UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10–Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2019

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____.

Commission File Number: 001-35364

AMPLIFY ENERGY CORP.

(Exact name of registrant as specified in its charter)

Delaware	**82-1326219**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
500 Dallas Street, Suite 1700, Houston, TX	**77002**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(713) 490-8900**

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 (§ 232.405 of this chapter) during the preceding 12 months (or for 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

Securities Registered Pursuant to Section 12(b):

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
None	None	None

As of May 3, 2019, the registrant had 22,212,290 outstanding shares of common stock, $0.0001 par value outstanding.

AMPLIFY ENERGY CORP.
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GLOSSARY OF OIL AND NATURAL GAS TERMS

Analogous Reservoir: Analogous reservoirs, as used in resource assessments, have similar rock and fluid properties, reservoir conditions (depth, temperature and pressure) and drive mechanisms, but are typically at a more advanced stage of development than the reservoir of interest and thus may provide concepts to assist in the interpretation of more limited data and estimation of recovery. When used to support proved reserves, analogous reservoir refers to a reservoir that shares all of the following characteristics with the reservoir of interest: (i) the same geological formation (but not necessarily in pressure communication with the reservoir of interest); (ii) the same environment of deposition; (iii) similar geologic structure; and (iv) the same drive mechanism.

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

Bbl/d: One Bbl per day.

Bcfe: One billion cubic feet of natural gas equivalent.

Boe: One barrel of oil equivalent, calculated by converting natural gas to oil equivalent barrels at a ratio of six Mcf of natural gas to one Bbl of oil.

MBoe/d: One million Boe per day.

BOEM: Bureau of Ocean Energy Management.

Btu: One British thermal unit, the quantity of heat required to raise the temperature of a one-pound mass of water by one degree Fahrenheit.

Development Project: A development project is the means by which petroleum resources are brought to the status of economically producible. As examples, the development of a single reservoir or field, an incremental development in a producing field or the integrated development of a group of several fields and associated facilities with a common ownership may constitute a development project.

Dry Hole or ***Dry Well***: A well found to be incapable of producing hydrocarbons in sufficient quantities such that proceeds from the sale of such production would exceed production expenses and taxes.

Economically Producible: The term economically producible, as it relates to a resource, means a resource which generates revenue that exceeds, or is reasonably expected to exceed, the costs of the operation. For this determination, the value of the products that generate revenue are determined at the terminal point of oil and natural gas producing activities.

Exploitation: A development or other project which may target proven or unproven reserves (such as probable or possible reserves), but which generally has a lower risk than that associated with exploration projects.

Field: An area consisting of a single reservoir or multiple reservoirs, all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. The field name refers to the surface area, although it may refer to both the surface and the underground productive formations.

Gross Acres or ***Gross Wells***: The total acres or wells, as the case may be, in which we have a working interest.

ICE: Inter-Continental Exchange.

MBbl: One thousand Bbls.

MBbls/d: One thousand Bbls per day.

Mcf: One thousand cubic feet of natural gas.

Mcf/d: One Mcf per day.

MMBtu: One million Btu.

MMcf: One million cubic feet of natural gas.

MMcfe: One million cubic feet of natural gas equivalent.

MMcfe/d: One MMcfe per day.

Net Production: Production that is owned by us less royalties and production due to others.

NGLs: The combination of ethane, propane, butane and natural gasolines that, when removed from natural gas, become liquid under various levels of higher pressure and lower temperature.

NYMEX: New York Mercantile Exchange.

Oil: Oil and condensate.

Operator: The individual or company responsible for the exploration and/or production of an oil or natural gas well or lease.

OPIS: Oil Price Information Service.

Plugging and abandonment: Refers to the sealing off of fluids in the strata penetrated by a well so that the fluids from one stratum will not escape into another stratum or to the surface. Regulations of all states require plugging of abandoned wells.

Probabilistic Estimate: The method of estimation of reserves or resources is called probabilistic when the full range of values that could reasonably occur for each unknown parameter (from the geoscience and engineering data) is used to generate a full range of possible outcomes and their associated probabilities of occurrence.

Proved Developed Reserves: Proved reserves that can be expected to be recovered from existing wells with existing equipment and operating methods.

Proved Reserves: Those quantities of oil and natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible, from a given date forward, from known reservoirs, and under existing economic conditions, operating methods and government regulations, prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced, or the operator must be reasonably certain that it will commence the project, within a reasonable time. The area of the reservoir considered as proved includes (i) the area identified by drilling and limited by fluid contacts, if any, and (ii) adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or natural gas on the basis of available geoscience and engineering data. In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons, as seen in a well penetration, unless geoscience, engineering or performance data and reliable technology establishes a lower contact with reasonable certainty. Where direct observation from well penetrations has defined a highest known oil elevation and the potential exists for an associated natural gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty. Reserves which can be produced economically through application of improved recovery techniques (including fluid injection) are included in the proved classification when (i) successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir, or an analogous reservoir or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and (ii) the project has been approved for development by all necessary parties and entities, including governmental entities. Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price used is the average price during the twelve-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

Realized Price: The cash market price less all expected quality, transportation and demand adjustments.

Reliable Technology: Reliable technology is a grouping of one or more technologies (including computational methods) that has been field tested and has been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.

Reserves: Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and natural gas or related substances to market and all permits and financing required to implement the project. Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

Reservoir: A porous and permeable underground formation containing a natural accumulation of producible oil and/or natural gas that is confined by impermeable rock or water barriers and is individual and separate from other reserves.

Resources: Resources are quantities of oil and natural gas estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable and another portion may be considered unrecoverable. Resources include both discovered and undiscovered accumulations.

Working Interest: An interest in an oil and natural gas lease that gives the owner of the interest the right to drill for and produce oil and natural gas on the leased acreage and requires the owner to pay a share of the costs of drilling and production operations.

Workover: Operations on a producing well to restore or increase production.

WTI: West Texas Intermediate.

NAMES OF ENTITIES

As used in this Form 10-Q, unless we indicate otherwise:

- "Amplify Energy" refers to Amplify Energy Corp., the successor reporting company of Memorial Production Partners LP, individually and collectively with its subsidiaries, as the context requires;
- "Memorial Production Partners" and "MEMP" refer to Memorial Production Partners LP, individually and collectively with its subsidiaries, as the context requires;
- "Company," "we," "our," "us" or like terms refer to Memorial Production Partners for the period prior to emergence from bankruptcy and to Amplify Energy for the period after emergence from bankruptcy; and
- "OLLC" refers to Amplify Energy Operating LLC, our wholly owned subsidiary through which we operate our properties.

CAUTIONARY NOTE REGARDING FORWARD–LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and section 21E of the Securities Exchange Act of 1934, as amended, that are subject to a number of risks and uncertainties, many of which are beyond our control, which may include statements about our:

- business strategies;
- acquisition and disposition strategy;
- cash flows and liquidity;
- financial strategy;
- ability to replace the reserves we produce through drilling;
- drilling locations;
- oil and natural gas reserves;
- technology;
- realized oil, natural gas and NGL prices;
- production volumes;
- lease operating expense;
- gathering, processing, and transportation;
- general and administrative expense;
- future operating results;
- ability to procure drilling and production equipment;
- ability to procure oil field labor;
- planned capital expenditures and the availability of capital resources to fund capital expenditures;
- ability to access capital markets;
- marketing of oil, natural gas and NGLs;
- acts of God, fires, earthquakes, storms, floods, other adverse weather conditions, war, acts of terrorism, military operations, or national emergency;
- expectations regarding general economic conditions;
- competition in the oil and natural gas industry;
- effectiveness of risk management activities;
- environmental liabilities;
- counterparty credit risk;
- expectations regarding governmental regulation and taxation;
- expectations regarding developments in oil-producing and natural-gas producing countries; and
- plans, objectives, expectations and intentions.

All statements, other than statements of historical fact included in this report, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "would," "should," "expect," "plan," "project," "intend," "anticipate," "believe," "estimate," "predict," "potential," "pursue," "target," "outlook," "continue," the negative of such terms or other comparable terminology. These statements address activities, events or developments that we expect or anticipate will or may occur in the future, including things such as projections of results of operations, plans for growth, goals, future capital expenditures, competitive strengths, references to future intentions and other such references. These forward-looking statements involve risks and uncertainties. Important factors that could cause our actual results or financial condition to differ materially from those expressed or implied by forward-looking statements include, but are not limited to, the following risks and uncertainties:

- our results of evaluation and implementation of strategic alternatives;
- risks related to a redetermination of the borrowing base under our senior secured reserve-based revolving credit facility;
- our ability to access funds on acceptable terms, if at all, because of the terms and conditions governing our indebtedness, including financial covenants;
- our ability to satisfy debt obligations;
- volatility in the prices for oil, natural gas, and NGLs, including further or sustained declines in commodity prices;
- the potential for additional impairments due to continuing or future declines in oil, natural gas and NGL prices;
- the uncertainty inherent in estimating quantities of oil, natural gas and NGLs reserves;
- our substantial future capital requirements, which may be subject to limited availability of financing;
- the uncertainty inherent in the development and production of oil and natural gas;
- our need to make accretive acquisitions or substantial capital expenditures to maintain our declining asset base;
- the existence of unanticipated liabilities or problems relating to acquired or divested businesses or properties;
- potential acquisitions, including our ability to make acquisitions on favorable terms or to integrate acquired properties;
- the uncertainty of whether and when we will be able to complete our announced merger with Midstates Petroleum Company, Inc. ("Midstates") due to the conditions that must be satisfied or waived prior to the completion of the merger, including shareholder and any required regulatory approvals;
- the consequences of changes we have made, or may make from time to time in the future, to our capital expenditure budget, including the impact of those changes on our production levels, reserves, results of operations and liquidity;
- potential shortages of, or increased costs for, drilling and production equipment and supply materials for production, such as CO_2;
- potential difficulties in the marketing of oil and natural gas;
- changes to the financial condition of counterparties;
- uncertainties surrounding the success of our secondary and tertiary recovery efforts;
- competition in the oil and natural gas industry;
- general political and economic conditions, globally and in the jurisdictions in which we operate;
- the impact of legislation and governmental regulations, including those related to climate change and hydraulic fracturing;
- the risk that our hedging strategy may be ineffective or may reduce our income;
- the cost and availability of insurance as well as operating risks that may not be covered by an effective indemnity or insurance; and
- actions of third-party co-owners of interests in properties in which we also own an interest.

The forward-looking statements contained in this report are largely based on our expectations, 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. Although we believe such 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. All readers are cautioned that the forward-looking statements contained in this report are not guarantees of future performance, and we cannot assure any reader that such statements will be realized or that the events or circumstances described in any forward-looking statement will occur. Actual results may differ materially from those anticipated or implied in the forward-looking statements due to factors described in "Part I—Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC on March 6, 2019 ("2018 Form 10-K") and "Part II—Item 1A. Risk Factors" appearing within this report and elsewhere in this report. All forward-looking statements speak only as of the date of this report. We do not intend to update or revise any forward-looking statements as a result of new information, future events or otherwise. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf.

PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

AMPLIFY ENERGY CORP.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except outstanding shares)

	March 31, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 24,876	$ 49,704
Restricted cash	325	325
Accounts receivable	25,086	29,514
Short-term derivative instruments	276	18,813
Prepaid expenses and other current assets	9,738	7,241
Total current assets	60,301	105,597
Property and equipment, at cost:		
Oil and natural gas properties, successful efforts method	609,414	598,331
Support equipment and facilities	110,725	108,760
Other	6,687	6,625
Accumulated depreciation, depletion and impairment	(96,701)	(85,535)
Property and equipment, net	630,125	628,181
Long-term derivative instruments	288	2,469
Restricted investments	94,536	94,467
Operating lease - long term right-of-use asset	5,011	—
Other long-term assets	5,922	6,129
Total assets	$ 796,183	$ 836,843
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 4,580	$ 2,345
Revenues payable	24,136	24,779
Accrued liabilities (see Note 13)	21,199	23,155
Short-term derivative instruments	9,108	139
Total current liabilities	59,023	50,418
Long-term debt (see Note 8)	270,000	294,000
Asset retirement obligations	77,082	75,867
Long-term derivative instruments	1,429	—
Operating lease liability	3,090	—
Other long-term liabilities	62	—
Total liabilities	410,686	420,285
Commitments and contingencies (see Note 15)		
Stockholders' equity:		
Preferred stock, $0.0001 par value: 45,000,000 shares authorized; no shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	—	—
Warrants, 2,173,913 warrants issued and outstanding at March 31, 2019 and December 31, 2018, respectively	4,788	4,788
Common stock, $0.0001 par value: 300,000,000 shares authorized; 22,258,450 and 22,181,881 shares issued and outstanding at March 31, 2019 and December 31, 2018, respectively	3	3
Additional paid-in capital	356,288	355,872
Accumulated earnings (deficit)	24,418	55,895
Total stockholders' equity	385,497	416,558
Total liabilities and equity	$ 796,183	$ 836,843

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

AMPLIFY ENERGY CORP.
UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED OPERATIONS
(In thousands, except per share amounts)

	For the Three Months Ended March 31,	
	2019	**2018**
Revenues:		
Oil and natural gas sales	$ 65,067	$ 87,847
Other revenues	88	85
Total revenues	65,155	87,932
Costs and expenses:		
Lease operating expense	28,910	29,570
Gathering, processing and transportation	4,657	5,600
Exploration	15	34
Taxes other than income	4,409	5,037
Depreciation, depletion and amortization	11,166	12,958
General and administrative expense	9,308	10,657
Accretion of asset retirement obligations	1,311	1,718
(Gain) loss on commodity derivative instruments	32,487	10,456
(Gain) loss on sale of properties	—	2,373
Other, net	143	—
Total costs and expenses	92,406	78,403
Operating income (loss)	(27,251)	9,529
Other income (expense):		
Interest expense, net	(4,089)	(5,772)
Total other income (expense)	(4,089)	(5,772)
Income (loss) before reorganization items, net and income taxes	(31,340)	3,757
Reorganization items, net	(187)	(518)
Income tax benefit (expense)	50	—
Net income (loss)	(31,477)	3,239
Net (income) loss allocated to participating restricted stockholders	—	(83)
Net income (loss) attributable to common stockholders	$ (31,477)	$ 3,156
Earnings per share: (See Note 10)		
Basic and diluted earnings per share	$ (1.42)	$ 0.13
Weighted average common shares outstanding:		
Basic and diluted	22,179	25,000

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

AMPLIFY ENERGY CORP.
UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED CASH FLOWS
(In thousands)

	For the Three Months Ended March 31,	
	2019	**2018**
Cash flows from operating activities:		
Net income (loss)	$ (31,477)	$ 3,239
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation, depletion and amortization	11,166	12,958
(Gain) loss on derivative instruments	32,393	10,456
Cash settlements (paid) received on expired derivative instruments	(1,277)	4,876
Bad debt expense	101	—
Amortization of deferred financing costs	308	541
Accretion of asset retirement obligations	1,311	1,718
(Gain) loss on sale of properties	—	2,373
Share-based compensation (see Note 11)	1,443	1,176
Settlement of asset retirement obligations	(162)	—
Changes in operating assets and liabilities:		
Accounts receivable	4,326	2,839
Prepaid expenses and other assets	(6,856)	(115)
Payables and accrued liabilities	(537)	2,086
Other	61	—
Net cash provided by operating activities	10,800	42,147
Cash flows from investing activities:		
Additions to oil and gas properties	(10,370)	(13,098)
Additions to other property and equipment	(62)	—
Additions to restricted investments	(68)	(186)
Net cash used in investing activities	(10,500)	(13,284)
Cash flows from financing activities:		
Advances on revolving credit facilities	—	5,000
Payments on revolving credit facilities	(24,000)	(34,000)
Deferred financing costs	(101)	—
Costs incurred in conjunction with tender offer	(107)	—
Common stock repurchased and retired under the share repurchase program	(920)	—
Other	—	(213)
Net cash used in financing activities	(25,128)	(29,213)
Net change in cash, cash equivalents and restricted cash	(24,828)	(350)
Cash, cash equivalents and restricted cash, beginning of period	50,029	6,392
Cash, cash equivalents and restricted cash, end of period	$ 25,201	$ 6,042

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

AMPLIFY ENERGY CORP.
UNAUDITED CONDENSED STATEMENTS OF CONSOLIDATED EQUITY
(In thousands)

	Stockholders' Equity				
	Common Stock	Warrants	Additional Paid-in Capital	Accumulated Earnings (Deficit)	Total
Balance at December 31, 2017	$ 3	$ 4,788	$ 387,856	$ 1,286	$ 393,933
Net income (loss)	—	—	—	3,239	3,239
Share-based compensation expense	—	—	1,176	—	1,176
Other	—	—	(208)	—	(208)
Balance at March 31, 2018	$ 3	$ 4,788	$ 388,824	$ 4,525	$ 398,140

	Stockholders' Equity				
	Common Stock	Warrants	Additional Paid-in Capital	Accumulated Earnings (Deficit)	Total
Balance at December 31, 2018	$ 3	$ 4,788	$ 355,872	$ 55,895	$ 416,558
Net income (loss)	—	—	—	(31,477)	(31,477)
Costs incurred in conjunction with tender offer	—	—	(107)	—	(107)
Share-based compensation expense	—	—	1,443	—	1,443
Common stock repurchased and retired under the share repurchase program	—	—	(920)	—	(920)
Restricted shares repurchased	—	—	—	—	—
Other	—	—	—	—	—
Balance at March 31, 2019	$ 3	$ 4,788	$ 356,288	$ 24,418	$ 385,497

See Accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

Note 1. Organization and Basis of Presentation

General

When referring to Amplify Energy Corp. (formerly known as Memorial Production Partners LP and also referred to as "Amplify Energy," or the "Company"), the intent is to refer to Amplify Energy, a newly formed Delaware corporation, and its consolidated subsidiaries as a whole or on an individual basis, depending on the context in which the statements are made. Amplify Energy is the successor reporting company of Memorial Production Partners LP ("MEMP") pursuant to Rule 15d-5 of the Securities Exchange Act of 1934, as amended.

We operate in one reportable segment engaged in the acquisition, development, exploitation and production of oil and natural gas properties. Our management evaluates performance based on one reportable business segment as the economic environments are not different within the operation of our oil and natural gas properties. Our assets consist primarily of producing oil and natural gas properties and are located in the Rockies, federal waters offshore Southern California, East Texas / North Louisiana and South Texas. Most of our oil and natural gas properties are located in large, mature oil and natural gas reservoirs. The Company's properties consist primarily of operated and non-operated working interests in producing and undeveloped leasehold acreage and working interests in identified producing wells.

