced from thirty (30) to seven (7) days. The Company reserves the right to end the employment relationship at any time after the date such notice is given to the Company and to pay the Executive through the Termination Date, which will not change the nature of the termination for purposes of this Agreement.

6.3 Disability. If the Executive becomes “disabled” (as defined below), the Company may give the Executive written notice of its intention to terminate on the 30th day after receipt of the notice by the Executive. In the event the Executive is terminated due to Disability (a) all unvested awards granted to the Executive under the Equity Compensation Plans shall be immediately vested (provided performance-based restricted stock units shall only be payable subject to the attainment of the performance measures through the Termination Date (or the most recent practicable date) as provided under the terms of the applicable award agreement); and (b) any Company Non-Qualified Contributions shall be immediately vested. The Executive shall also receive a lump sum payment within thirty (30) days of the Termination Date of any PTO pay accrued but unused through the Termination Date. The right to the foregoing compensation due under clauses (a) and (b) above is subject to the timely execution, without revocation, by the Executive or the Executive’s legal representative of the Company’s waiver and release agreement substantially in the form attached hereto as “Exhibit B” which will operate as a release of all legally waivable claims against the Company. For purposes of this Section 6.3, the Executive is “disabled” if he or she is unable to perform the essential functions of the position (with or without reasonable accommodation) under this Agreement, which disability lasts for an uninterrupted period of at least 90 days or a total of at least 180 days out of any consecutive 360-day period, as a result of the Executive’s incapacity due to physical or mental illness (as determined by the opinion of an independent physician selected by the Company). In applying this Section 6.3, the Company will comply with any applicable legal requirements, including the Americans with Disabilities Act.

6.4 Death of Executive. If the Executive dies during the term of this Agreement, the Company may thereafter terminate this Agreement without compensation. In the event of the Executive's death the Company will (a) immediately vest all unvested awards granted to the Executive under the Equity Compensation Plans (provided performance-based restricted stock units shall only be payable subject to the attainment of the performance measures through the Termination Date (or the most recent practicable date) as provided under the terms of the applicable award agreement); and (b) immediately vest any Company Non-Qualified Contributions. The Executive's beneficiaries/estate shall also receive a lump sum payment within thirty (30) days of death of any PTO pay accrued but unused through the Termination Date. Amounts payable under this Section 6.4 shall be paid to the beneficiary designated on the Company's universal beneficiary designation form in effect on the date of the Executive's death. If the Executive fails to designate a beneficiary or if such designation is ineffective, in whole or in part, any payment that would otherwise have been paid under this Section 6.4 shall be paid to the Executive's estate. The right to the foregoing compensation due under clauses (a) and (b) above is subject to the timely execution, without revocation, by the beneficiary, or as applicable, the administrator of the Executive's estate of the Company's waiver and release agreement substantially in the form attached hereto as "Exhibit B" which will operate as a release of all legally waivable claims against the Company.

6.5 Effect of Termination. The termination of this Agreement, when accompanied by the termination of the Executive's employment with the Company, will terminate all obligations of the Executive to render services on behalf of the Company from and after the Termination Date, provided that upon termination of this Agreement and termination of employment for any reason (other than by reason of the Executive's death), the Executive shall comply with all post-employment requirements including this Section 6.5 and Sections 7, 8, 9, 10, 11, 12 and 13, as well as the Company's arbitration program. Except as otherwise provided in Section 6 of this Agreement and payment of any PTO pay accrued but unused through the Termination Date, no accrued bonus, severance pay or other form of compensation will be payable by the Company to the Executive by reason of the termination of this Agreement. All keys, entry cards, credit cards, files, records, financial information, Confidential Information (as defined below), research, results, test data, instructions, drawings, sketches, specifications, product data sheets, products, books, DVDs, disks, memory devices, business plans, marketing plans, documents, correspondence, furniture, furnishings, equipment, supplies and other items relating to the Company in the Executive's possession will remain the property of the Company. Upon termination of employment, the Executive will have the right to retain and remove all personal property and effects which are owned by the Executive and located in the offices of the Company at a time determined by the Company. All such personal items will be removed from such offices no later than two (2) days after the Termination Date, and the Company is hereby authorized to discard any items remaining and to reassign the Executive's office space after such date. Prior to the Termination Date, the Executive will render such services to the Company as might be reasonably required to provide for the orderly termination of the Executive's employment. Notwithstanding the foregoing and without discharging any obligations to pay compensation to the Executive under this Agreement, after notice of the termination, the Company may request that the Executive not provide any other services to the Company and not enter the Company's premises before or after the Termination Date. In the event that the Executive separates employment with the Company, the Executive hereby grants consent to notification by the Company to the Executive's new employer about the Executive's rights and obligations under this Agreement. Upon such termination of employment, the Executive further agrees to acknowledge compliance with this Agreement in a form reasonably provided by the Company.

If this Agreement is not terminated pursuant to any of the preceding provisions of Section 6 or extended by mutual written agreement of the parties prior to the expiration of the Term, this Agreement and the Executive's employment under this Agreement will end and Company will have no further obligation to provide any further payments or benefits to the Executive under this Agreement after the expiration of the Term other than any PTO pay accrued but unused through the expiration of the Term. Upon expiration of this Agreement, the Executive will continue to be employed with Company on an at will basis until such employment is terminated by either party, with or without any reason.

Unless otherwise agreed to in writing by the Company and Executive prior to the termination of the Executive's employment, any termination of the Executive's employment shall constitute (a) an automatic resignation of Executive as an officer of the Company and each affiliate of the Company, (b) an automatic resignation of the Executive from the Board (if applicable) and from the board of directors of any affiliate of the Company, and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which the Company or any affiliate holds an equity interest and with respect to which board or similar governing body the Executive serves as the Company's or such affiliate's designee or other representative and (c) an automatic revocation of any power of attorney granted to the Executive for the benefit of the Company or any of its affiliates.

7. Trade Secrets, Confidential Information and Inventions of the Company

7.1 Trade Secrets and Confidential Information. The Executive agrees that during the Executive's employment hereunder, the Executive will have access to various trade secrets, confidential information and inventions of the Company as defined below.

7.1.1 "Confidential Information" means all information and material which is proprietary to the Company, whether or not marked as "confidential" or "proprietary" and which is disclosed to or obtained from the Company by the Executive, which relates to the Company's past, present or future research, development or business activities. Confidential Information includes all information or materials prepared by or for the Company and includes, without limitation, all of the following: designs, drawings, specifications, techniques, models, data, source code, object code, documentation, diagrams, flow charts, research, development, processes, systems, methods, machinery, procedures, "know-how", new product or new technology information, formulas, patents, patent applications, product prototypes, product copies, cost of production, manufacturing, developing or marketing techniques and materials, cost of production, development or marketing time tables, customer lists, strategies related to customers, suppliers or personnel, contract forms, pricing policies and financial information, volumes of sales, and other information of similar nature, whether or not reduced to writing or other tangible form, and any other Trade Secrets, as defined by Section 7.1.3, or non-public business information. Confidential Information also will include any additional Company information with respect to which the Company took reasonable and apparent steps to preserve confidentiality. For purposes of this Agreement, the terms of this Agreement will be treated by the Executive as Confidential Information. Notwithstanding the foregoing, nothing in this Agreement, any other agreement between the Executive and the Company, or any Company policy shall be read to prevent the Executive from (a) sharing this Agreement or other information with the Executive's attorney; (b) reporting possible violations of federal law or regulation to any governmental agency or entity including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. The Executive will not need the prior authorization of the Company to make any such reports or disclosures and the Executive will not be required to notify the Company that he or she has made such reports or disclosures; (c) sharing information about this Agreement with the Executive's spouse, accountant, attorney or financial advisor so long as the Executive ensures that such parties maintain the strict confidentiality of this Agreement; or (d) apprising any future or potential employer or other person or entity to which the Executive provides services of the Executive's continuing obligations to the Company under this Agreement.

7.1.2 "Inventions" means all discoveries, concepts and ideas, whether patentable or not, including but not limited to, processes, methods, formulas, compositions, techniques, articles and machines, as well as improvements thereof or "know-how" related thereto, relating at the time of conception or reduction to practice to the business engaged in by the Company, or any actual or anticipated research or development by the Company.

7.1.3 "Trade Secrets" means any scientific or technical data, information, design, process, procedure, formula or improvement that is commercially available to the Company and is not generally known in the industry.

This Section 7.1 includes not only information belonging to the Company which existed before the date of this Agreement, but also information developed by the Executive for the Company or its employees during the Executive's employment and thereafter.

7.2 Restriction on Use of Confidential Information. The Executive agrees that the Executive's use of Trade Secrets and other Confidential Information is subject to the following restrictions during the term of the Agreement and for an indefinite period thereafter so long as the Trade Secrets and other Confidential Information have not become generally known to the public.

7.3 Non-Disclosure. The Executive agrees that the Executive will not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any person, other than in the course of the Executive's assigned duties and for the benefit of the Company, either during the period of the Executive's employment or at any time thereafter, any Confidential Information or other confidential or proprietary information received from third parties subject to a duty of the Company's and its subsidiaries' and affiliates' part to maintain the confidentiality of such information, and to use such information only for certain limited purposes, in each case, which has been obtained by the Executive during the Executive's employment by the Company (or any predecessor). The foregoing will not apply to information that (i) was known to the public prior to its disclosure to the Executive; (ii) becomes generally known to the public subsequent to disclosure to the Executive through no wrongful act of the Executive or any representative of the Executive; or (iii) the Executive is required to disclose by applicable law, regulation or legal process (provided that the Executive provides the Company with prior notice of the contemplated disclosure and cooperates with the Company at its expense in seeking a protective order or other appropriate protection of such information). Unless this Agreement is otherwise required to be disclosed under applicable law, rule or regulation, the terms and conditions of this Agreement will remain strictly confidential, and the Executive hereby agrees not to disclose the terms and conditions hereof to any person or entity, other than immediate family members, legal advisors or personal tax or financial advisors, or prospective future employers solely for the purpose of disclosing the limitations on the Executive's conduct imposed by the provisions of this Agreement who, in each case, agree to keep such information confidential. The Executive is hereby notified in accordance with the Defend Trade Secrets Act of 2016 that the Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. The Executive is further notified that if he or she files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the Company's trade secrets to the Executive's attorney and use the trade secret information in the court proceeding if he: (a) files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order. The provisions of this Section 7.3 will survive the expiration, suspension or termination of this Agreement for any reason.

7.4 Prohibition Against Unfair Competition. At any time after the termination of his or her employment with the Company for any reason, the Executive will not engage in competition with the Company while making use of the Trade Secrets of the Company.

7.5 Patents and Inventions. The Executive agrees that any Inventions made, conceived or completed by the Executive during the term of the Executive's service, solely or jointly with others, which are made with the Company's equipment, supplies, facilities or Confidential Information, or which relate at the time of conception or reduction to purpose of the Invention to the business of the Company or the Company's actual or demonstrably anticipated research and development, or which result from any work performed by the Executive for the Company, will be the sole and exclusive property of the Company, and all Trade Secrets, Confidential Information, copyrightable works, works of authorship, and all patents, registrations or applications related thereto, all other intellectual property or proprietary information and all similar or related information (whether or not patentable and copyrightable and whether or not reduced to tangible form or practice) which relate to the business, research and development, or existing or future products or services of the Company and/or its subsidiaries and which are conceived, developed or made by the Executive during the Executive's employment with the Company ("Work Product") will be deemed to be "work made for hire" (as defined in the Copyright Act, 17 U.S.C. §101 et seq., as amended) and owned exclusively by the Company. To the extent that any Work Product is not deemed to be a "work made for hire" under applicable law, and all right, title and interest in and to such Work Product have not automatically vested in the Company, the Executive hereby (a) irrevocably assigns, transfers and conveys, and will assign transfer and convey, to the fullest extent permitted by applicable law, all right, title and interest in and to the Work Product on a worldwide basis to the Company (or such other person or entity as the Company may designate), without further consideration, and (b) waives all moral rights in or to all Work Product, and to the extent such rights may not be waived, agrees not to assert such rights against the Company or its respective licensees, successors, or assigns. In order to permit the Company to claim rights to which it may be entitled, the Executive agrees to promptly disclose to the Company in confidence all Work Product which the Executive makes arising out of the Executive's employment with the Company. The Executive will assist the Company in obtaining patents on all Work Product patentable by the Company in the United States and in all foreign countries, and will execute all documents and do all things necessary to obtain letters patent, to vest the Company with full and extensive title thereto, and to protect the same against infringement by others.

8. Non-Solicitation. The Executive agrees that during his or her employment hereunder, and for the one (1) year period immediately following termination of employment for any reason, the Executive shall not knowingly directly solicit goods, services or a combination of goods and services from any "Established Customers" of the Company. For purposes of this agreement, "Established Customer" means a customer, regardless of location, of the Company as of the date the Executive's employment terminates who continues to be a customer or who the Company reasonably anticipates will continue to be a customer.

9. Non-Solicitation of Employees and Independent Contractors. The Executive covenants that during the term of employment and for the one (1) year period immediately following the termination of employment for any reason, the Executive will not knowingly, directly or indirectly, induce or attempt to induce any executive, employee or independent contractor of the Company to terminate his/her employment relationship with the Company to go to work for any other company or third party.

10. Reasonableness. The Company and the Executive have attempted to specify a reasonable period of time and reasonable restrictions to which this Agreement shall apply. The Company and the Executive agree that if a court or administrative body should subsequently determine that the terms of this Agreement are greater than reasonably necessary to protect the Company's interest, the Company agrees to waive those terms which are found by a court or administrative body to be greater than reasonably necessary to protect the Company's interest and to request that the court or administrative body reform this Agreement specifying a reasonable period of time and such other reasonable restrictions as the court or administrative body deems necessary.

11. Equitable Relief. The Executive acknowledges that the services to be rendered by the Executive are of a special, unique, unusual, extraordinary, and intellectual character, which gives them a peculiar value, and the loss of which cannot reasonably or adequately be compensated in damages in an action at law; and that a breach by the Executive of any of the provisions contained in this Agreement will cause the Company irreparable injury and damage. The Executive further acknowledges that the Executive possesses unique skills, knowledge and ability and that any material breach of the provisions of this Agreement would be extremely detrimental to the Company. By reason thereof, the Executive agrees that the Company shall be entitled, in addition to any other remedies it may have under this Agreement or otherwise, to injunctive and other equitable relief from any court of competent jurisdiction to prevent or curtail any breach of this Agreement by him/her.

12. Continued Litigation Assistance. The Executive will cooperate with and assist the Company and its representatives and attorneys as requested, during and after the Term, with respect to any litigation, arbitration or other dispute resolutions by being available for interviews, depositions and/or testimony in regard to any matters in which the Executive is or has been involved or with respect to which the Executive has relevant information. The Company will reimburse the Executive for any reasonable business expenses the Executive may have incurred in connection with this obligation.

13. Arbitration. Except as provided in Section 11, any disputes, claims or controversies between the Company and the Executive including, but not limited to those arising out of or related to this Agreement or out of the parties' employment relationship (together, "Employment Matter"), shall be settled by arbitration as provided herein. This agreement shall survive the termination or rescission of this Agreement. All arbitration shall be in accordance with Rules of the American Arbitration Association, including discovery, and shall be undertaken pursuant to the Federal Arbitration Act. Arbitration will be held in Oklahoma City, Oklahoma unless the parties mutually agree to another location.

The decision of the arbitrator will be enforceable in any court of competent jurisdiction. The Executive and the Company agree that either party shall be entitled to obtain injunctive or other equitable relief to enforce the provisions of this Agreement in a court of competent jurisdiction. The parties further agree that this

arbitration provision is not only applicable to the Company but its affiliates, officers, directors, employees and related parties. The Executive agrees that the Executive shall have no right or authority for any dispute to be brought, heard or arbitrated as a class or collective action, or in a representative or a private attorney general capacity on behalf of a class of persons or the general public. No class, collective or representative actions are thus allowed to be arbitrated. The Executive agrees that he or she must pursue any claims that he or she may have solely on an individual basis through arbitration.

