

**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, 2022**
OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number **001-19514**

Gulfport Energy Corporation

(Exact Name of Registrant As Specified in Its Charter)

<p style="text-align: center;">Delaware (State or Other Jurisdiction of Incorporation or Organization) 713 Market Drive Oklahoma City, Oklahoma (Address of Principal Executive Offices)</p>	<p style="text-align: center;">86-3684669 (IRS Employer Identification Number) 73114 (Zip Code) (405) 252-4600 (Registrant Telephone Number, Including Area Code) 3001 Quail Springs Parkway Oklahoma City, Oklahoma 73114 (Former Address)</p>
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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, \$0.0001 par value per share	GPOR	The New York Stock Exchange

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

As of July 28, 2022, 19,693,894 shares of the registrant's common stock were outstanding.

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DEFINITIONS

Unless the context otherwise indicates, references to “us,” “we,” “our,” “ours,” “Gulfport,” the “Company” and “Registrant” refer to Gulfport Energy Corporation and its consolidated subsidiaries. All monetary values, other than per unit and per share amounts, are stated in thousands of U.S. dollars unless otherwise specified. In addition, the following are other abbreviations and definitions of certain terms used within this Quarterly Report on Form 10-Q:

1145 Indenture. Agreement dated May 17, 2021 between the Company, UMB Bank, National Association, as trustee, and the guarantors party thereto, under section 1145 of the Bankruptcy Code for our 8.000% Senior Notes due 2026.

2026 Senior Notes. 8.000% Senior Notes due 2026.

4(a)(2) Indenture. Certain eligible holders have made an election entitling such holders to receive senior notes issued pursuant to an indenture, dated as of May 17, 2021, by and among the Company, UMB Bank, National Association, as trustee, and the guarantors party thereto, under Section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”) as opposed to its share of the up to \$550 million aggregate principal amount of our Senior Notes due 2026. The 4(a)(2) Indenture’s terms are substantially similar to the terms of the 1145 Indenture. The primary differences between the terms of the 4(a)(2) Indenture and the terms of the 1145 Indenture are that (i) affiliates of the Issuer holding 4(a)(2) Notes are permitted to vote in determining whether the holders of the required principal amount of indenture securities have concurred in any direction or consent under the 4(a)(2) Indenture, while affiliates of the Issuer holding 1145 Notes will not be permitted to vote on such matters under the 1145 Indenture, (ii) the covenants of the 1145 Indenture (other than the payment covenant) require that the Issuer comply with the covenants of the 4(a)(2) Indenture, as amended, and (iii) the 1145 Indenture requires that the 1145 Securities be redeemed pro rata with the 4(a)(2) Securities and that the 1145 Indenture be satisfied and discharged if the 4(a)(2) Indenture is satisfied and discharged.

ASC. Accounting Standards Codification.

Bankruptcy Code. Chapter 11 of Title 11 of the United States Code.

Bbl. One stock tank barrel, or 42 U.S. gallons liquid volume, used herein in reference to crude oil or other liquid hydrocarbons.

Btu. British thermal unit, which represents the amount of energy needed to heat one pound of water by one degree Fahrenheit and can be used to describe the energy content of fuels.

Chapter 11 Cases. Voluntary petitions filed on November 13, 2020 by Gulfport Energy Corporation, Gator Marine, Inc., Gator Marine Ivanhoe, Inc., Grizzly Holdings, Inc., Gulfport Appalachia, LLC, Gulfport Midcon, LLC, Gulfport Midstream Holdings, LLC, Jaguar Resources LLC, Mule Sky LLC, Puma Resources, Inc. and Westhawk Minerals LLC.

CODI. Cancellation of indebtedness income.

Completion. The process of treating a drilled well followed by the installation of permanent equipment for the production of natural gas, oil and NGL.

Credit Facility. The Third Amended and Restated Credit Agreement with JPMorgan Chase Bank, N.A. as administrative agent and various lender parties, providing for a new money senior secured reserve-based revolving credit facility effective as of October 14, 2021.

Current Successor Quarter. Period from April 1, 2022 through June 30, 2022.

Current Successor YTD Period. Period from January 1, 2022 through June 30, 2022.

DD&A. Depreciation, depletion and amortization.

Disputed Claims Reserve. Reserve used to settle any pending claims of unsecured creditors that were in dispute as of the effective date of the Plan.

Emergence Date. May 17, 2021.

GAAP. Accounting principles generally accepted in the United States of America.

Gross Acres or Gross Wells. Refers to the total acres or wells in which a working interest is owned.

Guarantors. All existing consolidated subsidiaries that guarantee the Company's revolving credit facility or certain other debt.

Incentive Plan. Gulfport Energy Corporation Stock Incentive Plan effective on the Emergence Date.

Indentures. Collectively, the 1145 Indenture and the 4(a)(2) Indenture governing the 2026 Senior Notes.

IRC. The Internal Revenue Code of 1986, as amended.

LIBOR. London Interbank Offered Rate.

LOE. Lease operating expenses.

MBbl. One thousand barrels of crude oil, condensate or natural gas liquids.

Mcf. One thousand cubic feet of natural gas.

Mcfe. One thousand cubic feet of natural gas equivalent.

MMBtu. One million British thermal units.

MMcf. One million cubic feet of natural gas.

MMcfe. One million cubic feet of natural gas equivalent.

Natural Gas Liquids (NGL). Hydrocarbons in natural gas that are separated from the gas as liquids through the process of absorption, condensation, adsorption or other methods in gas processing or cycling plants. Natural gas liquids primarily include ethane, propane, butane, isobutene, pentane, hexane and natural gasoline.

NYMEX. New York Mercantile Exchange.

Plan. The Amended Joint Chapter 11 Plan of Reorganization of Gulfport Energy Corporation and Its Debtor Subsidiaries.

Prior Combined Quarter. Period from April 1, 2021 through June 30, 2021.

Prior Combined YTD Period. Period from January 1, 2021 through June 30, 2021.

Prior Predecessor Quarter. Period from April 1, 2021 through May 17, 2021.

Prior Predecessor YTD Period. Period from January 1, 2021 through May 17, 2021.

Prior Successor Period. Period from May 18, 2021 through June 30, 2021.

Repurchase Program. A stock repurchase program to acquire up to \$200 million of Gulfport's outstanding common stock. It is authorized to extend through December 31, 2022, and may be suspended from time to time, modified, extended or discontinued by the board of directors at any time.

SCOOP. Refers to the South Central Oklahoma Oil Province, a term used to describe a defined area that encompasses many of the top hydrocarbon producing counties in Oklahoma within the Anadarko basin. The SCOOP play mainly targets the Devonian to Mississippian aged Woodford, Sycamore and Springer formations. Our acreage is primarily in Garvin, Grady and Stephens Counties.

SEC. The United States Securities and Exchange Commission.

Section 382. Internal Revenue Code Section 382.

SOFR. Secured Overnight Financing Rate.

Utica. Refers to the Utica Play that includes the hydrocarbon bearing rock formations commonly referred to as the Utica formation located in the Appalachian Basin of the United States and Canada. Our acreage is located primarily in Belmont, Harrison, Jefferson and Monroe Counties in eastern Ohio.

Working Interest (WI). The operating interest which gives the owner the right to drill, produce and conduct operating activities on the property and a share of production.

WTI. Refers to West Texas Intermediate.

Cautionary Note Regarding Forward-Looking Statements

This Form 10-Q may include forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995, that are subject to risks and uncertainties. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward looking statements by terms such as "may," "will," "should," "could," "would," "expects," "plans," "anticipates," "intends," "believes," "estimates," "projects," "predicts," "potential" and similar expressions intended to identify forward-looking statements. All statements, other than statements of historical facts, included in this Form 10-Q that address activities, events or developments that we expect or anticipate will or may occur in the future, including the expected impact of the novel coronavirus disease (COVID-19) pandemic and the war in Ukraine on our business, our industry and the global economy, estimated future net revenues from oil and gas reserves and the present value thereof, future capital expenditures (including the amount and nature thereof), share repurchases, business strategy and measures to implement strategy, competitive strength, goals, expansion and growth of our business and operations, plans, references to future success, reference to intentions as to future matters and other such matters are forward-looking statements.

These forward-looking statements are largely based on our expectations and beliefs concerning future events, which reflect estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions and other factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control.

Although we believe our estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. In addition, management's assumptions about future events may prove to be inaccurate. Management cautions all readers that the forward-looking statements contained in this Form 10-Q are not guarantees of future performance, and we cannot assure any reader that those statements will be realized or the forward-looking events and circumstances will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to the factors listed in Item 1A. "Risk Factors" and Item 7. "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" in our Annual Report on Form 10-K for the year ended December 31, 2021 and elsewhere in this Form 10-Q. All forward-looking statements speak only as of the date of this Form 10-Q.

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.

We may use the Investors section of our 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 our website is not part of this Quarterly Report on Form 10-Q.

GULFPORT ENERGY CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands)

Assets	Successor	
	June 30, 2022 (Unaudited)	December 31, 2021
Current assets:		
Cash and cash equivalents	\$ 6,581	\$ 3,260
Accounts receivable—oil and natural gas sales	316,897	232,854
Accounts receivable—joint interest and other	24,494	20,383
Prepaid expenses and other current assets	9,249	12,359
Short-term derivative instruments	24,487	4,695
Total current assets	381,708	273,551
Property and equipment:		
Oil and natural gas properties, full-cost method		
Proved oil and natural gas properties	2,145,712	1,917,833
Unproved properties	198,229	211,007
Other property and equipment	5,673	5,329
Total property and equipment	2,349,614	2,134,169
Less: accumulated depletion, depreciation and amortization	(403,065)	(278,341)
Total property and equipment, net	1,946,549	1,855,828
Other assets:		
Long-term derivative instruments	26,394	18,664
Operating lease assets	225	322
Other assets	19,785	19,867
Total other assets	46,404	38,853
Total assets	\$ 2,374,661	\$ 2,168,232
Liabilities, Mezzanine Equity and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 453,088	\$ 394,011
Short-term derivative instruments	674,404	240,735
Current portion of operating lease liabilities	164	182
Total current liabilities	1,127,656	634,928
Non-current liabilities:		
Long-term derivative instruments	306,389	184,580
Asset retirement obligation	29,663	28,264
Non-current operating lease liabilities	60	140
Long-term debt	673,048	712,946
Total non-current liabilities	1,009,160	925,930
Total liabilities	\$ 2,136,816	\$ 1,560,858
Commitments and contingencies (Note 7)		
Mezzanine Equity:		
Preferred stock - \$ 0.0001 par value, 110.0 thousand shares authorized, 53.2 thousand issued and outstanding at June 30, 2022, and 57.9 thousand issued and outstanding at December 31, 2021	53,172	57,896
Stockholders' Equity:		
Common stock - \$ 0.0001 par value, 42.0 million shares authorized, 20.1 million issued and outstanding at June 30, 2022, and 20.6 million issued and outstanding at December 31, 2021	2	2
Additional paid-in capital	542,700	692,521
Common stock held in reserve, 62 thousand shares at June 30, 2022, and 938 thousand shares at December 31, 2021	(1,996)	(30,216)
Accumulated deficit	(348,224)	(112,829)
Treasury stock, at cost - 94.3 thousand at June 30, 2022, and no shares at December 31, 2021	(7,809)	—
Total stockholders' equity	184,673	549,478
Total liabilities, mezzanine equity and stockholders' equity	\$ 2,374,661	\$ 2,168,232

See accompanying notes to consolidated financial statements.

GULFPORT ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)
(Unaudited)

	Successor		Predecessor
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021
REVENUES:			
Natural gas sales	\$ 539,090	\$ 111,718	\$ 109,069
Oil and condensate sales	45,009	17,587	10,867
Natural gas liquid sales	54,106	16,077	13,004
Net loss on natural gas, oil and NGL derivatives	(172,871)	(139,658)	(107,261)
Total revenues	465,334	5,724	25,679
OPERATING EXPENSES:			
Lease operating expenses	14,239	4,116	6,871
Taxes other than income	16,682	5,056	3,645
Transportation, gathering, processing and compression	87,752	41,376	55,219
Depreciation, depletion and amortization	62,602	32,362	21,617
Impairment of oil and natural gas properties	—	117,813	—
General and administrative expenses	8,271	6,518	6,418
Accretion expense	692	226	424
Total operating expenses	190,238	207,467	94,194
INCOME (LOSS) FROM OPERATIONS	275,096	(201,743)	(68,515)
OTHER EXPENSE (INCOME):			
Interest expense	14,234	8,894	898
Reorganization items, net	—	—	(305,619)
Other, net	4,282	(1,051)	1,960
Total other expense (income)	18,516	7,843	(302,761)
INCOME (LOSS) BEFORE INCOME TAXES	256,580	(209,586)	234,246
Income tax benefit	—	—	(7,968)
NET INCOME (LOSS)	\$ 256,580	\$ (209,586)	\$ 242,214
Dividends on preferred stock	\$ (1,380)	\$ (1,031)	\$ —
Participating securities - preferred stock	\$ (39,590)	\$ —	\$ —
NET INCOME (LOSS) ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ 215,610	\$ (210,617)	\$ 242,214
NET INCOME (LOSS) PER COMMON SHARE:			
Basic	\$ 10.42	\$ (10.36)	\$ 1.51
Diluted	\$ 10.34	\$ (10.36)	\$ 1.51
Weighted average common shares outstanding—Basic	20,684	20,321	160,887
Weighted average common shares outstanding—Diluted	20,877	20,321	160,887

See accompanying notes to consolidated financial statements.

GULFPORT ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)
(Unaudited)

	Successor		Predecessor
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021
REVENUES:			
Natural gas sales	\$ 944,302	\$ 111,718	\$ 344,390
Oil and condensate sales	75,248	17,587	29,106
Natural gas liquid sales	99,390	16,077	36,780
Net loss on natural gas, oil and NGL derivatives	(961,422)	(139,658)	(137,239)
Total revenues	157,518	5,724	273,037
OPERATING EXPENSES:			
Lease operating expenses	31,883	4,116	19,524
Taxes other than income	29,150	5,056	12,349
Transportation, gathering, processing and compression	172,544	41,376	161,086
Depreciation, depletion and amortization	124,886	32,362	62,764
Impairment of oil and natural gas properties	—	117,813	—
Impairment of other property and equipment	—	—	14,568
General and administrative expenses	15,376	6,518	19,175
Accretion expense	1,384	226	1,229
Total operating expenses	375,223	207,467	290,695
LOSS FROM OPERATIONS	(217,705)	(201,743)	(17,658)
OTHER EXPENSE (INCOME):			
Interest expense	28,218	8,894	4,159
Loss from equity method investments, net	—	—	342
Reorganization items, net	—	—	(266,898)
Other, net	(10,528)	(1,051)	1,713
Total other expense (income)	17,690	7,843	(260,684)
(LOSS) INCOME BEFORE INCOME TAXES	(235,395)	(209,586)	243,026
Income tax benefit	—	—	(7,968)
NET (LOSS) INCOME	\$ (235,395)	\$ (209,586)	\$ 250,994
Dividends on preferred stock	\$ (2,828)	\$ (1,031)	\$ —
NET (LOSS) INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS	\$ (238,223)	\$ (210,617)	\$ 250,994
NET (LOSS) INCOME PER COMMON SHARE:			
Basic	\$ (11.36)	\$ (10.36)	\$ 1.56
Diluted	\$ (11.36)	\$ (10.36)	\$ 1.56
Weighted average common shares outstanding—Basic	20,961	20,321	160,834
Weighted average common shares outstanding—Diluted	20,961	20,321	160,834

See accompanying notes to consolidated financial statements.