Basis of Presentation

Our Unaudited Condensed Consolidated Financial Statements included herein have been prepared pursuant to the rules and guidelines of the Securities and Exchange Commission (the "SEC"). The results reported in these Unaudited Condensed Consolidated Financial Statements should not necessarily be taken as indicative of results that may be expected for the entire year. In our opinion, the accompanying Unaudited Condensed Consolidated Financial Statements include all adjustments of a normal recurring nature necessary for fair presentation. Although we believe the disclosures in these financial statements are adequate, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted pursuant to the rules and regulations of the SEC.

The Unaudited Condensed Consolidated Financial Statements have been prepared as if the Company is a going concern and reflect the application of Accounting Standards Codification 852 "Reorganizations" ("ASC 852"). ASC 852 requires that the financial statements, for periods subsequent to the Chapter 11 filing, distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business. Accordingly, certain expenses, gains and losses that were realized or incurred in the bankruptcy proceedings are recorded in "reorganization items, net" on the Company's Unaudited Condensed Statements of Consolidated Operations.

All material intercompany transactions and balances have been eliminated in preparation of our consolidated financial statements.

Beginning in 2019, the Company has elected to change its reporting convention from natural gas equivalent (Mcfe) to barrels of oil equivalent (Boe). The change in presentation reflects our liquids-weighted production and reserve profile with a balanced approach to development of our oil and natural gas asset portfolio. The Company's proved reserves as of year-end 2018 were 50% crude oil, 15% natural gas liquids and 35% natural gas.

Use of Estimates

The preparation of the accompanying Unaudited Condensed Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates include, but are not limited to, oil and natural gas reserves; depreciation, depletion, and amortization of proved oil and natural gas properties; future cash flows from oil and natural gas properties; impairment of long-lived assets; fair value of derivatives; fair value of equity compensation; fair values of assets acquired and liabilities assumed in business combinations and asset retirement obligations.

Note 2. Summary of Significant Accounting Policies

A discussion of our significant accounting policies and estimates is included in our 2018 Form 10-K.

Reorganization Items, Net

The Company has incurred significant costs associated with the reorganization. Reorganization items, net, which are expensed as incurred, represent costs and income directly associated with the Chapter 11 proceedings since January 16, 2017, the petition date.

The following table summarizes the components of reorganization items, net included in the accompanying Unaudited Condensed Statements of Consolidated Operations (in thousands):

	For the Three Months Ended March 31,	
	2019	2018
Professional fees	(26)	(414)
Other	(161)	(104)
Reorganization items, net	$ (187)	$ (518)

Lease Recognition

In February 2016, the FASB issued guidance regarding the accounting for leases. The FASB retained a dual model, requiring leases to be classified as either direct financing or operating leases. The classification will be based on criteria that are similar to the current lease accounting treatment. The Company is the lessee under various agreements for office space, compressors, equipment, vehicles and surface rentals (right of use assets) that are currently accounted for as operating leases.

The Company applied the revised lease rules for our interim and annual reporting periods starting January 1, 2019 using the modified retrospective approach with a cumulative impact to retained earnings in that period, and including several optional practical expedients relating to leases commenced before the effective date. The practical expedients the Company adopted are: (1) the original correct assessment of a contract containing a lease will be accepted without further review on all existing or expired contracts; (2) the original lease classification as an operating lease will convert as an operating lease under the new guidance; (3) initial direct costs for any existing leases will not be reassessed; (4) existing land easements or right of use agreements will continue under current accounting policy and only new agreements will be evaluated in the future; and (5) short-term leases for twelve months or less will not be evaluated under the guidance.

See Note 12 for additional information regarding the adoption of the leases standard.

New Accounting Pronouncements

Other accounting standards that have been issued by the FASB or other standards-setting bodies are not expected to have a material impact on the Company's financial position, results of operations and cash flows.

Note 3. Revenue

Revenue from contracts with customers

The Company adopted Accounting Standard Update (ASU) No. 2014-09, revenue from contracts with customers (ASC 606), on January 1, 2018 using the modified retrospective method of adoption. Adoption of the ASU did not require an adjustment to the opening balance of equity and did not materially change the Company's amount and timing of revenues. The Company applied the ASU only to contracts that were not completed as of January 1, 2018.

The reclassification of certain fees between oil and natural gas sales and gathering, processing and transportation is the result of the Company's assessment of the point in time at which its performance obligations under its commodity sales contracts are satisfied and control of the commodity is transferred to the customer. The Company has determined that its contracts for the sale of crude oil, unprocessed natural gas, residue gas and NGLs contain monthly performance obligations to deliver product at locations specified in the contract. Control is transferred at the delivery location, at which point the performance obligation has been satisfied and revenue is recognized. Fees included in the contract that are incurred prior to control transfer are classified as gathering, processing and transportation and fees incurred after control transfers are included as a reduction to the transaction price. The transaction price at which revenue is recognized consists entirely of variable consideration based on quoted market prices less various fees and the quantity of volumes delivered.

Oil and natural gas revenues are recorded using the sales method. Under this method, revenues are recognized based on actual volumes of oil and natural gas sold to purchasers, regardless of whether the sales are proportionate to our ownership in the property. An asset or a liability is recognized to the extent there is an imbalance in excess of the proportionate share of the remaining recoverable reserves on the underlying properties. No significant imbalances existed at March 31, 2019.

Disaggregation of Revenue

We have identified three material revenue streams in our business: oil, natural gas and NGLs. The following table present our revenues disaggregated by revenue stream.

	For the Three Months Ended March 31,	
	2019	2018
	(in thousands)	
Revenues		
Oil	$ 40,057	$ 54,726
NGLs	$ 5,865	$ 10,946
Natural gas	$ 19,145	$ 22,175
Oil and natural gas sales	$ 65,067	$ 87,847

Contract Balances

Under our sales contracts, we invoice customers once our performance obligations have been satisfied, at which point payment is unconditional. Accordingly, our contracts do not give rise to contract assets or liabilities. Accounts receivable attributable to our revenue contracts with customers was $24.8 million at March 31, 2019 and $25.0 million at December 31, 2018.

Transaction Price Allocated to Remaining Performance Obligations

For our contracts that have a contract term greater than one year, we have utilized the practical expedient in ASC 606, which states that a company is not required to disclose the transaction price allocated to remaining performance obligations if the variable consideration is allocated entirely to a wholly unsatisfied performance obligation. Under our contracts, each unit of product delivered to the customer 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. For our contracts that have a contract term of one year or less, we have utilized the practical expedient in ASC 606, which states that a company is not required to disclose 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.

Note 4. Acquisitions and Divestitures

Acquisition and Divestiture Related Expenses

Acquisition and divestiture related expenses for both related party and third party transactions are included in general and administrative expense in the accompanying Unaudited Condensed Statements of Consolidated Operations for the periods indicated below (in thousands):

For the Three Months Ended March 31,	
2019	2018
$ 364	$ 208

Acquisitions and Divestitures

There were no material acquisitions or divestitures during the three months ended March 31, 2019.

On May 30, 2018, we closed a transaction to divest certain of our non-core assets located in South Texas (the "South Texas Divestiture") for total proceeds of approximately $17.1 million, including final post-closing adjustments. This disposition did not qualify as a discontinued operation.

Note 5. Fair Value Measurements of Financial Instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a specified measurement date. Fair value estimates are based on either (i) actual market data or (ii) assumptions that other market participants would use in pricing an asset or liability, including estimates of risk. A three-tier hierarchy has been established that classifies fair value amounts recognized or disclosed in the financial statements. The hierarchy considers fair value amounts based on observable inputs (Levels 1 and 2) to be more reliable and predictable than those based primarily on unobservable inputs (Level 3). All of the derivative instruments reflected on the accompanying Unaudited Condensed Consolidated Balance Sheets were considered Level 2.

The carrying values of accounts receivables, accounts payables (including accrued liabilities), restricted investments and amounts outstanding under long-term debt agreements with variable rates included in the accompanying Unaudited Condensed Consolidated Balance Sheets approximated fair value at March 31, 2019 and December 31, 2018. The fair value estimates are based upon observable market data and are classified within Level 2 of the fair value hierarchy. These assets and liabilities are not presented in the following tables.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

The fair market values of the derivative financial instruments reflected on the accompanying Unaudited Condensed Consolidated Balance Sheets as of March 31, 2019 and December 31, 2018 were based on estimated forward commodity prices. Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement in its entirety. The significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels.

The following table presents the gross derivative assets and liabilities that are measured at fair value on a recurring basis at March 31, 2019 and December 31, 2018 for each of the fair value hierarchy levels:

	Fair Value Measurements at March 31, 2019 Using			
	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
	(In thousands)			
Assets:				
Commodity derivatives	$ —	$ 7,992	$ —	$ 7,992
Interest rate derivatives	—	142	—	142
Total assets	$ —	$ 8,134	$ —	$ 8,134
Liabilities:				
Commodity derivatives	$ —	$ 18,058	$ —	$ 18,058
Interest rate derivatives	—	49	—	49
Total liabilities	$ —	$ 18,107	$ —	$ 18,107

	Fair Value Measurements at December 31, 2018 Using			
	Quoted Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value
	(In thousands)			
Assets:				
Commodity derivatives	$ —	$ 25,515	$ —	$ 25,515
Liabilities:				
Commodity derivatives	$ —	$ 4,372	$ —	$ 4,372

See Note 6 for additional information regarding our derivative instruments.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are reported at fair value on a nonrecurring basis as reflected on the accompanying Unaudited Condensed Consolidated Balance Sheets. The following methods and assumptions are used to estimate the fair values:

- The fair value of asset retirement obligations ("AROs") is based on discounted cash flow projections using numerous estimates, assumptions and judgments regarding factors such as the existence of a legal obligation for an ARO; amounts and timing of settlements; the credit-adjusted risk-free rate; and inflation rates. The initial fair value estimates are based on unobservable market data and are classified within Level 3 of the fair value hierarchy. See Note 7 for a summary of changes in AROs.

- Proved oil and natural gas properties are reviewed for impairment when events and circumstances indicate a possible decline in the recoverability of the carrying value of such properties. The factors used to determine fair value include, but are not limited to, estimates of proved reserves, estimates of probable reserves, future commodity prices, the timing of future production and capital expenditures and a discount rate commensurate with the risk reflective of the lives remaining for the respective oil and natural gas properties.

- Unproved oil and natural gas properties are reviewed for impairment based on time or geologic factors. Information such as drilling results, reservoir performance, seismic interpretation or future plans to develop acreage is also considered.

- No impairments were recognized during the three months ended March 31, 2019 and 2018, respectively.

Note 6. Risk Management and Derivative Instruments

Derivative instruments are utilized to manage exposure to commodity price fluctuations and achieve a more predictable cash flow in connection with natural gas and oil sales from production and borrowing related activities. These instruments limit exposure to declines in prices, but also limit the benefits that would be realized if prices increase.

Certain inherent business risks are associated with commodity derivative contracts, including market risk and credit risk. Market risk is the risk that the price of natural gas or oil will change, either favorably or unfavorably, in response to changing market conditions. Credit risk is the risk of loss from nonperformance by the counterparty to a contract. It is our policy to enter into derivative contracts, only with creditworthy counterparties, which generally are financial institutions, deemed by management as competent and competitive market makers. Some of the lenders, or certain of their affiliates, under our previous and current credit agreements are counterparties to our derivative contracts. While collateral is generally not required to be posted by counterparties, credit risk associated with derivative instruments is minimized by limiting exposure to any single counterparty and entering into derivative instruments only with creditworthy counterparties that are generally large financial institutions. Additionally, master netting agreements are used to mitigate risk of loss due to default with counterparties on derivative instruments. We have also entered into International Swaps and Derivatives Association Master Agreements ("ISDA Agreements") with each of our counterparties. The terms of the ISDA Agreements provide us and each of our counterparties with rights of set-off upon the occurrence of defined acts of default by either us or our counterparty to a derivative, whereby the party not in default may set-off all liabilities owed to the defaulting party against all net derivative asset receivables from the defaulting party. At March 31, 2019, after taking into effect netting arrangements, we had no counterparty exposure related to our derivative instruments. As a result, had all counterparties failed completely to perform according to the terms of the existing contracts, we would have had the right to offset $0.1 million against amounts outstanding under our New Revolving Credit Facility (as defined below) at March 31, 2019. See Note 8 for additional information regarding our Emergence Credit Facility and our New Revolving Credit Facility (as defined below).

Commodity Derivatives

We may use a combination of commodity derivatives (e.g., floating-for-fixed swaps, put options, and costless collars) to manage exposure to commodity price volatility. We recognize all derivative instruments at fair value.

We enter into natural gas derivative contracts that are indexed to NYMEX-Henry Hub. We also enter into oil derivative contracts indexed to either NYMEX-WTI or ICE Brent. Our NGL derivative contracts are primarily indexed to OPIS Mont Belvieu.

At March 31, 2019, we had the following open commodity positions:

	Remaining 2019	2020	2021
Natural Gas Derivative Contracts:			
Fixed price swap contracts:			
Average monthly volume (MMBtu)	1,540,000	150,000	—
Weighted-average fixed price	$ 2.88	$ 2.65	$ —
Collar contracts:			
Average monthly volume (MMBtu)	—	520,000	87,500
Weighted-average floor price	—	$ 2.64	$ 2.66
Weighted-average ceiling price	$ —	$ 2.96	$ 2.99
Crude Oil Derivative Contracts:			
Fixed price swap contracts:			
Average monthly volume (Bbls)	135,333	75,000	33,750
Weighted-average fixed price	$ 52.60	$ 56.33	$ 55.93
Collar contracts:			
Average monthly volume (Bbls)	50,667	14,300	—
Weighted-average floor price	$ 55.00	$ 55.00	$ —
Weighted-average ceiling price	$ 63.85	$ 62.10	$ —
Purchased put option contracts:			
Average Monthly Volume (Bbls)	—	25,550	—
Weighted-average strike price	$ —	$ 55.00	$ —
Weighted-average deferred premium	$ —	$ 7.09	$ —
NGL Derivative Contracts:			
Fixed price swap contracts:			
Average monthly volume (Bbls)	72,000	37,925	5,500
Weighted-average fixed price	$ 29.96	$ 27.94	$ 27.23

Interest Rate Swaps

Periodically, we enter into interest rate swaps to mitigate exposure to market rate fluctuations by converting variable interest rates such as those in our credit agreement to fixed interest rates. At March 31, 2019, we had the following interest rate swap open positions:

	Remaining 2019	2020	2021
Average Monthly Notional (in thousands)	$ 50,000	$ 50,000	$ 50,000
Weighted-average fixed rate	2.109%	2.109%	2.109%
Floating rate	1 Month LIBOR	1 Month LIBOR	1 Month LIBOR

Balance Sheet Presentation

The following table summarizes both: (i) the gross fair value of derivative instruments by the appropriate balance sheet classification even when the derivative instruments are subject to netting arrangements and qualify for net presentation in the balance sheet and (ii) the net recorded fair value as reflected on the balance sheet at March 31, 2019 and December 31, 2018. There was no cash collateral received or pledged associated with our derivative instruments since most of the counterparties, or certain of their affiliates, to our derivative contracts are lenders under our credit agreement.

Type	Balance Sheet Location	Asset Derivatives March 31, 2019	Liability Derivatives March 31, 2019	Asset Derivatives December 31, 2018	Liability Derivatives December 31, 2018
		(In thousands)			
Commodity contracts	Short-term derivative instruments	$ 4,504	$ 13,469	$ 21,217	$ 2,543
Interest rate swaps	Short-term derivative instruments	133	—	—	—
Gross fair value		4,637	13,469	21,217	2,543
Netting arrangements		(4,361)	(4,361)	(2,404)	(2,404)
Net recorded fair value	Short-term derivative instruments	$ 276	$ 9,108	$ 18,813	$ 139
Commodity contracts	Long-term derivative instruments	$ 3,489	$ 4,590	$ 4,298	$ 1,829
Interest rate swaps	Long-term derivative instruments	9	49	—	—
Gross fair value		3,498	4,639	4,298	1,829
Netting arrangements		(3,210)	(3,210)	(1,829)	(1,829)
Net recorded fair value	Long-term derivative instruments	$ 288	$ 1,429	$ 2,469	$ —

(Gains) Losses on Derivatives

We do not designate derivative instruments as hedging instruments for accounting and financial reporting purposes. Accordingly, all gains and losses, including changes in the derivative instruments' fair values, have been recorded in the accompanying Unaudited Condensed Statements of Consolidated Operations. The following table details the gains and losses related to derivative instruments for the periods indicated (in thousands):

	Statements of Operations Location	For the Three Months Ended March 31, 2019	2018
Commodity derivative contracts	(Gain) loss on commodity derivatives	$ 32,487	$ 10,456
Interest rate derivatives	Interest expense, net	(94)	—

Note 7. Asset Retirement Obligations

The Company's asset retirement obligations primarily relate to the Company's portion of future plugging and abandonment costs for wells and related facilities. The following table presents the changes in the asset retirement obligations for the three months ended March 31, 2019 (in thousands):

Asset retirement obligations at beginning of period	$ 76,344
Liabilities added from acquisition or drilling	7
Liabilities settled	(162)
Accretion expense	1,311
Revision of estimates	59
Asset retirement obligation at end of period	77,559
Less: Current portion	(477)
Asset retirement obligations - long-term portion	$ 77,082

Note 8. Long-Term Debt

The following table presents our consolidated debt obligations at the dates indicated:

	March 31, 2019	December 31, 2018
	(In thousands)	
$425.0 million New Revolving Credit Facility, variable-rate, due November 2023 (1)	$ 270,000	$ 294,000
Long-term debt	$ 270,000	$ 294,000

(1) The carrying amount of our New Revolving Credit Facility approximates fair value because the interest rates are variable and reflective of market rates.

New Revolving Credit Facility

Amplify Energy Operating LLC, our wholly owned subsidiary, is a party to a reserve-based revolving credit facility (the "New Revolving Credit Facility"), subject to a borrowing base of $425.0 million as of March 31, 2019, which is guaranteed by us and all of our current subsidiaries.

Our borrowing base under our New Revolving Credit Facility is subject to redetermination on at least a semi-annual basis primarily based on a reserve engineering report with respect to our estimated natural gas, oil and NGL reserves, which takes into account the prevailing natural gas, oil and NGL prices at such time, as adjusted for the impact of our commodity derivative contracts.