14. Miscellaneous. The parties further agree as follows:

14.1 Time. Time is of the essence of each provision of this Agreement.

14.2 Notices. Any notice, payment, demand or communication required or permitted to be given by any provision of this Agreement will be in writing and will be deemed to have been given when delivered personally or by express mail to the party designated to receive such notice, or on the date following the day sent by overnight courier, or on the third business day after the same is sent by certified mail, postage and charges prepaid, directed to the following address or to such other or additional addresses as any party might designate by written notice to the other party:

To the Company: Gulfport Energy Corporation
3001 Quail Springs Parkway
Oklahoma City, Oklahoma 73134
Attention: Board of Directors

To the Executive: The most recent home address reflected in the records of the Company.

14.3 Assignment. Neither this Agreement nor any of the parties' rights or obligations hereunder can be transferred or assigned without the prior written consent of the other parties to this Agreement; provided, however, the Company may assign this Agreement to any wholly owned affiliate or subsidiary of the Company without the Executive's consent as well as to any purchaser of the Company.

in the opinion of Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation, and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. The costs of obtaining such determination shall be borne by the Company.

- 14.4 Construction. If any provision of this Agreement or the application thereof to any person or circumstances is determined, to any extent, to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which the same is held invalid or unenforceable, will not be affected thereby, and each term and provision of this Agreement will be valid and enforceable to the fullest extent permitted by law. This Agreement is intended to be interpreted, construed and enforced in accordance with the laws of the State of Oklahoma.
- 14.5 Entire Agreement. This Agreement, any documents executed in connection with this Agreement, any documents specifically referred to in this Agreement constitute the entire agreement between the parties hereto with respect to the subject matter herein contained, and no modification hereof will be effective unless made by a supplemental written agreement executed by all of the parties hereto.
- 14.6 Binding Effect. This Agreement will be binding on the parties and their respective successors, legal representatives and permitted assigns. In the event of a merger, consolidation, combination, dissolution or liquidation of the Company, the performance of this Agreement will be assumed by any entity which succeeds to or is transferred the business of the Company as a result thereof, and the Executive waives the consent requirement of Section 14.3 to effect such assumption.

- 14.7 Supersession. On execution of this Agreement by the Company and the Executive, the relationship between the Company and the Executive will be bound by the terms of this Agreement, any documents executed in connection with this Agreement, any documents specifically referred to in this Agreement as well as any other agreements executed in connection with the Executive's employment with the Company. In the event of a conflict between any employment policy of the Company and this Agreement, this Agreement will control in all respects.
- 14.8 Third-Party Beneficiary. The Company's affiliated entities and partnerships are beneficiaries of all terms and provisions of this Agreement and entitled to all rights hereunder.

Section 409A. This Agreement is intended to be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and related U.S. Treasury regulations or official pronouncements ("Section 409A") and any ambiguous provision will be construed in a manner that is compliant with such exemption; provided, however, if and to the extent that any compensation payable pursuant to this Agreement is determined to be subject to Section 409A, this Agreement will be construed in a manner that will comply with Section 409A. Notwithstanding any provision to the contrary in this Agreement, if the Executive is deemed on his or her Termination Date to be a "specified employee" within the meaning of that term under Section 409A, then any payments and benefits under this Agreement that are subject to Section 409A and paid by reason of a termination of employment shall be made or provided on the later of (a) the payment date set forth in this Agreement or (b) the date that is the earliest of (i) the expiration of the six-month period measured from the date of the Executive's termination of employment or (ii) the date of the Executive's death (the "Delay Period"). Payments and benefits subject to the Delay Period shall be paid or provided to the Executive without interest for such delay. Termination of employment as used throughout this Agreement shall refer to a separation from service within the meaning of Section 409A. To the extent required to comply with Section 409A, references to a "resignation," "termination," "termination of employment" or like terms throughout this Agreement shall be interpreted consistent with the meaning of "separation from service" as defined in Section 409A.

14.10 Clawback. Notwithstanding anything in this Agreement or any other agreement between the Company and/or its related entities and the Executive to the contrary, the Executive acknowledges that the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Act") may have the effect of requiring certain executives of the Company and/or its related entities to repay the Company, and for the Company to recoup from such executives, certain amounts of incentive-based compensation. If, and only to the extent, the Act, any rules and regulations promulgated by thereunder by the Securities and Exchange Commission or any similar federal or state law requires the Company to recoup incentive-based compensation that the Company has paid or granted to the Executive, the Executive hereby agrees, even if the Executive has terminated his or her employment with the Company, to promptly repay such incentive compensation to the Company upon its written request. In addition, the Executive agrees to be subject to any other compensation clawback arrangement adopted by the Board (whether before or after the Effective Date) which is applicable to all executive officers of the Company. This Section 14.10 shall survive the termination of this Agreement.

14.11 Maximum Payments by the Company.

- (a) It is the objective of this Agreement to maximize the Executive's Net After-Tax Benefit (as defined herein) if payments or benefits provided under this Agreement are subject to excise tax under Section 4999 of the Code. Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit by the Company or otherwise 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, including, by example and not by way of limitation, acceleration by the Company or otherwise of the date of vesting or payment or rate of payment under any plan, program, arrangement or agreement of the Company (all such payments and benefits, including the payments and benefits under Section 6 hereof, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the cash severance payments shall first be reduced, and the non-cash severance payments shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments shall be subject to the Excise Tax, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

- (b) The Total Payments shall be reduced by the Company in the following order: (i) reduction of any cash severance payments otherwise payable to the Executive that are exempt from Section 409A of the Code, (ii) reduction of any other cash payments or benefits otherwise payable to the Executive that are exempt from Section 409A of the Code, but excluding any payments attributable to the acceleration of vesting or payments with respect to any equity award with respect to the Company's common stock that is exempt from Section 409A of the Code, (iii) reduction of any other payments or benefits otherwise payable to the Executive on a pro-rata basis or such other manner that complies with Section 409A of the Code, but excluding any payments attributable to the acceleration of vesting and payments with respect to any equity award with respect to the Company's common stock that are exempt from Section 409A of the Code, and (iv) reduction of any payments attributable to the acceleration of vesting or payments with respect to any other equity award with respect to the Company's common stock that are exempt from Section 409A of the Code.
- (c) For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account, (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of independent auditors of nationally recognized standing ("Independent Advisors") selected by the Company, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which,

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective the date first above written.

GULFPORT ENERGY CORPORATION, a
Delaware corporation

By: /s/ David L. Houston
Name: David L. Houston
Title: Chairman of the Board

By: /s/ David M. Wood
David M. Wood, Individually
(the "Executive")

Exhibit A

For purposes of this Agreement, "Change in Control" means:

(a) The direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company to any Person (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"));

(b) The individuals who constitute the Board (the "Incumbent Directors") as of the beginning of the period cease for any reason to constitute at least a majority of the Board. Any individual becoming a director whose election or nomination for election to the Board was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which that person is named as a nominee for Director without objection to the nomination) will be an Incumbent Director. No individual initially elected or nominated as a Director of the Company as a result of an actual or threatened election contest with respect to Directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board will be an Incumbent Director;

(c) The adoption of a plan relating to the liquidation or dissolution of the Company; or

(d) The consummation of any transaction (including, without limitation, any merger, consolidation or exchange) resulting in any Person or Group (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act) becoming the Beneficial Owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than 30% of the combined voting power (which voting power shall be calculated by assuming the conversion of all equity securities convertible (immediately or at some future time) into shares entitled to vote, but not assuming the exercise of any warrant or right to subscribe to or purchase those shares) of the continuing or surviving entity's securities outstanding immediately after such transaction, or the consummation of any transaction in which more than 50% of the combined voting power of the surviving entity immediately after such transaction is owned, directly or indirectly, by persons who were not stockholders of the Company immediately prior to such merger, consolidation, reorganization or sale of stock; provided, however, that in making the determination of ownership by the stockholders of the Company, immediately after the reorganization, equity securities which persons own immediately before the reorganization as stockholders of another party to the transaction shall be disregarded.

The foregoing notwithstanding, a transaction will not constitute a Change in Control if (x) its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the Persons who held the Company's securities immediately before the transaction; (y) it constitutes an initial public offering or a secondary public offering that results in any security of the Company being listed (or approved for listing) on any securities exchange or designated (or approved for designation) as a security on an interdealer quotation system; or (z) solely because 50% or more of the total voting power of the Company's then outstanding securities is acquired by (1) a trustee or other fiduciary holding securities under one or more employee benefit plans of the Company or any parent corporation or subsidiary corporation of the Company (as defined in Code Sections 424(e) and (f)), or (2) any company that, immediately before the acquisition, is owned directly or indirectly by the stockholders of the Company in substantially the same proportion as their ownership of stock in the Company immediately before the acquisition.

Exhibit B

Form of Waiver and Release

(attached)

FORM OF WAIVER AND RELEASE

[The language in this Waiver and Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Waiver and Release document.]

In consideration of, and as a condition precedent to, receiving the termination compensation described in that certain Employment Agreement (the "**Agreement**") effective as of August 1, 2019, by and between Gulfport Energy Corporation, a Delaware corporation (the "**Company**"), and [____], an individual residing in the State of [____] ("**Employee**"), which was offered to Employee in exchange for a general waiver and release of claims (this **Waiver and Release**). Employee having acknowledged the above-stated consideration as full compensation for and on account of any and all injuries and damages which Employee has sustained or claimed, or may be entitled to claim, Employee, for himself, and his heirs, executors, administrators, successors and assigns, does hereby release, forever discharge and promise not to sue the Company, its parents, subsidiaries, affiliates, successors and assigns, and their past and present officers, directors, partners, employees, members, managers, shareholders, agents, attorneys, accountants, insurers, heirs, administrators, executors, as well as all employee benefit plans maintained by any of the foregoing entities or individuals, and all fiduciaries and administrators of such plans, in their personal and representative capacities (collectively the "**Released Parties**") from any and all claims, liabilities, costs, expenses, judgments, attorney fees, actions, known and unknown, of every kind and nature whatsoever in law or equity, which Employee had, now has, or may have against the Released Parties, including but not limited to any claims relating in any way to Employee's employment with the Company or termination thereof prior to and including the date of execution of this Waiver and Release, and including but not limited to, all claims for contract damages, tort damages, special, general, direct, punitive and consequential damages, compensatory damages, loss of profits, attorney fees and any and all other damages of any kind or nature; all contracts, oral or written, between Employee and any of the Released Parties; any business enterprise or proposed enterprise contemplated by any of the Released Parties, as well as anything done or not done prior to and including the date of execution of this Waiver and Release.

Employee understands and agrees that this Waiver and Release and covenant not to sue shall apply to any and all claims or liabilities arising out of or relating to Employee's employment with the Company and the termination of such employment, including, but not limited to: claims of discrimination based on age, race, color, sex (including sexual harassment), religion, national origin, marital status, parental status, veteran status, union activities, disability or any other grounds under applicable federal, state or local law prior to and including the date of execution of this Waiver and Release, including, but not limited to, claims arising under the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the Family and Medical Leave Act, Title VII of the Civil Rights Act, the Civil Rights Act of 1991, 42 U.S.C. § 1981, the Genetic Information Non-Discrimination Act of 2008, the Employee Retirement Income Security Act of 1974, the Consolidated Omnibus

Budget Reconciliation Act of 1985, the Rehabilitation Act of 1973, the Equal Pay Act of 1963 (EPA), all as amended, as well as any claims prior to and including the date of execution of this Waiver and Release, regarding wages; benefits; vacation; sick leave; business expense reimbursements; wrongful termination; breach of the covenant of good faith and fair dealing; intentional or negligent infliction of emotional distress; retaliation; outrage; defamation; invasion of privacy; breach of contract; fraud or negligent misrepresentation; harassment; breach of duty; negligence; discrimination; claims under any employment, contract or tort laws; claims arising under any other federal law, state law, municipal law, local law, or common law; any claims arising out of any employment contract, policy or procedure; and any other claims related to or arising out of his employment or the separation of his employment with the Company prior to and including the date of execution of this Waiver and Release.

In addition, Employee agrees not to cause or encourage any legal proceeding to be maintained or instituted against any of the Released Parties, save and except proceedings to enforce the terms of the Agreement or claims of Employee not released by and in this Waiver and Release.

This Waiver and Release does not apply to (i) claims for indemnification pursuant to the Company's governing documents or any indemnification agreement, (ii) vested benefits under any retirement plan of the Company, (iii) any claims for unemployment compensation or (iv) any other claims or rights which, by law, cannot be waived, including the right to file an administrative charge or participate in an administrative investigation or proceeding; provided, however that Employee disclaims and waives any right to share or participate in any monetary award from the Company resulting from the prosecution of such charge or investigation or proceeding. Notwithstanding the foregoing or any other provision in this Waiver and Release or the Agreement to the contrary, the Company and Employee further agree that nothing in this Waiver and Release or the Agreement (i) limits Employee's ability to file a charge or complaint with the EEOC, the NLRB, OSHA, the SEC or any other federal, state or local governmental agency or commission (each a "**Government Agency**" and collectively "**Government Agencies**"); (ii) limits Employee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information and reporting possible violations of law or regulation or other disclosures protected under the whistleblower provisions of applicable law or regulation, without notice to the Company; or (iii) limits Employee's right to receive an award for information provided to any Government Agencies.

Employee expressly acknowledges that he is voluntarily, irrevocably and unconditionally releasing and forever discharging the Company and the other Released Parties from all rights or claims he has or may have against the Released Parties including, but not limited to, without limitation, all charges, claims of money, demands, rights, and causes of action arising under the Age Discrimination in Employment Act of 1967, as amended ("**ADEA**"), up to and including the date Employee signs this Waiver and Release including, but not limited to, all claims of age discrimination in employment and all claims

of retaliation in violation of ADEA. Employee further acknowledges that the consideration given for this waiver of claims under the ADEA is in addition to anything of value to which he was already entitled in the absence of this waiver. Employee further acknowledges: (a) that he has been informed by this writing that he should consult with an attorney prior to executing this Waiver and Release; (b) that he has carefully read and fully understands all of the provisions of this Waiver and Release; (c) he is, through this Waiver and Release, releasing the Company and the other Released Parties from any and all claims he may have against any of them; (d) he understands and agrees that this Waiver and Release does not apply to any claims that may arise under the ADEA after the date he executes this Waiver and Release; (e) he has at least twenty-one (21) days within which to consider this Waiver and Release; and (f) he has seven (7) days following his execution of this Waiver and Release to revoke the Waiver and Release; and (g) this Waiver and Release shall not be effective until the revocation period has expired and Employee has signed and has not revoked the Waiver and Release.

Employee acknowledges and agrees that: (a) he has had reasonable and sufficient time to read and review this Waiver and Release and that he has, in fact, read and reviewed this Waiver and Release; (b) that he has the right to consult with legal counsel regarding this Waiver and Release and is encouraged to consult with legal counsel with regard to this Waiver and Release; (c) that he has had (or has had the opportunity to take) twenty-one (21) calendar days to discuss the Waiver and Release with a lawyer of his choice before signing it and, if he signs before the end of that period, he does so of his own free will and with the full knowledge that he could have taken the full period; (d) that he is entering into this Waiver and Release freely and voluntarily and not as a result of any coercion, duress or undue influence; (e) that he is not relying upon any oral representations made to him regarding the subject matter of this Waiver and Release; (f) that by this Waiver and Release he is receiving consideration in addition to that which he was already entitled; and (g) that he has received all information he requires from the Company in order to make a knowing and voluntary release and waiver of all claims against the Company and the other Released Parties.

Employee acknowledges and agrees that he has seven (7) days after the date he signs this Waiver and Release in which to rescind or revoke this Waiver and Release by providing notice in writing to the Company. Employee further understands that the Waiver and Release will have no force and effect until the end of that seventh (7th) day. If Employee revokes the Waiver and Release, the Company will not be obligated to pay or provide Employee with the benefits described in this Waiver and Release, and this Waiver and Release shall be deemed null and void.

