



**THE FOUNDATION
FOR SECURE
MARKETS**

#47721

DATE: OCTOBER 14, 2020

**SUBJECT: CHAPARRAL ENERGY, INC. – CONTRACT ADJUSTMENT
OPTION SYMBOL: CHAPQ
NEW SYMBOL: CHPQ1
DATE: 10/15/20**

On October 1, 2020, the United States Bankruptcy Court for the District of Delaware confirmed the Debtors' Amended Joint Prepackaged Chapter 11 Plan of Reorganization ("Plan") for Chaparral Energy, Inc. (CHAPQ). The plan became effective on October 14, 2020. As a result, all existing CHAPQ shares will be canceled and converted into the right to receive a pro rata cash portion of the All Holder Settlement Portion, if any, and pro rata portion of distributed New Warrants for each existing CHAPQ share held, if any, as described in the Plan.

The New Warrants may consist of Warrants-A and Warrants-B, the terms of which are described in the Plan.

Fractional Warrants of 0.5 or greater will be rounded to the next higher whole number and fractional warrants of less than 0.5 will be rounded to the next lower whole number.

POSSIBLE SETTLEMENT PROCEDURES

After the Plan is effective, an OTC or OTCBB (Bulletin Board) market may develop in the U.S. for the Warrants, although there is no assurance this will happen. OCC anticipates that if an OTC or OTCBB market develops, NSCC will accept transactions in the Warrants which arise as a result of option exercise and assignment activity. In that event, CHPQ1 option exercise and assignment activity will settle in the normal fashion through NSCC. However, if a market does not develop or NSCC does not accept transactions in the Warrants, OCC anticipates requiring broker to broker settlement for CHPQ1 options after the final distribution is determined.

Pursuant to customary OCC broker to broker settlement procedures, inability to effect delivery may subsequently occasion cash settlement as determined by OCC.

CONTRACT ADJUSTMENT

DATE: October 15, 2020

OPTION SYMBOL: CHAPQ becomes CHPQ1

STRIKE DIVISOR: 1

CONTRACTS
MULTIPLIER: 1

NEW MULTIPLIER: 100 (e.g., a premium of 1.50 yields \$150; a strike of 2.50 yields \$250.00)

NEW DELIVERABLE
PER CONTRACT: 1) 100 x the pro rata cash portion of the All Holder Settlement Portion, if any
2) 100 x the pro rata portion of New Warrants-A, if any
3) 100 x the pro rata portion of New Warrants-B, if any

CUSIPS: New Warrants-A: TBD
New Warrants-B: TBD

DELAYED SETTLEMENT

OCC will delay settlement of the CHPQ1 option deliverable until the final cash amount, and the final distribution ratio, trading symbol, and trading status of the Warrants, are determined. Upon determination of the final cash amount, the Warrants' final distribution ratio, trading symbol, and trading status, OCC will require Put exercisers and Call assignees to deliver the appropriate amount of cash and appropriate number of Warrants, if any.

DISCLAIMER

This Information Memo provides an unofficial summary of the terms of corporate events affecting listed options or futures prepared for the convenience of market participants. OCC accepts no responsibility for the accuracy or completeness of the summary, particularly for information which may be relevant to investment decisions. Option or futures investors should independently ascertain and evaluate all information concerning this corporate event(s).

The determination to adjust options and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article VI, Sections 11 and 11A. The determination to adjust futures and the nature of any adjustment is made by OCC pursuant to OCC By-Laws, Article XII, Sections 3, 4, or 4A, as applicable. For both options and futures, each adjustment decision is made on a case by case basis. Adjustment decisions are based on information available at the time and are subject to change as additional information becomes available or if there are material changes to the terms of the corporate event(s) occasioning the adjustment.

ALL CLEARING MEMBERS ARE REQUESTED TO IMMEDIATELY ADVISE ALL BRANCH OFFICES AND CORRESPONDENTS ON THE ABOVE.

For questions regarding this memo, call Investor Services at 1-888-678-4667 or email investorservices@theocc.com. Clearing Members may contact Member Services at 1-800-544-6091 or, within Canada, at 1-800-424-7320, or email memberservices@theocc.com.