Emergence Credit Facility

At March 31, 2018, Amplify Energy Operating LLC, our wholly owned subsidiary ("OLLC"), was a party to a $1.0 billion revolving credit facility (our "Emergence Credit Facility") which was guaranteed by us and all of our current subsidiaries.

On November 2, 2018, in connection with entry into our New Revolving Credit Facility, the Emergence Credit Facility was terminated and repaid in full.

Weighted-Average Interest Rates

The following table presents the weighted-average interest rates paid, excluding commitment fees, on our consolidated variable-rate debt obligations for the periods presented:

	For the Three Months Ended March 31,	
	2019	2018
New Revolving Credit Facility	5.07%	n/a
Emergence Credit Facility	n/a	5.48%

Letters of Credit

At March 31, 2019, we had $1.7 million of letters of credit outstanding, primarily related to operations at our Wyoming properties.

Unamortized Deferred Financing Costs

Unamortized deferred financing costs associated with our New Revolving Credit Facility was $4.8 million at March 31, 2019. At March 31, 2019, the unamortized deferred financing costs are amortized over the remaining life of our New Revolving Credit Facility.

Note 9. Equity (Deficit)

Common Stock

The Company's authorized capital stock includes 300,000,000 shares of common stock, $0.0001 par value per share. The following is a summary of the changes in our common stock issued for the three months ended March 31, 2019:

	Common Shares
Balance, December 31, 2018	22,181,881
Issuance of common stock	—
Restricted stock units vested	287,658
Repurchase of common shares	(88,508)
Common stock repurchased and retired under share repurchase program	(122,581)
Balance, March 31, 2019	22,258,450

Warrants

On the May 4, 2017 (the "Effective Date"), the Company entered into a warrant agreement with American Stock Transfer & Trust Company, LLC, as warrant agent, pursuant to which the Company issued warrants to purchase up to 2,173,913 shares of the Company's common stock (representing 8% of the Company's outstanding common stock as of the Effective Date including shares of the Company's common stock issuable upon full exercise of the warrants, but excluding any common stock issuable under the Management Incentive Plan (the "MIP")), exercisable for a five-year period commencing on the Effective Date at an exercise price of $42.60 per share.

Share Repurchase Program

On December 21, 2018, the Company's board of directors authorized the repurchase of up to $25.0 million of the Company's outstanding shares of common stock, with repurchases beginning on January 9, 2019. During the three months ended March 31, 2019, the Company repurchased 122,581 shares of common stock at an average price of $7.82 for a total cost of approximately $0.9 million. At March 31, 2019, approximately $24.1 million remains available for repurchase under the program.

Note 10. Earnings per Share

The following sets forth the calculation of earnings (loss) per share, or EPS, for the periods indicated (in thousands, except per share amounts):

	For the Three Months Ended March 31,	
	2019	2018
Net income (loss)	$ (31,477)	$ 3,239
Less: Net income allocated to participating restricted stockholders	—	(83)
Basic and diluted earnings available to common stockholders	$ (31,477)	$ 3,156
Common shares/units:		
Common shares outstanding — basic	22,179	25,000
Dilutive effect of potential common shares	—	—
Common shares outstanding — diluted	22,179	25,000
Net earnings per share:		
Basic	$ (1.42)	$ 0.13
Diluted	$ (1.42)	$ 0.13
Antidilutive stock options (1)	—	513
Antidilutive warrants (2)	2,174	2,174

(1) Amount represents options to purchase common stock that are excluded from the diluted net earnings per share calculations because of their antidilutive effect.

(2) Amount represents warrants to purchase common stock that are excluded from the diluted net earnings per share calculations because of their antidilutive effect.

Note 11. Long-Term Incentive Plans

In May 2017, the Company implemented the Management Incentive Plan (the "MIP"). At March 31, 2019, an aggregate of 2,322,404 shares of the Company's common stock are reserved for issuance under the MIP.

Restricted Stock Units

Restricted Stock Units with Service Vesting Condition

The restricted stock units with service vesting conditions ("TSUs") are accounted for as equity-classified awards. The grant-date fair value is recognized as compensation cost on a straight-line basis over the requisite service period and forfeitures are accounted for as they occur. Compensation costs are recorded as general and administrative expense. The unrecognized cost associated with the TSUs was $4.8 million at March 31, 2019. We expect to recognize the unrecognized compensation cost for these awards over a weighted-average period of approximately 2.0 years.

The following table summarizes information regarding the TSUs granted under the MIP for the period presented:

	Number of Units	Weighted-Average Grant Date Fair Value per Unit (1)
TSUs outstanding at December 31, 2018	598,024	$ 11.35
Granted (2)	276,398	$ 6.92
Forfeited	(17,250)	$ 10.00
Vested	(276,849)	$ 7.07
TSUs outstanding at March 31, 2019	580,323	$ 11.32

(1) Determined by dividing the aggregate grant date fair value of awards by the number of awards issued.
(2) The aggregate grant date fair value of TSUs issued for the three months ended March 31, 2019 was $1.9 million based on a grant date market price ranging from $6.87 to $8.70 per share.

Restricted Stock Units with Market and Service Vesting Conditions

The restricted stock units with market and service vesting conditions ("PSUs") are accounted for as equity-classified awards. The grant-date fair value is recognized as compensation cost on a graded-vesting basis. As such, the Company recognizes compensation cost over the requisite service period for each separately vesting tranche of the award as though the award were, in substance, multiple awards. The Company accounts for forfeitures as they occur. Compensation costs are recorded as general and administrative expense. The unrecognized cost related to the PSUs was $1.3 million at March 31, 2019. We expect to recognize the unrecognized compensation cost for these awards over a weighted-average period of approximately 1.4 years.

During the three months ended March 31, 2019, the Company granted PSUs to certain new employees of the Company. The PSUs will vest based on the satisfaction of service and market vesting conditions with market vesting based on the Company's achievement of certain share price targets. The PSUs are subject to service-based vesting such that 50% of the PSUs service vest on the applicable market vesting date and an additional 25% of the PSUs service vest on each of the first and second anniversaries of the applicable market vesting date.

In the event of a qualifying termination, subject to certain conditions, (i) all PSUs that have satisfied the market vesting conditions will fully service vest, upon such termination, and (ii) if the termination occurs between the second and third anniversaries of the grant date, then PSUs that have not market vested as of the termination will market vest to the extent that the share targets (in each case, reduced by $0.25) are achieved as of such termination. Subject to the foregoing, any unvested PSUs will be forfeited upon termination of employment.

A Monte Carlo simulation was used in order to determine the fair value of these awards at the grant date.

The assumptions used to estimate the fair value of the PSUs are as follows:

Share price targets	$ 12.50	$ 15.00	$ 17.50
Risk-free interest rate:			
Awards Issued on January 1, 2019	2.44%	2.44%	2.44%
Dividend yield	—	—	—
Expected volatility:			
Awards Issued on January 1, 2019	54.0%	54.0%	54.0%
Calculated fair value per PSU:			
Awards Issued on January 1, 2019	$ 6.76	$ 5.86	$ 5.11

The following table summarizes information regarding the PSUs granted under the MIP for the period presented:

	Number of Units	Weighted-Average Grant Date Fair Value per Unit (1)
PSUs outstanding at December 31, 2018	393,500	$ 8.14
Granted (2)	7,750	$ 5.91
Forfeited	(13,250)	$ 7.59
Vested	—	$ —
PSUs outstanding at March 31, 2019	388,000	$ 8.11

(1) Determined by dividing the aggregate grant date fair value of awards by the number of awards issued.

(2) The aggregate grant date fair value of PSUs issued for the three months ended March 31, 2019 was less than $0.1 million based on a calculated fair value price ranging from $5.11 to $6.76 per share.

2017 Non-Employee Directors Compensation Plan

In June 2017, the Company implemented the 2017 Non-Employee Directors Compensation Plan ("Directors Compensation Plan") to attract and retain services of experienced non-employee directors of the Company or its subsidiaries. An aggregate of 200,000 shares of the Company's common stock are reserved for issuance under the Directors Compensation Plan.

The restricted stock units with a service vesting condition ("Board RSUs") are accounted for as equity-classified awards. The grant-date fair value is recognized as compensation cost on a straight-line basis over the requisite service period and forfeitures are accounted for as they occur. Compensation costs are recorded as general and administrative expense. The unrecognized cost associated with restricted stock unit awards was $0.2 million at March 31, 2019. We expect to recognize the unrecognized compensation cost for these awards over a weighted-average period of approximately 1.8 years.

The following table summarizes information regarding the Board RSUs granted under the Directors Compensation Plan for the period presented:

	Number of Units	Weighted-Average Grant Date Fair Value per Unit (1)
Board RSUs outstanding at December 31, 2018	39,604	$ 11.36
Granted	—	$ —
Forfeited	—	$ —
Vested	(10,809)	$ 11.57
Board RSUs outstanding at March 31, 2019	28,795	$ 11.29

(1) Determined by dividing the aggregate grant date fair value of awards by the number of awards issued.

Compensation Expense

The following table summarizes the amount of recognized compensation expense associated with the MIP and Directors Compensation Plan, which are reflected in the accompanying Unaudited Condensed Statements of Consolidated Operations for the periods presented (in thousands):

	For the Three Months Ended March 31,	
	2019	2018
Equity classified awards		
TSUs	$ 669	$ 948
PSUs	396	—
Board RSUs	113	19
Restricted stock options	—	209
	$ 1,178	$ 1,176

Note 12. Leases

As discussed in Note 2, the Company adopted ASU 842, leases, on January 1, 2019 using the modified retrospective approach with a cumulative impact to retained earnings. The adoption of this standard has resulted in an increase in the assets and liabilities on the Company's Unaudited Condensed Consolidated Balance Sheet. The Company has completed the review and evaluation of current and potential leases which resulted primarily in our corporate office lease and some minor equipment and vehicle leases qualifying under the new guidance. Based upon this analysis, the impact of the new guidance established a liability and the corresponding asset of $5.4 million at January 1, 2019.

For the quarter ended March 31, 2019, our leases qualify as operating leases and we did not have any existing or new leases qualifying as financing leases. We have leases for office space and equipment in our corporate office and operating regions as well as vehicles, compressors and surface rentals related to our business operations. In addition, we have offshore Southern California pipeline right-of-way use agreements. Most of our leases, other than our corporate office lease, have an initial term and may be extended on a month-to-month basis after expiration of the initial term. Most of our leases can be terminated with 30-day prior written notice. The majority of our month-to-month leases are not included as a lease liability in our balance sheet under ASC 842 because continuation of the lease is not reasonably certain. Additionally, the Company elected the short-term practical expedient to exclude leases with a term of twelve months or less.

Our corporate office lease does not provide an implicit rate. To determine the present value of the lease payments, we use our incremental borrowing rate based on the information available at the inception date. To determine the incremental borrowing rate, we apply a portfolio approach based on the applicable lease terms and the current economic environment. We use a reasonable market interest rate for our office equipment and vehicle leases.

The following table presents the Company's right-of-use assets and lease liabilities as of March 31, 2019.

	March 31, 2019
	(In thousands)
Right-of-use asset	$ 5,011
Lease liabilities:	
Current lease liability	1,921
Long-term lease liability	3,090
Total lease liability	$ 5,011

The following table reflects the Company's maturity analysis of the minimum lease payment obligations under non-cancelable operating leases with a remaining term in excess of one year (in thousands):

	Office lease	Leased vehicles and office equipment	Total
Remaining 2019	$ 1,533	$ 388	$ 1,921
2020	1,561	357	1,918
2021	1,320	219	1,539
2022 and thereafter	—	—	—
Total lease payments	$ 4,414	$ 964	$ 5,378
Less: interest	$ 319	$ 48	$ 367
Present value of lease liabilities	$ 4,095	$ 916	$ 5,011

The following is a schedule of the Company's future contractual payment for operating leases prepared in accordance with accounting standards prior to the adoption of ASC 842, as of December 31, 2018:

		Payment or Settlement Due by Period					
Operating leases	Total	2019	2020	2021	2022	2023	Thereafter
Operating leases	$ 11,846	$ 5,893	$ 2,072	$ 2,109	$ 337	$ 205	$ 1,230

The weighted average remaining lease terms and discount rate for all of our operating leases were as follow as of March 31, 2019:

	March 31, 2019
Weighted average remaining lease term (years):	
Corporate office	2.32
Vehicles	0.40
Office equipment	0.12
Weighted average discount rate:	
Corporate office	4.12%
Vehicles	0.48%
Office equipment	0.21%

We have instituted internal controls going forward to monitor and evaluate new leases for appropriate accounting under the new guidance.

Note 13. Supplemental Disclosures to the Unaudited Condensed Consolidated Balance Sheets and Unaudited Condensed Consolidated Statements of Cash Flows

Accrued Liabilities

Current accrued liabilities consisted of the following at the dates indicated (in thousands):

	March 31, 2019	December 31, 2018
Accrued lease operating expense	$ 9,090	$ 10,469
Accrued interest payable	3,724	2,476
Accrued capital expenditures	2,602	4,349
Accrued general and administrative expense	2,398	4,393
Operating lease liability	1,921	—
Accrued ad valorem tax	987	729
Asset retirement obligations	477	477
Other	—	262
Accrued liabilities	$ 21,199	$ 23,155

Cash and Cash Equivalents Reconciliation

The following table provides a reconciliation of cash and cash equivalents on the Unaudited Condensed Consolidated Balance Sheet to cash, cash equivalents and restricted cash on the Unaudited Condensed Statements of Consolidated Cash Flows (in thousands):

	March 31, 2019	December 31, 2018
Cash and cash equivalents	$ 24,876	$ 49,704
Restricted cash	325	325
Total cash, cash equivalents and restricted cash	$ 25,201	$ 50,029

Supplemental Cash Flows

Supplemental cash flows for the periods presented (in thousands):

	For the Three Months Ended March 31,	
	2019	2018
Supplemental cash flows:		
Cash paid for interest, net of amounts capitalized	$ 2,325	$ 6,028
Cash paid for reorganization items, net	187	656
Noncash investing and financing activities:		
Increase (decrease) in capital expenditures in payables and accrued liabilities	(2,612)	1,890

Note 14. Related Party Transactions

Related Party Agreements

There have been no transactions in excess of $120,000 between us and any related person in which the related person had a direct or indirect material interest for the three months ended March 31, 2019 and 2018, respectively.

Note 15. Commitments and Contingencies

Litigation and Environmental

As part of our normal business activities, we may be named as defendants in litigation and legal proceedings, including those arising from regulatory and environmental matters. On January 13, 2017, the Company received a letter from the Environmental Protection Agency ("EPA") concerning potential violations of the Clean Air Act ("CAA") section 112(r) associated with our Bairoil complex in Wyoming. The Company met with the EPA on February 16, 2017 to present relevant information related to the allegations. On March 12, 2017, the EPA filed an Administrative Compliance Order on Consent for which the Company was required to bring all outstanding issues to closure no later than June 30, 2018. On June 14, 2018, we sent the EPA a letter informing the EPA that we had completed all remedial action items related to the Administrative Compliance Order on Consent. In March 2018, we came to an agreement regarding the potential violations, noting no material impact on the Company's financial position, results of operations or cash flows. Other than the Chapter 11 proceedings and the alleged CAA violations discussed herein, based on facts currently available, we are not aware of any litigation, pending or threatened, that we believe will have a material adverse effect on our financial position, results of operations or cash flows; however, cash flow could be significantly impacted in the reporting periods in which such matters are resolved.

Although we are insured against various risks to the extent we believe it is prudent, there is no assurance that the nature and amount of such insurance will be adequate, in every case, to indemnify us against liabilities arising from future legal proceedings.

At March 31, 2019 and December 31, 2018, we had no environmental reserves recorded on our Unaudited Condensed Consolidated Balance Sheet.

Supplemental Bond for Decommissioning Liabilities Trust Agreement

Beta Operating Company, LLC ("Beta"), has an obligation with the BOEM in connection with its 2009 acquisition of our properties in federal waters offshore Southern California. Beta's decommissioning obligations remain fully supported by A-rated surety bonds and $90.0 million of cash. The held-to-maturity investments held in the trust account at March 31, 2019 for the U.S. Bank money market cash equivalent was $90.2 million.

In 2015, the Bureau of Safety and Environmental Enforcement issued a preliminary report that indicated the estimated costs of decommissioning may further increase. The implementation of this increase is currently on hold and we do not expect resolution of a negotiated decommissioning estimate until later in 2019.

Note 16. Income Taxes

The Company had less than $0.1 million income tax benefit/(expense) for the three months ended March 31, 2019 and no income tax benefit/(expense) for the three months ended March 31, 2018. The Company's effective tax rate was 0.0% for the three months ended March 31, 2019 and 2018, respectively. The effective tax rates for the three months ended March 31, 2019 and 2018 are different from the statutory U.S. federal income tax rate primarily due to our recorded valuation allowances.

Note 17. Subsequent Events

Proposed Merger

On May 5, 2019, the Company, Midstates Petroleum Company, Inc. ("Midstates") and Midstates Holdings, Inc., a direct, wholly owned subsidiary of Midstates ("Merger Sub"), entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which, in an all-stock transaction, the Company will merge with and into Merger Sub, with the Company surviving as a wholly owned subsidiary of Midstates (the "Merger"). Pursuant to the Merger Agreement, Amplify Energy stockholders will receive 0.933 shares of Midstates common stock, par value $0.01 per share, for each share of Amplify Energy common stock that they hold (such newly issued common stock, the "Stock Issuance"). Following the closing of the Merger, current Amplify Energy and Midstates stockholders will each own 50% of the outstanding stock of the combined company.

Completion of the Merger is subject to the terms and conditions set forth in the Merger Agreement, including holders of a majority of votes cast by Midstates stockholders at the special meeting voting in favor of the Stock Issuance, holders of a majority of the issued and outstanding shares of Amplify common stock voting in favor of the Merger, the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and other customary closing conditions. Subject to the terms and conditions set forth in the Merger Agreement, the Merger is expected to close in the third quarter of 2019.

The foregoing description of the Merger Agreement is qualified in its entirety by reference to the Merger Agreement, which is attached as Exhibit 2.1 to the Company's current report on Form 8-K filed on May 6, 2019.

First Amendment to Credit Agreement

On May 5, 2019, OLLC entered into the First Amendment to Credit Agreement, among OLLC, Amplify Acquisitionco Inc., Amplify Energy, the guarantors party thereto, the lenders party thereto and Bank of Montreal, as administrative agent (the "First Amendment").