AGREED TO AND ACCEPTED this _____ day of _____,
20__.

[Name] _____

EMPLOYMENT AGREEMENT
between
GULFPORT ENERGY CORPORATION
and
Donnie Moore
Effective August 1, 2019

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made effective August 1, 2019 (the "Effective Date"), between GULFPORT ENERGY CORPORATION, a Delaware corporation (the "Company") and Donnie Moore, an individual (the "Executive").

WITNESSETH:

WHEREAS, the Company desires to retain the services of the Executive and the Executive desires to make the Executive's services available to the Company.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the Company and the Executive agree as follows:

1. Employment. The Company hereby employs the Executive and the Executive hereby accepts such employment subject to the terms and conditions contained in this Agreement.
2. Executive's Duties. The Executive is employed on a full-time basis. Throughout the term of this Agreement, the Executive will use the Executive's best efforts and due diligence to assist the Company in achieving the most profitable operation of the Company and the Company's affiliated entities consistent with developing and maintaining a quality business operation.
 - 2.1 Specific Duties. The Executive will serve as Chief Operating Officer for the Company, and in such other positions as might be mutually agreed upon by the parties. The Executive shall perform all of the duties required to fully and faithfully execute the office and position to which the Executive is appointed, and such other duties as may be reasonably requested by the Executive's supervisor or by the Company. During the term of this Agreement, the Executive may be nominated for election or appointed to serve as a director or officer of any of the Company's affiliated entities as determined in such affiliates' board of directors' sole discretion. The services of the Executive will be requested and directed by the Company's Chief Executive Officer and President, David M. Wood.
 - 2.2 Duty of Loyalty. The Executive acknowledges and agrees that the Executive has a fiduciary duty of loyalty to act in the best interests of the Company and to do no act that would materially injure the business, interests or reputation of the Company or any of its affiliates. In keeping with these duties, the Executive shall make full disclosure to the Company of all business opportunities pertaining to the Company's business and shall not appropriate for the Executive's own benefit business opportunities concerning the subject matter of the fiduciary relationship.

2.3 Policies and Procedures. The Company has issued various policies and procedures applicable to all employees of the Company and its related and affiliated entities including policies which set forth the general human resources policies of the Company and addresses frequently asked questions regarding the Company. The Executive agrees to comply with such policies and procedures except to the extent inconsistent with this Agreement. Such policies and procedures may be changed or adopted in the sole discretion of the Company without advance notice.

3. Other Activities. The Executive shall devote substantially all of the Executive's business time and attention to the performance of the Executive's duties hereunder and will not engage in any other business, profession, or occupation for compensation or otherwise which would conflict with the performance of such services either directly or indirectly without the prior written consent of the Board of Directors of the Company (the "Board"). Notwithstanding the foregoing, the Executive will be permitted to (a) with the prior written consent of the Board, act or serve as a director, trustee, committee member, or principal of any type of business, civic, or charitable organization, and (b) purchase or own less than five percent (5%) of the publicly traded securities of any corporation; provided that, such ownership represents a passive investment and that the Executive is not a controlling person of, or a member of a group that controls, such corporation; provided further that, the activities described in clauses (a) and (b) do not interfere with the performance of the Executive's duties and responsibilities to the Company as provided hereunder, including, but not limited to, the obligations set forth in Section 2.

4. Executive's Compensation. The Company agrees to compensate the Executive as follows:

4.1 Base Salary. A base salary (the "Base Salary"), at the initial annual rate of not less than \$505,000 will be paid to the Executive in regular installments in accordance with the Company's designated payroll schedule.

4.2 Bonus. In addition to the Base Salary described in Section 4.1 of this Agreement, the Executive shall be eligible for an annual bonus for each fiscal year during the Term on the same basis as other executive officers under the Company's then current annual incentive plan with a target of 100% of Base Salary which shall be payable in accordance with the terms of such plan and the performance metrics established by the Compensation Committee of the Board (the "Committee").

4.3 Equity Compensation. During the term of the Executive's employment, the Executive will be eligible for annual grants of restricted stock, restricted stock units, performance-based awards, stock options or other awards as determined in the sole discretion of the Committee in its discretion pursuant to the Company's equity compensation plans (generally referred to as "Equity Compensation Plans"), subject to the terms and conditions of the Equity Compensation Plans and the terms and conditions of each award as determined by the Committee in its discretion; provided that, with respect to the calendar year ending December 31, 2020 ("FY 2020"), the Executive will receive awards that have a target aggregate fair value equal to 350% of Base Salary. For each calendar year following FY 2020, the target aggregate fair value of such awards shall be as determined by the Committee in its discretion, it being understood that the Committee may elect to not provide the Executive an award with respect to a particular year.

Notwithstanding the foregoing, the Executive will not be deemed to have terminated for Good Reason unless (A) the Executive provides written notice to the Company of the existence of one of the conditions described above within ninety (90) days after the Executive has knowledge of the initial existence of the condition, (B) the Company fails to remedy the condition so identified within thirty (30) days after receipt of such notice (if capable of correction), (C) the Executive provides a notice of termination to the Company within thirty (30) days of the expiration of the Company's period to remedy the condition specifying an effective date for the Executive's termination, and (D) the effective date of the Executive's termination of employment is within ninety (90) days after the Executive provides written notice to the Company of the existence of the condition referred to in clause (A).

4.4 Benefits. The Company will provide the Executive with benefits that are customarily provided to similarly situated executives of the Company and as are set forth in and governed by the Company's employment policies and applicable plan documents. Additionally, the Company will provide paid time off ("PTO") to the Executive, the amount of which will be determined in accordance with the Company's PTO policy. No additional compensation will be paid for failure to take PTO. The Company will also provide the Executive the opportunity to apply for coverage under the Company's medical, life and disability plans, if any. If the Executive is accepted for coverage under such plans, the Company will make such coverage available to the Executive on the same terms as is customarily provided by the Company to the plan participants as modified from time to time in the Company's sole discretion. The Executive will be entitled to receive reimbursement for all reasonable business expenses incurred by the Executive in accordance with the Company's expense reimbursement policy. All payments for reimbursement under this Section 4.4 shall be paid promptly but in no event later than the last day of the Executive's taxable year following the taxable year in which the Executive incurred such expenses.

5. Term. The term of the Executive's employment under the provisions of this Agreement shall be for a period commencing on the Effective Date and shall continue until December 31, 2023 (the "Initial Expiration Date"), unless terminated earlier pursuant to Section 6; provided that, upon the Initial Expiration Date and each annual anniversary thereafter (such date and each annual anniversary thereof, a "Renewal Date"), the Agreement shall be deemed to be automatically extended, upon the same terms and conditions, for successive periods of one year, unless either party provides written notice of its intention not to extend the term of the Agreement at least ninety (90) days prior to the applicable Renewal Date (the period of the Executive's employment under this Agreement being the "Term"); provided, however, if during the Term of this Agreement a Change of Control (as defined in Exhibit A attached hereto) occurs, the Term of this Agreement shall be extended to the later of the original expiration date of the Term or the expiration of the Change of Control Period. For purposes of this Agreement, "Change of Control Period" means the twenty-four (24) month period commencing on the effective date of a Change of Control.

6. Termination. This Agreement will continue in effect until the expiration of the term stated in Section 5 of this Agreement unless earlier terminated pursuant to this Section 6. For purposes of this Agreement, "Termination Date" shall mean (a) if the Executive's employment is terminated by death, the date of death; (b) if the Executive's employment is terminated pursuant to Section 6.4 due to a disability, thirty (30) days after notice of termination is provided to the Executive in accordance with Section 6.4; (c) if the Executive's employment is terminated by Company without Cause or by the Executive for Good Reason pursuant to Section 6.1.1 or 6.1.2, on the effective date of termination specified in the notice required by Section 6.1.1 or 6.1.2 respectively; (d) if the Executive's employment is terminated by Company for Cause pursuant to Section 6.1.3, the date on which the notice of termination required by Section 6.1.3 is given; or (e) if the Executive's employment is terminated by the Executive pursuant to Section 6.2, on the effective date of termination specified by the Executive in the notice of termination required by Section 6.2 unless the Company rejects such date as allowed by Section 6.2, in which case it would be the date specified by the Company.

6.1 Termination by Company. The Executive's employment under this Agreement may be terminated prior to the expiration of the Term under the following circumstances:

6.1.1 Termination without Cause or for Good Reason Outside of a Change of Control Period

- a) Termination by the Company without Cause. The Company may terminate the Executive's employment without Cause at any time by the service of written notice of termination to the Executive specifying an effective date of such termination not sooner than the date of such notice.
- b) Termination by the Executive for Good Reason. The Executive may terminate employment with the Company for "Good Reason" and such termination will not be a breach of this Agreement by the Executive. For purposes of this Section 6.1.1(b), Good Reason shall mean the occurrence of one of the events set forth below:
 - (i) elimination of the Executive's job position or material reduction in duties and/or reassignment of the Executive to a new position of materially less authority; or
 - (ii) a material reduction in the Executive's Base Salary.

- c) Obligations of the Company. In the event the Executive is Terminated without Cause or terminates employment for Good Reason outside of a Change of Control Period, the Executive will receive as termination compensation on the date sixty (60) days following the Termination Date: (a) a payment of one (1) times the sum of Base Salary and Annual Bonus in a lump sum payment; (b) a payment of the pro-rata portion of the Annual Bonus for the fiscal year in which the Termination Date occurs determined based on the number of days that have lapsed during the calendar year prior to the Termination Date divided by 365; (c) pro rata vesting through the last day of the month in which the Termination Date occurs of all unvested awards granted to the Executive under the Equity Compensation Plans (provided performance-based restricted stock units shall only be payable subject to the attainment of the performance measures through the Termination Date (or the most recent practicable date) as provided under the terms of the applicable award agreement); (d) any Company matching or other contributions to the Company's non-qualified deferred compensation plans, if any, (the "Company Non-Qualified Contributions") shall be immediately vested; (e) a lump sum payment of any PTO pay accrued but unused through the Termination Date and (f) a lump sum payment equal to the Executive's monthly COBRA premium for a twelve (12) month period. For purposes of this Agreement "Annual Bonus" shall be defined as the Executive's target bonus for the year in which the Termination Date occurs. The right to the foregoing termination compensation described under clauses (a), (b), (c) and (d) above is subject to the Executive's timely execution, without revocation, of the Company's waiver and release agreement substantially in the form attached hereto as "Exhibit B" which will operate as a release of all legally waivable claims against the Company and the Executive's compliance with all of the provisions of this Agreement, including all post-employment obligations.

6.1.2 Termination without Cause or for Good Reason During a Change of Control Period

Notwithstanding the foregoing, the Executive will not be deemed to have terminated for Good Reason unless (A) the Executive provides written notice to the Company of the existence of one of the conditions described above within ninety (90) days after the Executive has knowledge of the initial existence of the condition, (B) the Company fails to remedy the condition so identified within thirty (30) days after receipt of such notice (if capable of correction), (C) the Executive provides a Notice of Termination to the Company within thirty (30) days of the expiration of the Company's period to remedy the condition specifying an effective date for the Executive's termination, and (D) the effective date of the Executive's termination of employment is within ninety (90) days after the Executive provides written notice to the Company of the existence of the condition referred to in clause (A).

- (a) Termination by the Company without Cause. The Company may terminate the Executive's employment without Cause during a Change of Control Period at any time by the service of written notice of termination to the Executive specifying an effective date of such termination not sooner than the date of such notice.
- (b) Termination by the Executive for Good Reason. The Executive may terminate employment with the Company for "Good Reason" and such termination will not be a breach of this Agreement by the Executive. For purposes of this Section 6.1.2(b), Good Reason during a Change of Control Period shall mean the occurrence of one of the events set forth below:
- (i) elimination of the Executive's job position or material reduction in duties and/or reassignment of the Executive to a new position of materially less authority;
 - (ii) a material reduction in the Executive's Base Salary; or
 - (iii) a requirement that the Executive relocate to a location outside of a fifty (50) mile radius of the location of his or her office or principal base of operation immediately prior to the effective date of a Change of Control.

- (c) Obligations of the Company. In the event the Executive is Terminated without Cause or terminates employment for Good Reason during a Change of Control Period, the Executive will receive as termination compensation on the date sixty (60) days following the Termination Date: (a) a payment of two (2) times the sum of Base Salary and Annual Bonus in a lump sum payment; (b) a payment of the pro-rata portion of the Annual Bonus for the fiscal year in which the Termination Date occurs determined based on the number of days that have lapsed during the calendar year prior to the Termination Date divided by 365; (c) all unvested awards granted under the Equity Compensation Plans shall be immediately vested (provided performance-based restricted stock units shall only be payable subject to the attainment of the performance measures through the Termination Date (or the most recent practicable date) as provided under the terms of the applicable award agreement); (d) any Company Non-Qualified Contributions shall be immediately vested; (e) a lump sum payment of any PTO pay accrued but unused through the Termination Date and (f) a lump sum payment equal to the Executive's monthly COBRA premium for an eighteen (18) month period. The right to the foregoing termination compensation described under clauses (a), (b), (c) and (d) above is subject to the Executive's timely execution, without revocation, of the Company's waiver and release agreement substantially in the form attached hereto as "Exhibit B" which will operate as a release of all legally waivable claims against the Company and the Executive's compliance with all of the provisions of this Agreement, including all post-employment obligations.

- 6.1.3 Termination for Cause. The Company may terminate the employment of the Executive hereunder at any time for Cause (as hereinafter defined) (such a termination being referred to in this Agreement as a "Termination For Cause") by giving the Executive written notice of such termination. As used in this Agreement, "Cause" means:

In the event this Agreement is terminated for Cause, the Company will not have any obligation to provide any further payments or benefits to the Executive after the Termination Date other than a lump sum payment within thirty (30) days of the Termination Date of any PTO pay accrued but unused through the Termination Date.

- (i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer believes that the Executive has not substantially performed the Executive's duties, or
- (ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company. For purposes of this provision, no act, or failure to act, on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

- 6.2 Termination by Executive. The Executive may voluntarily terminate employment under this Agreement for any reason by the service of written notice of such termination to the Company specifying an effective date of termination no sooner than thirty (30) days and no later than sixty (60) days after the date of such notice; provided, however, if less than thirty (30) days remain in the Term, the minimum notice required from the Executive under this Section 6.2 shall be reduced from thirty (30) to seven (7) days. The Company reserves the right to end the employment relationship at any time after the date such notice is given to the Company and to pay the Executive through the Termination Date, which will not change the nature of the termination for purposes of this Agreement.