GULFPORT ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)
(Unaudited)

	Successor		Predecessor
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021
Net income (loss)	\$ 256,580	\$ (209,586)	\$ 242,214
Other comprehensive income	—	—	—
Comprehensive income (loss)	\$ 256,580	\$ (209,586)	\$ 242,214

	Successor		Predecessor
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021
Net (loss) income	\$ (235,395)	\$ (209,586)	\$ 250,994
Foreign currency translation adjustment	—	—	2,570
Other comprehensive income	—	—	2,570
Comprehensive (loss) income	\$ (235,395)	\$ (209,586)	\$ 253,564

See accompanying notes to consolidated financial statements.

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

	Common Stock		Common Stock Held in Reserve		Treasury Stock	Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount					
Balance at January 1, 2021 (Predecessor)	160,762	\$ 1,607	—	\$ —	\$ —	\$ 4,213,752	\$ (43,000)	\$ (4,472,859)	\$ (300,500)
Net income	—	—	—	—	—	—	—	8,780	8,780
Other comprehensive income	—	—	—	—	—	—	2,570	—	2,570
Stock compensation	—	—	—	—	—	1,419	—	—	1,419
Shares repurchased	(86)	(1)	—	—	—	(7)	—	—	(8)
Issuance of restricted stock	203	3	—	—	—	(2)	—	—	1
Balance at March 31, 2021 (Predecessor)	160,879	\$ 1,609	—	\$ —	\$ —	\$ 4,215,162	\$ (40,430)	\$ (4,464,079)	\$ (287,738)
Net income	—	—	—	—	—	—	—	242,214	242,214
Issuance of restricted stock	25	—	—	—	—	—	—	—	—
Shares repurchased	(10)	—	—	—	—	—	—	—	—
Stock compensation	—	—	—	—	—	5,095	—	—	5,095
Accumulated other comprehensive income extinguishment	—	—	—	—	—	—	40,430	—	40,430
Cancellation of predecessor equity	(160,894)	(1,609)	—	—	—	(4,220,256)	—	4,221,865	—
Issuance of common stock	21,525	2	—	—	—	693,773	—	—	693,775
Shares of common stock held in reserve	—	—	(1,679)	(54,109)	—	—	—	—	(54,109)
Balance at May 17, 2021 (Predecessor)	21,525	\$ 2	(1,679)	\$ (54,109)	\$ —	\$ 693,774	\$ —	\$ —	\$ 639,667
Balance at May 18, 2021 (Successor)	21,525	\$ 2	(1,679)	\$ (54,109)	\$ —	\$ 693,774	\$ —	\$ —	\$ 639,667
Net loss	—	—	—	—	—	—	—	(209,586)	(209,586)
Release of common stock held in reserve	—	—	741	23,893	—	—	—	—	23,893
Conversion of preferred stock	10	—	—	—	—	147	—	—	147
Dividends on preferred stock	—	—	—	—	—	(1,031)	—	—	(1,031)
Balance at June 30, 2021 (Successor)	21,535	\$ 2	(938)	\$ (30,216)	\$ —	\$ 692,890	\$ —	\$ (209,586)	\$ 453,090

GULFPORT ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT) CONTINUED
(In thousands)
(Unaudited)

	Common Stock		Common Stock Held in Reserve		Treasury Stock	Paid-in Capital	Accumulated Other Comprehensive (Loss) Income	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount					
Balance at January 1, 2022 (Successor)	21,537	\$ 2	(938)	\$ (30,216)	\$ —	\$ 692,521	\$ —	\$ (112,829)	\$ 549,478
Net loss	—	—	—	—	—	—	—	(491,975)	(491,975)
Conversion of preferred stock	1	—	—	—	—	18	—	—	18
Stock compensation	—	—	—	—	—	1,755	—	—	1,755
Repurchase of common stock under Repurchase Program	(378)	—	—	—	(5,318)	(30,194)	—	—	(35,512)
Issuance of common stock held in reserve	—	—	876	28,220	—	—	—	—	28,220
Issuance of restricted stock, net of shares withheld for income taxes	2	—	—	—	—	(80)	—	—	(80)
Dividends on preferred stock	—	—	—	—	—	(1,447)	—	—	(1,447)
Balance at March 31, 2022 (Successor)	<u>21,162</u>	<u>\$ 2</u>	<u>(62)</u>	<u>\$ (1,996)</u>	<u>\$ (5,318)</u>	<u>\$ 662,573</u>	<u>\$ —</u>	<u>\$ (604,804)</u>	<u>\$ 50,457</u>
Net income	—	—	—	—	—	—	—	256,580	256,580
Conversion of preferred stock	342	—	—	—	—	4,706	—	—	4,706
Stock compensation	—	—	—	—	—	2,145	—	—	2,145
Issuance of restricted stock, net of shares withheld for income taxes	8	—	—	—	—	(325)	—	—	(325)
Repurchase of common stock under Repurchase Program	(1,382)	—	—	—	(2,491)	(125,019)	—	—	(127,510)
Dividends on preferred stock	—	—	—	—	—	(1,380)	—	—	(1,380)
Balance at June 30, 2022 (Successor)	<u>20,130</u>	<u>\$ 2</u>	<u>(62)</u>	<u>\$ (1,996)</u>	<u>\$ (7,809)</u>	<u>\$ 542,700</u>	<u>\$ —</u>	<u>\$ (348,224)</u>	<u>\$ 184,673</u>

See accompanying notes to consolidated financial statements.

GULFPORT ENERGY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Successor		Predecessor
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021
Cash flows from operating activities:			
Net (loss) income	\$ (235,395)	\$ (209,586)	\$ 250,994
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depletion, depreciation and amortization	124,886	32,362	62,764
Impairment of oil and natural gas properties	—	117,813	—
Impairment of other property and equipment	—	—	14,568
Loss from equity investments	—	—	342
Net loss on derivative instruments	961,422	139,658	137,239
Net cash payments on settled derivative instruments	(433,466)	(6,689)	(3,361)
Non-cash reorganization items, net	—	—	(446,012)
Other, net	5,071	(397)	1,727
Changes in operating assets and liabilities, net	(39,318)	(34,796)	153,894
Net cash provided by operating activities	383,200	38,365	172,155
Cash flows from investing activities:			
Additions to oil and natural gas properties	(181,787)	(40,424)	(102,330)
Proceeds from sale of oil and natural gas properties	580	225	15
Other, net	(58)	(77)	4,484
Net cash used in investing activities	(181,265)	(40,276)	(97,831)
Cash flows from financing activities:			
Principal payments on pre-petition revolving credit facility	—	—	(318,961)
Borrowings on pre-petition revolving credit facility	—	—	26,050
Principal payments on Credit Facility	(836,000)	—	—
Borrowings on Credit Facility	796,000	—	—
Borrowings on exit credit facility	—	113,249	302,751
Principal payments on exit credit facility	—	(131,000)	—
Principal payments on DIP credit facility	—	—	(157,500)
Debt issuance costs and loan commitment fees	(169)	(1,206)	(7,100)
Dividends on preferred stock	(2,828)	—	—
Proceeds from issuance of preferred stock	—	—	50,000
Repurchase of common stock under Repurchase Program	(155,212)	—	—
Other, net	(405)	(25)	(8)
Net cash used in financing activities	(198,614)	(18,982)	(104,768)
Net increase (decrease) in cash, cash equivalents and restricted cash	3,321	(20,893)	(30,444)
Cash, cash equivalents and restricted cash at beginning of period	3,260	59,417	89,861
Cash, cash equivalents and restricted cash at end of period	\$ 6,581	\$ 38,524	\$ 59,417

See accompanying notes to consolidated financial statements.

GULFPORT ENERGY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. BASIS OF PRESENTATION

Description of Company

Gulfport Energy Corporation (the "Company" or "Gulfport") is an independent natural gas-weighted exploration and production company focused on the production of natural gas, crude oil and NGL in the United States. The Company's principal properties are located in eastern Ohio targeting the Utica and in central Oklahoma targeting the SCOOP Woodford and SCOOP Springer formations. Gulfport filed for voluntary reorganization under Chapter 11 of the Bankruptcy Code on November 13, 2020, and subsequently operated as a debtor-in-possession, in accordance with applicable provisions of the Bankruptcy Code, until its emergence on May 17, 2021. The Company refers to the post-emergence reorganized organization in the condensed financial statements and footnotes as the "Successor" for periods subsequent to May 17, 2021, and the pre-emergence organization as "Predecessor" for periods on or prior to May 17, 2021.

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements of Gulfport were prepared in accordance with GAAP and the rules and regulations of the SEC.

This Quarterly Report on Form 10-Q (this "Form 10-Q") relates to the financial position and periods as of and for the three months ended June 30, 2022 ("Current Successor Quarter"), as of and for the six months ended June 30, 2022 ("Current Successor YTD Period"), May 18, 2021 through June 30, 2021 ("Prior Successor Period"), April 1, 2021 through May 17, 2021 ("Prior Predecessor Quarter"), and January 1, 2021 through May 17, 2021 ("Prior Predecessor YTD Period"). The Company's annual report on Form 10-K for the year ended December 31, 2021 ("2021 Form 10-K") should be read in conjunction with this Form 10-Q. The accompanying unaudited consolidated financial statements reflect all normal recurring adjustments which, in the opinion of management, are necessary for a fair statement of our condensed consolidated financial statements and accompanying notes and include the accounts of our wholly-owned subsidiaries. Intercompany accounts and balances have been eliminated. The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern.

Voluntary Reorganization Under Chapter 11 of the Bankruptcy Code

In connection with the Company's emergence from bankruptcy and in accordance with ASC 852, the Company qualified for and applied fresh start accounting on the Emergence date. For further information on the Company's reorganization value and the resulting fresh start adjustments made on the Emergence Date, refer to the "Fresh Start Accounting" footnote in the notes to the consolidated financial statements in Item 8 of the Company's 2021 Form 10-K.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following at June 30, 2022 and December 31, 2021 (in thousands):

	Successor	
	June 30, 2022	December 31, 2021
Accounts payable and other accrued liabilities	\$ 195,202	\$ 143,938
Revenue payable and suspense	216,890	180,857
Accrued contract rejection damages and shares held in reserve	40,996	69,216
Total accounts payable and accrued liabilities	\$ 453,088	\$ 394,011

Reorganization Items, Net

In the Prior Predecessor Quarter and Prior Predecessor YTD period, the Company incurred significant expenses related to its Chapter 11 filing. The amount of these items, which were incurred in reorganization items, net within the Company's

accompanying consolidated statements of operations, significantly affected the Company's statements of operations. The Company also incurred adjustments for allowable claims related to its legal proceedings and executory contracts approved for rejection by the Bankruptcy Court.

The following table summarizes the components in reorganization items, net included in the Company's consolidated statements of operations for the Current Successor YTD Period, Prior Successor Period, Prior Predecessor Quarter, and Prior Predecessor YTD Period (in thousands):

	Successor		Predecessor	
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021	Period from January 1, 2021 through May 17, 2021
Legal and professional advisory fees	\$ —	\$ —	\$ (40,782)	\$ (81,565)
Net gain on liabilities subject to compromise	—	—	571,032	575,182
Fresh start adjustments, net	—	—	(160,756)	(160,756)
Elimination of predecessor accumulated other comprehensive income	—	—	(40,430)	(40,430)
Debt issuance costs	—	—	(3,150)	(3,150)
Other items, net	—	—	(20,295)	(22,383)
Reorganization items, net	\$ —	\$ —	\$ 305,619	\$ 266,898

Other, net

Other, net included in the Company's consolidated statements of operations for the Current Successor YTD period included \$11.5 million related to the TC claim distribution received as discussed in [Note 7](#).

Supplemental Cash Flow and Non-Cash Information (in thousands)

	Successor		Predecessor
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021
Supplemental disclosure of cash flow information:			
Cash paid for reorganization items, net	\$ —	\$ 15,369	\$ 87,199
Interest payments	\$ 26,386	\$ 2,072	\$ 7,272
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable - oil and natural gas sales	\$ (84,043)	\$ 40,048	\$ (60,832)
(Increase) decrease in accounts receivable - joint interest and other	\$ (4,111)	\$ 4,510	\$ (3,005)
Increase (decrease) in accounts payable and accrued liabilities	\$ 44,045	\$ (80,097)	\$ 79,193
Decrease in prepaid expenses	\$ 3,385	\$ 681	\$ 135,471
Decrease in other assets	\$ 1,406	\$ 62	\$ 3,067
Total changes in operating assets and liabilities	\$ (39,318)	\$ (34,796)	\$ 153,894
Supplemental disclosure of non-cash transactions:			
Capitalized stock-based compensation	\$ 1,326	\$ —	\$ 930
Asset retirement obligation capitalized	\$ 18	\$ 36	\$ 546
Asset retirement obligation removed due to divestiture	\$ (7)	\$ —	\$ —
Release of common stock held in reserve	\$ 28,220	\$ 23,893	\$ —
Foreign currency translation gain on equity method investments	\$ —	\$ —	\$ 2,570

2. PROPERTY AND EQUIPMENT

The major categories of property and equipment and related accumulated DD&A and impairment as of June 30, 2022 and December 31, 2021 are as follows (in thousands):

	Successor	
	June 30, 2022	December 31, 2021
Proved oil and natural gas properties	\$ 2,145,712	\$ 1,917,833
Unproved properties	198,229	211,007
Other depreciable property and equipment	5,287	4,943
Land	386	386
Total property and equipment	2,349,614	2,134,169
Accumulated DD&A and impairment	(403,065)	(278,341)
Property and equipment, net	\$ 1,946,549	\$ 1,855,828

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, 2022, the net book value of the Company's oil and gas properties was below the calculated ceiling for the period leading up to June 30, 2022. As a result, the Company did not record an impairment of its oil and natural gas properties for the Current Successor Quarter. The Company recorded impairment of its oil and natural gas properties of \$117.8 million for the Prior Successor Period. Upon the application of fresh start accounting, the value of Gulfport's oil and natural gas properties were determined using forward strip oil and natural gas prices as of the Emergence Date. These prices were higher than the 12-month weighted average prices used in the full cost ceiling limitation at June 30, 2021, which led to the Prior Successor Period impairment charge.

Certain general and administrative costs are capitalized to the full cost pool and represent management's estimate of costs incurred directly related to exploration and development activities. All general and administrative costs not capitalized are charged to expense as they are incurred. Capitalized general and administrative costs were approximately \$5.0 million, \$2.2 million, and \$2.5 million for the Current Successor Quarter, Prior Successor Period, and Prior Predecessor Quarter, respectively.

The Company evaluates the costs excluded from its amortization calculation at least annually. Individually insignificant unevaluated properties are grouped for evaluation and periodically transferred to evaluated properties over a timeframe consistent with their expected development schedule.

The following table summarizes the Company's non-producing properties excluded from amortization by area as of June 30, 2022:

	Successor	
	June 30, 2022	
(In thousands)		
Utica	\$	164,609
SCOOP		33,620
Total unproved properties	\$	198,229

Asset Retirement Obligation

The following table provides a reconciliation of the Company's asset retirement obligation for the Current Successor YTD Period (in thousands):

Asset retirement obligation at January 1, 2022 (Successor)	\$	28,264
Liabilities incurred		22
Liabilities removed due to divestitures		(7)
Accretion expense		1,384
Asset retirement obligation at June 30, 2022	\$	<u>29,663</u>

The following table provides a reconciliation of the Company's asset retirement obligation for the Prior Predecessor YTD Period and Prior Successor Period (in thousands):

Asset retirement obligation at January 1, 2021 (Predecessor)	\$	63,566
Liabilities incurred		546
Accretion expense		1,229
Ending balance as of May 17, 2021 (Predecessor)		<u>65,341</u>
Fresh start adjustments ⁽¹⁾		<u>(46,257)</u>
Asset retirement obligation at May 18, 2021 (Successor)		19,084
Liabilities incurred		37
Accretion expense		226
Asset retirement obligation at June 30, 2021	\$	<u>19,347</u>

(1) The Company recorded its asset retirement obligation at fair value as of the Emergence Date.