The First Amendment amends the New Revolving Credit Facility to, among other things (i) modify certain defined terms in connection with the completion of the transactions contemplated by the Merger Agreement, including the Merger; (ii) allow certain structural changes for tax planning activities; and (iii) modify certain covenants in the New Revolving Credit Facility that restrict Amplify Energy's ability to take certain actions or engage in certain business such that, once the First Amendment is effective, the occurrence of such actions or business in connection with the Merger Agreement or completion of the transactions contemplated thereby, including the Merger, will not be so restricted.

Certain of the modifications to the New Revolving Credit Facility, including those permitting pre-Merger tax restrictions, became effective upon the signing of the First Amendment. The remaining modifications become effective concurrently with the consummation of the Merger, subject to certain closing conditions.

The First Amendment also contains customary representations, warranties and agreements of OLLC and the guarantors. All other material terms and conditions of the New Revolving Credit Facility were unchanged by the First Amendment.

The foregoing description of the First Amendment is qualified in its entirety by reference to the First Amendment, which is attached as Exhibit 10.1 to the Company's current report on Form 8-K filed on May 6, 2019.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Unaudited Condensed Consolidated Financial Statements and accompanying notes in "Item 1. Financial Statements" contained herein and our Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on March 6, 2019 ("2018 Form 10-K"). The following discussion contains forward-looking statements that reflect our future plans, estimates, beliefs and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside our control. Our actual results could differ materially from those discussed in these forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements" in the front of this report.

References

When referring to Amplify Energy Corp. (also referred to as "Amplify Energy," or the "Company"), the intent is to refer to Amplify Energy, a Delaware corporation, and its consolidated subsidiaries as a whole or on an individual basis, depending on the context in which the statements are made. Amplify Energy is the successor reporting company of Memorial Production Partners LP ("MEMP") pursuant to Rule 15d-5 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

Overview

We operate in one reportable segment engaged in the acquisition, development, exploitation and production of oil and natural gas properties. Our management evaluates performance based on the reportable business segment as the economic environments are not different within the operation of our oil and natural gas properties. Our business activities are conducted through Amplify Energy Operating LLC ("OLLC"), our wholly owned subsidiary, and its wholly owned subsidiaries. Our assets consist primarily of producing oil and natural gas properties and are located in the Rockies, in federal waters offshore Southern California, East Texas / North Louisiana and South Texas. Most of our oil and natural gas properties are located in large, mature oil and natural gas reservoirs. The Company's properties consist primarily of operated and non-operated working interests in producing and undeveloped leasehold acreage and working interests in identified producing wells. As of December 31, 2018:

- Our total estimated proved reserves were approximately 841.1 Bcfe, of which approximately 65% were liquids and 79% were classified as proved developed reserves;
- We produced from 2,068 gross (1,125 net) producing wells across our properties, with an average working interest of 54% and the Company is the operator of record of the properties containing 92% of our total estimated proved reserves; and
- Our average net production for the three months ended December 31, 2018 was 142.5 MMcfe/d, implying a reserve-to-production ratio of approximately 16 years.

Recent Developments

Proposed Merger

On May 5, 2019, the Company, Midstates Petroleum Company, Inc. ("Midstates") and Midstates Holdings, Inc., a direct, wholly owned subsidiary of Midstates ("Merger Sub") entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which, in an all-stock transaction, the Company will merge with and into Merger Sub, with the Company surviving as a wholly owned subsidiary of Midstates (the "Merger"). Pursuant to the Merger Agreement, Amplify Energy stockholders will receive 0.933 shares of Midstates common stock, par value $0.01 per share, for each share of Amplify Energy common stock that they hold (such newly issued common stock, the "Stock Issuance"). Following the closing of the Merger, current Amplify Energy and Midstates stockholders will each own 50% of the outstanding stock of the combined company. Following the closing of the Merger, current Amplify Energy and Midstates stockholders will each own 50% of the outstanding stock of the combined company and the combined company will continue to operate under the Amplify brand.

The boards of directors of both the Company and Midstates have unanimously approved the Merger Agreement and have recommended that their respective stockholders vote their shares in favor of the Merger or the Stock Issuance, as applicable.

Completion of the Merger is subject to the terms and conditions set forth in the Merger Agreement, including holders of a majority of votes cast by Midstates stockholders at the special meeting voting in favor of the Stock Issuance, holders of a majority of the issued and outstanding shares of Amplify common stock voting in favor of the Merger, the expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and other customary closing conditions. The Company sought, and has received, a technical consent from the lenders in its existing credit facility permitting the consummation of the Merger. Subject to the terms and conditions set forth in the Merger Agreement, the Merger is expected to close in the third quarter of 2019.

The foregoing description of the Merger Agreement is qualified in its entirety by reference to the Merger Agreement, which is attached as Exhibit 2.1 to the Company's current report on Form 8-K filed on May 6, 2019.

First Amendment to Credit Agreement

On May 5, 2019, Amplify Energy Operating LLC ("OLLC"), a wholly owned subsidiary of Amplify Energy, entered into the First Amendment to Credit Agreement, among OLLC, Amplify Acquisitionco Inc., Amplify Energy, the guarantors party thereto, the lenders party thereto and Bank of Montreal, as administrative agent (the "First Amendment").

The First Amendment amends the parties' existing Credit Agreement, dated as of November 2, 2018 (the "New Revolving Credit Facility") to, among other things (i) modify certain defined terms in connection with the completion of the transactions contemplated by the Merger Agreement, including the Merger; (ii) allow certain structural changes for tax planning activities; and (iii) modify certain covenants in the New Revolving Credit Facility that restrict Amplify Energy's ability to take certain actions or engage in certain business such that, once the First Amendment is effective, the occurrence of such actions or business in connection with the Merger Agreement or completion of the transactions contemplated thereby, including the Merger, will not be so restricted.

Certain of the modifications to the New Revolving Credit Facility, including those permitting pre-Merger tax restrictions, became effective upon the signing of the First Amendment. The remaining modifications become effective concurrently with the consummation of the Merger, subject to certain closing conditions.

The First Amendment also contains customary representations, warranties and agreements of OLLC and the guarantors. All other material terms and conditions of the New Revolving Credit Facility were unchanged by the First Amendment.

The foregoing description of the First Amendment is qualified in its entirety by reference to the First Amendment, which is attached as Exhibit 10.1 to the Company's current report on Form 8-K filed on May 6, 2019.

Resignation of Director

On March 22, 2019, P. Michael Highum resigned from the board of directors of the Company. Mr. Highum served on the Company's audit committee. There were no known disagreements between Mr. Highum and the Company which led to Mr. Highum's resignation from the board of directors of the Company.

Appointment of Director

On March 22, 2019, Scott L. Hoffman was appointed to the board of directors of the Company. Mr. Hoffman has been appointed to the audit committee of the board of directors. There are no arrangements or understandings between Mr. Hoffman and any other persons pursuant to which Mr. Hoffman was selected as a director of the Company.

Business Environment and Operational Focus

We use a variety of financial and operational metrics to assess the performance of our oil and natural gas operations, including: (i) production volumes; (ii) realized prices on the sale of our production; (iii) cash settlements on our commodity derivatives; (iv) lease operating expense; (v) gathering, processing and transportation; (vi) general and administrative expense; and (vii) Adjusted EBITDA (defined below).

Sources of Revenues

Our revenues are derived from the sale of natural gas and oil production, as well as the sale of NGLs that are extracted from natural gas during processing. Production revenues are derived entirely from the continental United States. Natural gas, NGL and oil prices are inherently volatile and are influenced by many factors outside our control. In order to reduce the impact of fluctuations in natural gas and oil prices on revenues, we intend to periodically enter into derivative contracts that fix the future prices received. At the end of each period the fair value of these commodity derivative instruments are estimated and because hedge accounting is not elected, the changes in the fair value of unsettled commodity derivative instruments are recognized in earnings at the end of each accounting period.

Critical Accounting Policies and Estimates

A discussion of our critical accounting policies and estimates is included in our 2018 Form 10-K. Significant estimates include, but are not limited to, oil and natural gas reserves; depreciation, depletion and amortization of proved oil and natural gas properties; future cash flows from oil and natural gas properties; impairment of long-lived assets; fair value of derivatives; fair value of equity compensation; fair values of assets acquired and liabilities assumed in business combinations and asset retirement obligations. These estimates, in our opinion, are subjective in nature, require the use of professional judgment and involve complex analysis.

When used in the preparation of our consolidated financial statements, such estimates are based on our current knowledge and understanding of the underlying facts and circumstances and may be revised as a result of actions we take in the future. Changes in these estimates will occur as a result of the passage of time and the occurrence of future events. Subsequent changes in these estimates may have a significant impact on our consolidated financial position, results of operations and cash flows.

Results of Operations

Beginning in 2019, the Company elected to change its reporting convention from natural gas equivalent (Mcfe) to barrels of oil equivalent (Boe). The change in presentation reflects our liquids-weighted production and reserve profile with a balanced approach to development of our oil and natural gas asset portfolio. The Company's proved reserves as of year-end 2018 were 50% crude oil, 15% natural gas liquids and 35% natural gas.

The results of operations for the three months ended March 31, 2019 and 2018 have been derived from our consolidated financial statements.

The following table summarizes certain of the results of operations for the periods indicated.

	For the Three Months Ended March 31,	
	2019	2018
	($ In thousands)	
Oil and natural gas sales	$ 65,067	$ 87,847
Lease operating expense	28,910	29,570
Gathering, processing and transportation	4,657	5,600
Taxes other than income	4,409	5,037
Depreciation, depletion and amortization	11,166	12,958
General and administrative expense	9,308	10,657
Accretion of asset retirement obligations	1,311	1,718
(Gain) loss on commodity derivative instruments	32,487	10,456
(Gain) loss on sale of properties	—	2,373
Interest expense, net	(4,089)	(5,772)
Reorganization items, net	(187)	(518)
Income tax benefit (expense)	50	—
Net income (loss)	(31,477)	3,239
Oil and natural gas revenue:		
Oil sales	$ 40,057	$ 54,726
NGL sales	5,865	10,946
Natural gas sales	19,145	22,175
Total oil and natural gas revenue	$ 65,067	$ 87,847
Production volumes:		
Oil (MBbls)	752	902
NGLs (MBbls)	265	412
Natural gas (MMcf)	5,490	7,775
Total (Boe)	1,932	2,610
Average net production (MBoe/d)	21.5	29.0
Average sales price:		
Oil (per Bbl)	$ 53.28	$ 60.66
NGL (per Bbl)	22.09	26.57
Natural gas (per Mcf)	3.49	2.85
Total (per MBoe)	$ 33.67	$ 33.66
Average unit costs per MBoe:		
Lease operating expense	$ 14.96	$ 11.33
Gathering, processing and transportation	2.41	2.15
Taxes other than income	2.28	1.93
General and administrative expense	4.82	4.08
Depletion, depreciation and amortization	5.78	4.97

For the three months ended March 31, 2019 compared to the three months ended March 31, 2018

Net loss of $31.5 million and net income of $3.2 million were recorded for the three months ended March 31, 2019 and 2018, respectively.

Oil, natural gas and NGL revenues were $65.1 million and $87.8 million for the three months ended March 31, 2019 and 2018, respectively. Average net production volumes were approximately 21.5 MBoe/d and 29.0 MBoe/d for the three months ended March 31, 2019 and 2018, respectively. The change in production volumes was primarily due to the natural decline of wells, decreased drilling activity and the divestiture of certain non-core assets located in South Texas (the "South Texas Divestiture"). The average realized sales price was $33.67 per MBoe and $33.66 per MBoe for the three months ended March 31, 2019 and 2018, respectively.

Lease operating expense was $28.9 million and $29.6 million for the three months ended March 31, 2019 and 2018, respectively. The change in lease operating expense was primarily related to lower production. On a per MBoe basis, lease operating expense was $14.96 and $11.33 for the three months ended March 31, 2019 and 2018, respectively. The change in lease operating expense on a per MBoe basis was primarily due to lower production.

Gathering, processing and transportation was $4.7 million and $5.6 million for the three months ended March 31, 2019 and 2018, respectively. The change in gathering, processing and transportation was primarily the result of lower production. On a per MBoe basis, gathering, processing and transportation was $2.41 and $2.15 for the three months ended March 31, 2019 and 2018, respectively.

Taxes other than income was $4.4 million and $5.0 million for the three months ended March 31, 2019 and 2018, respectively. On a per MBoe basis, taxes other than income were $2.28 and $1.93 for the three months ended March 31, 2019 and 2018, respectively. The change in taxes other than income on a per MBoe basis was primarily due to an increase in commodity price.

DD&A expense was $11.2 million and $13.0 million for the three months ended March 31, 2019 and 2018, respectively. The change in DD&A expense was primarily due to a decrease in production volumes and the South Texas Divestiture, which closed on May 30, 2018 and which assets were accounted for as assets held for sale for the period from March 31, 2018 through the closing date.

General and administrative expense was $9.3 million and $10.7 million for the three months ended March 31, 2019 and 2018, respectively. Non-cash share-based compensation expense was $1.9 million and $1.2 million for the three months ended March 31, 2019 and 2018, respectively.

Net losses on commodity derivative instruments of $32.5 million were recognized for the three months ended March 31, 2019, consisting of $31.2 million decrease in the fair value of open positions and $1.3 million of cash settlements paid on expired positions. Net losses on commodity derivative instruments of $10.5 million were recognized for the three months ended March 31, 2018, consisting of $4.8 million of cash settlement receipts on expired positions offset by a $15.3 million decrease in the fair value of open positions.

Given the volatility of commodity prices, it is not possible to predict future reported mark-to-market net gains or losses and the actual net gains or losses that will ultimately be realized upon settlement of the hedge positions in future years. If commodity prices at settlement are lower than the prices of the hedge positions, the hedges are expected to partially mitigate the otherwise negative effect on earnings of lower oil, natural gas and NGL prices. However, if commodity prices at settlement are higher than the prices of the hedge positions, the hedges are expected to dampen the otherwise positive effect on earnings of higher oil, natural gas and NGL prices and will, in this context, be viewed as having resulted in an opportunity cost.

Interest expense, net was $4.1 million and $5.8 million for the three months ended March 31, 2019 and 2018, respectively. Interest expense, net for 2019 included losses of interest rate swaps of approximately $0.1 million and amortization of deferred financing fees of $0.3 million. Interest expense, net for 2018 included amortization of deferred financing fees of $0.5 million. The change in interest expense is primarily due to a $1.5 million reduction in interest expense due to lower outstanding borrowings for the three months ended March 31, 2019.

Average outstanding borrowings under our New Revolving Credit Facility were $278.0 million for the three months ended March 31, 2019. Average outstanding borrowings under our Emergence Credit Facility were $364.2 million for the three months ended March 31, 2018.

Reorganization items, net represents costs and income directly associated with the Company's Chapter 11 proceedings since January 16, 2017, the petition date, such as advisor and professional fees. The Company incurred $0.2 million and $0.5 million for the three months ended March 31, 2019 and 2018, respectively. See Note 2 of the Notes to Unaudited Condensed Consolidated Financial Statements under "Item 1. Financial Statements" of this quarterly report for additional information.

Adjusted EBITDA

We include in this report the non-GAAP financial measure Adjusted EBITDA and provide our reconciliation of Adjusted EBITDA to net income and net cash flows from operating activities, our most directly comparable financial measures calculated and presented in accordance with GAAP. We define Adjusted EBITDA as net income (loss):

Plus:

- Interest expense;
- Income tax expense;
- Depreciation, depletion and amortization ("DD&A");
- Impairment of goodwill and long-lived assets (including oil and natural gas properties);
- Accretion of asset retirement obligations ("AROs");

- Loss on commodity derivative instruments;
- Cash settlements received on expired commodity derivative instruments;
- Losses on sale of assets;
- Share/unit-based compensation expenses;
- Exploration costs;
- Acquisition and divestiture related expenses;
- Restructuring related costs;
- Reorganization items, net;
- Severance payments; and
- Other non-routine items that we deem appropriate.

Less:

- Interest income;
- Income tax benefit;
- Gain on commodity derivative instruments;
- Cash settlements paid on expired commodity derivative instruments;
- Gains on sale of assets and other, net; and
- Other non-routine items that we deem appropriate.

We believe that Adjusted EBITDA is useful because it allows us to more effectively evaluate our operating performance and compare the results of our operations from period to period without regard to our financing methods or capital structure.

Adjusted EBITDA should not be considered as an alternative to, or more meaningful than, net income or cash flows from operating activities as determined in accordance with GAAP or as an indicator of our operating performance or liquidity. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital and tax structure, as well as the historic costs of depreciable assets, none of which are components of Adjusted EBITDA. Our computations of Adjusted EBITDA may not be comparable to other similarly titled measures of other companies. We believe that Adjusted EBITDA is a widely followed measure of operating performance and may also be used by investors to measure our ability to meet debt service requirements.

In addition, management uses Adjusted EBITDA to evaluate actual cash flow available to develop existing reserves or acquire additional oil and natural gas properties.

The following tables present our reconciliation of Adjusted EBITDA to net income and net cash flows from operating activities, our most directly comparable GAAP financial measures, for each of the periods indicated.

Reconciliation of Adjusted EBITDA to Net Income (Loss)

	For the Three Months Ended March 31,	
	2019	2018
	(In thousands)	
Net income (loss)	$ (31,477)	$ 3,239
Interest expense, net	4,089	5,772
Income tax expense (benefit)	(50)	—
DD&A	11,166	12,958
Accretion of AROs	1,311	1,718
(Gains) losses on commodity derivative instruments	32,487	10,456
Cash settlements received (paid) on expired commodity derivative instruments	(1,277)	4,876
(Gain) loss on sale of properties	—	2,373
Acquisition and divestiture related expenses	364	208
Share-based compensation expense	1,936	1,176
Exploration costs	15	34
(Gain) loss on settlement of AROs	143	—
Bad debt expense	101	—
Reorganization items, net	187	518
Severance payments	39	—
Adjusted EBITDA	$ 19,034	$ 43,328

Reconciliation of Adjusted EBITDA to Net Cash from Operating Activities

	For the Three Months Ended March 31,	
	2019	2018
	(In thousands)	
Net cash provided by (used in) operating activities	$ 10,800	$ 42,147
Changes in working capital	3,006	(4,810)
Interest expense, net	4,089	5,772
Gain (loss) on interest rate swaps	94	—
Amortization of deferred financing fees	(308)	(541)
Acquisition and divestiture related expenses	364	208
Income tax expense (benefit) - current portion	(50)	—
Exploration costs	15	34
Plugging and abandonment cost	305	—
Reorganization items, net	187	518
Severance payments	39	—
Other	493	—
Adjusted EBITDA	$ 19,034	$ 43,328

Liquidity and Capital Resources

Overview. Our ability to finance our operations, including funding capital expenditures and acquisitions, meet our indebtedness obligations, refinance our indebtedness or meet our collateral requirements will depend on our ability to generate cash in the future. Our primary sources of liquidity and capital resources have historically been cash flows generated by operating activities, borrowings under our revolving credit facility and equity and debt capital markets. For the remainder of 2019, we expect our primary funding sources to be cash flows generated by operating activities and available borrowing capacity under our New Revolving Credit Facility.