- 6.3 Disability. If the Executive becomes “disabled” (as defined below), the Company may give the Executive written notice of its intention to terminate on the 30th day after receipt of the notice by the Executive. In the event the Executive is terminated due to Disability (a) all unvested awards granted to the Executive under the Equity Compensation Plans shall be immediately vested (provided performance-based restricted stock units shall only be payable subject to the attainment of the performance measures through the Termination Date (or the most recent practicable date) as provided under the terms of the applicable award agreement); and (b) any Company Non-Qualified Contributions shall be immediately vested. The Executive shall also receive a lump sum payment within thirty (30) days of the Termination Date of any PTO pay accrued but unused through the Termination Date. The right to the foregoing compensation due under clauses (a) and (b) above is subject to the timely execution, without revocation, by the Executive or the Executive’s legal representative of the Company’s waiver and release agreement substantially in the form attached hereto as “Exhibit B” which will operate as a release of all legally waivable claims against the Company. For purposes of this Section 6.3, the Executive is “disabled” if he or she is unable to perform the essential functions of the position (with or without reasonable accommodation) under this Agreement, which disability lasts for an uninterrupted period of at least 90 days or a total of at least 180 days out of any consecutive 360-day period, as a result of the Executive’s incapacity due to physical or mental illness (as determined by the opinion of an independent physician selected by the Company). In applying this Section 6.3, the Company will comply with any applicable legal requirements, including the Americans with Disabilities Act.
- 6.4 Death of Executive. If the Executive dies during the term of this Agreement, the Company may thereafter terminate this Agreement without compensation. In the event of the Executive’s death the Company will (a) immediately vest all unvested awards granted to the Executive under the Equity Compensation Plans (provided performance-based restricted stock units shall only be payable subject to the attainment of the performance measures through the Termination Date (or the most recent practicable date) as provided under the terms of the applicable award agreement); and (b) immediately vest any Company Non-Qualified Contributions. The Executive’s beneficiaries/estate shall also receive a lump sum payment within thirty (30) days of death of any PTO pay accrued but unused through the Termination Date. Amounts payable under this Section 6.4 shall be paid to the beneficiary designated on the Company’s universal beneficiary designation form in effect on the date of the Executive’s death. If the Executive fails to designate a beneficiary or if such designation is ineffective, in whole or in part, any payment that would otherwise have been paid under this Section 6.4 shall be paid to the Executive’s estate. The right to the foregoing compensation due under clauses (a) and (b) above is subject to the timely execution, without revocation, by the beneficiary, or as applicable, the administrator of the Executive’s estate of the Company’s waiver and release agreement substantially in the form attached hereto as “Exhibit B” which will operate as a release of all legally waivable claims against the Company.
- 6.5 Effect of Termination. The termination of this Agreement, when accompanied by the termination of the Executive’s employment with the Company, will terminate all obligations of the Executive to render services on behalf of the Company from and after the Termination Date, provided that upon termination of this Agreement and termination of employment for any reason (other than by reason of the Executive’s death), the Executive shall comply with all post-employment requirements including this Section 6.5 and Sections 7, 8, 9, 10, 11, 12 and 13, as well as the Company’s arbitration program. Except as otherwise provided in Section 6 of this Agreement and payment of any PTO pay accrued but unused through the Termination Date, no accrued bonus, severance pay or other form of compensation will be payable by the Company to the Executive by reason of the termination of this Agreement. All keys, entry cards, credit cards, files, records, financial information, Confidential Information (as defined below), research, results, test data, instructions, drawings, sketches, specifications, product data sheets, products, books, DVDs, disks, memory devices, business plans, marketing plans, documents, correspondence, furniture, furnishings, equipment, supplies and other items relating to the Company in the Executive’s possession will remain the property of the Company. Upon termination of employment, the Executive will have the right to retain and remove all personal property and effects which are owned by the Executive and located in the offices of the Company at a time determined by the Company. All such personal items will be removed from such offices no later than two (2) days after the Termination Date, and the Company is hereby authorized to discard any items remaining and to reassign the Executive’s office space after such date. Prior to the Termination Date, the Executive will render such services to the Company as might be reasonably required to provide for the orderly termination of the Executive’s employment. Notwithstanding the foregoing and without discharging any obligations to pay compensation to the Executive under this Agreement, after notice of the termination, the Company may request that the Executive not provide any other services to the Company and not enter the Company’s premises before or after the Termination Date. In the event that the Executive separates employment with the Company, the Executive hereby grants consent to notification by the Company to the Executive’s new employer about the Executive’s rights and obligations under this Agreement. Upon such termination of employment, the Executive further agrees to acknowledge compliance with this Agreement in a form reasonably provided by the Company.

If this Agreement is not terminated pursuant to any of the preceding provisions of Section 6 or extended by mutual written agreement of the parties prior to the expiration of the Term, this Agreement and the Executive’s employment

under this Agreement will end and Company will have no further obligation to provide any further payments or benefits to the Executive under this Agreement after the expiration of the Term other than any PTO pay accrued but unused through the expiration of the Term. Upon expiration of this Agreement, the Executive will continue to be employed with Company on an at will basis until such employment is terminated by either party, with or without any reason.

Unless otherwise agreed to in writing by the Company and Executive prior to the termination of the Executive's employment, any termination of the Executive's employment shall constitute (a) an automatic resignation of Executive as an officer of the Company and each affiliate of the Company, (b) an automatic resignation of the Executive from the Board (if applicable) and from the board of directors of any affiliate of the Company, and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which the Company or any affiliate holds an equity interest and with respect to which board or similar governing body the Executive serves as the Company's or such affiliate's designee or other representative and (c) an automatic revocation of any power of attorney granted to the Executive for the benefit of the Company or any of its affiliates.

7. Trade Secrets, Confidential Information and Inventions of the Company

7.1 Trade Secrets and Confidential Information. The Executive agrees that during the Executive's employment hereunder, the Executive will have access to various trade secrets, confidential information and inventions of the Company as defined below.

7.1.1 "Confidential Information" means all information and material which is proprietary to the Company, whether or not marked as "confidential" or "proprietary" and which is disclosed to or obtained from the Company by the Executive, which relates to the Company's past, present or future research, development or business activities. Confidential Information includes all information or materials prepared by or for the Company and includes, without limitation, all of the following: designs, drawings, specifications, techniques, models, data, source code, object code, documentation, diagrams, flow charts, research, development, processes, systems, methods, machinery, procedures, "know-how", new product or new technology information, formulas, patents, patent applications, product prototypes, product copies, cost of production, manufacturing, developing or marketing techniques and materials, cost of production, development or marketing time tables, customer lists, strategies related to customers, suppliers or personnel, contract forms, pricing policies and financial information, volumes of sales, and other information of similar nature, whether or not reduced to writing or other tangible form, and any other Trade Secrets, as defined by Section 7.1.3, or non-public business information. Confidential Information also will include any additional Company information with respect to which the Company took reasonable and apparent steps to preserve confidentiality. For purposes of this Agreement, the terms of this Agreement will be treated by the Executive as Confidential Information. Notwithstanding the foregoing, nothing in this Agreement, any other agreement between the Executive and the Company, or any Company policy shall be read to prevent the Executive from (a) sharing this Agreement or other information with the Executive's attorney; (b) reporting possible violations of federal law or regulation to any governmental agency or entity including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. The Executive will not need the prior authorization of the Company to make any such reports or disclosures and the Executive will not be required to notify the Company that he or she has made such reports or disclosures; (c) sharing information about this Agreement with the Executive's spouse, accountant, attorney or financial advisor so long as the Executive ensures that such parties maintain the strict confidentiality of this Agreement; or (d) apprising any future or potential employer or other person or entity to which the Executive provides services of the Executive's continuing obligations to the Company under this Agreement.

7.1.2 "Inventions" means all discoveries, concepts and ideas, whether patentable or not, including but not limited to, processes, methods, formulas, compositions, techniques, articles and machines, as well as improvements thereof or "know-how" related thereto, relating at the time of conception or reduction to practice to the business engaged in by the Company, or any actual or anticipated research or development by the Company.

7.1.3 "Trade Secrets" means any scientific or technical data, information, design, process, procedure, formula or improvement that is commercially available to the Company and is not generally known in the industry.

This Section 7.1 includes not only information belonging to the Company which existed before the date of this Agreement, but also information developed by the Executive for the Company or its employees during the Executive's employment and thereafter.

7.2 Restriction on Use of Confidential Information. The Executive agrees that the Executive's use of Trade Secrets and other Confidential Information is subject to the following restrictions during the term of the Agreement and for an indefinite period thereafter so long as the Trade Secrets and other Confidential Information have not become generally known to the public.

7.3 Non-Disclosure. The Executive agrees that the Executive will not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any person, other than in the course of the Executive's assigned duties and for the benefit of the Company, either during the period of the Executive's employment or at any time thereafter, any Confidential Information or other confidential or proprietary information received from third parties subject to a duty of the Company's and its subsidiaries' and affiliates' part to maintain the confidentiality of such information, and to use such information only for certain limited purposes, in each case, which has been obtained by the Executive during the Executive's employment by the Company (or any predecessor). The foregoing will not apply to information that (i) was known to the public prior to its disclosure to the Executive; (ii) becomes generally known to the public subsequent to disclosure to the Executive through no wrongful act of the Executive or any representative of the Executive; or (iii) the Executive is required to disclose by applicable law, regulation or legal process (provided that the Executive provides the Company with prior notice of the contemplated disclosure and cooperates with the Company at its expense in seeking a protective order or other appropriate protection of such information). Unless this Agreement is otherwise required to be disclosed under applicable law, rule or regulation, the terms and conditions of this Agreement will remain strictly confidential, and the Executive hereby agrees not to disclose the terms and conditions hereof to any person or entity, other than immediate family members, legal advisors or personal tax or financial advisors, or prospective future employers solely for the purpose of disclosing the limitations on the Executive's conduct imposed by the provisions of this Agreement who, in each case, agree to keep such information confidential. The Executive is hereby notified in accordance with the Defend Trade Secrets Act of 2016 that the Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. The Executive is further notified that if he or she files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the Company's trade secrets to the Executive's attorney and use the trade secret information in the court proceeding if he: (a) files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order. The provisions of this Section 7.3 will survive the expiration, suspension or termination of this Agreement for any reason.

7.4 Prohibition Against Unfair Competition. At any time after the termination of his or her employment with the Company for any reason, the Executive will not engage in competition with the Company while making use of the Trade Secrets of the Company.

- 7.5 Patents and Inventions. The Executive agrees that any Inventions made, conceived or completed by the Executive during the term of the Executive's service, solely or jointly with others, which are made with the Company's equipment, supplies, facilities or Confidential Information, or which relate at the time of conception or reduction to purpose of the Invention to the business of the Company or the Company's actual or demonstrably anticipated research and development, or which result from any work performed by the Executive for the Company, will be the sole and exclusive property of the Company, and all Trade Secrets, Confidential Information, copyrightable works, works of authorship, and all patents, registrations or applications related thereto, all other intellectual property or proprietary information and all similar or related information (whether or not patentable and copyrightable and whether or not reduced to tangible form or practice) which relate to the business, research and development, or existing or future products or services of the Company and/or its subsidiaries and which are conceived, developed or made by the Executive during the Executive's employment with the Company ("Work Product") will be deemed to be "work made for hire" (as defined in the Copyright Act, 17 U.S.C. §101 et seq., as amended) and owned exclusively by the Company. To the extent that any Work Product is not deemed to be a "work made for hire" under applicable law, and all right, title and interest in and to such Work Product have not automatically vested in the Company, the Executive hereby (a) irrevocably assigns, transfers and conveys, and will assign transfer and convey, to the fullest extent permitted by applicable law, all right, title and interest in and to the Work Product on a worldwide basis to the Company (or such other person or entity as the Company may designate), without further consideration, and (b) waives all moral rights in or to all Work Product, and to the extent such rights may not be waived, agrees not to assert such rights against the Company or its respective licensees, successors, or assigns. In order to permit the Company to claim rights to which it may be entitled, the Executive agrees to promptly disclose to the Company in confidence all Work Product which the Executive makes arising out of the Executive's employment with the Company. The Executive will assist the Company in obtaining patents on all Work Product patentable by the Company in the United States and in all foreign countries, and will execute all documents and do all things necessary to obtain letters patent, to vest the Company with full and extensive title thereto, and to protect the same against infringement by others.
8. Non-Solicitation. The Executive agrees that during his or her employment hereunder, and for the one (1) year period immediately following termination of employment for any reason, the Executive shall not knowingly directly solicit goods, services or a combination of goods and services from any "Established Customers" of the Company. For purposes of this agreement, "Established Customer" means a customer, regardless of location, of the Company as of the date the Executive's employment terminates who continues to be a customer or who the Company reasonably anticipates will continue to be a customer.
9. Non-Solicitation of Employees and Independent Contractors. The Executive covenants that during the term of employment and for the one (1) year period immediately following the termination of employment for any reason, the Executive will not knowingly, directly or indirectly, induce or attempt to induce any executive, employee or independent contractor of the Company to terminate his/her employment relationship with the Company to go to work for any other company or third party.
10. Reasonableness. The Company and the Executive have attempted to specify a reasonable period of time and reasonable restrictions to which this Agreement shall apply. The Company and the Executive agree that if a court or administrative body should subsequently determine that the terms of this Agreement are greater than reasonably necessary to protect the Company's interest, the Company agrees to waive those terms which are found by a court or administrative body to be greater than reasonably necessary to protect the Company's interest and to request that the court or administrative body reform this Agreement specifying a reasonable period of time and such other reasonable restrictions as the court or administrative body deems necessary.
11. Equitable Relief. The Executive acknowledges that the services to be rendered by the Executive are of a special, unique, unusual, extraordinary, and intellectual character, which gives them a peculiar value, and the loss of which cannot reasonably or adequately be compensated in damages in an action at law; and that a breach by the Executive of any of the provisions contained in this Agreement will cause the Company irreparable injury and damage. The Executive further acknowledges that the Executive possesses unique skills, knowledge and ability and that any material breach of the provisions of this Agreement would be extremely detrimental to the Company. By reason thereof, the Executive agrees that the Company shall be entitled, in addition to any other remedies it may have under this Agreement or otherwise, to injunctive and other equitable relief from any court of competent jurisdiction to prevent or curtail any breach of this Agreement by him/her.

12. Continued Litigation Assistance. The Executive will cooperate with and assist the Company and its representatives and attorneys as requested, during and after the Term, with respect to any litigation, arbitration or other dispute resolutions by being available for interviews, depositions and/or testimony in regard to any matters in which the Executive is or has been involved or with respect to which the Executive has relevant information. The Company will reimburse the Executive for any reasonable business expenses the Executive may have incurred in connection with this obligation.

13. Arbitration. Except as provided in Section 11, any disputes, claims or controversies between the Company and the Executive including, but not limited to those arising out of or related to this Agreement or out of the parties' employment relationship (together, "Employment Matter"), shall be settled by arbitration as provided herein. This agreement shall survive the termination or rescission of this Agreement. All arbitration shall be in accordance with Rules of the American Arbitration Association, including discovery, and shall be undertaken pursuant to the Federal Arbitration Act. Arbitration will be held in Oklahoma City, Oklahoma unless the parties mutually agree to another location.

The decision of the arbitrator will be enforceable in any court of competent jurisdiction. The Executive and the Company agree that either party shall be entitled to obtain injunctive or other equitable relief to enforce the provisions of this Agreement in a court of competent jurisdiction. The parties further agree that this arbitration provision is not only applicable to the Company but its affiliates, officers, directors, employees and related parties. The Executive agrees that the Executive shall have no right or authority for any dispute to be brought, heard or arbitrated as a class or collective action, or in a representative or a private attorney general capacity on behalf of a class of persons or the general public. No class, collective or representative actions are thus allowed to be arbitrated. The Executive agrees that he or she must pursue any claims that he or she may have solely on an individual basis through arbitration.

14. Miscellaneous. The parties further agree as follows:

14.1 Time. Time is of the essence of each provision of this Agreement.

14.2 Notices. Any notice, payment, demand or communication required or permitted to be given by any provision of this Agreement will be in writing and will be deemed to have been given when delivered personally or by express mail to the party designated to receive such notice, or on the date following the day sent by overnight courier, or on the third business day after the same is sent by certified mail, postage and charges prepaid, directed to the following address or to such other or additional addresses as any party might designate by written notice to the other party:

To the Company: Gulfport Energy Corporation
3001 Quail Springs Parkway
Oklahoma City, Oklahoma 73134
Attention: Board of Directors

To the Executive: The most recent home address reflected in the records of the Company.

14.3 Assignment. Neither this Agreement nor any of the parties' rights or obligations hereunder can be transferred or assigned without the prior written consent of the other parties to this Agreement; provided, however, the Company may assign this Agreement to any wholly owned affiliate or subsidiary of the Company without the Executive's consent as well as to any purchaser of the Company.

in the opinion of Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation, and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. The costs of obtaining such determination shall be borne by the Company.