3. DEBT

Debt consisted of the following items as of June 30, 2022 and December 31, 2021 (in thousands):

	Successor	
	June 30, 2022	December 31, 2021
Credit Facility	\$ 124,000	\$ 164,000
8.000% senior unsecured notes due 2026	550,000	550,000
Net unamortized debt issuance costs	(952)	(1,054)
Total debt, net	<u>673,048</u>	<u>712,946</u>
Less: current maturities of long-term debt	—	—
Total long-term debt, net	<u>\$ 673,048</u>	<u>\$ 712,946</u>

Credit Facility

On October 14, 2021, the Company entered into the Third Amended and Restated Credit Agreement with JPMorgan Chase Bank, N.A., as administrative agent, and various lender parties ("Credit Facility"). The Credit Facility provided for an aggregate maximum principal amount of up to \$1.5 billion, an initial borrowing base of \$850.0 million and an initial aggregate elected commitment amount of \$700.0 million. The credit agreement also provides for a \$175.0 million sublimit of the aggregate commitments that is available for the issuance of letters of credit. The Credit Facility matures October 14, 2025.

On May 2, 2022, the Company completed its semi-annual borrowing base redetermination and entered into the first amendment to its credit agreement ("Amendment"). The Amendment, among other things, (a) increased the borrowing base under the Credit Agreement from \$850 million to \$1.0 billion with the elected commitments remaining at \$700 million, (b)

amended certain covenants related to hedging to ease certain requirements and limitations, (c) amended the covenants governing restricted payments to (i) increase the Net Leverage Ratio allowing unlimited restricted payments from 1.00 to 1.00 to 1.25 to 1.00 and (ii) permit additional restricted payments to redeem preferred equity until December 31, 2022 provided certain leverage, no event of default or borrowing base deficiency and availability tests are met, and (d) provide for the transition from a LIBOR to a SOFR benchmark, with a 10 basis point credit spread adjustment for all tenors.

The Credit Facility bears interest at a rate equal to, at the Company's election, either (a) SOFR benchmark plus an applicable margin that varies from 1.75% to 3.75% per annum or (b) a base rate plus an applicable margin that varies from 1.75% to 2.75% per annum, based on borrowing base utilization. The Company is required to pay a commitment fee of 0.50% per annum on the average daily unused portion of the current aggregate commitments under the Credit Facility. The Company is also required to pay customary letter of credit and fronting fees.

The borrowing base will be redetermined semiannually on or around May 1 and November 1 of each year.

The credit agreement requires the Company to maintain as of the last day of each fiscal quarter (i) a net funded leverage ratio of less than or equal to 0.25 to 1.00, and (ii) a current ratio of greater than or equal to 1.00 to 1.00.

The obligations under the Credit Facility, certain swap obligations and certain cash management obligations, are guaranteed by the Company and the wholly-owned domestic material subsidiaries of the Borrower (collectively, the "Guarantors" and, together with the Borrower, the "Loan Parties") and secured by substantially all of the Loan Parties' assets (subject to customary exceptions).

The credit agreement also contains customary affirmative and negative covenants, including, among other things, as to compliance with laws (including environmental laws and anti-corruption laws), delivery of quarterly and annual financial statements and borrowing base certificates, conduct of business, maintenance of property, maintenance of insurance, entry into certain derivatives contracts, restrictions on the incurrence of liens, indebtedness, asset dispositions, restricted payments, and other customary covenants. These covenants are subject to a number of limitations and exceptions.

As of June 30, 2022, the Company had \$124.0 million outstanding borrowings under the Credit Facility, \$113.2 million in letters of credit outstanding and was in compliance with all covenants under the Credit Facility.

As of June 30, 2022, the Credit Facility bore interest at a weighted average rate of 4.61%.

2026 Senior Notes

On the Emergence Date, pursuant to the terms of the Plan, the Company issued \$550 million aggregate principal amount of its 8.000% senior notes due 2026. The notes are guaranteed on a senior unsecured basis by each of the Company's subsidiaries that guarantee the Credit Facility. Interest on the 2026 Senior Notes is payable semi-annually, on June 1 and December 1 of each year. The 2026 Senior Notes were issued under the Indentures, dated as of May 17, 2021, by and among the Issuer, UMB Bank, National Association, as trustee, and the Guarantors and mature on May 17, 2026.

The covenants of the 1145 Indenture (other than the payment covenant) require that the Company comply with the covenants of the 4(a)(2) Indenture, as amended. The 4(a)(2) Indenture contains covenants limiting the Issuer's and its restricted subsidiaries' ability to (i) incur additional debt, (ii) pay dividends or distributions in respect of certain equity interests or redeem, repurchase or retire certain equity interests or subordinated indebtedness, (iii) make certain investments, (iv) create restrictions on distributions from restricted subsidiaries, (v) engage in specified sales of assets, (vi) enter into certain transactions among affiliates, (vii) engage in certain lines of business, (viii) engage in consolidations, mergers and acquisitions, (ix) create unrestricted subsidiaries and (x) incur or create liens. These covenants contain important exceptions, limitations and qualifications. At any time that the 2026 Senior Notes are rated investment grade, certain covenants will be terminated and cease to apply.

Fair Value of Debt

At June 30, 2022, the carrying value of the outstanding debt represented by the 2026 Senior Notes was \$49.0 million. Based on the quoted market prices (Level 1), the fair value of the 2026 Senior Notes was determined to be \$543.8 million at June 30, 2022.

4. EQUITY AND MEZZANINE EQUITY

On the Emergence Date, the Company filed an amended and restated certificate of incorporation with the Delaware Secretary of State to provide for, among other things, (i) the authority to issue 42 million shares of common stock with a par value of \$0.0001 per share and (ii) the designation of 110,000 shares of preferred stock, with a par value of \$0.0001 per share and a liquidation preference of \$1,000 per share.

Equity

Common Stock

On the Emergence Date, all existing shares of the Predecessor's common stock were cancelled. The Successor issued approximately 9.8 million shares of common stock and 1.7 million shares of common stock were issued to the Disputed Claims reserve.

In January 2022 approximately 876,000 shares in the Disputed Claims reserve at December 31, 2021 were issued to certain claimants. As of June 30, 2022, approximately 62,000 shares continue to be held in the Disputed Claims reserve and may be issued upon finalization of remaining claims.

Share Repurchase Program

In November 2021 the Company's Board of Directors approved a stock repurchase program to acquire up to \$00.0 million of its common stock and increased the authorization from \$100 million to \$200 million in April 2022 ("Repurchase Program"). Purchases under the Repurchase Program may be made from time to time in open market or privately negotiated transactions, and will be subject to available liquidity, market conditions, credit agreement restrictions, applicable legal requirements, contractual obligations and other factors. The Repurchase Program does not require the Company to acquire any specific number of shares of common stock. The Company intends to purchase shares under the Repurchase Program with available funds while maintaining sufficient liquidity to fund its capital development program. The Repurchase Program is authorized to extend through December 31, 2022, and may be suspended from time to time, modified, extended or discontinued by the board of directors at any time. The following table summarizes activity under the Repurchase Program for the Current Successor Quarter and Current Successor YTD Period (number of shares and dollar value of shares purchased shown in thousands):

	Total Number of Shares Purchased	Dollar Value of Shares Purchased	Average Price Paid Per Share
First quarter 2022	438	\$ 35,512	\$ 81.06
Second quarter 2022	1,416	127,510	90.06
Total	1,854	\$ 163,022	\$ 87.93

Mezzanine Equity

Preferred Stock

On the Emergence Date, the Successor issued 55,000 shares of preferred stock.

Holders of preferred stock are entitled to receive cumulative quarterly dividends at a rate of 10% per annum of the Liquidation Preference (as defined below) with respect to cash dividends and 15% per annum of the Liquidation Preference with respect to dividends paid in kind as additional shares of preferred stock ("PIK Dividends"). Gulfport currently has the option to pay either cash or PIK dividends on a quarterly basis.

Each holder of shares of preferred stock has the right (the "Conversion Right"), at its option and at any time, to convert all or a portion of the shares of preferred stock that it holds into a number of shares of common stock equal to the quotient obtained by dividing (x) the product obtained by multiplying (i) the Liquidation Preference times (ii) an amount equal to one (1) plus the Per Share Makewhole Amount (as defined in the Preferred Terms) on the date of conversion, by (y) \$14.00 per share (as may be adjusted under the Preferred Terms) (the "Conversion Price"). The shares of preferred stock outstanding at June 30, 2022 would convert to approximately 3.8 million shares of common stock if all holders of preferred stock exercised their Conversion Right.

Gulfport shall have the right, but not the obligation, to redeem all, but not less than all, of the outstanding shares of preferred stock by notice to the holders of preferred stock, at the greater of (i) the aggregate value of the preferred stock, calculated by the Current Market Price (as defined in the Preferred Terms) of the number of shares of common stock into which, subject to redemption, such preferred stock would have been converted if such shares were converted pursuant to the Conversion Right at the time of such redemption and (ii) (y) if the date of such redemption is on or prior to the three year anniversary of the Emergence Date, the sum of the Liquidation Preference plus the sum of all unpaid PIK Dividends through the three year anniversary of the Emergence Date, or (x) if the date of such redemption is after the three year anniversary of the Emergence Date, the Liquidation Preference (the "Redemption Price").

Following the Emergence Date, if there is a Fundamental Change (as defined in the Preferred Terms), Gulfport is required to redeem all, but not less than all, of the outstanding shares of preferred stock by cash payment of the Redemption Price per share of preferred stock within three (3) business days of the occurrence of such Fundamental Change. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if Gulfport lacks sufficient cash to redeem all outstanding shares of preferred stock, the Company is required to redeem a pro rata portion of each holder's shares of preferred stock.

The preferred stock has no stated maturity and will remain outstanding indefinitely unless repurchased or redeemed by Gulfport or converted into common stock. Each share of preferred stock has a liquidation preference of \$1,000 (the "Liquidation Preference").

The preferred stock has been classified as mezzanine equity in the accompanying consolidated balance sheets due to the redemption features noted above.

Dividends and Conversions

During the Current Successor YTD Period, the company paid \$2.8 million of cash dividends to holders of our preferred stock.

The following table summarizes activity of the Company's preferred stock for the Current Successor YTD Period:

Preferred stock at December 31, 2021	57,896
Conversion of preferred stock	(4,724)
Preferred stock at June 30, 2022	<u>53,172</u>

5. STOCK-BASED COMPENSATION

On the Emergence Date, the Company's Predecessor common stock was cancelled and the Company's Successor common stock was issued. Accordingly, the Company's then existing stock-based compensation awards were also cancelled. Stock-based compensation for the Predecessor and Successor periods are not comparable.

Successor Stock-Based Compensation

As of the Emergence Date, the board of directors adopted the Incentive Plan with a share reserve equal to 2.8 million shares of common stock. The Incentive Plan provides for the grant of incentive stock options, nonstatutory stock options, restricted stock, restricted stock units, stock appreciation rights, dividend equivalents and performance awards or any combination of the foregoing. The Company has granted both restricted stock units and performance vesting restricted stock units to employees and directors pursuant to the Incentive Plan, as discussed below. During the Current Successor Quarter and the Current Successor YTD Period, the Company's stock-based compensation expense was \$2.1 million and \$3.9 million, of which the Company capitalized \$0.7 million and \$1.3 million, respectively, relating to its exploration and development efforts. Stock compensation expense, net of the amounts capitalized, is included in general and administrative expenses in the accompanying consolidated statements of operations. As of June 30, 2022, the Company has awarded an aggregate of approximately 269,000 restricted stock units and approximately 191,000 performance vesting restricted stock units, net of forfeited awards, under the Incentive Plan.

The following table summarizes restricted stock unit activity for the Current Successor YTD Period:

	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, 2022	198,413	\$ 66.04	153,138	\$ 48.54
Granted	2,154	73.83	—	—
Vested	(3,074)	65.75	—	—
Forfeited/canceled	(1,157)	66.89	—	—
Unvested shares as of March 31, 2022	196,336	\$ 67.16	153,138	\$ 48.54
Granted	76,038	97.55	37,666	66.82
Vested	(10,817)	63.53	—	—
Forfeited/canceled	(3,752)	75.70	—	—
Unvested shares as of June 30, 2022	257,805	\$ 75.37	190,804	\$ 52.15

Successor Restricted Stock Units

Restricted stock units awarded under the Incentive Plan generally vest ratably over a period of 3 or 4 years in the case of employees and 4 years in the case of directors upon the recipient meeting applicable service requirements. Stock-based compensation expense is 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 the grant. Unrecognized compensation expense as of June 30, 2022 was \$15.9 million. The expense is expected to be recognized over a weighted average period of 2.62 years.

Successor Performance Vesting Restricted Stock Units

The Company has awarded performance vesting restricted stock units to certain of its executive officers under the Incentive Plan. The number of shares of common stock issued pursuant to the award will be based on a combination of (i) the Company's total shareholder return ("TSR") and (ii) the Company's relative total shareholder return ("RTSR") for the performance period. Participants will earn from 0% to 200% of the target award based on the Company's TSR and RTSR ranking compared to the TSR of the companies in the Company's designated peer group at the end of the performance period. Awards will be earned and vested over a three-year performance period, subject to earlier termination of the performance period in the event of a change in control. The grant date fair values were determined using the Monte Carlo simulation method and are being recorded ratably over the performance period.

The table below summarizes the assumptions used in the Monte Carlo simulation to determine the grant date fair value of awards granted during the Current Successor YTD Period:

Grant date	April 29, 2022
Forecast period (years)	3
Risk-free interest rates	2.9%
Implied equity volatility	88.4%
Stock price on the date of grant	\$93.98

Unrecognized compensation expense as of June 30, 2022, related to performance vesting restricted shares was \$7.4 million. The expense is expected to be recognized over a weighted average period of 2.19 years.

Predecessor Stock-Based Compensation

The Predecessor granted restricted stock units to employees and directors pursuant to the 2019 Amended and Restated Incentive Stock Plan (the "2019 Plan"). During the Prior Predecessor Quarter and Prior Predecessor YTD Period, the Company's stock-based compensation cost was \$1.5 million and \$4.4 million, respectively, of which the Company capitalized \$0.3 million and \$0.9 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 Prior Predecessor Quarter:

	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 April 1, 2021	1,480,223	\$ 4.26	840,595	\$ 4.07
Granted	—	—	—	—
Vested	(24,549)	9.49	—	—
Forfeited/canceled	(1,455,674)	4.17	(840,595)	4.07
Unvested shares as of May 17, 2021	—	\$ —	—	\$ —

The following table summarizes restricted stock unit activity for the Prior Predecessor YTD Period:

	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, 2021	1,702,513	\$ 4.74	840,595	\$ 4.07
Granted	—	—	—	—
Vested	(227,132)	8.45	—	—
Forfeited/canceled	(1,475,381)	4.16	(840,595)	4.07
Unvested shares as of May 17, 2021	—	\$ —	—	\$ —

Predecessor Restricted Stock Units

Restricted stock units awarded under the 2019 Plan generally vested over a period of one year in the case of directors and three years in the case of employees and vesting was 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. All unrecognized compensation expense was recognized as of the Emergence Date.

Predecessor Performance Vesting Restricted Stock Units

The Company previously awarded performance vesting restricted stock units to certain of its executive officers under the 2019 Plan. The number of shares of common stock issued pursuant to the award was based on RTSR. RTSR is an incentive measure whereby participants will earn from 0% to 200% of the target award based on the Company's TSR ranking compared to the TSR of the companies in the Company's designated peer group at the end of the performance period. Awards were to be earned and vested over a performance period measured from January 1, 2019 to December 31, 2021, subject to earlier termination of the performance period in the event of a change in control. All unrecognized compensation expense was recognized as of the Emergence Date.

6. EARNINGS PER SHARE

Basic income or loss per share attributable to common stockholders is computed as (i) net income or loss less (ii) dividends paid to holders of preferred stock less (iii) net income or loss attributable to participating securities divided by (iv) weighted average basic shares outstanding. Diluted net income or loss per share attributable to common stockholders is computed as (i) basic net income or loss attributable to common stockholders plus (ii) diluted adjustments to income allocable to participating securities divided by (iii) weighted average diluted shares outstanding. The "if-converted" method is used to determine the dilutive impact for the Company's convertible preferred stock and the treasury stock method is used to determine the dilutive impact of unvested restricted stock.