Capital Markets. We do not currently anticipate any near-term capital markets activity, but we will continue to evaluate the availability of public debt and equity for funding potential future growth projects and acquisition activity.

Hedging. Commodity hedging has been and remains an important part of our strategy to reduce cash flow volatility. Our hedging activities are intended to support oil, NGL, and natural gas prices at targeted levels and to manage our exposure to commodity price fluctuations. We intend to enter into commodity derivative contracts at times and on terms desired to maintain a portfolio of commodity derivative contracts covering at least 25% - 50% of our estimated production from total proved developed producing reserves over a one-to-three year period at any given point of time to satisfy the hedging covenants in our New Revolving Credit Facility and pursuant to our internal policies. We may, however, from time to time, hedge more or less than this approximate amount. Additionally, we may take advantage of opportunities to modify our commodity derivative portfolio to change the percentage of our hedged production volumes when circumstances suggest that it is prudent to do so. The current market conditions may also impact our ability to enter into future commodity derivative contracts. For additional information regarding the volumes of our production covered by commodity derivative contracts and the average prices at which production is hedged as of March 31, 2019, see "Item 3. Quantitative and Qualitative Disclosures About Market Risk — Counterparty and Customer Credit Risk."

We evaluate counterparty risks related to our commodity derivative contracts and trade credit. Should any of these financial counterparties not perform, we may not realize the benefit of some of our hedges under lower commodity prices. We sell our oil and natural gas to a variety of purchasers. Non-performance by a customer could also result in losses.

Capital Expenditures. Our total capital expenditures were approximately $13.1 million for the three months ended March 31, 2019, which were primarily related to drilling, capital workovers and facilities located in the Rockies and California.

Government Trust Account. In 2015, the Bureau of Safety and Environmental Enforcement issued a preliminary report that indicated the estimated cost of decommissioning the offshore production facilities associated with our properties in federal waters offshore Southern California may further increase. The implementation of this increase is currently on hold and we do not expect resolution of a negotiated decommissioning estimate until later in 2019. At March 31, 2019, there was approximately $90.2 million in the trust account and $71.3 million in surety bonds.

Working Capital. We expect to fund our working capital needs primarily with operating cash flows. We also plan to reinvest a sufficient amount of our operating cash flow to fund our expected capital expenditures. Our debt service requirements are expected to be funded by operating cash flows. See Note 8 of the Notes to Unaudited Condensed Consolidated Financial Statements included under "Item 1. Financial Statements" and "— Overview" of this quarterly report for additional information.

As of March 31, 2019, we had working capital of $1.3 million primarily due to a cash balance of $24.9 million and accounts receivable of $25.1 million partially offset by the timing of accruals, which included accrued liabilities of $21.2 million, revenues payable of $24.1 million and a current derivative liability of $9.1 million.

Debt Agreements

New Revolving Credit Facility. On November 2, 2018, OLLC as borrower, entered into the New Revolving Credit Facility with Bank of Montreal, as administrative agent. At March 31, 2019, our borrowing base under our New Revolving Credit Facility was subject to redetermination on at least a semi-annual basis primarily based on a reserve engineering report with respect to our estimated natural gas, oil and NGL reserves, which takes into account the prevailing natural gas, oil and NGL prices at such time, as adjusted for the impact of our commodity derivative contracts. The borrowing base as of March 31, 2019, was approximately $425.0 million.

As of March 31, 2019, we were in compliance with all the financial (interest coverage ratio, current ratio and total leverage ratio) and other covenants associated with our New Revolving Credit Facility.

As of March 31, 2019, we had approximately $153.4 million of available borrowings under our New Revolving Credit Facility, net of $1.7 million in letters of credit. See Note 8 of the Notes to Unaudited Condensed Consolidated Financial Statements included under "Item 1. Financial Statements" of this quarterly report for additional information regarding our New Revolving Credit Facility.

Cash Flows from Operating, Investing and Financing Activities

The following table summarizes our cash flows from operating, investing and financing activities for the periods indicated. The cash flows for the three months ended March 31, 2019 and 2018, have been derived from our Unaudited Condensed Consolidated Financial Statements. For information regarding the individual components of our cash flow amounts, see the Unaudited Condensed Statements of Consolidated Cash Flows included under "Item 1. Financial Statements" of this quarterly report.

	For the Three Months Ended March 31,	
	2019	2018
	(In thousands)	
Net cash provided by operating activities	$ 10,800	$ 42,147
Net cash used in investing activities	(10,500)	(13,284)
Net cash used in financing activities	(25,128)	(29,213)

Operating Activities. Key drivers of net operating cash flows are commodity prices, production volumes and operating costs. Net cash provided by operating activities was $10.8 million and $42.1 for the three months ended March 31, 2019 and 2018, respectively. Production volumes were approximately 21.5 MBoe/d and 29.0 MBoe/d for the three months ended March 31, 2019 and 2018, respectively. The average realized sales price was $33.67 per MBoe and $33.66 per MBoe for the three months ended March 31, 2019 and 2018, respectively. Lease operating expenses were $28.9 million and $29.6 million for the three months ended March 31, 2019 and 2018, respectively. Gathering, processing and transportation was $4.7 million and $5.6 million for the three months ended March 31, 2019 and 2018, respectively.

Investing Activities. Net cash used in investing activities for the three months ended March 31, 2019 was $10.5 million, of which $10.4 million was used for additions to oil and natural gas properties. Net cash used in investing activities for the three months ended March 31, 2018 was $13.3 million, of which $13.1 million was used for additions to oil and natural gas properties.

Financing Activities. The Company had net repayments of $24.0 million related to our New Revolving Credit Facility and $29.0 million under the Emergence Credit Facility for the three months ended March 31, 2019 and 2018, respectively.

Contractual Obligations

During the three months ended March 31, 2019, there were no significant changes in our consolidated contractual obligations from those reported in our 2018 Form 10-K except for the Credit Facility borrowings and repayments.

Off–Balance Sheet Arrangements

As of March 31, 2019, we had no off–balance sheet arrangements.

Recently Issued Accounting Pronouncements

For a discussion of recent accounting pronouncements that will affect us, see Note 2 of the Notes to Unaudited Condensed Consolidated Financial Statements included under "Item 1. Financial Statements" of this quarterly report for additional information.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

In the normal course of our business operations, we are exposed to certain risks, including commodity prices. We may enter into derivative instruments to manage or reduce market risk, but do not enter into derivative agreements for speculative purposes. We do not designate these or plan to designate future derivative instruments as hedges for accounting purposes. Accordingly, the changes in the fair value of these instruments are recognized currently in earnings. We believe that our exposures to market risk have not changed materially since those reported under Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," included in our 2018 Form 10-K.

Commodity Price Risk

Our major market risk exposure is in the prices that we receive for our oil, natural gas and NGL production. To reduce the impact of fluctuations in commodity prices on our revenues, we periodically enter into derivative contracts with respect to a portion of our projected production through various transactions that fix the future prices we receive. It has been our practice to enter into fixed price swaps and costless collars only with lenders and their affiliates under our Emergence Credit Facility and our New Revolving Credit Facility.

For additional information regarding the volumes of our production covered by commodity derivative contracts and the average prices at which production is hedged as of March 31, 2019, see Note 6 of the Notes to Unaudited Condensed Consolidated Financial Statements included "Item 1. Financial Statements" of this quarterly report.

Interest Rate Risk

Our risk management policy provides for the use of interest rate swaps to reduce the exposure to market rate fluctuations by converting variable interest rates to fixed interest rates. Conditions sometimes arise where actual borrowings are less than notional amounts hedged which has and could result in over-hedged amounts from an economic perspective. From time to time we enter into offsetting positions to avoid being economically over-hedged. See Note 6 of the Notes to Unaudited Condensed Consolidated Financial Statements included under Part I, Item 1 of this quarterly report for interest rate swap arrangements that were outstanding at March 31, 2019.

Counterparty and Customer Credit Risk

We are also subject to credit risk due to the concentration of our oil and natural gas receivables with several significant customers. In addition, our derivative contracts may expose us to credit risk in the event of nonperformance by counterparties. Some of the lenders, or certain of their affiliates, under our previous and current credit agreements are counterparties to our derivative contracts. While collateral is generally not required to be posted by counterparties, credit risk associated with derivative instruments is minimized by limiting exposure to any single counterparty and entering into derivative instruments only with counterparties that are large financial institutions. Additionally, master netting agreements are used to mitigate risk of loss due to default with counterparties on derivative instruments. These agreements allow us to offset our asset position with our liability position in the event of default by the counterparty. We have also entered into International Swaps and Derivatives Association Master Agreements ("ISDA Agreements") with each of our counterparties. The terms of the ISDA Agreements provide us and each of our counterparties with rights of set-off upon the occurrence of defined acts of default by either us or our counterparty to a derivative, whereby the party not in default may set-off all liabilities owed to the defaulting party against all net derivative asset receivables from the defaulting party. At March 31, 2019, after taking into effect netting arrangements, we had no counterparty exposure related to our derivative instruments. As a result, had all counterparties failed completely to perform according to the terms of the existing contracts, we would have had the right to offset $0.1 million against amounts outstanding under our New Revolving Credit Facility at March 31, 2019.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

As required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including the principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) and under the Exchange Act) as of the end of the period covered by this quarterly report. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including the principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure, and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon the evaluation, the principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2019.

Change in Internal Control Over Financial Reporting

No changes in our internal control over financial reporting occurred during the quarter ended March 31, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

The certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 are filed as Exhibits 31.1 and 31.2, respectively, to this quarterly report.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

For information regarding legal proceedings, see Part I, "Item 1. Financial Statements," Note 15, "Commitments and Contingencies — Litigation and Environmental" of the Notes to Unaudited Condensed Consolidated Financial Statements included in this quarterly report, which is incorporated herein by reference.

ITEM 1A. RISK FACTORS.

Our business faces many risks. Any of the risks discussed elsewhere in this quarterly report and our other SEC filings could have a material impact on our business, financial position or results of operations. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also impair our business operations. In addition to the risk factors disclosed in our 2018 Form 10-K, we face risk factors relating to the Merger, including the following:

We may fail to complete the Merger in the anticipated time frame or at all. Our failure to complete the Merger could adversely affect the market price of our common stock and otherwise adversely affect our business, results of operations and financial condition.

The completion of the Merger is not assured and is subject to a number of conditions and risks, including conditions and risks that are outside of our control. The Merger Agreement contains a number of conditions that must be satisfied or waived prior to the completion of the Merger. There can be no assurance that all of the conditions to the completion of the Merger will be so satisfied or waived. For example, holders of a majority of votes cast by Midstates stockholders at the special meeting may not vote in favor of the Stock Issuance, holders of a majority of the issued and outstanding shares of Amplify common stock may not vote in favor of the Merger or we or Midstates may fail to receive any required regulatory approvals. If any of these conditions are not satisfied or waived, we will be unable to complete the Merger.

If we fail to complete the Merger, our ongoing business may be adversely affected and we will not realize any of the anticipated benefits of the Merger. For example, our failure to complete the Merger may result in negative publicity or a negative impression of us in the investment community, which may adversely affect the market price of our common stock, and may affect our relationships with our customers, suppliers, employees and other business partners. In addition, even if we fail to complete the Merger, we will still incur certain significant costs associated with the Merger, primarily consisting of legal fees, accounting fees, financial advisory, financial printing and other related costs. Furthermore, pursuant to the Merger Agreement, if the Merger is not completed, in certain specified circumstances, we may be required to pay Midstates a termination fee in the amount of $4.5 million. Accordingly, if the Merger is not completed, or if there are significant delays in completing the Merger, the trading price of our common stock and our business, results of operations and financial condition could be adversely affected.

We are subject to business uncertainties while the Merger is pending, which could adversely affect our business, results of operations and financial condition.

While the Merger is pending, our customers, suppliers, employees and other business partners may delay or defer certain business decisions with respect to us or seek to terminate, change or renegotiate their relationships with us as a result of the Merger. Any of these developments could adversely affect our business, results of operations and financial condition, as well as the market price of our common stock, regardless of whether the Merger is completed.

In addition, under the terms of the Merger Agreement, we are subject to certain restrictions on the conduct of our business prior to the completion of the Merger, which may adversely affect our ability to execute certain of our business strategies, including our ability to enter into contracts, acquire or dispose of assets or incur indebtedness or capital expenditures. These contractual restrictions could negatively affect our business, results of operations and financial condition while the Merger is pending.

Our stockholders will be diluted by the Merger.

Pursuant to the Merger Agreement, our stockholders will receive 0.933 shares of Midstates common stock for each share of Amplify Energy common stock that they hold. Accordingly, the Merger will dilute the ownership position of our current stockholders in the combined company. We currently estimate that our current stockholders will own approximately 50 percent of the issued and outstanding shares of Midstates immediately following the completion of the Merger.

Because the exchange ratio pursuant to the Merger Agreement is fixed, our stockholders cannot be certain of the market value of the shares of Midstates common stock that they will receive in connection with the Merger relative to the value of the shares of Amplify Energy common stock that they currently hold.

Pursuant to the Merger Agreement, our stockholders will receive 0.933 shares of Midstates common stock for each share of Amplify Energy common stock that they hold. There is no mechanism in the Merger Agreement that would adjust the number of shares of Midstates common stock that our stockholders will receive based on any decreases or increases in the trading price of shares of Midstates common stock. Accordingly, the market value of the consideration that our stockholders will receive in connection with the Merger will depend on the respective market prices of our common stock and Midstates' common stock at the closing of the Merger.

The respective market prices of our common stock and Midstates' common stock may be highly volatile and could fluctuate significantly for various reasons, including:

- changes in market assessments of the likelihood that the Merger will be completed;
- the nature and content of our or Midstates' respective earnings releases, announcements or events that impact our or Midstates' respective products, customers, competitors or markets; and
- business conditions in our markets and the general state of the securities markets and the market for energy-related stocks, as well as general economic and market conditions.

Furthermore, while the Merger is pending, the market price of our common stock could be negatively affected by risks and conditions that apply to Midstates, which may be different from the risks and conditions currently applicable to our business.

Even if the Merger is completed, the integration of our business with that of Midstates may be more difficult, costly or time consuming than we expect and we may fail to realize the anticipated benefits of the Merger fully or at all.

The success of the Merger will depend on our and Midstates' ability to successfully combine and integrate our respective businesses. Even if the Merger is completed, there can be no assurance that we and Midstates will be able to successfully combine and integrate our respective businesses or otherwise realize the anticipated benefits of the Merger. The combined company may perform differently than we expect. Potential difficulties that we and Midstates may face in the integration process include: the inability to successfully integrate our respective businesses in a manner that permits the combined company to achieve the full revenue and cost savings anticipated from the transaction; complexities associated with managing a larger and more complex business; challenges integrating personnel from the two companies and the loss of key employees; potential unknown liabilities and unforeseen expenses, delays or regulatory conditions in connection with the Merger or the integration process; difficulties integrating relationships with customers, suppliers, employees and other business partners; and poorer performance at one or both of the companies as a result of the diversion of our or Midstates' respective management's attention in connection with the Merger or the integration process. If we experience any of these difficulties or other problems in connection the integration process, we and Midstates may fail to realize the anticipated benefits of the Merger fully or at all.

We expect to incur significant costs in connection with the Merger.

We and Midstates have incurred and we expect to continue to incur significant non-recurring transaction-related costs associated with completing the Merger, combining the operations of the two companies and achieving desired synergies. Transaction costs include legal fees, accounting fees, financial advisory, financial printing and other related costs. These costs may be substantial and, in many cases, will be borne by us whether or not the Merger is completed. We will also incur costs related to formulating and implementing integration plans, including facilities and systems consolidation costs and other employment-related costs. Even if the Merger is completed, the benefits of the Merger may not offset transaction costs or allow the combined company to achieve a net benefit in the near term, or at all.

We or Midstates may become the target of securities class action or derivative lawsuits that could result in substantial costs and may delay or prevent the Merger from being completed.

Securities class action lawsuits and derivative lawsuits are often brought against companies that have entered into merger agreements. Defending against these claims can result in substantial costs and divert management time and resources, even if the lawsuits are without merit. An adverse judgment could result in monetary damages, which could have a negative impact on our and Midstates' respective businesses, results of operations and financial condition. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting completion of the Merger, the injunction may delay or prevent the Merger from being completed, which may adversely affect our and Midstates' respective businesses, results of operations and financial condition.

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

The following table summarizes our repurchase activity during the three months ended March 31, 2019:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (1)
				(In thousands)
Common Shares Repurchased (1)				
January 1, 2019 - January 31, 2019	—	n/a	—	n/a
February 1, 2019 - February 28, 2019	—	n/a	—	n/a
March 1, 2019 - March 31, 2019	88,508	$ 6.94	—	n/a

(1) Common shares are generally net-settled by shareholders to cover the required withholding tax upon vesting. The Company repurchased the remaining vesting shares on the vesting date at current market price. See Note 9 of the Notes to the Unaudited Condensed Consolidated Financial Statements included under "Item 1. Financial Statements" of this quarterly report for additional information.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Employment Agreements

On May 1, 2019, the Company approved new compensatory arrangements for Messrs. Willsher, Smiley and Willis. On May 3, 2019, the Company entered into employment agreements with each of Messrs. Willsher, Smiley and Willis (each, an "Employment Agreement" and collectively, the "Employment Agreements"), memorializing the previously approved compensatory arrangements and setting forth terms and conditions under which each will serve as an executive officer of the Company.

Martyn Willsher

Mr. Willsher's Employment Agreement provides Mr. Willsher with an initial base salary of $300,000 per year; an annual bonus opportunity (the "Annual Bonus") (targeted at 75% of his annual base salary) (the "Target Bonus"); the potential to receive long-term incentive compensation awards as determined in the Board's discretion; the right to participate in the benefit plans, programs and arrangements available to the Company's other senior executives generally, subject to the terms and conditions of such plans, programs and arrangements; and reimbursement for his business expenses incurred during the employment term.