- 14.4 Construction. If any provision of this Agreement or the application thereof to any person or circumstances is determined, to any extent, to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which the same is held invalid or unenforceable, will not be affected thereby, and each term and provision of this Agreement will be valid and enforceable to the fullest extent permitted by law. This Agreement is intended to be interpreted, construed and enforced in accordance with the laws of the State of Oklahoma.
- 14.5 Entire Agreement. This Agreement, any documents executed in connection with this Agreement, any documents specifically referred to in this Agreement constitute the entire agreement between the parties hereto with respect to the subject matter herein contained, and no modification hereof will be effective unless made by a supplemental written agreement executed by all of the parties hereto.
- 14.6 Binding Effect. This Agreement will be binding on the parties and their respective successors, legal representatives and permitted assigns. In the event of a merger, consolidation, combination, dissolution or liquidation of the Company, the performance of this Agreement will be assumed by any entity which succeeds to or is transferred the business of the Company as a result thereof, and the Executive waives the consent requirement of Section 14.3 to effect such assumption.
- 14.7 Supersession. On execution of this Agreement by the Company and the Executive, the relationship between the Company and the Executive will be bound by the terms of this Agreement, any documents executed in connection with this Agreement, any documents specifically referred to in this Agreement as well as any other agreements executed in connection with the Executive's employment with the Company. In the event of a conflict between any employment policy of the Company and this Agreement, this Agreement will control in all respects.
- 14.8 Third-Party Beneficiary. The Company's affiliated entities and partnerships are beneficiaries of all terms and provisions of this Agreement and entitled to all rights hereunder.
- 14.9 Section 409A. This Agreement is intended to be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and related U.S. Treasury regulations or official pronouncements ("Section 409A") and any ambiguous provision will be construed in a manner that is compliant with such exemption; provided, however, if and to the extent that any compensation payable pursuant to this Agreement is determined to be subject to Section 409A, this Agreement will be construed in a manner that will comply with Section 409A. Notwithstanding any provision to the contrary in this Agreement, if the Executive is deemed on his or her Termination Date to be a "specified employee" within the meaning of that term under Section 409A, then any payments and benefits under this Agreement that are subject to Section 409A and paid by reason of a termination of employment shall be made or provided on the later of (a) the payment date set forth in this Agreement or (b) the date that is the earliest of (i) the expiration of the six-month period measured from the date of the Executive's termination of employment or (ii) the date of the Executive's death (the "Delay Period"). Payments and benefits subject to the Delay Period shall be paid or provided to the Executive without interest for such delay. Termination of employment as used throughout this Agreement shall refer to a separation from service within the meaning of Section 409A. To the extent required to comply with Section 409A, references to a "resignation," "termination," "termination of employment" or like terms throughout this Agreement shall be interpreted consistent with the meaning of "separation from service" as defined in Section 409A.
- 14.10 Clawback. Notwithstanding anything in this Agreement or any other agreement between the Company and/or its related entities and the Executive to the contrary, the Executive acknowledges that the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Act") may have the effect of requiring certain executives of the Company and/or its related entities to repay the Company, and for the Company to recoup from such executives, certain amounts of incentive-based compensation. If, and only to the extent, the Act, any rules and regulations promulgated by thereunder by the Securities and Exchange Commission or any similar federal or state law requires the Company to recoup incentive-based compensation that the Company has paid or granted to the Executive, the Executive hereby agrees, even if the Executive has terminated his or her employment with the Company, to promptly repay such incentive compensation to the Company upon its written request. In addition, the Executive agrees to be subject to any other compensation clawback arrangement adopted by the Board (whether before or after the Effective Date) which is applicable to all executive officers of the Company. This Section 14.10 shall survive the termination of this Agreement.
- 14.11 Maximum Payments by the Company.

- (a) It is the objective of this Agreement to maximize the Executive's Net After-Tax Benefit (as defined herein) if payments or benefits provided under this Agreement are subject to excise tax under Section 4999 of the Code. Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit by the Company or otherwise 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, including, by example and not by way of limitation, acceleration by the Company or otherwise of the date of vesting or payment or rate of payment under any plan, program, arrangement or agreement of the Company (all such payments and benefits, including the payments and benefits under Section 6 hereof, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the cash severance payments shall first be reduced, and the non-cash severance payments shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments shall be subject to the Excise Tax, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).
- (b) The Total Payments shall be reduced by the Company in the following order: (i) reduction of any cash severance payments otherwise payable to the Executive that are exempt from Section 409A of the Code, (ii) reduction of any other cash payments or benefits otherwise payable to the Executive that are exempt from Section 409A of the Code, but excluding any payments attributable to the acceleration of vesting or payments with respect to any equity award with respect to the Company's common stock that is exempt from Section 409A of the Code, (iii) reduction of any other payments or benefits otherwise payable to the Executive on a pro-rata basis or such other manner that complies with Section 409A of the Code, but excluding any payments attributable to the acceleration of vesting and payments with respect to any equity award with respect to the Company's common stock that are exempt from Section 409A of the Code, and (iv) reduction of any payments attributable to the acceleration of vesting or payments with respect to any other equity award with respect to the Company's common stock that are exempt from Section 409A of the Code.
- (c) For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account, (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of independent auditors of nationally recognized standing ("Independent Advisors") selected by the Company, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which,

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective the date first above written.

GULFPORT ENERGY CORPORATION, a
Delaware corporation

By: /s/ David M. Wood

Name: David M. Wood

Title: President and Chief Executive Officer

By: /s/ Donnie Moore
Donnie Moore, Individually
(the "Executive")

Exhibit A

For purposes of this Agreement, "Change in Control" means:

(a) The direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company to any Person (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"));

(b) The individuals who constitute the Board (the "Incumbent Directors") as of the beginning of the period cease for any reason to constitute at least a majority of the Board. Any individual becoming a director whose election or nomination for election to the Board was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which that person is named as a nominee for Director without objection to the nomination) will be an Incumbent Director. No individual initially elected or nominated as a Director of the Company as a result of an actual or threatened election contest with respect to Directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board will be an Incumbent Director;

(c) The adoption of a plan relating to the liquidation or dissolution of the Company; or

(d) The consummation of any transaction (including, without limitation, any merger, consolidation or exchange) resulting in any Person or Group (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act) becoming the Beneficial Owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than 30% of the combined voting power (which voting power shall be calculated by assuming the conversion of all equity securities convertible (immediately or at some future time) into shares entitled to vote, but not assuming the exercise of any warrant or right to subscribe to or purchase those shares) of the continuing or surviving entity's securities outstanding immediately after such transaction, or the consummation of any transaction in which more than 50% of the combined voting power of the surviving entity immediately after such transaction is owned, directly or indirectly, by persons who were not stockholders of the Company immediately prior to such merger, consolidation, reorganization or sale of stock; provided, however, that in making the determination of ownership by the stockholders of the Company, immediately after the reorganization, equity securities which persons own immediately before the reorganization as stockholders of another party to the transaction shall be disregarded.

The foregoing notwithstanding, a transaction will not constitute a Change in Control if (x) its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the Persons who held the Company's securities immediately before the transaction; (y) it constitutes an initial public offering or a secondary public offering that results in any security of the Company being listed (or approved for listing) on any securities exchange or designated (or approved for designation) as a security on an interdealer quotation system; or (z) solely because 50% or more of the total voting power of the Company's then outstanding securities is acquired by (1) a trustee or other fiduciary holding securities under one or more employee benefit plans of the Company or any parent corporation or subsidiary corporation of the Company (as defined in Code Sections 424(e) and (f)), or (2) any company that, immediately before the acquisition, is owned directly or indirectly by the stockholders of the Company in substantially the same proportion as their ownership of stock in the Company immediately before the acquisition.

Exhibit B

Form of Waiver and Release

(attached)

FORM OF WAIVER AND RELEASE

[The language in this Waiver and Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Waiver and Release document.]

In consideration of, and as a condition precedent to, receiving the termination compensation described in that certain Employment Agreement (the "**Agreement**") effective as of August 1, 2019, by and between Gulfport Energy Corporation, a Delaware corporation (the "**Company**"), and [_____] , an individual residing in the State of [_____] ("**Employee**"), which was offered to Employee in exchange for a general waiver and release of claims (this **Waiver and Release**). Employee having acknowledged the above-stated consideration as full compensation for and on account of any and all injuries and damages which Employee has sustained or claimed, or may be entitled to claim, Employee, for himself, and his heirs, executors, administrators, successors and assigns, does hereby release, forever discharge and promise not to sue the Company, its parents, subsidiaries, affiliates, successors and assigns, and their past and present officers, directors, partners, employees, members, managers, shareholders, agents, attorneys, accountants, insurers, heirs, administrators, executors, as well as all employee benefit plans maintained by any of the foregoing entities or individuals, and all fiduciaries and administrators of such plans, in their personal and representative capacities (collectively the "**Released Parties**") from any and all claims, liabilities, costs, expenses, judgments, attorney fees, actions, known and unknown, of every kind and nature whatsoever in law or equity, which Employee had, now has, or may have against the Released Parties, including but not limited to any claims relating in any way to Employee's employment with the Company or termination thereof prior to and including the date of execution of this Waiver and Release, and including but not limited to, all claims for contract damages, tort damages, special, general, direct, punitive and consequential damages, compensatory damages, loss of profits, attorney fees and any and all other damages of any kind or nature; all contracts, oral or written, between Employee and any of the Released Parties; any business enterprise or proposed enterprise contemplated by any of the Released Parties, as well as anything done or not done prior to and including the date of execution of this Waiver and Release.

Employee understands and agrees that this Waiver and Release and covenant not to sue shall apply to any and all claims or liabilities arising out of or relating to Employee's employment with the Company and the termination of such employment, including, but not limited to: claims of discrimination based on age, race, color, sex (including sexual harassment), religion, national origin, marital status, parental status, veteran status, union activities, disability or any other grounds under applicable federal, state or local law prior to and including the date of execution of this Waiver and Release, including, but not limited to, claims arising under the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the Family and Medical Leave Act, Title VII of the Civil Rights Act, the Civil Rights Act of 1991, 42 U.S.C. § 1981, the Genetic Information Non-Discrimination Act of 2008, the Employee Retirement Income Security Act of 1974, the Consolidated Omnibus

Budget Reconciliation Act of 1985, the Rehabilitation Act of 1973, the Equal Pay Act of 1963 (EPA), all as amended, as well as any claims prior to and including the date of execution of this Waiver and Release, regarding wages; benefits; vacation; sick leave; business expense reimbursements; wrongful termination; breach of the covenant of good faith and fair dealing; intentional or negligent infliction of emotional distress; retaliation; outrage; defamation; invasion of privacy; breach of contract; fraud or negligent misrepresentation; harassment; breach of duty; negligence; discrimination; claims under any employment, contract or tort laws; claims arising under any other federal law, state law, municipal law, local law, or common law; any claims arising out of any employment contract, policy or procedure; and any other claims related to or arising out of his employment or the separation of his employment with the Company prior to and including the date of execution of this Waiver and Release.

In addition, Employee agrees not to cause or encourage any legal proceeding to be maintained or instituted against any of the Released Parties, save and except proceedings to enforce the terms of the Agreement or claims of Employee not released by and in this Waiver and Release.

This Waiver and Release does not apply to (i) claims for indemnification pursuant to the Company's governing documents or any indemnification agreement, (ii) vested benefits under any retirement plan of the Company, (iii) any claims for unemployment compensation or (iv) any other claims or rights which, by law, cannot be waived, including the right to file an administrative charge or participate in an administrative investigation or proceeding; provided, however that Employee disclaims and waives any right to share or participate in any monetary award from the Company resulting from the prosecution of such charge or investigation or proceeding. Notwithstanding the foregoing or any other provision in this Waiver and Release or the Agreement to the contrary, the Company and Employee further agree that nothing in this Waiver and Release or the Agreement (i) limits Employee's ability to file a charge or complaint with the EEOC, the NLRB, OSHA, the SEC or any other federal, state or local governmental agency or commission (each a "**Government Agency**" and collectively "**Government Agencies**"); (ii) limits Employee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information and reporting possible violations of law or regulation or other disclosures protected under the whistleblower provisions of applicable law or regulation, without notice to the Company; or (iii) limits Employee's right to receive an award for information provided to any Government Agencies.

Employee expressly acknowledges that he is voluntarily, irrevocably and unconditionally releasing and forever discharging the Company and the other Released Parties from all rights or claims he has or may have against the Released Parties including, but not limited to, without limitation, all charges, claims of money, demands, rights, and causes of action arising under the Age Discrimination in Employment Act of 1967, as amended ("**ADEA**"), up to and including the date Employee signs this Waiver and Release including, but not limited to, all claims of age discrimination in employment and all claims

of retaliation in violation of ADEA. Employee further acknowledges that the consideration given for this waiver of claims under the ADEA is in addition to anything of value to which he was already entitled in the absence of this waiver. Employee further acknowledges: (a) that he has been informed by this writing that he should consult with an attorney prior to executing this Waiver and Release; (b) that he has carefully read and fully understands all of the provisions of this Waiver and Release; (c) he is, through this Waiver and Release, releasing the Company and the other Released Parties from any and all claims he may have against any of them; (d) he understands and agrees that this Waiver and Release does not apply to any claims that may arise under the ADEA after the date he executes this Waiver and Release; (e) he has at least twenty-one (21) days within which to consider this Waiver and Release; and (f) he has seven (7) days following his execution of this Waiver and Release to revoke the Waiver and Release; and (g) this Waiver and Release shall not be effective until the revocation period has expired and Employee has signed and has not revoked the Waiver and Release.

Employee acknowledges and agrees that: (a) he has had reasonable and sufficient time to read and review this Waiver and Release and that he has, in fact, read and reviewed this Waiver and Release; (b) that he has the right to consult with legal counsel regarding this Waiver and Release and is encouraged to consult with legal counsel with regard to this Waiver and Release; (c) that he has had (or has had the opportunity to take) twenty-one (21) calendar days to discuss the Waiver and Release with a lawyer of his choice before signing it and, if he signs before the end of that period, he does so of his own free will and with the full knowledge that he could have taken the full period; (d) that he is entering into this Waiver and Release freely and voluntarily and not as a result of any coercion, duress or undue influence; (e) that he is not relying upon any oral representations made to him regarding the subject matter of this Waiver and Release; (f) that by this Waiver and Release he is receiving consideration in addition to that which he was already entitled; and (g) that he has received all information he requires from the Company in order to make a knowing and voluntary release and waiver of all claims against the Company and the other Released Parties.

Employee acknowledges and agrees that he has seven (7) days after the date he signs this Waiver and Release in which to rescind or revoke this Waiver and Release by providing notice in writing to the Company. Employee further understands that the Waiver and Release will have no force and effect until the end of that seventh (7th) day. If Employee revokes the Waiver and Release, the Company will not be obligated to pay or provide Employee with the benefits described in this Waiver and Release, and this Waiver and Release shall be deemed null and void.

AGREED TO AND ACCEPTED this _____ day of _____,
20__.

[Name] _____

EMPLOYMENT AGREEMENT
between
GULFPORT ENERGY CORPORATION
and
Patrick K. Craine
Effective August 1, 2019

EMPLOYMENT AGREEMENT

THIS AGREEMENT is made effective August 1, 2019 (the "Effective Date"), between GULFPORT ENERGY CORPORATION, a Delaware corporation (the "Company") and Patrick K. Craine, an individual (the "Executive").

WITNESSETH:

WHEREAS, the Company desires to retain the services of the Executive and the Executive desires to make the Executive's services available to the Company.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the Company and the Executive agree as follows:

1. Employment. The Company hereby employs the Executive and the Executive hereby accepts such employment subject to the terms and conditions contained in this Agreement.
2. Executive's Duties. The Executive is employed on a full-time basis. Throughout the term of this Agreement, the Executive will use the Executive's best efforts and due diligence to assist the Company in achieving the most profitable operation of the Company and the Company's affiliated entities consistent with developing and maintaining a quality business operation.
 - 2.1 Specific Duties. The Executive will serve as General Counsel and Corporate Secretary for the Company, and in such other positions as might be mutually agreed upon by the parties. The Executive shall perform all of the duties required to fully and faithfully execute the office and position to which the Executive is appointed, and such other duties as may be reasonably requested by the Executive's supervisor or by the Company. During the term of this Agreement, the Executive may be nominated for election or appointed to serve as a director or officer of any of the Company's affiliated entities as determined in such affiliates' board of directors' sole discretion. The services of the Executive will be requested and directed by the Company's Chief Executive Officer and President, David M. Wood.
 - 2.2 Duty of Loyalty. The Executive acknowledges and agrees that the Executive has a fiduciary duty of loyalty to act in the best interests of the Company and to do no act that would materially injure the business, interests or reputation of the Company or any of its affiliates. In keeping with these duties, the Executive shall make full disclosure to the Company of all business opportunities pertaining to the Company's business and shall not appropriate for the Executive's own benefit business opportunities concerning the subject matter of the fiduciary relationship.