There were 0.2 million potential shares of common stock that were considered dilutive for the Current Successor Quarter. There were no potential shares of common stock that were considered dilutive for the Current Successor YTD Period, Prior Successor Period, Prior Predecessor Quarter, or Prior Predecessor YTD Period. There were 3.8 million shares of potential common shares issuable due to the Company's convertible preferred stock for each of the Current Successor Quarter and Current Successor YTD Period. There were no shares of restricted stock that were considered anti-dilutive during the Current Successor Quarter. During the Current Successor YTD Period, there were 0.2 million shares of restricted stock that were considered anti-dilutive.

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

	Successor		Predecessor
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021
Net income (loss)	\$ 256,580	\$ (209,586)	\$ 242,214
Dividends on preferred stock	(1,380)	(1,031)	—
Participating securities - preferred stock ⁽¹⁾	(39,590)	—	—
Net income (loss) attributable to common stockholders	\$ 215,610	\$ (210,617)	\$ 242,214
Re-allocation of participating securities	310	—	—
Diluted net income (loss) attributable to common stockholders	\$ 215,920	\$ (210,617)	\$ 242,214
Basic Shares	20,684	20,321	160,887
Dilutive Shares	20,877	20,321	160,887
Basic EPS	\$ 10.42	\$ (10.36)	\$ 1.51
Dilutive EPS	\$ 10.34	\$ (10.36)	\$ 1.51

(1) Preferred stock represents participating securities because it participates in any dividends on shares of common stock on a *pari passu*, pro rata basis. However, preferred stock does not participate in undistributed net losses.

	Successor		Predecessor
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021
Net (loss) income	\$ (235,395)	\$ (209,586)	\$ 250,994
Dividends on preferred stock	(2,828)	(1,031)	—
Net (loss) income attributable to common stockholders	\$ (238,223)	\$ (210,617)	\$ 250,994
Basic Shares	20,961	20,321	160,834
Basic and Dilutive EPS	\$ (11.36)	\$ (10.36)	\$ 1.56

7. COMMITMENTS AND CONTINGENCIES

Commitments

Future Firm Transportation and Gathering Agreements

The Company has contractual commitments with midstream and pipeline companies for future gathering and transportation of natural gas from the Company's producing wells to downstream markets. Under certain of these agreements, the Company has minimum daily volume commitments. The Company is also obligated under certain of these arrangements to pay a demand charge for firm capacity rights on pipeline systems regardless of the amount of pipeline capacity utilized by the Company. If the Company does not utilize the capacity, it often can release it to other counterparties, thus reducing the cost of these commitments. Working interest owners and royalty interest owners, where appropriate, will be responsible for their proportionate share of these costs. Commitments related to future firm transportation and gathering agreements are not recorded as obligations in the accompanying consolidated balance sheets; however, costs associated with utilized future firm transportation and gathering agreements are reflected in the Company's estimates of proved reserves.

A summary of these commitments at June 30, 2022 are set forth in the table below, excluding contracts in the process of being rejected as discussed in the *Litigation and Regulatory Proceedings* section below (in thousands):

Remaining 2022	\$	116,958
2023		229,733
2024		220,708
2025		139,706
2026		136,235
Thereafter		889,674
Total	\$	1,733,014

Contingencies

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. In accordance with ASC Topic 450, *Contingencies*, an accrual is recorded for a material loss contingency when its occurrence is probable and damages are reasonably estimable based on the anticipated most likely outcome or the minimum amount within a range of possible outcomes.

Litigation and Regulatory Proceedings

Commencement of the Chapter 11 Cases automatically stayed the proceedings and actions against us that are described below, in addition to actions seeking to collect pre-petition indebtedness or to exercise control over the property of the Company's bankruptcy estates. The Plan in the Chapter 11 Cases, which became effective on May 17, 2021, provided for the treatment of claims against the Company's bankruptcy estates, including pre-petition liabilities that had not been satisfied or addressed during the Chapter 11 Cases.

As part of its Chapter 11 Cases and restructuring efforts, the Company filed motions to reject certain firm transportation agreements between the Company and affiliates of TC Energy Corporation ("TC") and Rover Pipeline LLC ("Rover") (jointly, the "Pending Motions to Reject"). During the third quarter of 2021, Gulfport finalized a settlement agreement with TC that was approved by the Bankruptcy Court on September 21, 2021. Pursuant to the settlement agreement, Gulfport and TC agreed that the firm transportation contracts between Gulfport and TC would be rejected without any further payment or obligation by Gulfport or TC, and TC assigned its damages claims from such rejection to Gulfport. In exchange, Gulfport agreed to make a payment of \$43.8 million in cash to TC. The \$43.8 million was paid to TC on October 7, 2021. Gulfport expects to receive distributions for a significant portion of such amounts through future distributions with respect to the assigned claims pursuant

to the terms of the Plan that became effective in May 2021. Any future distributions will be recognized once received by Gulfport. In February 2022, Gulfport received an initial distribution of \$11.5 million from the above-mentioned claim, which is included in Other, net in the accompanying consolidated statements of operations. The timing and amount of any future distributions are not certain, and the total amount received will be impacted by the bankruptcy trustee's distributions and other bankruptcy claims.

The Pending Motions to Reject were removed to the United States District Court for the Southern District of Texas (the "District Court") by TC and Rover prior to the TC settlement. On July 13, 2022, the District Court referred the Pending Motion to Reject with respect to Rover back to the Bankruptcy Court. The Company believes that the Pending Motion to Reject with respect to Rover will be ultimately granted, and that the Company does not have any ongoing obligation pursuant to the contract; however, if the Company is not permitted to reject the Rover firm transportation contract, it could be liable for demand charges, attorneys' fees and interest.

The Company has been named as a defendant in three separate complaints, two filed by Siltstone Resources, LLC, and the third filed by the Ohio Public Works Commission (OPWC) (together, the "Complaints"). The Complaints all arise from restrictive covenants in favor of OPWC generally prohibiting any transfer and any use inconsistent with a green park space. OPWC filed crossclaims against Gulfport in the Siltstone matters alleging that the transfer of the mineral rights and the development of oil and gas on the property violated these restrictive covenants. On June 19, 2018, October 25, 2019, and March 15, 2019, each trial court in the Complaints entered judgment in favor of the Company and other defendants, finding the restrictive covenants only applied to the surface estate. OPWC appealed each judgement to the respective Ohio Courts of Appeal where the trial court decisions were reversed in favor of OPWC. The Company and certain other parties to the Complaints appealed the appellate court decisions to the Ohio Supreme Court. On February 23, 2022, the Ohio Supreme Court affirmed the first appellate decision and remanded the case back to the trial court. The other two complaints are still pending before the Ohio Supreme Court. OPWC is seeking both injunctive relief to enforce the restrictive covenants and liquidated damages. Liquidated damages were successfully discharged in the Company's Chapter 11 proceedings through May 17, 2021. The scope and consequence of any injunctive relief that may be granted is not certain, but may have an adverse impact on the Company's operations associated with the leases subject to the Complaints.

In March 2020, Robert F. Woodley, individually and on behalf of all others similarly situated, filed a federal securities class action against the Company, David M. Wood, Keri Crowell and Quentin R. Hicks in the United States District Court for the Southern District of New York. The complaint alleges that the Company made materially false and misleading statements regarding the Company's business and operations in violation of the federal securities laws and seeks unspecified damages, the payment of reasonable attorneys' fees, expert fees and other costs, pre-judgment and post-judgment interest, and such other and further relief that may be deemed just and proper. On January 11, 2022, the court granted Gulfport's motion to dismiss and the case was closed by the court on February 14, 2022. The plaintiffs appealed the district court ruling on March 10, 2022.

The Company, along with other oil and gas companies, have been named as a defendant in J&R Passmore, LLC, individually and on behalf of all others similarly situated, in the United States District Court for the Southern District of Ohio on December 6, 2018. Plaintiffs assert their respective leases are limited to the Marcellus and Utica shale geological formations and allege that Defendants have willfully trespassed and illegally produced oil, natural gas, and other hydrocarbon products beyond these respective formations. Plaintiffs seek the full value of any production from below the Marcellus and Utica shale formations, unspecified damages from the diminution of value to their mineral estate, unspecified punitive damages, and the payment of reasonable attorney fees, legal expenses, and interest. On April 27, 2021, the Bankruptcy Court for the Southern District of Texas approved a settlement agreement in which the plaintiffs fully released the Company from all claims for amounts allegedly owed to the plaintiffs through the effective date of the Company's Chapter 11 plan, which occurred on May 17, 2021. The plaintiffs are continuing to pursue alleged damages after May 17, 2021.

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. Gulfport and its subsidiaries have implemented various policies, programs, procedures, training and audits to reduce and mitigate environmental risks. The Company conducts 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.

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 NGL Derivative Instruments

The Company seeks to mitigate risks related to unfavorable changes in natural gas, oil and NGL prices, which are subject to significant and often volatile fluctuation, by entering into over-the-counter fixed price swaps, basis swaps, collars and various types of option contracts. These contracts allow the Company to mitigate the impact of declines in future natural gas, oil and NGL prices by effectively locking in a floor price for a certain level of the Company's production. However, these hedge contracts also limit the benefit to the Company in periods of favorable price movements.

The volume of production subject to commodity derivative instruments and the mix of the instruments are frequently evaluated and adjusted by management in response to changing market conditions. Gulfport may enter into commodity derivative contracts up to limitations set forth in its Credit Facility. The Company generally enters into commodity derivative contracts for approximately 50% to 75% of its forecasted annual production by the end of the first quarter of each fiscal year. The Company typically enters into commodity derivative contracts for the next 12 to 24 months. Gulfport does not enter into commodity derivative contracts for speculative purposes.

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 WTI for oil and Mont Belvieu for propane.

The Company does not currently have any commodity derivative transactions that have margin requirements or collateral provisions that would require payments prior to the scheduled settlement dates. The Company's commodity derivative contract counterparties are typically financial institutions and energy trading firms with investment-grade credit ratings. Gulfport routinely monitors and manages its exposure to counterparty risk by requiring specific minimum credit standards for all counterparties, actively monitoring counterparties' public credit ratings and avoiding the concentration of credit exposure by transacting with multiple counterparties. The Company has master netting agreements with some counterparties that allow the offsetting of receivables and payables in a default situation.

Below is a summary of the Company's open fixed price swap positions as of June 30, 2022.

	Index	Daily Volume	Weighted Average Price
		(MMBtu/d)	(\$/MMBtu)
Natural Gas			
Remaining 2022	NYMEX Henry Hub	210,000	\$ 2.92
2023	NYMEX Henry Hub	165,014	\$ 3.64
2024	NYMEX Henry Hub	54,973	\$ 3.98
Oil			
		(Bbl/d)	(\$/Bbl)
Remaining 2022	NYMEX WTI	2,500	\$ 66.12
2023	NYMEX WTI	3,000	\$ 74.47
NGL			
		(Bbl/d)	(\$/Bbl)
Remaining 2022	Mont Belvieu C3	3,750	\$ 36.59
2023	Mont Belvieu C3	3,000	\$ 38.07

The Company entered into costless collars based off the NYMEX WTI and Henry Hub oil and natural gas indices. Each two-way price collar has a set floor and ceiling price for the hedged production. If the applicable monthly price indices are outside of the ranges set by the floor and ceiling prices in the various collars, the Company will cash-settle the difference with the hedge counterparty. Below is a summary of the Company's costless collar positions as of June 30, 2022.

	Index	Daily Volume	Weighted Average Floor Price	Weighted Average Ceiling Price
		(MMBtu/d)	(\$/MMBtu)	(\$/MMBtu)
Natural Gas				
Remaining 2022	NYMEX Henry Hub	416,500	\$ 2.56	\$ 3.05
2023	NYMEX Henry Hub	285,000	\$ 2.93	\$ 4.78
2024	NYMEX Henry Hub	60,000	\$ 3.50	\$ 7.49
Oil				
		(Bbl/d)	(\$/Bbl)	(\$/Bbl)
Remaining 2022	NYMEX WTI	1,500	\$ 55.00	\$ 60.00

In the third quarter of 2019, the Company sold call options in exchange for a premium, and used the associated premiums received to enhance the fixed price for a portion of the fixed price natural gas swaps primarily for 2020. 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. No payment is due from either party if the referenced settlement price is below the price ceiling. Below is a summary of the Company's open sold call option positions as of June 30, 2022.

	Index	Daily Volume	Weighted Average Price
		(MMBtu/d)	(\$/MMBtu)
Natural Gas			
Remaining 2022	NYMEX Henry Hub	152,675	\$ 2.90
2023	NYMEX Henry Hub	407,925	\$ 2.90
2024	NYMEX Henry Hub	202,000	\$ 3.33
2025	NYMEX Henry Hub	33,315	\$ 4.65

In addition, the Company entered into natural gas basis swap positions. As of June 30, 2022, the Company had the following natural gas swap positions open:

Natural Gas	Gulfport Pays	Gulfport Receives	Daily Volume	Weighted Average Fixed Spread
			(MMBtu/d)	(\$/MMBtu)
2023	Rex Zone 3	NYMEX Plus Fixed Spread	40,000	\$ (0.21)

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, 2022 and December 31, 2021 (in thousands):

	Successor	
	June 30, 2022	December 31, 2021
Short-term derivative asset	\$ 24,487	\$ 4,695
Long-term derivative asset	26,394	18,664
Short-term derivative liability	(674,404)	(240,735)
Long-term derivative liability	(306,389)	(184,580)
Total commodity derivative position	\$ (929,912)	\$ (401,956)

Gains and Losses

The following tables present the gain and loss recognized in net loss on natural gas, oil and NGL derivatives in the accompanying consolidated statements of operations for the Current Successor Quarter, Current Successor YTD Period, Prior Successor Period, Prior Predecessor Quarter, and Prior Predecessor YTD Period (in thousands):

	Net loss on derivative instruments		
	Successor		Predecessor
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021
Natural gas derivatives - fair value gains (losses)	\$ 121,659	\$ (120,264)	\$ (97,543)
Natural gas derivatives - settlement losses	(288,936)	(6,689)	(3,486)
Total losses on natural gas derivatives	(167,277)	(126,953)	(101,029)
Oil derivatives - fair value gains (losses)	4,383	(5,357)	(4,395)
Oil derivatives - settlement losses	(14,281)	—	—
Total losses on oil and condensate derivatives	(9,898)	(5,357)	(4,395)
NGL derivatives - fair value gains (losses)	9,506	(7,348)	(1,837)
NGL derivatives - settlement losses	(5,202)	—	—
Total gains (losses) on NGL derivatives	4,304	(7,348)	(1,837)
Total losses on natural gas, oil and NGL derivatives	\$ (172,871)	\$ (139,658)	\$ (107,261)

	Net loss on derivative instruments		
	Successor		Predecessor
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021
Natural gas derivatives - fair value losses	\$ (497,660)	\$ (120,264)	\$ (123,080)
Natural gas derivatives - settlement losses	(400,093)	(6,689)	(3,362)
Total losses on natural gas derivatives	(897,753)	(126,953)	(126,442)
Oil derivatives - fair value losses	(25,470)	(5,357)	(6,126)
Oil derivatives - settlement losses	(22,425)	—	—
Total losses on oil and condensate derivatives	(47,895)	(5,357)	(6,126)
NGL derivatives - fair value losses	(4,827)	(7,348)	(4,671)
NGL derivatives - settlement losses	(10,947)	—	—
Total losses on NGL derivatives	(15,774)	(7,348)	(4,671)
Total losses on natural gas, oil and NGL derivatives	\$ (961,422)	\$ (139,658)	\$ (137,239)

Offsetting of Derivative Assets and Liabilities

As noted above, the Company records the fair value of derivative instruments on a gross basis. The following tables present 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 (in thousands):

	Successor		
	As of June 30, 2022		
	Gross Assets (Liabilities) Presented in the Consolidated Balance Sheets	Gross Amounts Subject to Master Netting Agreements	Net Amount
Derivative assets	\$ 50,881	\$ (50,479)	\$ 402
Derivative liabilities	\$ (980,793)	\$ 50,479	\$ (930,314)

	Successor		
	As of December 31, 2021		
	Gross Assets (Liabilities) Presented in the Consolidated Balance Sheets	Gross Amounts Subject to Master Netting Agreements	Net Amount
Derivative assets	\$ 23,359	\$ (20,265)	\$ 3,094
Derivative liabilities	\$ (425,315)	\$ 20,265	\$ (405,050)

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 spread between 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 (unadjusted) in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date.