Upon any termination of employment with the Company, Mr. Willsher will be entitled to: (i) his accrued but unpaid base salary as of the termination date, (ii) any unreimbursed business expenses incurred through the termination date and (iii) any payments and benefits to which he may be entitled under any benefit plans, programs, or arrangements (collectively, the "Accrued Obligations").

In the event of a termination of Mr. Willsher's employment with the Company without "cause" (as defined below) or for "good reason" (as defined below) (each, a "Good Leaver Termination"), then in addition to the Accrued Obligations and subject to his timely execution and non-revocation of a general release of claims, and complying with the release and the restrictive covenants, Mr. Willsher will be entitled to: (i) any earned but unpaid Annual Bonus for the preceding calendar year (the "Actual Full Year Bonus"); (ii) a pro-rated Annual Bonus in respect of the calendar year of termination, with the amount determined based on actual results for such calendar year and with the pro-ration determined based on the duration of his employment with the Company during such calendar year (the "Pro-Rated Bonus"); (iii) (A) if the termination date occurs on or prior to December 11, 2019, an amount equal to Mr. Willsher's then-current monthly base salary rate, and (B) if the termination occurs after December 11, 2019, an amount equal to 200% of his then-current monthly base salary rate, in each case, payable in accordance with the Company's regularly scheduled payroll practices for a period of 12 months following the termination date; and (iv) up to 12 months of continued health insurance benefits under the Company group health plan (at the employee-rate), subject to his continued eligibility for COBRA coverage and terminable if he obtains other employment offering group health plan coverage.

If Mr. Willsher's employment with the Company is terminated due to his death or "disability" (as defined in the Employment Agreement), then in addition to the Accrued Obligations, Mr. Willsher will be entitled to the Actual Full Year Bonus and the Pro-Rated Bonus.

For purposes of the Employment Agreement, the Company will have "cause" to terminate Mr. Willsher's employment upon the occurrence of any of his: (i) conviction of a felony, or plea of guilty or nolo contendere to, any felony or any crime of moral turpitude; (ii) repeated intoxication by alcohol or drugs during the performance of his duties; (iii) embezzlement or other willful and intentional misuse of any of the funds of the Company or its direct or indirect subsidiaries, (iv) commission of a demonstrable act of fraud; (v) willful and material misrepresentation or concealment on any written reports submitted to the Company or its direct or indirect subsidiaries; (vi) material breach of the Employment Agreement; (vii) failure to follow or comply with the reasonable, material and lawful written directives of the Board; or (vii) conduct constituting his material breach of the Company's then current code of conduct or similar written policy.

For purposes of the Employment Agreement, Mr. Willsher will have "good reason" to terminate his employment with the Company upon the occurrence of any of the following without his written consent: (i) a relocation of his principal work location to a location more than 40 miles from its then current location; (ii) a reduction in his then current base salary or Target Bonus, or both; (iii) a material breach of any provision of the Employment Agreement by the Company; or (iv) any material reduction in his title, authority, duties, responsibilities or reporting relationship from those in effect as of the Effective Date, except to the extent such reduction occurs in connection with his termination of employment for "cause" or due to his death or "disability".

The Employment Agreement provides for a Code Section 280G "best-net" cutback, which would cause an automatic reduction in any payments or benefits Mr. Willsher would receive which constitute parachute payments within the meaning of Code Section 280G, in the event such reduction would result in Mr. Willsher receiving greater payments and benefits on an after-tax basis.

The Employment Agreement subjects Mr. Willsher to employment term and 12-month post-employment non-competition, non-solicitation and non-interference restrictive covenants, as well as assignment of invention, perpetual non-disparagement and employment term and post-employment confidentiality covenants.

Richard P. Smiley

Mr. Smiley's Employment Agreement provides Mr. Smiley with an initial base salary of $330,000 per year; an annual bonus opportunity (targeted at 70% of his annual base salary); the potential to receive long-term incentive compensation awards as determined in the Board's discretion; the right to participate in the benefit plans, programs and arrangements available to the Company's other senior executives generally, subject to the terms and conditions of such plans, programs and arrangements; and reimbursement for his business expenses incurred during the employment term. The remaining terms of Mr. Smiley's Employment Agreement are substantially similar to Mr. Willsher's Employment Agreement discussed above.

Eric M. Willis

Mr. Willis' Employment Agreement provides Mr. Willis with an initial base salary of $350,000 per year; an annual bonus opportunity (targeted at 65% of his annual base salary); the potential to receive long-term incentive compensation awards as determined in the Board's discretion; the right to participate in the benefit plans, programs and arrangements available to the Company's other senior executives generally, subject to the terms and conditions of such plans, programs and arrangements; and reimbursement for his business expenses incurred during the employment term. The remaining terms of Mr. Willis' Employment Agreement are substantially similar to Mr. Willsher's Employment Agreement discussed above.

The foregoing description of the Employment Agreements for each of Messrs. Willsher, Smiley and Willis are qualified in their entirety by reference to the Employment Agreements, which are attached as Exhibits 10.1, 10.2 and 10.3 to this quarterly report.

ITEM 6. EXHIBITS.

Exhibit Number		Description
2.1	—	Agreement and Plan of Merger, dated May 5, 2019, by and among Amplify Energy Corp., Midstates Petroleum Company, Inc. and Midstates Holdings, Inc. (incorporated by reference to Exhibit 2.1 of the Company's Current Report on Form 8-K (File No. 001-35364) filed on May 6, 2019).
3.1	—	Amended and Restated Certificate of Incorporation of Amplify Energy Corp. (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form S-8 (File No. 333-217674) filed on May 4, 2017).
3.2	—	Amended and Restated Bylaws of Amplify Energy Corp. (incorporated by reference to Exhibit 4.2 of the Company's Registration Statement on Form S-8 (File No. 333-217674) filed on May 4, 2017).

Exhibit Number		Description
10.1*	—	Employment Agreement, dated May 3, 2019, by and between Amplify Energy Corp. and Martyn Willsher.
10.2*	—	Employment Agreement, dated May 3, 2019, by and between Amplify Energy Corp. and Richard P. Smiley.
10.3*	—	Employment Agreement, dated May 3, 2019, by and between Amplify Energy Corp. and Eric M. Willis.
10.4	—	First Amendment to Credit Agreement, dated May 5, 2019, by and among Amplify Energy Operating LLC, Amplify Acquisitionco Inc., Amplify Energy Corp., the guarantors party thereto, lenders party thereto and Bank of Montreal, as administrative agent (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K (File No. 001-35364) filed on May 6, 2019).
31.1*	—	Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934.
31.2*	—	Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934.
32.1**	—	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18. U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.CAL*	—	XBRL Calculation Linkbase Document
101.DEF*	—	XBRL Definition Linkbase Document
101.INS*	—	XBRL Instance Document
101.LAB*	—	XBRL Labels Linkbase Document
101.PRE*	—	XBRL Presentation Linkbase Document
101.SCH*	—	XBRL Schema Document

* Filed as an exhibit to this Quarterly Report on Form 10-Q.
** Furnished as an exhibit to this Quarterly Report on Form 10-Q.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Amplify Energy Corp.
(Registrant)

Date: May 9, 2019

By: /s/ Martyn Willsher
Name: Martyn Willsher
Title: Senior Vice President and Chief Financial Officer

Date: May 9, 2019

By: /s/ Denise DuBard
Name: Denise DuBard
Title: Vice President and Chief Accounting Officer

Exhibit 10.1

EMPLOYMENT AGREEMENT

May 3, 2019

This Employment Agreement ("Agreement") is entered into by and between **AMPLIFY ENERGY CORP.**, a Delaware corporation (the "Company"), and **Martyn Willsher** (the "Employee"), effective as of May 3, 2019 (the "Effective Date"), on the terms set forth herein. The Company and Employee may sometimes hereafter be referred to singularly as a "Party" or collectively as the "Parties."

WHEREAS, the Parties intend for the terms of this Agreement to govern the terms of the Employee's employment with the Company and to replace and supersede any prior agreements, understands, discussions or negotiations, whether written or oral, between the parties hereto relating to the subject matter hereof, including, without limitation, that certain change of control agreement from Memorial Production Partners GP LLC dated April 27, 2017, as amended by that certain change of control agreement dated May 4, 2017 by the Company, that certain severance agreement dated May 4, 2017 from the Company and that certain restrictive covenant agreement dated May 4, 2017 from the Company (collectively, the "Prior Agreements"), and any promises or agreements providing for severance.

Accordingly, the Parties, intending to be legally bound, agree as follows:

Position and Duties

.

1.1 Employment; Titles; Reporting. The Company agrees to employ the Employee and the Employee agrees to commence employment with the Company, upon the terms and subject to the conditions provided under this Agreement. During the Employment Term (as defined in Section 2), the Employee will serve the Company as its Senior Vice President and Chief Financial Officer. In such capacity, the Employee will report to the Chief Executive Officer of the Company (the "CEO") or such position designated by the CEO and otherwise will be subject to the direction and control of the CEO or such position designated by the CEO, and the Employee will have such duties, responsibilities and authorities as may be assigned to the Employee by the CEO or such position designated by the CEO from time to time to the extent consistent with Employee's position as Senior Vice President and Chief Financial Officer in a publicly traded company comparable to the Company.

1.2 Duties. During the Employment Term, the Employee will devote substantially all of the Employee's full working time to the business and affairs of the Company, will use the Employee's best efforts to promote the Company's interests and will perform the Employee's duties and responsibilities faithfully, diligently and to the best of the Employee's ability, consistent with sound business practices. The Employee may be required by the CEO and/or the Board of Directors of the Company (the "Board") to provide services to, or otherwise serve as an officer or director of, any direct or indirect subsidiary of the Company. The Employee will comply with the Company's policies, codes and procedures, as they may be in effect from time to time, applicable to executive officers of the Company. Subject to the preceding sentence, the Employee may, with the prior written approval of the Board in each instance, engage in other business and charitable activities, provided that such charitable and/or other business activities do not violate Section 7,

create a conflict of interest or the appearance of a conflict of interest with the Company, or interfere, individually or in the aggregate, with the performance of the Employee's obligations to the Company under this Agreement.

1.3 Place of Employment. The Employee will perform the Employee's duties under this Agreement at the Company's offices in Houston, Texas. The Employee understands and agrees that Employee will be required to travel from time to time for purposes of the Company's business.

Term of Employment

.

The term of the Employee's employment by the Company under this Agreement (the "Employment Term") will commence on the Effective Date and will continue until the Employee's employment is terminated by either Party under Section 5. The date on which the Employee's employment ends is referred to in this Agreement as the "Termination Date." For the purpose of Sections 5 and 6 of this Agreement, the Termination Date shall be the date upon which the Employee incurs a "separation from service" as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations issued thereunder (collectively, "Code Section 409A").

Compensation

.

3.1 Base Salary. During the Employment Term, the Employee will be entitled to receive a base salary ("Base Salary") at an annual rate of not less than $300,000 for services rendered to the Company and any of its direct or indirect subsidiaries, payable in accordance with the Company's regular payroll practices. The Employee's Base Salary shall be reviewed annually by the Board and may be adjusted upward in the Board's sole discretion, but not downward.

3.2 Bonus Compensation. During the Employment Term, the Employee shall be eligible for discretionary bonus compensation with a target of 75% of the Employee's Base Salary (the "Target Bonus") for each complete calendar year that the Employee is employed by the Company hereunder (any bonus compensation payable, the "Annual Bonus"). The performance targets that must be achieved in order to be eligible for certain bonus levels shall be established by the Board (or a committee thereof) annually. Each Annual Bonus, if any, shall be paid as soon as administratively feasible after the Board (or a committee thereof) certifies whether the applicable performance targets for the applicable calendar year have been achieved, but in no event later than March 15 following the end of such calendar year. Notwithstanding anything in this Section 3.2 to the contrary, but subject to Section 6 below, no Annual Bonus, if any, nor any portion thereof, shall be payable for any calendar year unless the Employee remains continuously employed by the Company from the Effective Date through the date on which such Annual Bonus is paid. Any Annual Bonus will be paid in the form of (a) cash, with respect to 25% of the amount of the Annual Bonus, and (b) fully-vested shares of the Company's common stock having an aggregate fair market value on the grant date (as determined by the Board) equal to 75% of the amount of the Annual Bonus.

3.3 Long-Term Incentive Compensation. Long-term incentive compensation awards may be made to the Employee from time to time during the Employment Term by the Board in its

sole discretion, whose decision will be based upon performance and award guidelines for executive officers of the Company established periodically by the Board in its sole discretion.

Expenses and Other Benefits

.

4.1 Reimbursement of Business Expenses. The Employee will be entitled to receive prompt reimbursement for all reasonable business expenses incurred by the Employee during the Employment Term (in accordance with the policies and practices presently followed by the Company or as may be established by the Board from time to time for the Company's senior executive officers) in performing services under this Agreement, provided that the Employee properly accounts for such expenses in accordance with the Company's policies as in effect from time to time. Each reimbursement shall be paid within 30 days after it has been properly submitted to the Company by the Employee in accordance with all applicable policies, but in no event later than the end of the calendar year following the calendar year in which any such reimbursable expense was incurred.

The Company shall not be obligated to pay any such reimbursement amount for which the Employee fails to submit an invoice or other documented reimbursement request at least ten business days before the end of the calendar year next following the calendar year in which the expense was incurred. Business related expenses shall be reimbursable only to the extent they were incurred during the Employment Term, but in no event shall the time period extend beyond the later of the lifetime of the Employee or, if longer, 20 years. The amount of such reimbursements that the Company is obligated to pay in any given calendar year shall not affect the amount the Company is obligated to pay in any other calendar year. In addition, the Employee may not liquidate or exchange the right to reimbursement of such expenses for any other benefits.

4.2 Paid Time Off. The Employee shall be entitled to paid time off in accordance with the Company's policy as then in effect (prorated for any calendar year during which the Employee is employed with the Company for less than the entire year, based on the number of days that the Employee is employed with the Company during such calendar year).

4.3 Other Employee Benefits. In addition to the foregoing, during the Employment Term, the Employee will be entitled to participate in and to receive benefits as a senior executive under all of the Company's employee benefit plans, programs and arrangements available to senior executives, subject to the eligibility criteria and other terms and conditions thereof, as such plans, programs and arrangements may be duly amended, terminated, approved or adopted by the Company from time to time.

Termination of Employment

.

5.1 Death. The Employee's employment under this Agreement will terminate upon the Employee's death.

5.2 Termination by the Company.

(a) *Terminable at Will.* The Company may terminate the Employee's employment under this Agreement at any time with or without Cause (as defined below).

(b) *Definition of Cause.* For purposes of this Agreement, "Cause" means any of the Employee's: (1) conviction of a felony, or plea of guilty or *nolo contendere* to, any felony or any crime of moral turpitude; (2) repeated intoxication by alcohol or drugs during the performance of the Employee's duties; (3) embezzlement or other willful and intentional misuse of any of the funds of the Company or its direct or indirect subsidiaries, (4) commission of a demonstrable act of fraud; (5) willful and material misrepresentation or concealment on any written reports submitted to the Company or its direct or indirect subsidiaries; (6) material breach of this Agreement; (7) failure to follow or comply with the reasonable, material and lawful written directives of the Board; or (8) conduct constituting a material breach of the Company's then-current code of conduct or other similar written policy which has been provided to the Employee.

(c) *Notice and Cure Opportunity in Certain Circumstances.* The Employee may be afforded a reasonable opportunity to cure any act or omission that would otherwise constitute Cause hereunder according to the following terms: The Board shall give the Employee written notice stating with reasonable specificity the nature of the circumstances determined by the Board in its reasonable and good faith judgment to constitute Cause. If, in the reasonable and good faith judgment of the Board, the alleged breach is reasonably susceptible to cure, the Employee will have 15 days from the Employee's receipt of such notice to effect the cure of such circumstances or such breach to the reasonable and good faith satisfaction of the Board. The Board will state whether the Employee will have such an opportunity to cure in the initial notice of Cause referred to above. Prior to a termination for Cause, in those instances where the initial notice of Cause states that the Employee will have an opportunity to cure, the Company shall provide an opportunity for the Employee to be heard by the Board or a Board committee designated by the Board to hear the Employee. The decision as to whether the Employee has satisfactorily cured the alleged breach shall be made at such meeting. If, in the reasonable and good faith judgment of the Board, the alleged breach is not reasonably susceptible to cure, or such circumstances or breach have not been satisfactorily cured within such 15 day cure period, such breach will thereupon constitute Cause hereunder.

5.3 Termination by the Employee.

(a) *Terminable at Will.* The Employee may terminate the Employee's employment under this Agreement at any time with or without Good Reason (as defined below).

(b) *Notice and Cure Opportunity.* If such termination is for Good Reason, the Employee will give the Company written notice, which will identify with reasonable specificity the grounds for the Employee's resignation and provide the Company with 30 days from the day such notice is given to cure the alleged grounds for resignation contained in the notice. A termination will not be for Good Reason if such notice is given by the Employee to the Company more than 45 days after the first occurrence of the event that the Employee alleges is Good Reason for the Employee's termination hereunder. The Employee must actually terminate Employee's employment within 30 days following the expiration of the Company's 30-day cure period. Otherwise, any claim of such circumstances constituting "Good Reason" shall be deemed irrevocably waived by the Employee.

(c) *Definition of Good Reason.* For purposes of this Agreement, "Good Reason" will mean any of the following to which the Employee will not consent in writing: (i) a

relocation of the Employee's principal work location to a location in excess of 40 miles from its then current location; (ii) a reduction in the Employee's then current Base Salary or Target Bonus, or both; (iii) a material breach of any provision of this Agreement by the Company; or (iv) any material reduction in the Employee's title, authority, duties, responsibilities or reporting relationship from those in effect as of the Effective Date, except to the extent such reduction occurs in connection with the Employee's termination of employment for Cause or due to the Employee's death or Disability.

5.4 Notice of Termination. Any termination of the Employee's employment by the Company or by the Employee during the Employment Term (other than termination pursuant to Section 5.1) will be communicated by written Notice of Termination to the other Party hereto in accordance with Section 8.7. For purposes of this Agreement, a "Notice of Termination" means a written notice that (a) indicates the specific termination provision in this Agreement relied upon, (b) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated, and (c) if the Termination Date is other than the date of receipt of such notice, specifies the Termination Date (which Termination Date will be not more than 30 days after the giving of such notice).