- 2.3 Policies and Procedures. The Company has issued various policies and procedures applicable to all employees of the Company and its related and affiliated entities including policies which set forth the general human resources policies of the Company and addresses frequently asked questions regarding the Company. The Executive agrees to comply with such policies and procedures except to the extent inconsistent with this Agreement. Such policies and procedures may be changed or adopted in the sole discretion of the Company without advance notice.
3. Other Activities. The Executive shall devote substantially all of the Executive's business time and attention to the performance of the Executive's duties hereunder and will not engage in any other business, profession, or occupation for compensation or otherwise which would conflict with the performance of such services either directly or indirectly without the prior written consent of the Board of Directors of the Company (the "Board"). Notwithstanding the foregoing, the Executive will be permitted to (a) with the prior written consent of the Board, act or serve as a director, trustee, committee member, or principal of any type of business, civic, or charitable organization, and (b) purchase or own less than five percent (5%) of the publicly traded securities of any corporation; provided that, such ownership represents a passive investment and that the Executive is not a controlling person of, or a member of a group that controls, such corporation; provided further that, the activities described in clauses (a) and (b) do not interfere with the performance of the Executive's duties and responsibilities to the Company as provided hereunder, including, but not limited to, the obligations set forth in Section 2.
4. Executive's Compensation. The Company agrees to compensate the Executive as follows:
- 4.1 Base Salary. A base salary (the "Base Salary"), at the initial annual rate of not less than \$435,000 will be paid to the Executive in regular installments in accordance with the Company's designated payroll schedule.
- 4.2 Bonus. In addition to the Base Salary described in Section 4.1 of this Agreement, the Executive shall be eligible for an annual bonus for each fiscal year during the Term on the same basis as other executive officers under the Company's then current annual incentive plan with a target of 90% of Base Salary which shall be payable in accordance with the terms of such plan and the performance metrics established by the Compensation Committee of the Board (the "Committee").
- 4.3 Equity Compensation. During the term of the Executive's employment, the Executive will be eligible for annual grants of restricted stock, restricted stock units, performance-based awards, stock options or other awards as determined in the sole discretion of the Committee in its discretion pursuant to the Company's equity compensation plans (generally referred to as "Equity Compensation Plans"), subject to the terms and conditions of the Equity Compensation Plans and the terms and conditions of each award as determined by the Committee in its discretion; provided that, with respect to the calendar year ending December 31, 2020 ("FY 2020"), the Executive will receive awards that have a target aggregate fair value equal to 200% of Base Salary. For each calendar year following FY 2020, the target aggregate fair value of such awards shall be as determined by the Committee in its discretion, it being understood that the Committee may elect to not provide the Executive an award with respect to a particular year.
- Notwithstanding the foregoing, the Executive will not be deemed to have terminated for Good Reason unless (A) the Executive provides written notice to the Company of the existence of one of the conditions described above within ninety (90) days after the Executive has knowledge of the initial existence of the condition, (B) the Company fails to remedy the condition so identified within thirty (30) days after receipt of such notice (if capable of correction), (C) the Executive provides a notice of termination to the Company within thirty (30) days of the expiration of the Company's period to remedy the condition specifying an effective date for the Executive's termination, and (D) the effective date of the Executive's termination of employment is within ninety (90) days after the Executive provides written notice to the Company of the existence of the condition referred to in clause (A).
- 4.4 Benefits. The Company will provide the Executive with benefits that are customarily provided to similarly situated executives of the Company and as are set forth in and governed by the Company's employment policies and applicable plan documents. Additionally, the Company will provide paid time off ("PTO") to the Executive, the amount of which will be determined in accordance with the Company's PTO policy. No additional compensation will be paid for failure to take PTO. The Company will also provide the Executive the opportunity to apply for coverage under the Company's medical, life and disability plans, if any. If the Executive is accepted for coverage under such plans, the Company will make such coverage available to the Executive on the same terms as is customarily provided by the Company to the plan participants as modified from time to time in the Company's sole discretion. The Executive will be entitled to receive reimbursement for all reasonable business expenses incurred by the Executive in accordance with the Company's expense reimbursement policy. All payments for reimbursement under this Section 4.4 shall be paid promptly but in no event later than the last day of the Executive's taxable year following the taxable year in which the Executive incurred such expenses.

5. Term. The term of the Executive's employment under the provisions of this Agreement shall be for a period commencing on the Effective Date and shall continue until December 31, 2023 (the "Initial Expiration Date"), unless terminated earlier pursuant to Section 6; provided that, upon the Initial Expiration Date and each annual anniversary thereafter (such date and each annual anniversary thereof, a "Renewal Date"), the Agreement shall be deemed to be automatically extended, upon the same terms and conditions, for successive periods of one year, unless either party provides written notice of its intention not to extend the term of the Agreement at least ninety (90) days prior to the applicable Renewal Date (the period of the Executive's employment under this Agreement being the "Term"); provided, however, if during the Term of this Agreement a Change of Control (as defined in Exhibit A attached hereto) occurs, the Term of this Agreement shall be extended to the later of the original expiration date of the Term or the expiration of the Change of Control Period. For purposes of this Agreement, "Change of Control Period" means the twenty-four (24) month period commencing on the effective date of a Change of Control.

6. Termination. This Agreement will continue in effect until the expiration of the term stated in Section 5 of this Agreement unless earlier terminated pursuant to this Section 6. For purposes of this Agreement, "Termination Date" shall mean (a) if the Executive's employment is terminated by death, the date of death; (b) if the Executive's employment is terminated pursuant to Section 6.4 due to a disability, thirty (30) days after notice of termination is provided to the Executive in accordance with Section 6.4; (c) if the Executive's employment is terminated by Company without Cause or by the Executive for Good Reason pursuant to Section 6.1.1 or 6.1.2, on the effective date of termination specified in the notice required by Section 6.1.1 or 6.1.2 respectively; (d) if the Executive's employment is terminated by Company for Cause pursuant to Section 6.1.3, the date on which the notice of termination required by Section 6.1.3 is given; or (e) if the Executive's employment is terminated by the Executive pursuant to Section 6.2, on the effective date of termination specified by the Executive in the notice of termination required by Section 6.2 unless the Company rejects such date as allowed by Section 6.2, in which case it would be the date specified by the Company.

6.1 Termination by Company. The Executive's employment under this Agreement may be terminated prior to the expiration of the Term under the following circumstances:

6.1.1 Termination without Cause or for Good Reason Outside of a Change of Control Period

- a) Termination by the Company without Cause. The Company may terminate the Executive's employment without Cause at any time by the service of written notice of termination to the Executive specifying an effective date of such termination not sooner than the date of such notice.
- b) Termination by the Executive for Good Reason. The Executive may terminate employment with the Company for "Good Reason" and such termination will not be a breach of this Agreement by the Executive. For purposes of this Section 6.1.1(b), Good Reason shall mean the occurrence of one of the events set forth below:
 - (i) elimination of the Executive's job position or material reduction in duties and/or reassignment of the Executive to a new position of materially less authority; or
 - (ii) a material reduction in the Executive's Base Salary.

- c) Obligations of the Company. In the event the Executive is Terminated without Cause or terminates employment for Good Reason outside of a Change of Control Period, the Executive will receive as termination compensation on the date sixty (60) days following the Termination Date: (a) a payment of one (1) times the sum of Base Salary and Annual Bonus in a lump sum payment; (b) a payment of the pro-rata portion of the Annual Bonus for the fiscal year in which the Termination Date occurs determined based on the number of days that have lapsed during the calendar year prior to the Termination Date divided by 365; (c) pro rata vesting through the last day of the month in which the Termination Date occurs of all unvested awards granted to the Executive under the Equity Compensation Plans (provided performance-based restricted stock units shall only be payable subject to the attainment of the performance measures through the Termination Date (or the most recent practicable date) as provided under the terms of the applicable award agreement); (d) any Company matching or other contributions to the Company's non-qualified deferred compensation plans, if any, (the "Company Non-Qualified Contributions") shall be immediately vested; (e) a lump sum payment of any PTO pay accrued but unused through the Termination Date and (f) a lump sum payment equal to the Executive's monthly COBRA premium for a twelve (12) month period. For purposes of this Agreement "Annual Bonus" shall be defined as the Executive's target bonus for the year in which the Termination Date occurs. The right to the foregoing termination compensation described under clauses (a), (b), (c) and (d) above is subject to the Executive's timely execution, without revocation, of the Company's waiver and release agreement substantially in the form attached hereto as "Exhibit B" which will operate as a release of all legally waivable claims against the Company and the Executive's compliance with all of the provisions of this Agreement, including all post-employment obligations.

6.1.2 Termination without Cause or for Good Reason During a Change of Control Period

Notwithstanding the foregoing, the Executive will not be deemed to have terminated for Good Reason unless (A) the Executive provides written notice to the Company of the existence of one of the conditions described above within ninety (90) days after the Executive has knowledge of the initial existence of the condition, (B) the Company fails to remedy the condition so identified within thirty (30) days after receipt of such notice (if capable of correction), (C) the Executive provides a Notice of Termination to the Company within thirty (30) days of the expiration of the Company's period to remedy the condition specifying an effective date for the Executive's termination, and (D) the effective date of the Executive's termination of employment is within ninety (90) days after the Executive provides written notice to the Company of the existence of the condition referred to in clause (A).

- (a) Termination by the Company without Cause. The Company may terminate the Executive's employment without Cause during a Change of Control Period at any time by the service of written notice of termination to the Executive specifying an effective date of such termination not sooner than the date of such notice.
- (b) Termination by the Executive for Good Reason. The Executive may terminate employment with the Company for "Good Reason" and such termination will not be a breach of this Agreement by the Executive. For purposes of this Section 6.1.2(b), Good Reason during a Change of Control Period shall mean the occurrence of one of the events set forth below:
- (i) elimination of the Executive's job position or material reduction in duties and/or reassignment of the Executive to a new position of materially less authority;
 - (ii) a material reduction in the Executive's Base Salary; or
 - (iii) a requirement that the Executive relocate to a location outside of a fifty (50) mile radius of the location of his or her office or principal base of operation immediately prior to the effective date of a Change of Control.

- (c) Obligations of the Company. In the event the Executive is Terminated without Cause or terminates employment for Good Reason during a Change of Control Period, the Executive will receive as termination compensation on the date sixty (60) days following the Termination Date: (a) a payment of two (2) times the sum of Base Salary and Annual Bonus in a lump sum payment; (b) a payment of the pro-rata portion of the Annual Bonus for the fiscal year in which the Termination Date occurs determined based on the number of days that have lapsed during the calendar year prior to the Termination Date divided by 365; (c) all unvested awards granted under the Equity Compensation Plans shall be immediately vested (provided performance-based restricted stock units shall only be payable subject to the attainment of the performance measures through the Termination Date (or the most recent practicable date) as provided under the terms of the applicable award agreement); (d) any Company Non-Qualified Contributions shall be immediately vested; (e) a lump sum payment of any PTO pay accrued but unused through the Termination Date and (f) a lump sum payment equal to the Executive's monthly COBRA premium for an eighteen (18) month period. The right to the foregoing termination compensation described under clauses (a), (b), (c) and (d) above is subject to the Executive's timely execution, without revocation, of the Company's waiver and release agreement substantially in the form attached hereto as "Exhibit B" which will operate as a release of all legally waivable claims against the Company and the Executive's compliance with all of the provisions of this Agreement, including all post-employment obligations.

- 6.1.3 Termination for Cause. The Company may terminate the employment of the Executive hereunder at any time for Cause (as hereinafter defined) (such a termination being referred to in this Agreement as a "Termination For Cause") by giving the Executive written notice of such termination. As used in this Agreement, "Cause" means:

In the event this Agreement is terminated for Cause, the Company will not have any obligation to provide any further payments or benefits to the Executive after the Termination Date other than a lump sum payment within thirty (30) days of the Termination Date of any PTO pay accrued but unused through the Termination Date.

- (i) the willful and continued failure of the Executive to perform substantially the Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness), after a written demand for substantial performance is delivered to the Executive by the Board or the Chief Executive Officer of the Company which specifically identifies the manner in which the Board or Chief Executive Officer believes that the Executive has not substantially performed the Executive's duties, or
- (ii) the willful engaging by the Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company. For purposes of this provision, no act, or failure to act, on the part of the Executive shall be considered "willful" unless it is done, or omitted to be done, by the Executive in bad faith or without reasonable belief that the Executive's action or omission was in the best interests of the Company. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of the Chief Executive Officer or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by the Executive in good faith and in the best interests of the Company.

- 6.2 Termination by Executive. The Executive may voluntarily terminate employment under this Agreement for any reason by the service of written notice of such termination to the Company specifying an effective date of termination no sooner than thirty (30) days and no later than sixty (60) days after the date of such notice; provided, however, if less than thirty (30) days remain in the Term, the minimum notice required from the Executive under this Section 6.2 shall be reduced from thirty (30) to seven (7) days. The Company reserves the right to end the employment relationship at any time after the date such notice is given to the Company and to pay the Executive through the Termination Date, which will not change the nature of the termination for purposes of this Agreement.