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.

Financial assets and liabilities

The following tables summarize the Company's financial and non-financial assets and liabilities by valuation level as of June 30, 2022 and December 31, 2021 (in thousands):

	Successor		
	June 30, 2022		
	Level 1	Level 2	Level 3
Assets:			
Derivative instruments	\$ —	\$ 50,881	\$ —
Contingent consideration arrangement	—	—	5,300
Total assets	<u>\$ —</u>	<u>\$ 50,881</u>	<u>\$ 5,300</u>
Liabilities:			
Derivative instruments	\$ —	\$ 980,793	\$ —
	Successor		
	December 31, 2021		
	Level 1	Level 2	Level 3
Assets:			
Derivative instruments	\$ —	\$ 23,359	\$ —
Contingent consideration arrangement	—	—	5,800
Total assets	<u>\$ —</u>	<u>\$ 23,359</u>	<u>\$ 5,800</u>
Liabilities:			
Derivative instruments	\$ —	\$ 425,315	\$ —

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 Company adjusted the fair value of its derivative instruments as a fresh start adjustment at the Emergence Date as a result of changes in the Company's credit adjustment to reflect its new credit standing at emergence.

The Company's SCOOP water infrastructure sale, which closed in the first quarter of 2020, included a contingent consideration arrangement. As of June 30, 2022, the fair value of the contingent consideration was \$5.3 million, of which \$0.9 million is included in prepaid expenses and other assets and \$4.4 million is included in other assets in the accompanying consolidated balance sheets. The fair value of the contingent consideration arrangement is calculated using discounted cash flow techniques and is based on internal estimates of the Company's future development program and water production levels. Given the unobservable nature of the inputs, the fair value measurement of the contingent consideration arrangement is deemed to use Level 3 inputs. The Company has elected the fair value option for this contingent consideration arrangement and, therefore, records changes in fair value in earnings. The Company recognized a \$0.1 million loss for the Current Successor YTD Period, a \$1.1 million gain for the Prior Successor Period, and a nominal gain for the Prior Predecessor Quarter and Prior Predecessor YTD Period, respectively, which are included in other expense (income) in the accompanying consolidated statements of operations.

Non-financial assets and liabilities

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 2](#) for further discussion of the Company's asset retirement obligations.

Fair value of other financial instruments

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

10. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue Recognition

The Company's revenues are primarily derived from the sale of natural gas, oil and condensate and NGL. Sales of natural gas, oil and condensate and NGL 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.

Gathering, processing and compression fees attributable to gas processing, as well as any transportation fees, including firm transportation fees, incurred to deliver the product to the purchaser, are presented as transportation, gathering, processing and compression expense in the accompanying consolidated statements of operations.

Transaction Price Allocated to Remaining Performance Obligations

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. These contracts typically automatically renew under the same provisions. For those contracts, the Company has utilized the practical expedient allowed in the new revenue accounting standard that exempts the Company

from disclosure of the transaction price allocated to remaining performance obligations if the performance obligation is part of a contract that has an original expected duration of one year or less.

For product sales that have a contract term greater than one year, the Company has utilized the practical expedient that exempts the Company from disclosure of the transaction price allocated to remaining performance obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation. Under these sales contracts, each unit of product generally represents a separate performance obligation; therefore, future volumes are wholly unsatisfied and disclosure of the transaction price allocated to remaining performance obligations is not required. Currently, 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 \$316.9 million and \$232.9 million as of June 30, 2022 and December 31, 2021, respectively, and are reported in accounts receivable - oil and natural gas sales on the consolidated balance sheets. 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 Current Successor Quarter, Prior Successor Period, Prior Predecessor Quarter, Current Successor YTD Period, and Prior Predecessor YTD Period, revenue recognized in the reporting periods related to performance obligations satisfied in prior reporting periods was not material.

11. LEASES

Nature of Leases

The Company has operating leases on certain equipment with remaining lease durations in excess of one year. The Company recognizes a right-of-use asset and lease liability on the balance sheet for all leases with lease terms of greater than 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 varying terms with third parties to ensure operational continuity, cost control and rig availability in its operations. The Company has concluded its drilling rig contracts are operating leases as the assets are identifiable and the Company has the right to control the identified assets. However, at June 30, 2022, the Company did not have any active long-term drilling rig contracts in place.

The Company rents office space for its corporate headquarters, field locations and certain other equipment from third parties, which expire at various dates through 2023. 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. The lease for the Company's corporate headquarters expired on June 30, 2022, and was not renewed. Effective July 1, 2022, the Company moved its headquarters to a new location. The impact of the lease for the Company's new headquarters location will be recognized in the third quarter and will not be material to the financial statements.

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.

Future amounts due under operating lease liabilities as of June 30, 2022 were as follows (in thousands):

Remaining 2022	\$	86
2023		142
Total lease payments	\$	228
Less: Imputed interest		(4)
Total	\$	224

The tables below summarize lease cost for the periods presented (in thousands):

	Successor		Predecessor
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021
Operating lease cost	\$ 50	\$ 8	\$ 9
Variable lease cost	—	—	—
Short-term lease cost	10,160	2,160	2,307
Total lease cost ⁽¹⁾	\$ 10,210	\$ 2,168	\$ 2,316

	Successor		Predecessor
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021
Operating lease cost	\$ 100	\$ 8	\$ 41
Variable lease cost	—	—	—
Short-term lease cost	18,782	2,160	4,496
Total lease cost ⁽¹⁾	\$ 18,882	\$ 2,168	\$ 4,537

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

Supplemental cash flow information related to leases was as follows (in thousands):

	Successor		Predecessor
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows from operating leases	\$ 72	\$ 15	\$ 48

The weighted-average remaining lease term as of June 30, 2022 was 1.35 years. The weighted-average discount rate used to determine the operating lease liability as of June 30, 2022 was 2.33%.

12. 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.

For the three and six months ended June 30, 2022, the Company's effective tax rate was 0%, which differs from the statutory rate of 21% primarily as a result of the valuation allowance on the Company's deferred tax assets.

At each reporting period, the Company weighs all available positive and negative evidence to determine whether its deferred tax assets are more likely than not to 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. Based upon the Company's analysis, the Company determined a full valuation allowance was necessary against its net deferred tax assets as of June 30, 2022.

The Company will continue to evaluate whether the valuation allowance is needed in future reporting periods. The valuation allowance will remain until it is determined that the net deferred tax assets are more likely than not to be realized. Future events or new evidence which may lead us to conclude that it is more likely than not that its net deferred tax assets will be realized include, but are not limited to, cumulative historical pre-tax earnings, improvements in oil prices, and taxable events that could result from one or more transactions. The valuation allowance does not prevent future utilization of the tax attributes if the Company recognizes taxable income. As long as the Company concludes that the valuation allowance against its net deferred tax assets is necessary, the Company likely will not have any additional deferred income tax expense or benefit.

Elements of the Plan provided that the Company's indebtedness related to Predecessor Senior Notes and certain general unsecured claims were exchanged for common stock in settlement of those claims. Absent an exception, a debtor recognizes CODI upon discharge of its outstanding indebtedness for an amount of consideration that is less than its adjusted issue price. The IRC provides that a debtor in a Chapter 11 bankruptcy case may exclude CODI from taxable income, but must reduce certain of its tax attributes by the amount of any CODI realized as a result of the consummation of a plan of reorganization. The amount of CODI realized by a taxpayer is determined based on the fair market value of the consideration received by the creditors in settlement of outstanding indebtedness. As a result of the market value of equity upon emergence from Chapter 11 bankruptcy proceedings, the estimated amount of CODI and reduction in historical interest expense is approximately \$661 million, which will reduce the value of the Company's net operating losses. The actual reduction in tax attributes does not occur until the first day of the Company's tax year subsequent to the date of emergence, or January 1, 2022. The reduction of net operating losses is expected to be fully offset by a corresponding decrease in valuation allowance.

Emergence from Chapter 11 bankruptcy proceedings resulted in a change in ownership for purposes of IRC Section 382. The Company currently expects to apply rules under IRC Section 382(l)(5) that would allow the Company to mitigate the limitations imposed under the regulations with respect to the Company's remaining tax attributes. The Company's deferred tax assets and liabilities, prior to the valuation allowance, have been computed on such basis. Taxpayers who qualify for this provision may, at their option, elect not to apply the election. If the provision does not apply, the Company's ability to realize the value of its tax attributes would be subject to limitation and the amount of deferred tax assets and liabilities, prior to the valuation allowance, may differ. Additionally, under IRC Section 382(l)(5), an ownership change subsequent to the Company's emergence could severely limit or effectively eliminate its ability to realize the value of its tax attributes.

13. SUBSEQUENT EVENTS

Expanded Common Stock Repurchase Program

On July 29, 2022, the Company's Board of Directors approved an increase to the authorized common stock repurchase amounts under its Repurchase Program from \$200 million to \$300 million. The additional \$100 million authorization expires on June 30, 2023.

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

Introduction

Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to provide the reader of the financial statements with a narrative from the perspective of management on the financial condition, results of operations, liquidity and certain other factors that may affect the Company's operating results. MD&A should be read in conjunction with the financial statements and related Notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

The following information updates the discussion of Gulfport's financial condition provided in its Annual Report on Form 10-K for the year ended December 31, 2021 ("2021 Form 10-K"), and analyzes the changes in the results of operations between the periods of April 1, 2022 through June 30, 2022 ("Current Successor Quarter"), January 1, 2022 through June 30, 2022 ("Current Successor YTD Period"), April 1, 2021, through May 17, 2021 ("Prior Predecessor Quarter"), May 18, 2021 through June 30, 2021 ("Prior Successor Period"), and January 1, 2021 through May 17, 2021 ("Prior Predecessor YTD Period"). For definitions of commonly used natural gas and oil terms found in this Quarterly Report on Form 10-Q, please refer to the "Definitions" provided in this report and in our 2021 Form 10-K.

Gulfport is an independent natural gas-weighted exploration and production company with assets primarily located in the Appalachia and Anadarko basins. Our principal properties are located in eastern Ohio targeting the Utica and in central Oklahoma targeting the SCOOP Woodford and SCOOP Springer formations. Our strategy is to develop our assets in a safe, environmentally responsible manner, while generating sustainable cash flow, improving margins and operating efficiencies and returning capital to shareholders. To accomplish these goals, we allocate capital to projects we believe offer the highest rate of return and we deploy leading drilling and completion techniques and technologies in our development efforts.

Recent Developments

Share Repurchase Program

In November 2021 our board of directors approved a stock Repurchase Program to acquire up to \$100 million of our outstanding common stock and increased the authorization from \$100 million to \$200 million in April 2022 ("Repurchase Program"). Purchases under the Repurchase Program will be subject to available liquidity, market conditions, credit agreement restrictions, applicable legal requirements, contractual obligations and other factors. The Repurchase Program does not require us to acquire any specific number of shares of common stock. We intend to purchase shares under the Repurchase Program with available funds while maintaining sufficient liquidity to fund our capital development program. The Repurchase Program is authorized to extend through December 31, 2022 and may be suspended from time to time, modified, extended or discontinued by the board of directors at any time. Any shares of common stock repurchased are expected to be cancelled. As of June 30, 2022, 1,853,985 shares have been repurchased for approximately \$163.0 million under the Repurchase Program at a weighted average price of \$87.93 per share.

In July 2022, our Board of Directors approved an increase to the authorized common stock repurchase amounts under our Repurchase Program from \$200 million to \$300 million.

Inflation and Changes in Commodity Prices

The annual rate of inflation in the United States hit 9.1% in June 2022, the highest in more than four decades, as measured by the Consumer Price Index. Inflation and increased commodity prices have caused drilling and completion costs to increase from the prior year. In addition, the Federal Reserve has tightened monetary policy by approving a series of increases to the Federal Funds Rate. Furthermore, the Chairman of the Federal Reserve signaled that the Federal Reserve would continue to take necessary action to bring inflation down and to ensure price stability, including continued rate increases. Increased interest rates may have a negative impact on the Company's ability to continue to execute its business strategy.

Our revenues, the value of our assets and our ability to obtain bank loans or additional capital on attractive terms have been and will continue to be affected by changes in natural gas, oil and NGL prices and the costs to produce our reserves. Natural gas, oil and NGL prices are subject to significant fluctuations that are beyond our ability to control or predict. Certain of our capital expenditures and expenses are affected by general inflation and we expect costs for the remainder of 2022 to continue to be a function of supply and demand.

Impact of the War in Ukraine

The invasion of Ukraine by Russia and the sanctions imposed in response to the crisis have increased volatility in the global financial markets and are expected to have further global economic consequences, including disruptions of global energy markets and the amplification of inflation and supply chain constraints. The ultimate impact of the war in Ukraine will depend on future developments and the timing and extent to which normal economic and operating conditions resume.

2022 Operational and Financial Highlights

During the second quarter of 2022, we had the following notable achievements:

- Reported total net production of 959.1 MMcfe per day.
- Turned to sales three gross (1.7 net) operated wells.
- Generated \$129.5 million of operating cash flows.
- Repurchased 1,415,903 shares for \$127.5 million at a weighted average price of \$90.06 per share.
- Increased the borrowing base under the credit agreement from \$850 million to \$1.0 billion.

2022 Production and Drilling Activity

Production Volumes

	Successor		Predecessor	Non-GAAP Combined
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021	Three Months Ended June 30, 2021
Natural gas (Mcf/day)				
Utica	637,854	691,876	748,885	721,321
SCOOP	220,637	194,513	154,224	173,704
Other	(10)	127	29	76
Total	858,481	886,516	903,138	895,101
Oil and condensate (Bbl/day)				
Utica	722	1,125	1,208	1,168
SCOOP	3,960	4,824	2,757	3,756
Other	(4)	71	24	47
Total	4,678	6,020	3,989	4,971
NGL (Bbl/day)				
Utica	2,109	2,735	2,586	2,658
SCOOP	9,983	9,073	7,047	8,027
Other	2	4	2	2
Total	12,093	11,812	9,635	10,687
Combined (Mcf/day)				
Utica	654,840	715,042	771,649	744,279
SCOOP	304,293	277,897	213,043	244,401
Other	(27)	577	182	373
Total	959,106	993,516	984,874	989,053

Totals may not sum or recalculate due to rounding.

Our total net production averaged approximately 959.1 MMcfe per day during the Current Successor Quarter, as compared to 989.1 MMcfe per day during the Prior Combined Period. The 3% decrease in production per day is largely the result of fewer

wells turned to sales in the Current Successor Quarter versus the Prior Combined Quarter as a result of the timing of our development activities.