5.5 Disability. If the Company determines in good faith that the Disability (as defined herein) of the Employee has occurred during the Employment Term, it may, without breaching this Agreement, give to the Employee written notice in accordance with Section 5.4 of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Company will terminate effective on the 30th day after receipt of such notice by the Employee, provided that, within 30 days after such receipt, the Employee has not returned to full-time performance of the Employee's duties hereunder.

"Disability" means the earlier of (a) written determination by a physician selected by the Company and reasonably agreed to by the Employee that the Employee has been unable to perform substantially the Employee's usual and customary duties under this Agreement for a period of at least 120 consecutive days or a non-consecutive period of 180 days during any 12-month period as a result of incapacity due to mental or physical illness or disease; and (b) "disability" as such term is defined in the Company's applicable long-term disability insurance plan. At any time and from time to time, upon reasonable request therefor by the Company, the Employee will submit to reasonable medical examination for the purpose of determining the existence, nature and extent of any such disability. Any physician selected by Company shall be Board Certified in the appropriate field and shall have no actual or potential conflict of interest.

Compensation of the Employee Upon Termination

. Subject to the provisions of Section 6.9, the Employee shall be entitled to receive the amount specified upon the termination events designated below:

6.1 Death. If the Employee's employment under this Agreement is terminated by reason of the Employee's death, the Company shall pay to the person or persons designated by the Employee for that purpose in a notice filed with the Company, or, if no such person has been so designated, to the Employee's estate, the following:

(a) an amount equal to the Employee's accrued but unpaid then current Base Salary through the Termination Date, payable in a lump sum within 30 days following the Termination Date; *plus*

(b) if the Termination Date occurs after the end of the calendar year but prior to the date on which annual bonuses are paid, an amount equal to the Annual Bonus that the Employee would have received (if any) had Employee been employed on the payment date (the "Actual Full Year Bonus Amount "), payable at the same time annual bonuses for such year are paid to actively-employed senior executives of the Company; *plus*

(c) a pro-rata portion of the Employee's Annual Bonus for the calendar year in which the Employee's Termination Date occurs, based on actual results for such year (determined by multiplying the amount of such Annual Bonus which would be due for the full calendar year by a fraction, (i) the numerator of which is the number of days during the calendar year that the Employee is employed by the Company and (ii) the denominator of which is three hundred sixty-five (365)) (the "Actual Pro Rata Bonus Amount"), if any, payable at the same time annual bonuses for such year are paid to actively-employed senior executives of the Company; *plus*

(d) any other amounts that may be reimbursable by the Company to the Employee as expressly provided under this Agreement, payable in a lump sum within 30 days following the Termination Date.

The Employee's entitlement to the amounts set forth in Section 6.1(b) and Section 6.1(c) is subject to the provisions of Section 6.5.

Thereafter, the Company will have no further obligation to the Employee under this Agreement, other than for payment of any amounts accrued and vested under any employee benefit plans or programs of the Company and any payments or benefits required to be made or provided under applicable law.

6.2 Disability. In the event of the Employee's termination by reason of Disability pursuant to Section 5.5, the Employee will continue to receive the Employee's Base Salary in effect immediately prior to the Termination Date and participate in applicable employee benefit plans or programs of the Company through the Termination Date, subject to offset dollar-for-dollar by the amount of any disability income payments provided to the Employee under any Company disability policy or program that is maintained by the Company. The Company also shall pay to the Employee the amounts set forth in Section 6.1(a) through Section 6.1(d), at the times and subject to the conditions set forth in Section 6.1. Thereafter, the Company will have no further obligation to the Employee under this Agreement, other than for payment of any amounts accrued and vested under any employee benefit plans or programs of the Company and any payments or benefits required to be made or provided under applicable law.

6.3 By the Company for Cause or by the Employee Without Good Reason.

(a) *Termination by Company For Cause.* If the Employee's employment is terminated by the Company for Cause, the Employee will receive (i) the Employee's accrued but unpaid then current Base Salary through the Termination Date and (ii) any other amounts that may be reimbursable by the Company to the Employee as expressly provided under this Agreement, in

each case, payable in a lump sum within 30 days following the Termination Date. Thereafter, the Company will have no further obligation to the Employee under this Agreement, other than for payment of any amounts accrued and vested under any employee benefit plans or programs of the Company, and any payments or benefits required to be made or provided under applicable law. No bonus will be paid to the Employee for a termination of the Employee's employment for Cause.

(b) *Termination by Employee Without Good Reason*. If the Employee's employment is terminated by the Employee without Good Reason, the Employee will receive (i) the Employee's accrued but unpaid then current Base Salary through the Termination Date and (ii) any other amounts that may be reimbursable by the Company to the Employee as expressly provided under this Agreement, in each case, payable in a lump sum within 30 days following the Termination Date. Thereafter, the Company will have no further obligation to the Employee under this Agreement, other than for payment of any amounts accrued and vested under any employee benefit plans or programs of the Company, and any payments or benefits required to be made or provided under applicable law. No bonus will be paid to the Employee for a termination of the Employee's employment without Good Reason.

6.4 By the Employee for Good Reason or by the Company Without Cause. Subject to the provisions of Section 6.5, if the Company terminates the Employee's employment without Cause, or the Employee terminates Employee's employment for Good Reason, then the Employee will be entitled to the following (with the amounts payable under clauses (b), (c), (e) and (f) below, collectively, the "Severance Benefits"):

(a) an amount equal to the Employee's accrued but unpaid then current Base Salary through the Termination Date, payable in a lump sum within 30 days following the Termination Date; *plus*

(b) if the Termination Date occurs after the end of the calendar year but prior to the date on which annual bonuses are paid, the Actual Full Year Bonus Amount, payable at the same time annual bonuses for such year are paid to actively-employed senior executives of the Company; *plus*

(c) the Actual Pro Rata Bonus Amount, if any, payable at the same time annual bonuses for such year are paid to actively-employed senior executives of the Company; *plus*

(d) any other amounts that may be reimbursable by the Company to the Employee as expressly provided under this Agreement; *plus*

(e) (i) if the Employee's termination occurs on or prior to December 11, 2019 , an amount equal to the Employee's monthly Base Salary rate as in effect on the day before the Termination Date (but not as an employee), and (ii) if the Employee's termination occurs after December 11, 2019, an amount equal to 200% of the Employee's monthly Base Salary rate as in effect on the day before the Termination Date, in each case, payable in accordance with the Company's regularly scheduled payroll practices for a period of 12 months following the Termination Date; provided that to the extent the payment of any amount constitutes "nonqualified deferred compensation" for purposes of Code Section 409A, any such payment scheduled to occur during the first 60 days following the Termination Date shall not be paid until the first regularly

scheduled pay period following the 60th day after the Termination Date and shall include payment of any amount that was otherwise scheduled to be paid prior thereto; *plus*

(f) subject to the Employee's (i) timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), and (B) continued copayment of premiums at the same level and cost to the Employee as if the Employee were a senior executive of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), continued participation in the Company's group health plan (to the extent permitted under applicable law and the terms of such plan) which covers the Employee (and Employee's spouse and eligible dependents, if applicable) for a period of 12 months, provided that the Employee is eligible and remains eligible for COBRA coverage; provided, further, that the Company may modify the continuation coverage contemplated by this Section 6.4(f) to the extent reasonably necessary to avoid the imposition of any excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and/or the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable); and provided, further, that in the event that the Employee obtains other employment that offers group health plan coverage, such continuation of coverage by the Company under this Section 6.4(f) shall cease as of the end of the month in which the Employee obtains such other employer-provided, group health plan coverage.

6.5 Conditions to Receipt of Certain Post-Termination Payments and Benefits.

(a) *Release.* As a condition to receiving the Actual Full Year Bonus Amount, the Actual Pro Rata Bonus Amount and/or any Severance Benefits to which the Employee may otherwise be entitled under Section 6.1, Section 6.2 or Section 6.4, the Employee must execute and not revoke a general release of claims, which will include an affirmation of the restrictive covenants set forth in Section 7, in form and substance satisfactory to the Company (the "Release"). The Company will provide the Release to the Employee for signature within ten days after the Termination Date. If the Company has provided the Release to the Employee for signature within ten days after the Termination Date, and if the Release is not executed and non-revocable within 60 days after the Termination Date and prior to the date on which such payment and/or benefits are to be first paid or provided to the Employee, the Employee will not be entitled to the Actual Full Year Bonus Amount, the Actual Pro Rata Bonus Amount and/or any Severance Benefits, as the case may be, and the Company will have no further obligations with respect to the provision of those payments and/or benefits except as may be required by law. If the Release consideration period spans two calendar years, no payments and/or benefits subject to the Release will be paid or provided until the later of (i) the date on which the Release becomes effective and non-revocable and (ii) January 2nd of the second calendar year.

(b) *Limitation on Benefits.* If, following a termination of employment that gives the Employee a right to the payment of the Actual Full Year Bonus Amount, the Actual Pro Rata Bonus Amount and/or any Severance Benefits to which the Employee may otherwise be entitled under Section 6.1, Section 6.2 or Section 6.4, the Employee violates any of the covenants in Section 7 or as otherwise set forth in the Release, the Employee will have no further right or claim to the Actual Full Year Bonus Amount, the Target Pro Rata Bonus Amount and/or any Severance Benefits to which the Employee may otherwise be entitled under Section 6.1, Section 6.2 or

Section 6.4 from and after the date on which the Employee engages in such activities, and the Company will have no further obligations with respect to such payments or benefits, and the covenants in Section 7 will nevertheless continue in full force and effect.

6.6 Certain Amounts Not Includable for Employee Benefits Purposes. Except to the extent the terms of any applicable benefit plan, policy or program provide otherwise, any benefit programs of the Company that take into account the Employee's income will exclude the Actual Full Year Bonus Amount, the Actual Pro Rata Bonus Amount and/or any Severance Benefits to which the Employee may otherwise be entitled under Section 6.1, Section 6.2 or Section 6.4.

6.7 Exclusive Severance Benefits. The Actual Full Year Bonus Amount, the Actual Pro Rata Bonus Amount and/or any Severance Benefits to which the Employee may otherwise be entitled under Section 6.1, Section 6.2 or Section 6.4, if they become payable under the terms of this Agreement, will be in lieu of any other severance or similar benefits that would otherwise be payable under any other agreement, plan, program or policy of the Company, excluding, for this purpose, any post-termination treatment of equity incentive awards provided under the terms of the governing award agreements.

6.8 Code Section 280G; Code Section 409A. Notwithstanding anything in this Agreement to the contrary:

(a) If any of the payments or benefits received or to be received by the Employee (including, without limitation, any payment or benefits received in connection with a "change of control" or the Employee's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) (all such payments collectively referred to herein as the ("280G Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section 6.8(a), be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then prior to making the 280G Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Employee of the 280G Payments after payment of the Excise Tax to (ii) the Net Benefit to the Employee if the 280G Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under clause (i) above is less than the amount under clause (ii) above will the 280G Payments be reduced to the minimum extent necessary to ensure that no portion of the 280G Payments is subject to the Excise Tax. "Net Benefit" shall mean the present value of the 280G Payments net of all federal, state, local, foreign income, employment and excise taxes. Any reduction made pursuant to this Section 6.8(a) shall be made in a manner determined by the Company that is consistent with the requirements of Code Section 409A and that maximizes the Employee's economic position and after-tax income; for the avoidance of doubt, the Employee shall not have any discretion in determining the manner in which the payments and benefits are reduced.

(b) In the event that any benefits payable or otherwise provided under this Agreement would be deemed to constitute non-qualified deferred compensation subject to Code Section 409A, the Company will have the discretion to adjust the terms of such payment or benefit (but not the amount or value thereof) to the minimum extent reasonably necessary to comply with the requirements of Code Section 409A to avoid the imposition of any excise tax or other penalty with respect to such payment or benefit under Code Section 409A.

6.9 Timing of Payments by the Company. Notwithstanding anything in this Agreement to the contrary, in the event that the Employee is a "specified employee" (as determined under Code Section 409A) at the time of the separation from service triggering the payment or provision of benefits, any payment or benefit under this Agreement which is determined to provide for a deferral of compensation pursuant to Code Section 409A shall not commence being paid or made available to the Employee until after six months from the Termination Date that constitutes a "separation from service" within the meaning of Code Section 409A or such earlier date as may be permitted under Code Section 409A.

Restrictive Covenants

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7.1 Confidential Information. During the Employment Term and thereafter, the Employee shall keep secret and retain in strictest confidence, and shall not use for the benefit of himself or others, any confidential matters or trade secrets of, or confidential and competitively valuable information concerning, the Company and its direct or indirect subsidiaries (collectively, the "Company Group"), including, without limitation, information concerning their organization and operations, business and affairs, formulae, manufacturing processes, proprietary information, technical data, "know-how", customer lists, details of client or consultant contracts, vendor and purchasing arrangements, terms and discounts, pricing methods and policies, financial information, operational methods, marketing plans or strategies, business acquisition plans, new personnel acquisition plans, technical processes, projects, financing/financial projections, budget information and procedures, marketing plans or strategies, and research products. The confidentiality obligations set forth in this Section 7.1 shall not apply to any information that becomes part of the public domain other than through the Employee's disclosure in violation of the terms hereof. Nothing herein shall be construed as prohibiting the Employee from using or disclosing such confidential information as is necessary and has been authorized in Employee's proper performance of services for the Company Group.

(a) SEC Provisions. The Employee understands that nothing contained in this Agreement limits the Employee's ability to file a charge or complaint with the Securities and Exchange Commission ("SEC"). The Employee further understands that this Agreement does not limit the Employee's ability to communicate with the SEC or otherwise participate in any investigation or proceeding that may be conducted by the SEC, including providing documents or other information, without notice to the Company. This Agreement does not limit the Employee's right to receive an award for information provided to the SEC. This Section 7.1(a) applies only for the period of time that the Company is subject to the Dodd-Frank Act.

(b) Trade Secrets. The parties specifically acknowledge that 18 U.S.C. § 1833(b) provides: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that—(A) is made—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Accordingly, notwithstanding anything to the contrary in the foregoing, the Parties have the right to disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the

sole purpose of reporting or investigating a suspected violation of law. If the Employee files a lawsuit for retaliation against the Company for reporting a suspected violation of law, the Employee may disclose the Company's trade secrets to the Employee's attorney and use the trade secret information in the court proceeding, if the Employee first files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

7.2 No Interference. Notwithstanding any other provision of this Agreement, (a) the Employee may disclose confidential information (as described in Section 7.1 above) when required to do so by a court of competent jurisdiction, by any governmental agency having authority over the Employee or the business of the Company or by any administrative body or legislative body (including a committee thereof) with jurisdiction to order the Employee to divulge, disclose or make accessible such information, in each case, subject to the Employee's obligations to notify the Company and first obtain a protective order, to the extent permitted by applicable law; and (b) nothing in this Agreement is intended to interfere with the Employee's right to (i) report possible violations of state or federal law or regulation to any governmental or law enforcement agency or entity; (ii) make other disclosures that are protected under the whistleblower provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies); (iii) file a claim or charge any governmental agency or entity; or (iv) testify, assist or participate in an investigation, hearing, or proceeding conducted by any governmental or law enforcement agency or entity, or any court. For purposes of clarity, in making or initiating any such reports or disclosures or engaging in any of the conduct outlined in subsection (b) above, the Employee may disclose confidential information to the extent necessary to such governmental or law enforcement agency or entity or such court, need not seek prior authorization from the Company and is not required to notify the Company of any such reports, disclosures or conduct.

7.3 Return of Property. The Employee agrees to deliver promptly to the Company, upon termination of the Employee's employment hereunder, or at any other time when the Company so requests, all documents relating to the business of the Company Group; provided, however, that the Employee will be permitted to retain copies of any documents or materials of a personal nature or otherwise related to the Employee's rights under this Agreement, copies of this Agreement and any attendant or ancillary documents specifically including any documents referenced in this Agreement and copies of any documents related to the Employee's long-term incentive awards and other compensation.

7.4 Non-Competition. The Employee acknowledges that the Employee (a) will perform services of a unique nature for the Company Group that are irreplaceable, and that the Employee's performance of such services to a competing business will result in irreparable harm to the Company Group, (b) will have access to Confidential Information which, if disclosed, would unfairly and inappropriately assist in competition against the Company Group, (c) would inevitably use or disclose such Confidential Information in the course of the Employee's employment by a competitor, (d) will have access to the customers of the Company Group, (e) will receive specialized training from the Company Group, and (f) will generate goodwill for the Company Group in the course of the Employee's employment. Accordingly, during the Employment Term and for a period of 12 months immediately thereafter, the Employee agrees that the Employee will not, directly or indirectly, other than through the Company, engage or participate (or prepare to engage or participate), in any manner, whether directly or indirectly

through an employee, employer, consultant, agent, principal, partner, more than 1% shareholder, officer, director, licensor, lender, lessor or in any other individual or representative capacity, in any business or activity which is in competition with the business of the Company Group in the leasing, acquiring, exploring or producing hydrocarbons and related products within the boundaries of, or within a ten-mile radius of the boundaries of, any mineral property interest of any member of the Company Group (including, without limitation, a mineral lease, overriding royalty interest, production payment, net profits interest, mineral fee interest or option or right to acquire any of the foregoing, or an area of mutual interest as designated pursuant to contractual agreements between any member of the Company Group and any third party), or any other property on which any of the Company Group has an option, right, license or authority to conduct or direct exploratory activities, such as three-dimensional seismic acquisition or other seismic, geophysical and geochemical activities (but not including any preliminary geological mapping), provided that the foregoing will not restrict the Employee from obtaining post-termination employment with an entity that only has de minimis operations in the restricted territory (as determined by the Board in good faith); provided that, this Section 7.4 will not preclude the Employee from making passive investments in securities of oil and gas companies which are registered on a national stock exchange, if (i) the aggregate amount owned by the Employee and Employee's spouse and children, if any, does not exceed 1% of such company's outstanding securities, and (ii) the aggregate amount invested in such investments by the Employee and Employee's spouse and children does not exceed $1,000,000.

7.5 Non-Solicitation; Non-Interference.

(a) During the Employment Term and for a period of 12 months immediately thereafter, the Employee agrees that Employee shall not, except in the furtherance of the Employee's duties hereunder, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, induce or attempt to induce any customer, supplier, agent, intermediary or other business relation of the Company Group to reduce or cease doing business with the Company Group, or interfere with the relationship between any such customer, supplier, agent, intermediary or business relation and the Company Group (including making any negative statements or communications concerning the Company Group); *provided* that nothing contained in this Section 7.5(a) will prohibit public advertising or general solicitations that are not specifically directed to customers, suppliers, licensees or other business relations of the Company Group.