- 6.3 Disability. If the Executive becomes “disabled” (as defined below), the Company may give the Executive written notice of its intention to terminate on the 30th day after receipt of the notice by the Executive. In the event the Executive is terminated due to Disability (a) all unvested awards granted to the Executive under the Equity Compensation Plans shall be immediately vested (provided performance-based restricted stock units shall only be payable subject to the attainment of the performance measures through the Termination Date (or the most recent practicable date) as provided under the terms of the applicable award agreement); and (b) any Company Non-Qualified Contributions shall be immediately vested. The Executive shall also receive a lump sum payment within thirty (30) days of the Termination Date of any PTO pay accrued but unused through the Termination Date. The right to the foregoing compensation due under clauses (a) and (b) above is subject to the timely execution, without revocation, by the Executive or the Executive’s legal representative of the Company’s waiver and release agreement substantially in the form attached hereto as “Exhibit B” which will operate as a release of all legally waivable claims against the Company. For purposes of this Section 6.3, the Executive is “disabled” if he or she is unable to perform the essential functions of the position (with or without reasonable accommodation) under this Agreement, which disability lasts for an uninterrupted period of at least 90 days or a total of at least 180 days out of any consecutive 360-day period, as a result of the Executive’s incapacity due to physical or mental illness (as determined by the opinion of an independent physician selected by the Company). In applying this Section 6.3, the Company will comply with any applicable legal requirements, including the Americans with Disabilities Act.
- 6.4 Death of Executive. If the Executive dies during the term of this Agreement, the Company may thereafter terminate this Agreement without compensation. In the event of the Executive’s death the Company will (a) immediately vest all unvested awards granted to the Executive under the Equity Compensation Plans (provided performance-based restricted stock units shall only be payable subject to the attainment of the performance measures through the Termination Date (or the most recent practicable date) as provided under the terms of the applicable award agreement); and (b) immediately vest any Company Non-Qualified Contributions. The Executive’s beneficiaries/estate shall also receive a lump sum payment within thirty (30) days of death of any PTO pay accrued but unused through the Termination Date. Amounts payable under this Section 6.4 shall be paid to the beneficiary designated on the Company’s universal beneficiary designation form in effect on the date of the Executive’s death. If the Executive fails to designate a beneficiary or if such designation is ineffective, in whole or in part, any payment that would otherwise have been paid under this Section 6.4 shall be paid to the Executive’s estate. The right to the foregoing compensation due under clauses (a) and (b) above is subject to the timely execution, without revocation, by the beneficiary, or as applicable, the administrator of the Executive’s estate of the Company’s waiver and release agreement substantially in the form attached hereto as “Exhibit B” which will operate as a release of all legally waivable claims against the Company.
- 6.5 Effect of Termination. The termination of this Agreement, when accompanied by the termination of the Executive’s employment with the Company, will terminate all obligations of the Executive to render services on behalf of the Company from and after the Termination Date, provided that upon termination of this Agreement and termination of employment for any reason (other than by reason of the Executive’s death), the Executive shall comply with all post-employment requirements including this Section 6.5 and Sections 7, 8, 9, 10, 11, 12 and 13, as well as the Company’s arbitration program. Except as otherwise provided in Section 6 of this Agreement and payment of any PTO pay accrued but unused through the Termination Date, no accrued bonus, severance pay or other form of compensation will be payable by the Company to the Executive by reason of the termination of this Agreement. All keys, entry cards, credit cards, files, records, financial information, Confidential Information (as defined below), research, results, test data, instructions, drawings, sketches, specifications, product data sheets, products, books, DVDs, disks, memory devices, business plans, marketing plans, documents, correspondence, furniture, furnishings, equipment, supplies and other items relating to the Company in the Executive’s possession will remain the property of the Company. Upon termination of employment, the Executive will have the right to retain and remove all personal property and effects which are owned by the Executive and located in the offices of the Company at a time determined by the Company. All such personal items will be removed from such offices no later than two (2) days after the Termination Date, and the Company is hereby authorized to discard any items remaining and to reassign the Executive’s office space after such date. Prior to the Termination Date, the Executive will render such services to the Company as might be reasonably required to provide for the orderly termination of the Executive’s employment. Notwithstanding the foregoing and without discharging any obligations to pay compensation to the Executive under this Agreement, after notice of the termination, the Company may request that the Executive not provide any other services to the Company and not enter the Company’s premises before or after the Termination Date. In the event that the Executive separates employment with the Company, the Executive hereby grants consent to notification by the Company to the Executive’s new employer about the Executive’s rights and obligations under this Agreement. Upon such termination of employment, the Executive further agrees to acknowledge compliance with this Agreement in a form reasonably provided by the Company.

If this Agreement is not terminated pursuant to any of the preceding provisions of Section 6 or extended by mutual written agreement of the parties prior to the expiration of the Term, this Agreement and the Executive’s employment

under this Agreement will end and Company will have no further obligation to provide any further payments or benefits to the Executive under this Agreement after the expiration of the Term other than any PTO pay accrued but unused through the expiration of the Term. Upon expiration of this Agreement, the Executive will continue to be employed with Company on an at will basis until such employment is terminated by either party, with or without any reason.

Unless otherwise agreed to in writing by the Company and Executive prior to the termination of the Executive's employment, any termination of the Executive's employment shall constitute (a) an automatic resignation of Executive as an officer of the Company and each affiliate of the Company, (b) an automatic resignation of the Executive from the Board (if applicable) and from the board of directors of any affiliate of the Company, and from the board of directors or similar governing body of any corporation, limited liability entity or other entity in which the Company or any affiliate holds an equity interest and with respect to which board or similar governing body the Executive serves as the Company's or such affiliate's designee or other representative and (c) an automatic revocation of any power of attorney granted to the Executive for the benefit of the Company or any of its affiliates.

7. Trade Secrets, Confidential Information and Inventions of the Company

7.1 Trade Secrets and Confidential Information. The Executive agrees that during the Executive's employment hereunder, the Executive will have access to various trade secrets, confidential information and inventions of the Company as defined below.

7.1.1 "Confidential Information" means all information and material which is proprietary to the Company, whether or not marked as "confidential" or "proprietary" and which is disclosed to or obtained from the Company by the Executive, which relates to the Company's past, present or future research, development or business activities. Confidential Information includes all information or materials prepared by or for the Company and includes, without limitation, all of the following: designs, drawings, specifications, techniques, models, data, source code, object code, documentation, diagrams, flow charts, research, development, processes, systems, methods, machinery, procedures, "know-how", new product or new technology information, formulas, patents, patent applications, product prototypes, product copies, cost of production, manufacturing, developing or marketing techniques and materials, cost of production, development or marketing time tables, customer lists, strategies related to customers, suppliers or personnel, contract forms, pricing policies and financial information, volumes of sales, and other information of similar nature, whether or not reduced to writing or other tangible form, and any other Trade Secrets, as defined by Section 7.1.3, or non-public business information. Confidential Information also will include any additional Company information with respect to which the Company took reasonable and apparent steps to preserve confidentiality. For purposes of this Agreement, the terms of this Agreement will be treated by the Executive as Confidential Information. Notwithstanding the foregoing, nothing in this Agreement, any other agreement between the Executive and the Company, or any Company policy shall be read to prevent the Executive from (a) sharing this Agreement or other information with the Executive's attorney; (b) reporting possible violations of federal law or regulation to any governmental agency or entity including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. The Executive will not need the prior authorization of the Company to make any such reports or disclosures and the Executive will not be required to notify the Company that he or she has made such reports or disclosures; (c) sharing information about this Agreement with the Executive's spouse, accountant, attorney or financial advisor so long as the Executive ensures that such parties maintain the strict confidentiality of this Agreement; or (d) apprising any future or potential employer or other person or entity to which the Executive provides services of the Executive's continuing obligations to the Company under this Agreement.

7.1.2 "Inventions" means all discoveries, concepts and ideas, whether patentable or not, including but not limited to, processes, methods, formulas, compositions, techniques, articles and machines, as well as improvements thereof or "know-how" related thereto, relating at the time of conception or reduction to practice to the business engaged in by the Company, or any actual or anticipated research or development by the Company.

7.1.3 "Trade Secrets" means any scientific or technical data, information, design, process, procedure, formula or improvement that is commercially available to the Company and is not generally known in the industry.

This Section 7.1 includes not only information belonging to the Company which existed before the date of this Agreement, but also information developed by the Executive for the Company or its employees during the Executive's employment and thereafter.

7.2 Restriction on Use of Confidential Information. The Executive agrees that the Executive's use of Trade Secrets and other Confidential Information is subject to the following restrictions during the term of the Agreement and for an indefinite period thereafter so long as the Trade Secrets and other Confidential Information have not become generally known to the public.

7.3 Non-Disclosure. The Executive agrees that the Executive will not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any person, other than in the course of the Executive's assigned duties and for the benefit of the Company, either during the period of the Executive's employment or at any time thereafter, any Confidential Information or other confidential or proprietary information received from third parties subject to a duty of the Company's and its subsidiaries' and affiliates' part to maintain the confidentiality of such information, and to use such information only for certain limited purposes, in each case, which has been obtained by the Executive during the Executive's employment by the Company (or any predecessor). The foregoing will not apply to information that (i) was known to the public prior to its disclosure to the Executive; (ii) becomes generally known to the public subsequent to disclosure to the Executive through no wrongful act of the Executive or any representative of the Executive; or (iii) the Executive is required to disclose by applicable law, regulation or legal process (provided that the Executive provides the Company with prior notice of the contemplated disclosure and cooperates with the Company at its expense in seeking a protective order or other appropriate protection of such information). Unless this Agreement is otherwise required to be disclosed under applicable law, rule or regulation, the terms and conditions of this Agreement will remain strictly confidential, and the Executive hereby agrees not to disclose the terms and conditions hereof to any person or entity, other than immediate family members, legal advisors or personal tax or financial advisors, or prospective future employers solely for the purpose of disclosing the limitations on the Executive's conduct imposed by the provisions of this Agreement who, in each case, agree to keep such information confidential. The Executive is hereby notified in accordance with the Defend Trade Secrets Act of 2016 that the Executive will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. The Executive is further notified that if he or she files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the Company's trade secrets to the Executive's attorney and use the trade secret information in the court proceeding if he: (a) files any document containing the trade secret under seal; and (b) does not disclose the trade secret, except pursuant to court order. The provisions of this Section 7.3 will survive the expiration, suspension or termination of this Agreement for any reason.

7.4 Prohibition Against Unfair Competition. At any time after the termination of his or her employment with the Company for any reason, the Executive will not engage in competition with the Company while making use of the Trade Secrets of the Company.

- 7.5 Patents and Inventions. The Executive agrees that any Inventions made, conceived or completed by the Executive during the term of the Executive's service, solely or jointly with others, which are made with the Company's equipment, supplies, facilities or Confidential Information, or which relate at the time of conception or reduction to purpose of the Invention to the business of the Company or the Company's actual or demonstrably anticipated research and development, or which result from any work performed by the Executive for the Company, will be the sole and exclusive property of the Company, and all Trade Secrets, Confidential Information, copyrightable works, works of authorship, and all patents, registrations or applications related thereto, all other intellectual property or proprietary information and all similar or related information (whether or not patentable and copyrightable and whether or not reduced to tangible form or practice) which relate to the business, research and development, or existing or future products or services of the Company and/or its subsidiaries and which are conceived, developed or made by the Executive during the Executive's employment with the Company ("Work Product") will be deemed to be "work made for hire" (as defined in the Copyright Act, 17 U.S.C. §101 et seq., as amended) and owned exclusively by the Company. To the extent that any Work Product is not deemed to be a "work made for hire" under applicable law, and all right, title and interest in and to such Work Product have not automatically vested in the Company, the Executive hereby (a) irrevocably assigns, transfers and conveys, and will assign transfer and convey, to the fullest extent permitted by applicable law, all right, title and interest in and to the Work Product on a worldwide basis to the Company (or such other person or entity as the Company may designate), without further consideration, and (b) waives all moral rights in or to all Work Product, and to the extent such rights may not be waived, agrees not to assert such rights against the Company or its respective licensees, successors, or assigns. In order to permit the Company to claim rights to which it may be entitled, the Executive agrees to promptly disclose to the Company in confidence all Work Product which the Executive makes arising out of the Executive's employment with the Company. The Executive will assist the Company in obtaining patents on all Work Product patentable by the Company in the United States and in all foreign countries, and will execute all documents and do all things necessary to obtain letters patent, to vest the Company with full and extensive title thereto, and to protect the same against infringement by others.
8. Non-Solicitation. The Executive agrees that during his or her employment hereunder, and for the one (1) year period immediately following termination of employment for any reason, the Executive shall not knowingly directly solicit goods, services or a combination of goods and services from any "Established Customers" of the Company. For purposes of this agreement, "Established Customer" means a customer, regardless of location, of the Company as of the date the Executive's employment terminates who continues to be a customer or who the Company reasonably anticipates will continue to be a customer.
9. Non-Solicitation of Employees and Independent Contractors. The Executive covenants that during the term of employment and for the one (1) year period immediately following the termination of employment for any reason, the Executive will not knowingly, directly or indirectly, induce or attempt to induce any executive, employee or independent contractor of the Company to terminate his/her employment relationship with the Company to go to work for any other company or third party.
10. Reasonableness. The Company and the Executive have attempted to specify a reasonable period of time and reasonable restrictions to which this Agreement shall apply. The Company and the Executive agree that if a court or administrative body should subsequently determine that the terms of this Agreement are greater than reasonably necessary to protect the Company's interest, the Company agrees to waive those terms which are found by a court or administrative body to be greater than reasonably necessary to protect the Company's interest and to request that the court or administrative body reform this Agreement specifying a reasonable period of time and such other reasonable restrictions as the court or administrative body deems necessary.
11. Equitable Relief. The Executive acknowledges that the services to be rendered by the Executive are of a special, unique, unusual, extraordinary, and intellectual character, which gives them a peculiar value, and the loss of which cannot reasonably or adequately be compensated in damages in an action at law; and that a breach by the Executive of any of the provisions contained in this Agreement will cause the Company irreparable injury and damage. The Executive further acknowledges that the Executive possesses unique skills, knowledge and ability and that any material breach of the provisions of this Agreement would be extremely detrimental to the Company. By reason thereof, the Executive agrees that the Company shall be entitled, in addition to any other remedies it may have under this Agreement or otherwise, to injunctive and other equitable relief from any court of competent jurisdiction to prevent or curtail any breach of this Agreement by him/her.

12. Continued Litigation Assistance. The Executive will cooperate with and assist the Company and its representatives and attorneys as requested, during and after the Term, with respect to any litigation, arbitration or other dispute resolutions by being available for interviews, depositions and/or testimony in regard to any matters in which the Executive is or has been involved or with respect to which the Executive has relevant information. The Company will reimburse the Executive for any reasonable business expenses the Executive may have incurred in connection with this obligation.

13. Arbitration. Except as provided in Section 11, any disputes, claims or controversies between the Company and the Executive including, but not limited to those arising out of or related to this Agreement or out of the parties' employment relationship (together, "Employment Matter"), shall be settled by arbitration as provided herein. This agreement shall survive the termination or rescission of this Agreement. All arbitration shall be in accordance with Rules of the American Arbitration Association, including discovery, and shall be undertaken pursuant to the Federal Arbitration Act. Arbitration will be held in Oklahoma City, Oklahoma unless the parties mutually agree to another location.

The decision of the arbitrator will be enforceable in any court of competent jurisdiction. The Executive and the Company agree that either party shall be entitled to obtain injunctive or other equitable relief to enforce the provisions of this Agreement in a court of competent jurisdiction. The parties further agree that this arbitration provision is not only applicable to the Company but its affiliates, officers, directors, employees and related parties. The Executive agrees that the Executive shall have no right or authority for any dispute to be brought, heard or arbitrated as a class or collective action, or in a representative or a private attorney general capacity on behalf of a class of persons or the general public. No class, collective or representative actions are thus allowed to be arbitrated. The Executive agrees that he or she must pursue any claims that he or she may have solely on an individual basis through arbitration.

14. Miscellaneous. The parties further agree as follows:

14.1 Time. Time is of the essence of each provision of this Agreement.

14.2 Notices. Any notice, payment, demand or communication required or permitted to be given by any provision of this Agreement will be in writing and will be deemed to have been given when delivered personally or by express mail to the party designated to receive such notice, or on the date following the day sent by overnight courier, or on the third business day after the same is sent by certified mail, postage and charges prepaid, directed to the following address or to such other or additional addresses as any party might designate by written notice to the other party:

To the Company: Gulfport Energy Corporation
3001 Quail Springs Parkway
Oklahoma City, Oklahoma 73134
Attention: Board of Directors

To the Executive: The most recent home address reflected in the records of the Company.

14.3 Assignment. Neither this Agreement nor any of the parties' rights or obligations hereunder can be transferred or assigned without the prior written consent of the other parties to this Agreement; provided, however, the Company may assign this Agreement to any wholly owned affiliate or subsidiary of the Company without the Executive's consent as well as to any purchaser of the Company.

in the opinion of Independent Advisors, constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation, and (iii) the value of any non-cash benefit or any deferred payment or benefit included in the Total Payments shall be determined by the Independent Advisors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code. The costs of obtaining such determination shall be borne by the Company.