	Successor		Predecessor	Non-GAAP Combined
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021	Six Months Ended June 30, 2021
Natural gas (Mcf/day)				
Utica	699,489	691,876	780,791	759,176
SCOOP	191,806	194,513	126,294	142,878
Other	11	127	63	78
Total	891,306	886,516	907,148	902,132
Oil and condensate (Bbl/day)				
Utica	710	1,125	1,336	1,285
SCOOP	3,447	4,824	2,508	3,071
Other	1	71	35	44
Total	4,158	6,020	3,879	4,400
NGL (Bbl/day)				
Utica	2,145	2,735	2,638	2,661
SCOOP	9,052	9,073	6,200	6,899
Other	1	4	3	3
Total	11,198	11,812	8,841	9,563
Combined (Mcf/day)				
Utica	716,621	715,042	804,633	782,854
SCOOP	266,798	277,897	178,545	202,697
Other	25	577	288	358
Total	983,444	993,516	983,466	985,909

Our total net production averaged approximately 983.4 MMcfe per day during the Current Successor YTD Period, as compared to 985.9 MMcfe per day during the Prior Combined YTD Period. The result is largely driven by the strong base production associated with our 2021 development program and the addition of several new wells from our 2022 program.

Utica. We spud two gross (1.3 net) wells in the Utica during the Current Successor Quarter, one of which was being drilled at June 30, 2022. In addition, we completed three gross (1.7) net operated wells. We did not participate in any additional wells that were drilled by other operators on our Utica acreage.

As of July 28, 2022, we had two operated drilling rigs running in the Utica, and we expect to drop to one operated drilling rig during the third quarter of 2022.

SCOOP. We spud two gross (1.5 net) wells in the SCOOP during the Current Successor Quarter, one of which was being drilled at June 30, 2022. We also participated in an additional two gross (0.05 net) wells that were drilled by other operators on our SCOOP acreage.

As of July 28, 2022, we had no operated drilling rigs running in the SCOOP and we have concluded the 2022 drilling program.

RESULTS OF OPERATIONS
Current Successor Quarter Compared to Prior Successor Period and Prior Predecessor Quarter
Natural Gas, Oil and NGL Production and Pricing (sales totals in thousands)

The following table summarizes our natural gas, oil and condensate and NGL production and related pricing for the Current Successor Quarter, Prior Successor Period, Prior Predecessor Quarter, and Prior Combined Quarter. Some totals below may not sum or recalculate due to rounding.

	Successor		Predecessor	Non-GAAP Combined
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021	Three Months Ended June 30, 2021
Natural gas sales				
Natural gas production volumes (MMcf)	78,122	39,007	42,448	81,455
Natural gas production volumes (MMcf) per day	858	887	903	895
Total sales	\$ 539,090	\$ 111,718	\$ 109,069	\$ 220,787
Average price without the impact of derivatives (\$/Mcf)	\$ 6.90	\$ 2.86	\$ 2.57	\$ 2.71
Impact from settled derivatives (\$/Mcf)	\$ (3.70)	\$ (0.17)	\$ (0.08)	\$ (0.12)
Average price, including settled derivatives (\$/Mcf)	\$ 3.20	\$ 2.69	\$ 2.49	\$ 2.59
Oil and condensate sales				
Oil and condensate production volumes (MBbl)	426	265	187	452
Oil and condensate production volumes (MBbl) per day	5	6	4	5
Total sales	\$ 45,009	\$ 17,587	\$ 10,867	\$ 28,454
Average price without the impact of derivatives (\$/Bbl)	\$ 105.72	\$ 66.37	\$ 58.11	\$ 62.95
Impact from settled derivatives (\$/Bbl)	\$ (33.55)	\$ —	\$ —	\$ —
Average price, including settled derivatives (\$/Bbl)	\$ 72.17	\$ 66.37	\$ 58.11	\$ 62.95
NGL sales				
NGL production volumes (MBbl)	1,100	520	453	973
NGL production volumes (MBbl) per day	12	12	10	11
Total sales	\$ 54,106	\$ 16,077	\$ 13,004	\$ 29,081
Average price without the impact of derivatives (\$/Bbl)	\$ 49.17	\$ 30.92	\$ 28.71	\$ 29.89
Impact from settled derivatives (\$/Bbl)	\$ (4.73)	\$ —	\$ —	\$ —
Average price, including settled derivatives (\$/Bbl)	\$ 44.44	\$ 30.92	\$ 28.71	\$ 29.89
Natural gas, oil and condensate and NGL sales				
Natural gas equivalents (MMcfe)	87,279	43,715	46,289	90,004
Natural gas equivalents (MMcfe) per day	959	994	985	989
Total sales	\$ 638,205	\$ 145,382	\$ 132,940	\$ 278,322
Average price without the impact of derivatives (\$/Mcf)	\$ 7.31	\$ 3.33	\$ 2.87	\$ 3.09
Impact from settled derivatives (\$/Mcf)	\$ (3.53)	\$ (0.15)	\$ (0.08)	\$ (0.11)
Average price, including settled derivatives (\$/Mcf)	\$ 3.78	\$ 3.18	\$ 2.79	\$ 2.98
Production Costs:				
Average lease operating expenses (\$/Mcf)	\$ 0.16	\$ 0.09	\$ 0.15	\$ 0.12
Average taxes other than income (\$/Mcf)	\$ 0.19	\$ 0.12	\$ 0.08	\$ 0.10
Average transportation, gathering, processing and compression (\$/Mcf)	\$ 1.01	\$ 0.95	\$ 1.19	\$ 1.07
Total lease operating expenses, midstream costs and taxes other than income (\$/Mcf)	\$ 1.36	\$ 1.16	\$ 1.42	\$ 1.29

Natural Gas, Oil and Condensate and NGL Sales (in thousands)

	Successor		Predecessor	Non-GAAP Combined
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021	Three Months Ended June 30, 2021
Natural gas	\$ 539,090	\$ 111,718	\$ 109,069	\$ 220,787
Oil and condensate	45,009	17,587	10,867	28,454
NGL	54,106	16,077	13,004	29,081
Natural gas, oil and condensate and NGL sales	<u>\$ 638,205</u>	<u>\$ 145,382</u>	<u>\$ 132,940</u>	<u>\$ 278,322</u>

The increase in natural gas sales without the impact of derivatives when comparing the Current Successor Quarter to the Prior Combined Quarter was due to a 155% increase in realized natural gas prices partially offset by a 4% decrease in sales volumes. The realized price change was primarily driven by the significant increase in the average Henry Hub gas index from \$2.95 per Mcf in the Prior Combined Quarter to \$7.17 per Mcf during the Current Successor Quarter.

The increase in oil and condensate sales without the impact of derivatives when comparing the Current Successor Quarter to the Prior Combined Quarter was due to an 68% increase in realized prices, partially offset by a 6% decrease in sales volumes. The realized price change was driven by the significant increase in the average WTI crude index from \$66.19 per barrel in the Prior Combined Quarter to \$108.41 per barrel during the Current Successor Quarter.

The increase in NGL sales without the impact of derivatives when comparing the Current Successor Quarter to the Prior Combined Quarter was due to a 64% increase in realized prices combined with a 13% increase in NGL sales volumes. The realized price change was driven by the significant increase in the average Mont Belvieu NGL index from \$36.55 per barrel in the Prior Combined Quarter to \$51.49 per barrel during the Current Successor Quarter.

Natural Gas, Oil and NGL Derivatives (in thousands)

	Successor		Predecessor	Non-GAAP Combined
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021	Three Months Ended June 30, 2021
Natural gas derivatives - fair value gains (losses)	\$ 121,659	\$ (120,264)	\$ (97,543)	\$ (217,807)
Natural gas derivatives - settlement losses	(288,936)	(6,689)	(3,486)	(10,175)
Total losses on natural gas derivatives	<u>\$ (167,277)</u>	<u>\$ (126,953)</u>	<u>\$ (101,029)</u>	<u>\$ (227,982)</u>
Oil derivatives - fair value gains (losses)	\$ 4,383	\$ (5,357)	\$ (4,395)	\$ (9,752)
Oil derivatives - settlement losses	(14,281)	—	—	—
Total losses on oil derivatives	<u>\$ (9,898)</u>	<u>\$ (5,357)</u>	<u>\$ (4,395)</u>	<u>\$ (9,752)</u>
NGL derivatives - fair value gains (losses)	\$ 9,506	\$ (7,348)	\$ (1,837)	\$ (9,185)
NGL derivatives - settlement losses	(5,202)	—	—	—
Total gains (losses) on NGL derivatives	<u>\$ 4,304</u>	<u>\$ (7,348)</u>	<u>\$ (1,837)</u>	<u>\$ (9,185)</u>
Total losses on natural gas, oil and NGL derivatives	<u>\$ (172,871)</u>	<u>\$ (139,658)</u>	<u>\$ (107,261)</u>	<u>\$ (246,919)</u>

We recognize fair value changes on our natural gas, oil and NGL derivative instruments in each reporting period. The changes in fair value resulted from new positions and settlements that occurred during each period, as well as the relationship between contract prices and the associated forward curves. See [Note 8](#) of our consolidated financial statements for hedged volumes and pricing.

Lease Operating Expenses (in thousands, except per unit)

	Successor		Predecessor	Non-GAAP Combined
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021	Three Months Ended June 30, 2021
Lease operating expenses				
Utica	\$ 9,633	\$ 2,853	\$ 4,769	\$ 7,622
SCOOP	4,613	1,230	2,092	3,322
Other	(7)	33	10	43
Total lease operating expenses	\$ 14,239	\$ 4,116	\$ 6,871	\$ 10,987
Lease operating expenses per Mcfe				
Utica	\$ 0.16	\$ 0.09	\$ 0.13	\$ 0.11
SCOOP	0.17	0.10	0.21	0.15
Other	2.73	1.32	1.11	1.26
Total lease operating expenses per Mcfe	\$ 0.16	\$ 0.09	\$ 0.15	\$ 0.12

The increase in total and per unit LOE when comparing the Current Successor Quarter to the Prior Combined Quarter was primarily the result of increased water hauling, driven by recent wells turned to sales and increased disposal expenses throughout our Utica operations.

Taxes Other Than Income (in thousands, except per unit)

	Successor		Predecessor	Non-GAAP Combined
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021	Three Months Ended June 30, 2021
Production taxes	\$ 13,620	\$ 3,739	\$ 2,656	\$ 6,395
Property taxes	1,892	1,067	677	1,744
Other	1,170	250	312	562
Total taxes other than income	\$ 16,682	\$ 5,056	\$ 3,645	\$ 8,701
Total taxes other than income per Mcfe	\$ 0.19	\$ 0.12	\$ 0.08	\$ 0.10

The increase in total and per unit taxes other than income when comparing the Current Successor Quarter to the Prior Combined Quarter was primarily related to an increase in production taxes resulting from the significant increase in our natural gas, oil and NGL revenues excluding the impact of hedges discussed above.

Transportation, Gathering, Processing and Compression (in thousands, except per unit)

	Successor		Predecessor	Non-GAAP Combined
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021	Three Months Ended June 30, 2021
Transportation, gathering, processing and compression	\$ 87,752	\$ 41,376	\$ 55,219	\$ 96,595
Transportation, gathering, processing and compression per Mcfe	\$ 1.01	\$ 0.95	\$ 1.19	\$ 1.07

The decrease in total and per unit transportation, gathering, processing and compression when comparing the Current Successor Quarter to the Prior Combined Quarter was primarily related to savings associated with rejected midstream contracts and renegotiation through the bankruptcy process.

Depreciation, Depletion and Amortization (in thousands, except per unit)

	Successor		Predecessor
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021
Depreciation, depletion and amortization of oil and gas properties	\$ 62,283	\$ 32,037	\$ 21,064
Depreciation, depletion and amortization of other property and equipment	318	325	553
Total depreciation, depletion and amortization	\$ 62,602	\$ 32,362	\$ 21,617
Depreciation, depletion and amortization per Mcfe	\$ 0.72	\$ 0.74	\$ 0.47

The increase in total and per unit depreciation, depletion and amortization of our oil and gas properties when comparing the Current Successor Quarter to the Prior Combined Quarter is primarily the result of an increased depletion rate as a result of the fresh start valuations on our oil and natural gas properties.

Impairment of Oil and Gas Properties

As a result of the ceiling test performed at June 30, 2021, we incurred a \$117.8 million impairment charge of oil and gas properties during the Prior Successor Period. Upon the application of fresh start accounting, the value of our oil and natural gas properties was determined using forward strip oil and natural gas prices as of the Emergence Date. These prices were higher than the 12-month weighted average prices used in the full cost ceiling limitation at June 30, 2021, which led to the Prior Successor Period impairment charge.

General and Administrative Expenses (in thousands, except per unit)

	Successor		Predecessor	Non-GAAP Combined
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021	Three Months Ended June 30, 2021
General and administrative expenses, gross	\$ 16,568	\$ 9,867	\$ 10,835	\$ 20,702
Reimbursed from third parties	(3,338)	(1,173)	(1,919)	(3,092)
Capitalized general and administrative expenses	(4,960)	(2,176)	(2,498)	(4,674)
General and administrative expenses, net	\$ 8,271	\$ 6,518	\$ 6,418	\$ 12,936
General and administrative expenses, net per Mcfe	\$ 0.09	\$ 0.15	\$ 0.14	\$ 0.14

The decrease in general and administrative expenses for the Current Successor Quarter compared to the Prior Combined Quarter was primarily driven by reduced legal and professional fees associated with our restructuring and our continued focus on our workforce and leadership structure to better align to our current operating environment.

Interest Expense (in thousands, except per unit)

	Successor		Predecessor
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021
Interest on 2026 Senior Notes	\$ 11,052	\$ 5,256	\$ —
Interest expense on Credit Facility	2,496	—	—
Amortization of loan costs	668	420	—
Interest on exit facility	—	1,366	—
Interest on first-out term loan	—	1,238	—
Interest on DIP credit facility	—	—	938
Interest expense on pre-petition revolving credit facility	—	—	1,024
Other	18	614	(1,064)
Total interest expense	\$ 14,234	\$ 8,894	\$ 898
Interest expense per Mcfe	\$ 0.16	\$ 0.20	\$ 0.02

The change in interest expense when comparing the Current Successor Quarter to the Prior Successor Period was due to the changes in our debt structure upon emergence from Chapter 11.

Reorganization Items, Net

The following table summarizes costs associated with our bankruptcy in the Company's consolidated statements of operations for the Current Successor Quarter, Prior Successor Period and Prior Predecessor Quarter (in thousands):

	Successor		Predecessor
	Three Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from April 1, 2021 through May 17, 2021
Legal and professional advisory fees	\$ —	\$ —	\$ (40,782)
Net gain on liabilities subject to compromise	—	—	571,032
Fresh start adjustments, net	—	—	(160,756)
Elimination of predecessor accumulated other comprehensive income	—	—	(40,430)
Debt issuance costs	—	—	(3,150)
Other items, net	—	—	(20,295)
Reorganization items, net	\$ —	\$ —	\$ 305,619

Income Taxes

We did not record any income tax expense for the Current Successor Quarter and Prior Successor Period as a result of maintaining a full valuation allowance against our net deferred tax asset. See [Note 12](#) of our consolidated financial statements for further details of our valuation allowance. We recorded an income tax benefit of \$8.0 million for the Prior Predecessor Quarter in our consolidated statement of operations as a result of an Oklahoma refund claim associated with an examination relating to historical tax returns.

Current Successor YTD Period Compared to Prior Successor Period and Prior Predecessor YTD Period

Natural Gas, Oil and NGL Production and Pricing (sales totals in thousands)

The following table summarizes our natural gas, oil and condensate, and NGL production and related pricing for the Current Successor YTD Period, Prior Successor Period, Prior Predecessor YTD Period, and Prior Combined YTD Period. Some totals below may not sum or recalculate due to rounding.

	Successor		Predecessor	Non-GAAP Combined
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021	Six Months Ended June 30, 2021
Natural gas sales				
Natural gas production volumes (MMcf)	161,326	39,007	124,279	163,286
Natural gas production volumes (MMcf) per day	891	887	907	902
Total sales	\$ 944,302	\$ 111,718	\$ 344,390	\$ 456,108
Average price without the impact of derivatives (\$/Mcf)	\$ 5.85	\$ 2.86	\$ 2.77	\$ 2.79
Impact from settled derivatives (\$/Mcf)	\$ (2.48)	\$ (0.17)	\$ (0.03)	\$ (0.06)
Average price, including settled derivatives (\$/Mcf)	\$ 3.37	\$ 2.69	\$ 2.74	\$ 2.73
Oil and condensate sales				
Oil and condensate production volumes (MBbl)	753	265	531	796
Oil and condensate production volumes (MBbl) per day	4	6	4	4
Total sales	\$ 75,248	\$ 17,587	\$ 29,106	\$ 46,693
Average price without the impact of derivatives (\$/Bbl)	\$ 99.99	\$ 66.37	\$ 54.81	\$ 58.66
Impact from settled derivatives (\$/Bbl)	\$ (29.80)	\$ —	\$ —	\$ —
Average price, including settled derivatives (\$/Bbl)	\$ 70.19	\$ 66.37	\$ 54.81	\$ 58.66
NGL sales				
NGL production volumes (MBbl)	2,027	520	1,211	1,731
NGL production volumes (MBbl) per day	11	12	9	10
Total sales	\$ 99,390	\$ 16,077	\$ 36,780	\$ 52,857
Average price without the impact of derivatives (\$/Bbl)	\$ 49.03	\$ 30.92	\$ 30.37	\$ 30.54
Impact from settled derivatives (\$/Bbl)	\$ (5.40)	\$ —	\$ —	\$ —
Average price, including settled derivatives (\$/Bbl)	\$ 43.63	\$ 30.92	\$ 30.37	\$ 30.54
Natural gas, oil and condensate and NGL sales				
Natural gas equivalents (MMcfe)	178,003	43,715	134,735	178,450
Natural gas equivalents (MMcfe) per day	983	994	983	986
Total sales	\$ 1,118,940	\$ 145,382	\$ 410,276	\$ 555,658
Average price without the impact of derivatives (\$/Mcf)	\$ 6.29	\$ 3.33	\$ 3.05	\$ 3.11
Impact from settled derivatives (\$/Mcf)	\$ (2.44)	\$ (0.15)	\$ (0.02)	\$ (0.06)
Average price, including settled derivatives (\$/Mcf)	\$ 3.85	\$ 3.18	\$ 3.03	\$ 3.05
Production Costs:				
Average lease operating expenses (\$/Mcf)	\$ 0.18	\$ 0.09	\$ 0.14	\$ 0.13
Average taxes other than income (\$/Mcf)	\$ 0.16	\$ 0.12	\$ 0.09	\$ 0.10
Average transportation, gathering, processing and compression (\$/Mcf)	\$ 0.97	\$ 0.95	\$ 1.20	\$ 1.13
Total lease operating expenses, midstream costs and taxes other than income (\$/Mcf)	\$ 1.31	\$ 1.16	\$ 1.43	\$ 1.36

Natural Gas, Oil and Condensate and NGL Sales (in thousands)

	Successor		Predecessor	Non-GAAP Combined
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021	Six Months Ended June 30, 2021
Natural gas	\$ 944,302	\$ 111,718	\$ 344,390	\$ 456,108
Oil and condensate	75,248	17,587	29,106	46,693
NGL	99,390	16,077	36,780	52,857
Natural gas, oil and condensate and NGL sales	\$ 1,118,940	\$ 145,382	\$ 410,276	\$ 555,658

The increase in natural gas sales without the impact of derivatives was due to a 110% increase in realized natural gas prices partially offset by a 1% decrease in sales volumes. The realized price change was driven by the significant increase in the average Henry Hub gas index from \$3.22 per Mcf in the Prior Combined YTD Period to \$6.06 per Mcf during the Current Successor YTD Period.

The increase in oil and condensate sales without the impact of derivatives was due to a 71% increase in realized prices and partially offset by a 5% decrease in sales volumes. The realized price change was driven by the significant increase in the average WTI crude index from \$62.21 per barrel in the Prior Combined YTD Period to \$101.35 per barrel during the Current Successor YTD Period.

The increase in NGL sales without the impact of derivatives was due to a 61% increase combined with a 17% increase in NGL sales volumes. The realized price change was driven by the significant increase in the average Mont Belvieu NGL index from \$37.13 per barrel in the Prior Combined YTD Period to \$52.86 per barrel during the Current Successor YTD Period.

Natural Gas, Oil and NGL Derivatives (in thousands)

	Successor		Predecessor	Non-GAAP Combined
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021	Six Months Ended June 30, 2021
Natural gas derivatives - fair value losses	\$ (497,660)	\$ (120,264)	\$ (123,080)	\$ (243,344)
Natural gas derivatives - settlement losses	(400,093)	(6,689)	(3,362)	(10,051)
Total losses on natural gas derivatives	\$ (897,753)	\$ (126,953)	\$ (126,442)	\$ (253,395)
Oil derivatives - fair value losses	\$ (25,470)	\$ (5,357)	\$ (6,126)	\$ (11,483)
Oil derivatives - settlement losses	(22,425)	—	—	—
Total losses on oil derivatives	\$ (47,895)	\$ (5,357)	\$ (6,126)	\$ (11,483)
NGL derivatives - fair value losses	\$ (4,827)	\$ (7,348)	\$ (4,671)	\$ (12,019)
NGL derivatives - settlement losses	(10,947)	—	—	—
Total losses on NGL derivatives	\$ (15,774)	\$ (7,348)	\$ (4,671)	\$ (12,019)
Total losses on natural gas, oil and NGL derivatives	\$ (961,422)	\$ (139,658)	\$ (137,239)	\$ (276,897)

We recognize fair value changes on our natural gas, oil and NGL derivative instruments in each reporting period. The changes in fair value resulted from new positions and settlements that occurred during each period, as well as the relationship between contract prices and the associated forward curves. The significant increase in fair value losses is the result of a significant increase in futures pricing for oil, natural gas, and NGL at June 30, 2022. See [Note 8](#) of our consolidated financial statements for hedged volumes and pricing.

Lease Operating Expenses (in thousands, except per unit)

	Successor		Predecessor	Non-GAAP Combined
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021	Six Months Ended June 30, 2021
Lease operating expenses				
Utica	\$ 22,821	\$ 2,853	\$ 13,991	\$ 16,844
SCOOP	9,065	1,230	5,449	6,679
Other	(3)	33	84	117
Total lease operating expenses	\$ 31,883	\$ 4,116	\$ 19,524	\$ 23,640
Lease operating expenses per Mcfe				
Utica	\$ 0.18	\$ 0.09	\$ 0.13	\$ 0.12
SCOOP	0.19	0.10	0.22	0.18
Other	(0.68)	1.32	2.15	1.83
Total lease operating expenses per Mcfe	\$ 0.18	\$ 0.09	\$ 0.14	\$ 0.13

The increase in total LOE during the Current Successor YTD Period compared to the Prior Combined YTD Period was primarily the result of increased water hauling, driven by recent wells turned to sales and increased disposal expenses throughout our Utica operations.

Taxes Other Than Income (in thousands, except per unit)

	Successor		Predecessor	Non-GAAP Combined
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021	Six Months Ended June 30, 2021
Production taxes	\$ 23,093	\$ 3,739	\$ 8,459	\$ 12,198
Property taxes	3,785	1,067	2,590	3,657
Other	2,273	250	1,300	1,550
Total taxes other than income	\$ 29,150	\$ 5,056	\$ 12,349	\$ 17,405
Total taxes other than income per Mcfe	\$ 0.16	\$ 0.12	\$ 0.09	\$ 0.10

The increase in total and per unit production taxes during the Current Successor YTD Period compared to the Prior Combined YTD Period was primarily related to an increase in production taxes due to an increase in realized prices.

Transportation, Gathering, Processing and Compression (in thousands, except per unit)

	Successor		Predecessor	Non-GAAP Combined
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021	Six Months Ended June 30, 2021
Transportation, gathering, processing and compression	\$ 172,544	\$ 41,376	\$ 161,086	\$ 202,462
Transportation, gathering, processing and compression per Mcfe	\$ 0.97	\$ 0.95	\$ 1.20	\$ 1.13

The decrease in transportation, gathering, processing and compression during the Current Successor YTD Period compared to the Prior Combined YTD Period was primarily related to savings associated with rejected midstream contracts and renegotiation through the bankruptcy process.

Depreciation, Depletion and Amortization (in thousands, except per unit)

	Successor		Predecessor
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021
Depreciation, depletion and amortization of oil and gas properties	\$ 124,225	\$ 32,037	\$ 60,831
Depreciation, depletion and amortization of other property and equipment	661	325	1,933
Total depreciation, depletion and amortization	\$ 124,886	\$ 32,362	\$ 62,764
Depreciation, depletion and amortization per Mcfe	\$ 0.70	\$ 0.74	\$ 0.47

The increase in depreciation, depletion and amortization of our oil and gas properties during the Current Successor YTD Period compared to the Prior Combined YTD Period was primarily the result of an increase in the depletion rate for the Current Successor YTD Period as a result of the fresh start valuations on our oil and gas properties.

Impairment of Oil and Gas Properties

As a result of the ceiling test performed at June 30, 2021, we incurred a \$117.8 million impairment charge of oil and gas properties during the Prior Successor Period. Upon the application of fresh start accounting, the value of our oil and natural gas properties was determined using forward strip oil and natural gas prices as of the Emergence Date. These prices were higher than the 12-month weighted average prices used in the full cost ceiling limitation at June 30, 2021, which led to the Prior Successor Period impairment charge.

Impairment of Other Property and Equipment

We recognized a \$14.6 million impairment charge on the Company's corporate headquarters during the Prior Predecessor YTD Period as a result in a change in expected future use.

General and Administrative Expenses (in thousands, except per unit)

	Successor		Predecessor	Non-GAAP Combined
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021	Six Months Ended June 30, 2021
General and administrative expenses, gross	\$ 31,615	\$ 9,867	\$ 32,152	\$ 42,019
Reimbursed from third parties	(6,535)	(1,173)	(4,957)	(6,130)
Capitalized general and administrative expenses	(9,704)	(2,176)	(8,020)	(10,196)
General and administrative expenses, net	\$ 15,376	\$ 6,518	\$ 19,175	\$ 25,693
General and administrative expenses, net per Mcfe	\$ 0.09	\$ 0.15	\$ 0.14	\$ 0.14

The decrease in total general and administrative expenses during the Current Successor YTD Period compared to the Prior Combined YTD Period was primarily driven by reduced legal and professional fees associated with our restructuring, and our continued focus on workforce and leadership structure to align to our current operating environment.

Interest Expense (in thousands, except per unit)

	Successor		Predecessor
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021
Interest on 2026 Senior Notes	\$ 22,103	\$ 5,256	\$ —
Interest expense on Credit Facility	4,764	—	—
Amortization of loan costs	1,333	420	—
Interest on exit facility	—	1,366	—
Interest on first-out term loan	—	1,238	—
Interest on DIP credit facility	—	—	3,104
Interest expense on pre-petition revolving credit facility	—	—	2,044
Other	18	614	(989)
Total interest expense	\$ 28,218	\$ 8,894	\$ 4,159
Interest expense per Mcfe	\$ 0.16	\$ 0.20	\$ 0.03

The increase in interest expense during the Current Successor YTD Period compared to the Prior Combined YTD Period was due to the changes in our debt structure upon emergence from Chapter 11.

Reorganization Items, Net

The following table summarizes the components in reorganization items, net recorded in our consolidated statements of operations for the Current Successor YTD Period, Prior Successor Period and Prior Predecessor YTD Period (in thousands):

	Successor		Predecessor
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021
Legal and professional advisory fees	\$ —	\$ —	\$ (81,565)
Net gain on liabilities subject to compromise	—	—	575,182
Fresh start adjustments, net	—	—	(160,756)
Elimination of predecessor accumulated other comprehensive income	—	—	(40,430)
Debt issuance costs	—	—	(3,150)
Other items, net	—	—	(22,383)
Reorganization items, net	\$ —	\$ —	\$ 266,898

Other, net (in thousands)

	Successor		Predecessor	Non-GAAP Combined
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021	Six Months Ended June 30, 2021
Other, net	\$ (10,528)	\$ (1,051)	\$ 1,713	\$ 662

The increase in other income when comparing the Current Successor YTD Period to the Prior Combined YTD Period was primarily due to settlement payment receipts as discussed in [Note 7](#) of our consolidated financial statements.

Income Taxes

We recorded an income tax benefit of \$8.0 million during the Prior Predecessor YTD Period as a result of an Oklahoma refund claim associated with an examination relating to historical tax returns that was filed in the third quarter of 2021.

Liquidity and Capital Resources

Overview. We strive to maintain sufficient liquidity to ensure financial flexibility, withstand commodity price volatility, fund our development projects, operations and capital expenditures and return capital to shareholders. We utilize derivative contracts to reduce the financial impact of commodity price volatility and provide a level of certainty to the Company's cash flows. Since the Emergence Date, we have generally funded our operations, planned capital expenditures and any share repurchases with cash flow from our operating activities, cash on hand, and borrowings under our revolving credit facility. Additionally, we may access debt and equity markets and sell properties to enhance our liquidity.

For the Current Successor Quarter, our primary sources of capital resources and liquidity have consisted of internally generated cash flows from operations, and our primary uses of cash have been for development of our oil and natural gas properties and share repurchases.

We believe our annual free cash flow generation, borrowing capacity under the Credit Facility and cash on hand will provide sufficient liquidity to fund our operations, capital expenditures, interest expense and any return of capital to shareholders during the next 12 months.

To the extent actual operating results, realized commodity prices or uses of cash differ from our assumptions, our liquidity could be adversely affected. See [Note 3](#) of our consolidated financial statements for further discussion of our debt obligations, including the principal and carrying amounts of our senior notes.

As of June 30, 2022, we had \$6.6 million of cash and cash equivalents, \$124.0 million of borrowings under our Credit Facility, \$113.2 million of letters of credit outstanding, and \$550 million of outstanding 2026 Senior Notes. Our total principal amount of funded debt as of June 30, 2022 was \$674.0 million.

As of July 28, 2022 we had \$10.0 million of cash and cash equivalents, \$25.0 million in borrowings under our Credit Facility, \$113.2 million of letters of credit outstanding, and \$550 million of outstanding 2026 Senior Notes.

Debt. On October 14, 2021, we entered into the Third Amended and Restated Credit Agreement with JPMorgan Chase Bank, N.A., as administrative agent, and various lender parties. The Credit Facility provides for an aggregate maximum principal amount of up to \$1.5 billion, an initial borrowing base of \$850.0 million and an initial aggregate elected commitment amount of \$700.0 million. The credit agreement also provides for a \$175.0 million sublimit of the aggregate commitments that is available for the issuance of letters of credit.

On May 2, 2022, we entered into the borrowing base redetermination agreement and first amendment to our credit agreement ("Amendment") governing the Credit Facility. The Amendment, among other things, (a) increased the borrowing base under the New Credit Agreement from \$850 million to \$1.0 billion with aggregate elected lender commitments to remain at \$700 million, (b) amended certain covenants related to hedging to ease certain requirements and limitations, (c) amended the covenants governing restricted payments to (i) increase the Net Leverage Ratio allowing unlimited restricted payments from 1.00 to 1.00 to 1.25 to 1.00 and (ii) permit additional restricted payments to redeem preferred equity until December 31, 2022 provided certain leverage, no event of default or borrowing base deficiency and availability tests are met and (d) provide for the transition from a LIBOR to a SOFR benchmark, with a 10 basis point credit spread adjustment for all tenors.

Additionally, on the Emergence Date, pursuant to the terms of the Plan, we issued our 2026 Senior Notes. The 2026 Senior Notes are guaranteed on a senior unsecured basis by each of the Company's subsidiaries that guarantee the Credit Facility.

See [Note 3](#) of our consolidated financial statements for additional discussion of our outstanding debt.