- 14.4 Construction. If any provision of this Agreement or the application thereof to any person or circumstances is determined, to any extent, to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which the same is held invalid or unenforceable, will not be affected thereby, and each term and provision of this Agreement will be valid and enforceable to the fullest extent permitted by law. This Agreement is intended to be interpreted, construed and enforced in accordance with the laws of the State of Oklahoma.
- 14.5 Entire Agreement. This Agreement, any documents executed in connection with this Agreement, any documents specifically referred to in this Agreement constitute the entire agreement between the parties hereto with respect to the subject matter herein contained, and no modification hereof will be effective unless made by a supplemental written agreement executed by all of the parties hereto.
- 14.6 Binding Effect. This Agreement will be binding on the parties and their respective successors, legal representatives and permitted assigns. In the event of a merger, consolidation, combination, dissolution or liquidation of the Company, the performance of this Agreement will be assumed by any entity which succeeds to or is transferred the business of the Company as a result thereof, and the Executive waives the consent requirement of Section 14.3 to effect such assumption.
- 14.7 Supersession. On execution of this Agreement by the Company and the Executive, the relationship between the Company and the Executive will be bound by the terms of this Agreement, any documents executed in connection with this Agreement, any documents specifically referred to in this Agreement as well as any other agreements executed in connection with the Executive's employment with the Company. In the event of a conflict between any employment policy of the Company and this Agreement, this Agreement will control in all respects.
- 14.8 Third-Party Beneficiary. The Company's affiliated entities and partnerships are beneficiaries of all terms and provisions of this Agreement and entitled to all rights hereunder.
- 14.9 Section 409A. This Agreement is intended to be exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and related U.S. Treasury regulations or official pronouncements ("Section 409A") and any ambiguous provision will be construed in a manner that is compliant with such exemption; provided, however, if and to the extent that any compensation payable pursuant to this Agreement is determined to be subject to Section 409A, this Agreement will be construed in a manner that will comply with Section 409A. Notwithstanding any provision to the contrary in this Agreement, if the Executive is deemed on his or her Termination Date to be a "specified employee" within the meaning of that term under Section 409A, then any payments and benefits under this Agreement that are subject to Section 409A and paid by reason of a termination of employment shall be made or provided on the later of (a) the payment date set forth in this Agreement or (b) the date that is the earliest of (i) the expiration of the six-month period measured from the date of the Executive's termination of employment or (ii) the date of the Executive's death (the "Delay Period"). Payments and benefits subject to the Delay Period shall be paid or provided to the Executive without interest for such delay. Termination of employment as used throughout this Agreement shall refer to a separation from service within the meaning of Section 409A. To the extent required to comply with Section 409A, references to a "resignation," "termination," "termination of employment" or like terms throughout this Agreement shall be interpreted consistent with the meaning of "separation from service" as defined in Section 409A.
- 14.10 Clawback. Notwithstanding anything in this Agreement or any other agreement between the Company and/or its related entities and the Executive to the contrary, the Executive acknowledges that the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Act") may have the effect of requiring certain executives of the Company and/or its related entities to repay the Company, and for the Company to recoup from such executives, certain amounts of incentive-based compensation. If, and only to the extent, the Act, any rules and regulations promulgated by thereunder by the Securities and Exchange Commission or any similar federal or state law requires the Company to recoup incentive-based compensation that the Company has paid or granted to the Executive, the Executive hereby agrees, even if the Executive has terminated his or her employment with the Company, to promptly repay such incentive compensation to the Company upon its written request. In addition, the Executive agrees to be subject to any other compensation clawback arrangement adopted by the Board (whether before or after the Effective Date) which is applicable to all executive officers of the Company. This Section 14.10 shall survive the termination of this Agreement.
- 14.11 Maximum Payments by the Company.

- (a) It is the objective of this Agreement to maximize the Executive's Net After-Tax Benefit (as defined herein) if payments or benefits provided under this Agreement are subject to excise tax under Section 4999 of the Code. Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit by the Company or otherwise 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, including, by example and not by way of limitation, acceleration by the Company or otherwise of the date of vesting or payment or rate of payment under any plan, program, arrangement or agreement of the Company (all such payments and benefits, including the payments and benefits under Section 6 hereof, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the cash severance payments shall first be reduced, and the non-cash severance payments shall thereafter be reduced, to the extent necessary so that no portion of the Total Payments shall be subject to the Excise Tax, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income taxes on such Total Payments and the amount of Excise Tax to which the Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).
- (b) The Total Payments shall be reduced by the Company in the following order: (i) reduction of any cash severance payments otherwise payable to the Executive that are exempt from Section 409A of the Code, (ii) reduction of any other cash payments or benefits otherwise payable to the Executive that are exempt from Section 409A of the Code, but excluding any payments attributable to the acceleration of vesting or payments with respect to any equity award with respect to the Company's common stock that is exempt from Section 409A of the Code, (iii) reduction of any other payments or benefits otherwise payable to the Executive on a pro-rata basis or such other manner that complies with Section 409A of the Code, but excluding any payments attributable to the acceleration of vesting and payments with respect to any equity award with respect to the Company's common stock that are exempt from Section 409A of the Code, and (iv) reduction of any payments attributable to the acceleration of vesting or payments with respect to any other equity award with respect to the Company's common stock that are exempt from Section 409A of the Code.
- (c) For purposes of determining whether and the extent to which the Total Payments will be subject to the Excise Tax, (i) no portion of the Total Payments the receipt or enjoyment of which the Executive shall have waived at such time and in such manner as not to constitute a "payment" within the meaning of Section 280G(b) of the Code shall be taken into account, (ii) no portion of the Total Payments shall be taken into account which, in the written opinion of independent auditors of nationally recognized standing ("Independent Advisors") selected by the Company, does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) and, in calculating the Excise Tax, no portion of such Total Payments shall be taken into account which,

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective the date first above written.

GULFPORT ENERGY CORPORATION, a
Delaware corporation

By: /s/ David M. Wood

Name: David M. Wood

Title: President and Chief Executive Officer

By: /s/ Patrick K. Craine
Patrick K. Craine, Individually
(the "Executive")

Exhibit A

For purposes of this Agreement, "Change in Control" means:

- (a) The direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company to any Person (as that term is used in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"));
- (b) The individuals who constitute the Board (the "Incumbent Directors") as of the beginning of the period cease for any reason to constitute at least a majority of the Board. Any individual becoming a director whose election or nomination for election to the Board was approved by a vote of at least two-thirds of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which that person is named as a nominee for Director without objection to the nomination) will be an Incumbent Director. No individual initially elected or nominated as a Director of the Company as a result of an actual or threatened election contest with respect to Directors or as a result of any other actual or threatened solicitation of proxies by or on behalf of any person other than the Board will be an Incumbent Director;
- (c) The adoption of a plan relating to the liquidation or dissolution of the Company; or
- (d) The consummation of any transaction (including, without limitation, any merger, consolidation or exchange) resulting in any Person or Group (as such terms are used for purposes of Sections 13(d) and 14(d) of the Exchange Act) becoming the Beneficial Owner (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of more than 30% of the combined voting power (which voting power shall be calculated by assuming the conversion of all equity securities convertible (immediately or at some future time) into shares entitled to vote, but not assuming the exercise of any warrant or right to subscribe to or purchase those shares) of the continuing or surviving entity's securities outstanding immediately after such transaction, or the consummation of any transaction in which more than 50% of the combined voting power of the surviving entity immediately after such transaction is owned, directly or indirectly, by persons who were not stockholders of the Company immediately prior to such merger, consolidation, reorganization or sale of stock; provided, however, that in making the determination of ownership by the stockholders of the Company, immediately after the reorganization, equity securities which persons own immediately before the reorganization as stockholders of another party to the transaction shall be disregarded.

The foregoing notwithstanding, a transaction will not constitute a Change in Control if (x) its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the Persons who held the Company's securities immediately before the transaction; (y) it constitutes an initial public offering or a secondary public offering that results in any security of the Company being listed (or approved for listing) on any securities exchange or designated (or approved for designation) as a security on an interdealer quotation system; or (z) solely because 50% or more of the total voting power of the Company's then outstanding securities is acquired by (1) a trustee or other fiduciary holding securities under one or more employee benefit plans of the Company or any parent corporation or subsidiary corporation of the Company (as defined in Code Sections 424(e) and (f)), or (2) any company that, immediately before the acquisition, is owned directly or indirectly by the stockholders of the Company in substantially the same proportion as their ownership of stock in the Company immediately before the acquisition.

Exhibit B

Form of Waiver and Release

(attached)

FORM OF WAIVER AND RELEASE

[The language in this Waiver and Release may change based on legal developments and evolving best practices; this form is provided as an example of what will be included in the final Waiver and Release document.]

In consideration of, and as a condition precedent to, receiving the termination compensation described in that certain Employment Agreement (the "**Agreement**") effective as of August 1, 2019, by and between Gulfport Energy Corporation, a Delaware corporation (the "**Company**"), and [_____] , an individual residing in the State of [_____] ("**Employee**"), which was offered to Employee in exchange for a general waiver and release of claims (this **Waiver and Release**). Employee having acknowledged the above-stated consideration as full compensation for and on account of any and all injuries and damages which Employee has sustained or claimed, or may be entitled to claim, Employee, for himself, and his heirs, executors, administrators, successors and assigns, does hereby release, forever discharge and promise not to sue the Company, its parents, subsidiaries, affiliates, successors and assigns, and their past and present officers, directors, partners, employees, members, managers, shareholders, agents, attorneys, accountants, insurers, heirs, administrators, executors, as well as all employee benefit plans maintained by any of the foregoing entities or individuals, and all fiduciaries and administrators of such plans, in their personal and representative capacities (collectively the "**Released Parties**") from any and all claims, liabilities, costs, expenses, judgments, attorney fees, actions, known and unknown, of every kind and nature whatsoever in law or equity, which Employee had, now has, or may have against the Released Parties, including but not limited to any claims relating in any way to Employee's employment with the Company or termination thereof prior to and including the date of execution of this Waiver and Release, and including but not limited to, all claims for contract damages, tort damages, special, general, direct, punitive and consequential damages, compensatory damages, loss of profits, attorney fees and any and all other damages of any kind or nature; all contracts, oral or written, between Employee and any of the Released Parties; any business enterprise or proposed enterprise contemplated by any of the Released Parties, as well as anything done or not done prior to and including the date of execution of this Waiver and Release.

Employee understands and agrees that this Waiver and Release and covenant not to sue shall apply to any and all claims or liabilities arising out of or relating to Employee's employment with the Company and the termination of such employment, including, but not limited to: claims of discrimination based on age, race, color, sex (including sexual harassment), religion, national origin, marital status, parental status, veteran status, union activities, disability or any other grounds under applicable federal, state or local law prior to and including the date of execution of this Waiver and Release, including, but not limited to, claims arising under the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act, the Family and Medical Leave Act, Title VII of the Civil Rights Act, the Civil Rights Act of 1991, 42 U.S.C. § 1981, the Genetic Information Non-Discrimination Act of 2008, the Employee Retirement Income Security Act of 1974, the Consolidated Omnibus

Budget Reconciliation Act of 1985, the Rehabilitation Act of 1973, the Equal Pay Act of 1963 (EPA), all as amended, as well as any claims prior to and including the date of execution of this Waiver and Release, regarding wages; benefits; vacation; sick leave; business expense reimbursements; wrongful termination; breach of the covenant of good faith and fair dealing; intentional or negligent infliction of emotional distress; retaliation; outrage; defamation; invasion of privacy; breach of contract; fraud or negligent misrepresentation; harassment; breach of duty; negligence; discrimination; claims under any employment, contract or tort laws; claims arising under any other federal law, state law, municipal law, local law, or common law; any claims arising out of any employment contract, policy or procedure; and any other claims related to or arising out of his employment or the separation of his employment with the Company prior to and including the date of execution of this Waiver and Release.

In addition, Employee agrees not to cause or encourage any legal proceeding to be maintained or instituted against any of the Released Parties, save and except proceedings to enforce the terms of the Agreement or claims of Employee not released by and in this Waiver and Release.

This Waiver and Release does not apply to (i) claims for indemnification pursuant to the Company's governing documents or any indemnification agreement, (ii) vested benefits under any retirement plan of the Company, (iii) any claims for unemployment compensation or (iv) any other claims or rights which, by law, cannot be waived, including the right to file an administrative charge or participate in an administrative investigation or proceeding; provided, however that Employee disclaims and waives any right to share or participate in any monetary award from the Company resulting from the prosecution of such charge or investigation or proceeding. Notwithstanding the foregoing or any other provision in this Waiver and Release or the Agreement to the contrary, the Company and Employee further agree that nothing in this Waiver and Release or the Agreement (i) limits Employee's ability to file a charge or complaint with the EEOC, the NLRB, OSHA, the SEC or any other federal, state or local governmental agency or commission (each a "**Government Agency**" and collectively "**Government Agencies**"); (ii) limits Employee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information and reporting possible violations of law or regulation or other disclosures protected under the whistleblower provisions of applicable law or regulation, without notice to the Company; or (iii) limits Employee's right to receive an award for information provided to any Government Agencies.

Employee expressly acknowledges that he is voluntarily, irrevocably and unconditionally releasing and forever discharging the Company and the other Released Parties from all rights or claims he has or may have against the Released Parties including, but not limited to, without limitation, all charges, claims of money, demands, rights, and causes of action arising under the Age Discrimination in Employment Act of 1967, as amended ("**ADEA**"), up to and including the date Employee signs this Waiver and Release including, but not limited to, all claims of age discrimination in employment and all claims

of retaliation in violation of ADEA. Employee further acknowledges that the consideration given for this waiver of claims under the ADEA is in addition to anything of value to which he was already entitled in the absence of this waiver. Employee further acknowledges: (a) that he has been informed by this writing that he should consult with an attorney prior to executing this Waiver and Release; (b) that he has carefully read and fully understands all of the provisions of this Waiver and Release; (c) he is, through this Waiver and Release, releasing the Company and the other Released Parties from any and all claims he may have against any of them; (d) he understands and agrees that this Waiver and Release does not apply to any claims that may arise under the ADEA after the date he executes this Waiver and Release; (e) he has at least twenty-one (21) days within which to consider this Waiver and Release; and (f) he has seven (7) days following his execution of this Waiver and Release to revoke the Waiver and Release; and (g) this Waiver and Release shall not be effective until the revocation period has expired and Employee has signed and has not revoked the Waiver and Release.

Employee acknowledges and agrees that: (a) he has had reasonable and sufficient time to read and review this Waiver and Release and that he has, in fact, read and reviewed this Waiver and Release; (b) that he has the right to consult with legal counsel regarding this Waiver and Release and is encouraged to consult with legal counsel with regard to this Waiver and Release; (c) that he has had (or has had the opportunity to take) twenty-one (21) calendar days to discuss the Waiver and Release with a lawyer of his choice before signing it and, if he signs before the end of that period, he does so of his own free will and with the full knowledge that he could have taken the full period; (d) that he is entering into this Waiver and Release freely and voluntarily and not as a result of any coercion, duress or undue influence; (e) that he is not relying upon any oral representations made to him regarding the subject matter of this Waiver and Release; (f) that by this Waiver and Release he is receiving consideration in addition to that which he was already entitled; and (g) that he has received all information he requires from the Company in order to make a knowing and voluntary release and waiver of all claims against the Company and the other Released Parties.

Employee acknowledges and agrees that he has seven (7) days after the date he signs this Waiver and Release in which to rescind or revoke this Waiver and Release by providing notice in writing to the Company. Employee further understands that the Waiver and Release will have no force and effect until the end of that seventh (7th) day. If Employee revokes the Waiver and Release, the Company will not be obligated to pay or provide Employee with the benefits described in this Waiver and Release, and this Waiver and Release shall be deemed null and void.

AGREED TO AND ACCEPTED this _____ day of _____,
20__.

[Name] _____

CERTIFICATION

I, David M. Wood, Chief Executive Officer and President of Gulfport Energy Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gulfport Energy Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2019

/s/ David M. Wood

David M. Wood

Chief Executive Officer and President

CERTIFICATION

I, Keri Crowell, Chief Financial Officer of Gulfport Energy Corporation, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Gulfport Energy Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2019

/s/ Keri Crowell

Keri Crowell

Chief Financial Officer

CERTIFICATION OF PERIODIC REPORT

I, David M. Wood, Chief Executive Officer and President of Gulfport Energy Corporation (the "Company"), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2019 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 2, 2019

/s/ David M. Wood

David M. Wood

Chief Executive Officer and President

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF PERIODIC REPORT

I, Keri Crowell, Chief Financial Officer of Gulfport Energy Corporation (the "Company"), certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

- (1) the Quarterly Report on Form 10-Q of the Company for the quarterly period ended June 30, 2019 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a) or 78o(d)); and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 2, 2019

/s/ Keri Crowell

Keri Crowell

Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.