Preferred Dividends. As discussed in [Note 4](#) of our consolidated financial statements, holders of preferred stock are entitled to receive cumulative quarterly dividends at a rate of 10% per annum of the Liquidation Preference (as defined below) with respect to cash dividends and 15% per annum of the Liquidation Preference with respect to dividends paid in kind as additional shares of preferred stock ("PIK Dividends"). We currently have the option to pay either a cash or PIK dividend on a quarterly basis. Each share of preferred stock has a liquidation preference of \$1,000 (the "Liquidation Preference"). The preferred stock has no stated maturity and will remain outstanding indefinitely unless repurchased or redeemed by the Company or converted into common stock.

During the Current Successor YTD Period the company paid \$2.8 million of cash dividends to holders of our preferred stock.

Supplemental Guarantor Financial Information. The 2026 Senior Notes are guaranteed on a senior unsecured basis by all existing consolidated subsidiaries that guarantee our Credit Facility or certain other debt (the “Guarantors”). The 2026 Senior Notes are not guaranteed by Grizzly Holdings or Mule Sky, LLC (the “Non-Guarantors”). The Guarantors are 100% owned by 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. 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 2026 Senior 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 2026 Senior Notes.

SEC Regulation S-X Rule 13-01 requires the presentation of "Summarized Financial Information" to replace the "Condensed Consolidating Financial Information" required under Rule 3-10. Rule 13-01 allows the omission of Summarized Financial Information if assets, liabilities and results of operations of the Guarantors are not materially different than the corresponding amounts presented in our consolidated financial statements. The Parent and Guarantor subsidiaries comprise our material operations. Therefore, we concluded that the presentation of the Summarized Financial Information is not required as our Summarized Financial Information of the Guarantors is not materially different from our consolidated financial statements.

Derivatives and Hedging Activities. Our results of operations and cash flows are impacted by changes in market prices for natural gas, oil and NGL. To mitigate a portion of the exposure to adverse market changes, we have entered into various derivative instruments. Our natural gas, oil and NGL derivative activities, when combined with our sales of natural gas, oil and NGL, allow us to predict with greater certainty the total revenue we will receive. See [Item 3](#) Quantitative and Qualitative Disclosures About Market Risk for further discussion on the impact of commodity price risk on our financial position. Additionally, see [Note 8](#) of our consolidated financial statements for further discussion of derivatives and hedging activities.

Capital Expenditures. Our capital expenditures have historically been related to the execution of our drilling and completion activities in addition to certain lease acquisition activities. Our capital investment strategy is focused on prudently developing our existing properties to generate sustainable cash flow considering current and forecasted commodity prices. For the Current Successor YTD Period, the Company's incurred capital expenditures totaled \$205.6 million, of which \$189.5 million related to drilling and completion activity and \$16.0 million related to leasehold and land investment.

Our capital expenditures for 2022 are currently estimated to be in the range of \$375 million to \$405 million for drilling and completion expenditures. In addition, we currently expect to spend approximately \$35 million in 2022 for non-drilling and completion expenditures, which primarily includes leasehold acquisition, lease extension and lease maintenance payments in the Utica Shale. We expect this drilling program to result in approximately 975 to 1,000 MMcfe per day of production in 2022.

Sources and Uses of Cash

The following table presents the major changes in cash and cash equivalents for the Current Successor YTD Period, Prior Successor Period, and Prior Predecessor YTD Period (in thousands):

	Successor		Predecessor
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021
Net cash provided by operating activities	\$ 383,200	\$ 38,365	\$ 172,155
Additions to oil and natural gas properties	(181,787)	(40,424)	(102,330)
Debt activity, net	(40,000)	(17,751)	(147,660)
Repurchases of common stock	(155,212)	—	—
Proceeds from issuance of preferred stock	—	—	50,000
Preferred stock dividends	(2,828)	—	—
Other	(52)	(1,083)	(2,609)
Net change in cash, cash equivalents and restricted cash	\$ 3,321	\$ (20,893)	\$ (30,444)
Cash, cash equivalents and restricted cash at end of period	\$ 6,581	\$ 38,524	\$ 59,417

Net Cash Provided by Operating Activities

Net cash flow provided by operating activities was \$383.2 million for the Current Successor YTD Period as compared to \$210.5 million for the Prior Combined YTD Period. The increase was primarily the result of an increase in cash receipts from our oil and natural gas purchasers due to increased realized commodities pricing. We also incurred significant charges related to our Chapter 11 reorganization in the Prior Predecessor YTD Period prior to our emergence in the second quarter of 2021.

Capital Expenditures

During the Current Successor YTD Period, we spud seven gross (6.3 net) operated wells and completed three gross (1.7 net) operated wells in the Utica for a total incurred cost of approximately \$110.9 million. During the Current Successor YTD Period, we spud six gross (4.3 net) operated wells and completed and commenced sales from five gross (4.8 net) operated wells in the SCOOP for a total incurred cost of approximately \$66.1 million.

During the Current Successor YTD Period, we did not participate in any wells that were spud or turned to sales by other operators on our Utica acreage. In addition, eight gross (0.05 net) wells were spud and 30 gross (2.6 net) wells were turned to sales by other operators on our SCOOP acreage during the Current Successor YTD Period.

Incurred capital expenditures and cash capital expenditures may vary from period to period due to the cash payment cycle. Cash capital expenditures for the Current Successor YTD Period, Prior Successor Period, and Prior Predecessor YTD Period were as follows (in thousands):

	Successor		Predecessor
	Six Months Ended June 30, 2022	Period from May 18, 2021 through June 30, 2021	Period from January 1, 2021 through May 17, 2021
Oil and Natural Gas Property Cash Expenditures:			
Drilling and completion costs	\$ 156,732	\$ 37,009	\$ 94,128
Leasehold acquisitions	16,194	422	2,752
Other	8,861	2,993	5,450
Total oil and natural gas property expenditures	\$ 181,787	\$ 40,424	\$ 102,330

Debt Activity

In the Current Successor YTD Period, the Company had \$796.0 million and \$836.0 million in borrowings and repayments, respectively, on its Credit Facility. As of July 28, 2022 the Company had \$25.0 million in borrowings outstanding on its Credit Facility.

Repurchases of Common Stock

During the Current Successor YTD Period, we repurchased 1,853,985 of our common shares for approximately \$163.0 million under the Repurchase Program at a weighted average price of \$87.93 per share. As of July 28, 2022, we repurchased 2,186,089 shares for approximately \$189.3 million under the Repurchase Program at a weighted average price of \$86.59 per share. On July 29, 2022 the board approved and increase to the Repurchase Program from \$200 million to \$300 million. See [Note 13](#) of our consolidated financial statements for further discussion of the expanded Repurchase Program.

Issuance of Preferred Stock

During the Prior Predecessor YTD Period, we received approximately \$50.0 million in proceeds related to our preferred stock issuance.

Preferred Stock Dividends

During the Current Successor YTD Period, the company paid \$2.8 million of cash dividends to holders of our preferred stock.

Contractual and Commercial Obligations

We have various contractual obligations in the normal course of our operations and financing activities, as discussed in [Note 7](#) of our consolidated financial statements. There have been no other material changes to our contractual obligations from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021.

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, 2022, our material off-balance sheet arrangements and transactions include \$113.2 million in letters of credit outstanding against our Credit Facility and \$33.1 million in surety bonds issued. Both the letters of credit and surety bonds are being used as financial assurance, primarily on certain firm transportation agreements. 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](#) of our consolidated financial statements for further discussion of the various financial guarantees we have issued.

Critical Accounting Policies and Estimates

As of June 30, 2022, there have been no significant changes in our critical accounting policies from those disclosed in our 2021 Annual Report on Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Natural Gas, Oil and Natural Gas Liquids Derivative Instruments. Our results of operations and cash flows are impacted by changes in market prices for natural gas, oil and NGL. To mitigate a portion of our exposure to adverse price changes, we have entered into various derivative instruments. Our natural gas, oil and NGL derivative activities, when combined with our sales of natural gas, oil and NGL, allow us to predict with greater certainty the revenue we will receive. We believe our derivative instruments continue to be highly effective in achieving our risk management objectives.

Our general strategy for protecting short-term cash flow and attempting to mitigate exposure to adverse natural gas, oil and NGL price changes is to hedge into strengthening natural gas, oil and NGL futures markets when prices reach levels that management believes provide reasonable rates of return on our invested capital. Information we consider in forming an opinion about future prices includes general economic conditions, industrial output levels and expectations, producer breakeven cost structures, liquefied natural gas trends, oil and natural gas storage inventory levels, industry decline rates for base production and weather trends. Executive management is involved in all risk management activities and the board of directors reviews our derivative program at its quarterly board meetings. We believe we have sufficient internal controls to prevent unauthorized trading.

We use derivative instruments to achieve our risk management objectives, including swaps, options and costless collars. All of these are described in more detail below. We typically use swaps for a large portion of the oil and natural gas price risk we hedge. We have also sold calls, taking advantage of premiums associated with market price volatility.

We determine the notional volume potentially subject to derivative contracts by reviewing our overall estimated future production levels, which are derived from extensive examination of existing producing reserve estimates and estimates of estimated production from new drilling. Production forecasts are updated at least monthly and adjusted if necessary to actual results and activity levels. We do not enter into derivative contracts for volumes in excess of our share of forecasted production, and if production estimates were lowered for future periods and derivative instruments are already executed for some volume above the new production forecasts, the positions are typically reversed. The actual fixed prices on our derivative instruments is derived from the reference prices from 3rd party indices such as NYMEX. All of our commodity derivative instruments are net settled based on the difference between the fixed price as stated in the contract and the floating-price, resulting in a net amount due to or from the counterparty.

We review our derivative positions continuously and if future market conditions change and prices are at levels we believe could jeopardize the effectiveness of a position, we will mitigate this risk by either negotiating a cash settlement with our counterparty, restructuring the position or entering a new trade that effectively reverses the current position. The factors we consider in closing or restructuring a position before the settlement date are identical to those we review when deciding to enter the original derivative position.

We have determined the fair value of our derivative instruments utilizing established index prices, volatility curves, discount factors and option pricing models. These estimates are compared to counterparty valuations for reasonableness. Derivative transactions are also subject to the risk that counterparties will be unable to meet their obligations. This non-performance risk is considered in the valuation of our derivative instruments, but to date has not had a material impact on the values of our derivatives. The values we report in our financial statements are as of a point in time and subsequently change as these estimates are revised to reflect actual results, changes in market conditions and other factors. See [Note 9](#) of our consolidated financial statements for further discussion of the fair value measurements associated with our derivatives.

As of June 30, 2022, our natural gas, oil and NGL derivative instruments consisted of the following types of instruments:

- *Swaps:* We receive a fixed price and pay a floating market price to the counterparty for the hedged commodity. In exchange for higher fixed prices on certain of our swap trades, we may sell call options.
- *Basis Swaps:* These instruments are arrangements that guarantee a fixed price differential to NYMEX from a specified delivery point. We receive the fixed price differential and pay the floating market price differential to the counterparty for the hedged commodity.
- *Costless Collars:* Each two-way price collar has a set floor and ceiling price for the hedged production. If the applicable monthly price indices are outside of the ranges set by the floor and ceiling prices in the various collars, the Company will cash-settle the difference with the counterparty.

- *Call Options:* We sell, and occasionally buy, call options in exchange for a premium. At the time of settlement, if the market price exceeds the fixed price of the call option, we pay the counterparty the excess on sold call options, and we receive the excess on bought call options. If the market price settles below the fixed price of the call option, no payment is due from either party.

Our hedge arrangements may expose us to risk of financial loss in certain circumstances, including instances where production is less than expected or commodity prices increase. At June 30, 2022, we had a net liability derivative position of \$929.9 million as compared to a net liability derivative position of \$402.0 million as of December 31, 2021. Utilizing actual derivative contractual volumes, a 10% increase in underlying commodity prices would have increased our liability by approximately \$253.1 million, while a 10% decrease in underlying commodity prices would have decreased our liability by approximately \$245.8 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.

Interest Rate Risk. 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 United States, or, if the Eurodollar rates are elected, the Eurodollar rates. At June 30, 2022, we had \$124.0 million in borrowings outstanding under our Credit Facility which bore interest at a weighted average rate of 4.61%. As of June 30, 2022, we did not have any interest rate swaps to hedge interest rate risks.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Control and Procedures. Under the supervision of our Chief Executive Officer and our Chief Financial Officer, and with participation of management, 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 our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures.

As of June 30, 2022, an evaluation was performed under the supervision and with the participation of management, including our Chief Executive Officer and 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 our Chief Financial Officer have concluded that, as of June 30, 2022, our disclosure controls and procedures are effective.

In designing and evaluating the Company's disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the control system will be met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events and the application of judgment in evaluating the cost-benefit relationship of possible controls and procedures. Because of these and other inherent limitations of control systems, there is only reasonable assurance that the Company's controls will succeed in achieving their goals under all potential future conditions.

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**

The information with respect to this Item 1. Legal Proceedings is set forth in [Note 7](#) of our consolidated financial statements.

ITEM 1A. RISK FACTORS

Our business has many risks. Factors that could materially adversely affect our business, financial condition, operating results or liquidity and the trading price of our common stock or senior notes are described below and under "Risk Factors" in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2021.

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, 2022 was as follows:

Period	Total Number of Shares Purchased ⁽¹⁾	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 ⁽²⁾
April 1 - April 30	309,985	\$ 88.78	309,985	\$ 136,969,000
May 1 - May 31	387,218	\$ 89.12	387,218	\$ 102,460,000
June 1 - June 30	721,900	\$ 91.16	718,700	\$ 36,979,000
Total	1,419,103	\$ 90.08	1,415,903	

(1) During June 2022, we repurchased and canceled 3,200 shares of our common stock at a weighted average price of \$101.58 to satisfy tax withholding requirements incurred upon the vesting of restricted stock unit awards.

(2) In November 2021 our Board of Directors approved a stock repurchase program to acquire up to \$100 million of its common stock. In April 2022, our Board of Directors approved an increase to the authorized common stock repurchase amounts under its Repurchase Program from \$100 million to \$200 million. The stock repurchase program extends through December 31, 2022. At June 30, 2022, there was approximately \$37 million that may yet be repurchased under \$200 million approved amount.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

INDEX OF EXHIBITS

Exhibit Number	Description	Incorporated by Reference				Filed or Furnished Herewith
		Form	SEC File Number	Exhibit	Filing Date	
2.1	Amended Joint Chapter 11 Plan of Reorganization of Gulfport Energy Corporation and its Debtor Subsidiaries, dated April 14, 2021.	8-K	001-19514	2.2	4/29/2021	
3.1	Amended and Restated Certificate of Incorporation of Gulfport Energy Corporation.	8-K	000-19514	3.1	5/17/2021	
3.2	Amended and Restated Bylaws of Gulfport Energy Corporation.	8-K	000-19514	3.2	5/17/2021	
10.1	Borrowing Base Redetermination Agreement and First Amendment to Credit Agreement	10-Q	001-19514	10.1	5/4/2022	
10.2	Employment Agreement between Gulfport Energy Corporation and Timothy Cutt	10-Q	001-19514	10.2	5/4/2022	
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.					X
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.					X
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.					X
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.					X
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.					X
101.SCH	XBRL Taxonomy Extension Schema Document.					X
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document.					X
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.					X

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.	X
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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 3, 2022

GULFPORT ENERGY CORPORATION

By:

/s/ William Buese

William Buese
Chief Financial Officer

CERTIFICATION

I, Timothy J. Cutt, Chief Executive 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;
 - (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.
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;
 - (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 3, 2022

/s/ Timothy J. Cutt

Timothy J. Cutt

Chief Executive Officer

CERTIFICATION

I, William J. Buese, 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;
 - (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.
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;
 - (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 3, 2022

/s/ William J. Buese

William J. Buese
Chief Financial Officer

CERTIFICATION OF PERIODIC REPORT

I, Timothy J. Cutt, Chief Executive 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, 2022 (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 3, 2022

/s/ Timothy J. Cutt

Timothy J. Cutt

Chief Executive 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.

CERTIFICATION OF PERIODIC REPORT

I, William J. Buese, 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, 2022 (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 3, 2022

/s/ William J. Buese

William J. Buese

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.