(b) During the Employment Term and for a period of 12 months immediately thereafter, the Employee agrees that Employee shall not, except in the furtherance of the Employee's duties hereunder, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, solicit, aid or induce any employee, representative or agent of the Company Group to leave such employment or retention or to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company Group or hire or retain any such employee, representative or agent, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, representative or agent. An employee, representative or agent shall be deemed covered by this Section 7.5(b) while so employed or retained and for a period of six months thereafter.

7.6 Non-Disparagement. The Employee agrees not to make any negative, disparaging, detrimental or derogatory remarks or public statements (written, oral, telephonic, electronic, or by any other method) about the Company or any other member of the Company Group or their respective successors and assigns or any of their respective officers, directors, employees, shareholders, agents or products. The Company agrees not to make any negative, disparaging, detrimental or derogatory remarks or public statements (written, oral, telephonic, electronic or by any other method) about the Employee. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

7.7 Assignment of Developments.

(a) The Employee acknowledges and agrees that all ideas, methods, inventions, discoveries, improvements, work products, developments, software, know-how, processes, techniques, works of authorship and other work product, whether patentable or unpatentable, (i) that are reduced to practice, created, invented, designed, developed, contributed to, or improved with the use of any Company Group resources and/or within the scope of the Employee's work with the Company Group or that relate to the business, operations or actual or demonstrably anticipated research or development of the Company Group, and that are made or conceived by the Employee, solely or jointly with others, during the Employment Term, or (ii) suggested by any work that the Employee performs in connection with the Company Group, either while performing the Employee's duties with the Company Group or on the Employee's own time, but only insofar as the Inventions are related to the Employee's work as an employee or other service provider to the Company Group, shall belong exclusively to the Company (or its designee), whether or not patent or other applications for intellectual property protection are filed thereon (the "Inventions"). The Employee will keep full and complete written records (the "Records"), in the manner prescribed by the Company, of all Inventions, and will promptly disclose all Inventions completely and in writing to the Company. The Records shall be the sole and exclusive property of the Company, and the Employee will surrender them upon the termination of the Employment Term, or upon the Company's earlier request. The Employee irrevocably conveys, transfers and assigns to the Company the Inventions and all patents or other intellectual property rights that may issue thereon in any and all countries, whether during or subsequent to the Employment Term, together with the right to file, in the Employee's name or in the name of the Company (or its designee), applications for patents and equivalent rights (the "Applications"). The Employee will, at any time during and subsequent to the Employment Term, make such applications, sign such papers, take all rightful oaths, and perform all other acts as may be requested from time to time by the Company to perfect, record, enforce, protect, patent or register the Company's rights in the Inventions, all without additional compensation to the Employee from the Company. The Employee will also execute assignments to the Company (or its designee) of the Applications, and give the Company and its attorneys all reasonable assistance (including the giving of testimony) to obtain the Inventions for the Company's benefit, all without additional compensation to the Employee from the Company, but entirely at the Company's expense.

(b) In addition, the Inventions will be deemed Work for Hire, as such term is defined under the copyright laws of the United States, on behalf of the Company, and the Employee agrees that the Company will be the sole owner of the Inventions, and all underlying rights therein,

in all media now known or hereinafter devised, throughout the universe and in perpetuity without any further obligations to the Employee. If the Inventions, or any portion thereof, are deemed not to be Work for Hire, or the rights in such Inventions do not otherwise automatically vest in the Company, the Employee hereby irrevocably conveys, transfers and assigns to the Company, all rights, in all media now known or hereinafter devised, throughout the universe and in perpetuity, in and to the Inventions, including, without limitation, all of the Employee's right, title and interest in the copyrights (and all renewals, revivals and extensions thereof) to the Inventions, including, without limitation, all rights of any kind or any nature now or hereafter recognized, including, without limitation, the unrestricted right to make modifications, adaptations and revisions to the Inventions, to exploit and allow others to exploit the Inventions and all rights to sue at law or in equity for any infringement, or other unauthorized use or conduct in derogation of the Inventions, known or unknown, prior to the date hereof, including, without limitation, the right to receive all proceeds and damages therefrom. In addition, the Employee hereby waives any so-called "moral rights" with respect to the Inventions. To the extent that the Employee has any rights in the results and proceeds of the Employee's service to the Company that cannot be assigned in the manner described herein, the Employee agrees to unconditionally waive the enforcement of such rights. The Employee hereby waives any and all currently existing and future monetary rights in and to the Inventions and all patents and other registrations for intellectual property that may issue thereon, including, without limitation, any rights that would otherwise accrue to the Employee's benefit by virtue of the Employee being an employee of or other service provider to the Company.

7.8 Injunctive Relief. The Employee acknowledges that a breach of any of the covenants contained in this Section 7 may result in material, irreparable injury to the Company Group for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely, and that, in the event of such a breach or threat of breach, the Company or any other member of the Company Group will be entitled to obtain a temporary restraining order and/or a preliminary or permanent injunction restraining the Employee from engaging in activities prohibited by this Section 7 or such other relief as may be required to specifically enforce any of the covenants in this Section 7.

7.9 Adjustment of Covenants. The Parties consider the covenants and restrictions contained in this Section 7 to be reasonable. However, if and when any such covenant or restriction is found to be void or unenforceable and would have been valid had some part of it been deleted or had its scope of application been modified, such covenant or restriction will be deemed to have been applied with such modification as would be necessary and consistent with the intent of the Parties to have made it valid, enforceable and effective.

7.10 Forfeiture Provision.

(a) *Detrimental Activities.* If the Employee engages in any activity that violates any covenant or restriction contained in this Section 7, in addition to any other remedy the Company may have at law or in equity, (i) the Employee will be entitled to no further payments or benefits from the Company under this Agreement or otherwise, except for any payments or benefits required to be made or provided under applicable law; (ii) all forms of equity compensation held by or credited to the Employee will terminate effective as of the date on which the Employee engages in that activity, unless terminated sooner by operation of another term or condition of this Agreement or other applicable plans and agreements; and (iii) any exercise,

payment or delivery pursuant to any equity compensation award that occurred within one year prior to the date on which the Employee engages in that activity may be rescinded within one year after the first date that any member of the Board first became aware that the Employee engaged in that activity. In the event of any such rescission, the Employee will pay to the Company the amount of any gain realized or payment received as a result of the rescinded exercise, payment or delivery (after deducting the Employee's actual income tax liability incurred with respect to such gain or payment), in such manner and on such terms and condition as may be required. Notwithstanding any provision of this Agreement to the contrary, if the Employee disputes whether Employee has violated any covenant or restriction contained in Section 7, and such dispute has been adjudicated to a final decision pursuant to Section 8.5 in the Employee's favor, the Company will pay to the Employee all amounts withheld or clawed back pursuant to this Section 7.11 to the extent ordered by a court of competent jurisdiction; provided that legal action in this respect is filed by the Employee within 60 days after being notified of the Company's decision affecting the Employee under this Section 7.11.

(b) *Right of Setoff.* The Employee consents to a deduction from any amounts the Company owes the Employee from time to time (including amounts owed as wages or other compensation, fringe benefits, or vacation pay, as well as any other amounts owed to the Employee by the Company), to the extent of the amounts the Employee owes the Company under Section 7.11(a) (above). Whether or not the Company elects to make any setoff in whole or in part, if the Company does not recover by means of setoff the full amount the Employee owes, calculated as set forth above, the Employee agrees to pay immediately the unpaid balance to the Company.

Miscellaneous

.

8.1 Assignment; Successors; Binding Agreement. This Agreement may not be assigned by either Party, whether by operation of law or otherwise, without the prior written consent of the other Party, except that any right, title or interest of the Company arising out of this Agreement may be assigned to any corporation or entity controlling, controlled by, or under common control with the Company, or succeeding to the business and substantially all of the assets of the Company or any affiliates for which the Employee performs substantial services. Subject to the foregoing, this Agreement will be binding upon and will inure to the benefit of the Parties and their respective heirs, legatees, devisees, personal representatives, successors and assigns. The Company shall obtain from any successor or other person or entity acquiring a majority of the Company's assets or equity securities a written agreement to perform all terms of this Agreement, and any failure by the Company to obtain such written agreement shall be a material breach of this Agreement.

8.2 Modification and Waiver. Except as otherwise provided below, no provision of this Agreement may be modified, waived, or discharged unless such waiver, modification or discharge is duly approved by the Board and is agreed to in writing by the Employee and such officer(s) as may be specifically authorized by the Board to effect it. No waiver by any Party of any breach by any other Party of, or of compliance with, any term or condition of this Agreement to be performed by any other Party, at any time, will constitute a waiver of similar or dissimilar terms or conditions at that time or at any prior or subsequent time.

8.3 Entire Agreement. This Agreement, together with any documents specifically referenced in this Agreement, embodies the entire understanding of the Parties hereto, and, upon

the Effective Date, will supersede all other oral or written agreements or understandings between them regarding the subject matter hereof including any promises or agreements providing for severance including, without limitation, the Prior Agreements, and any promises or agreements providing for severance; provided, however, that if there is a conflict between any of the terms in this Agreement and the terms in any award agreement between the Company and the Employee pursuant to any long-term incentive plan or otherwise, the terms of the award agreement shall govern. No agreement or representation, oral or otherwise, express or implied, with respect to the subject matter of this Agreement, has been made by either Party which is not set forth expressly in this Agreement or the other documents referenced in this Section 8.3.

8.4 Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of Texas other than the conflict of laws provision thereof.

8.5 Consent to Jurisdiction; Service of Process; Waiver of Right to Jury Trial.

(a) *Disputes*. In the event of any dispute, controversy or claim between the Company and the Employee arising out of or relating to the interpretation, application or enforcement of the provisions of this Agreement, the Company and the Employee agree and consent to the personal jurisdiction of the state and local courts of Harris County, Texas and/or the United States District Court for the Southern District of Texas, Houston Division for resolution of the dispute, controversy or claim, and that those courts, and only those courts, shall have any jurisdiction to determine any dispute, controversy or claim related to, arising under or in connection with this Agreement. The Company and the Employee also agree that those courts are convenient forums for the parties to any such dispute, controversy or claim and for any potential witnesses and that process issued out of any such court or in accordance with the rules of practice of that court may be served by mail or other forms of substituted service to the Company at the address of its principal executive offices and to the Employee at the Employee's last known address as reflected in the Company's records.

(b) *Waiver of Right to Jury Trial*. THE COMPANY AND THE EMPLOYEE HEREBY VOLUNTARILY, KNOWINGLY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS TO TRIAL BY JURY TO ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT, AS WELL AS TO ALL CLAIMS ARISING OUT OF THE EMPLOYEE'S EMPLOYMENT WITH THE COMPANY OR TERMINATION THEREFROM.

8.6 Withholding of Taxes. The Company will withhold from any amounts payable under the Agreement all federal, state, local or other taxes as legally will be required to be withheld.

8.7 Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by facsimile (with written confirmation of receipt), provided that a copy is mailed by registered mail, return receipt requested, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and facsimile numbers set forth below (or to such other addresses and facsimile numbers as a Party may designate by notice to the other parties).

To the Company:

AMPLIFY ENERGY CORP.
Attn: General Counsel
500 Dallas Street
Suite 1700
Houston, TX 77002 17
Facsimile: (713) 456-2940

To the Employee:

At the address reflected in the Company's written records.

Addresses may be changed by written notice sent to the other Party at the last recorded address of that Party.

8.8 Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

8.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

8.10 Headings. The headings used in this Agreement are for convenience only, do not constitute a part of the Agreement, and will not be deemed to limit, characterize, or affect in any way the provisions of the Agreement, and all provisions of the Agreement will be construed as if no headings had been used in the Agreement.

8.11 Construction. As used in this Agreement, unless the context otherwise requires: (a) the terms defined herein will have the meanings set forth herein for all purposes; (b) references to "Section" are to a section hereof; (c) "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; (d) "writing," "written" and comparable terms refer to printing, typing, lithography and other means of reproducing words in a visible form; (e) "hereof," "herein," "hereunder" and comparable terms refer to the entirety of this Agreement and not to any particular section or other subdivision hereof or attachment hereto; (f) references to any gender include references to all genders; and (g) references to any agreement or other instrument or statute or regulation are referred to as amended or supplemented from time to time (and, in the case of a statute or regulation, to any successor provision).

8.12 Capacity; No Conflicts. The Employee represents and warrants to the Company that: (a) the Employee has full power, authority and capacity to execute and deliver this Agreement, and to perform the Employee's obligations hereunder, (b) such execution, delivery and performance will not (and with the giving of notice or lapse of time, or both, would not) result in the breach of any agreement or other obligation to which the Employee is a party or is otherwise bound, and (c) this Agreement is the Employee's valid and binding obligation, enforceable in accordance with its terms.

[*Signature page follows.*]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

AMPLIFY ENERGY CORP.

By: /s/ Kenneth Mariani

Name: Kenneth Mariani

Title: President and Chief Executive Officer

EMPLOYEE

/s/ Martyn Willsher
Martyn Willsher

EMPLOYMENT AGREEMENT

May 3, 2019

This Employment Agreement ("Agreement") is entered into by and between **AMPLIFY ENERGY CORP.**, a Delaware corporation (the "Company"), and **Rich Smiley** (the "Employee"), effective as of May 3, 2019 (the "Effective Date"), on the terms set forth herein. The Company and Employee may sometimes hereafter be referred to singularly as a "Party" or collectively as the "Parties."

WHEREAS, the Parties intend for the terms of this Agreement to govern the terms of the Employee's employment with the Company and to replace and supersede any prior agreements, understands, discussions or negotiations, whether written or oral, between the parties hereto relating to the subject matter hereof, including, without limitation, that certain change of control agreement from Memorial Production Partners GP LLC dated May 4, 2016, as amended by that certain change of control agreement dated May 4, 2017 by the Company, that certain severance agreement dated May 4, 2017 from the Company and that certain restrictive covenant agreement dated May 4, 2017 from the Company (collectively, the "Prior Agreements"), and any promises or agreements providing for severance.

Accordingly, the Parties, intending to be legally bound, agree as follows:

Position and Duties

.

1.1 Employment; Titles; Reporting. The Company agrees to employ the Employee and the Employee agrees to commence employment with the Company, upon the terms and subject to the conditions provided under this Agreement. During the Employment Term (as defined in Section 2), the Employee will serve the Company as its Vice President Onshore Operations. In such capacity, the Employee will report to the Chief Executive Officer of the Company (the "CEO") or such position designated by the CEO and otherwise will be subject to the direction and control of the CEO or such position designated by the CEO, and the Employee will have such duties, responsibilities and authorities as may be assigned to the Employee by the CEO or such position designated by the CEO from time to time to the extent consistent with Employee's position as Vice President Onshore Operations in a publicly traded company comparable to the Company.

1.2 Duties. During the Employment Term, the Employee will devote substantially all of the Employee's full working time to the business and affairs of the Company, will use the Employee's best efforts to promote the Company's interests and will perform the Employee's duties and responsibilities faithfully, diligently and to the best of the Employee's ability, consistent with sound business practices. The Employee may be required by the CEO and/or the Board of Directors of the Company (the "Board") to provide services to, or otherwise serve as an officer or director of, any direct or indirect subsidiary of the Company. The Employee will comply with the Company's policies, codes and procedures, as they may be in effect from time to time, applicable to executive officers of the Company. Subject to the preceding sentence, the Employee may, with the prior written approval of the Board in each instance, engage in other business and charitable activities, provided that such charitable and/or other business activities do not violate Section 7,

create a conflict of interest or the appearance of a conflict of interest with the Company, or interfere, individually or in the aggregate, with the performance of the Employee's obligations to the Company under this Agreement.

1.3 Place of Employment. The Employee will perform the Employee's duties under this Agreement at the Company's offices in Houston, Texas. The Employee understands and agrees that Employee will be required to travel from time to time for purposes of the Company's business.

Term of Employment

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The term of the Employee's employment by the Company under this Agreement (the "Employment Term") will commence on the Effective Date and will continue until the Employee's employment is terminated by either Party under Section 5. The date on which the Employee's employment ends is referred to in this Agreement as the "Termination Date." For the purpose of Sections 5 and 6 of this Agreement, the Termination Date shall be the date upon which the Employee incurs a "separation from service" as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations issued thereunder (collectively, "Code Section 409A").

Compensation

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3.1 Base Salary. During the Employment Term, the Employee will be entitled to receive a base salary ("Base Salary") at an annual rate of not less than $330,000 for services rendered to the Company and any of its direct or indirect subsidiaries, payable in accordance with the Company's regular payroll practices. The Employee's Base Salary shall be reviewed annually by the Board and may be adjusted upward in the Board's sole discretion, but not downward.

3.2 Bonus Compensation. During the Employment Term, the Employee shall be eligible for discretionary bonus compensation with a target of 70% of the Employee's Base Salary (the "Target Bonus") for each complete calendar year that the Employee is employed by the Company hereunder (any bonus compensation payable, the "Annual Bonus"). The performance targets that must be achieved in order to be eligible for certain bonus levels shall be established by the Board (or a committee thereof) annually. Each Annual Bonus, if any, shall be paid as soon as administratively feasible after the Board (or a committee thereof) certifies whether the applicable performance targets for the applicable calendar year have been achieved, but in no event later than March 15 following the end of such calendar year. Notwithstanding anything in this Section 3.2 to the contrary, but subject to Section 6 below, no Annual Bonus, if any, nor any portion thereof, shall be payable for any calendar year unless the Employee remains continuously employed by the Company from the Effective Date through the date on which such Annual Bonus is paid. Any Annual Bonus will be paid in the form of (a) cash, with respect to 25% of the amount of the Annual Bonus, and (b) fully-vested shares of the Company's common stock having an aggregate fair market value on the grant date (as determined by the Board) equal to 75% of the amount of the Annual Bonus.

3.3 Long-Term Incentive Compensation. Long-term incentive compensation awards may be made to the Employee from time to time during the Employment Term by the Board in its

sole discretion, whose decision will be based upon performance and award guidelines for executive officers of the Company established periodically by the Board in its sole discretion.

Expenses and Other Benefits

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4.1 Reimbursement of Business Expenses. The Employee will be entitled to receive prompt reimbursement for all reasonable business expenses incurred by the Employee during the Employment Term (in accordance with the policies and practices presently followed by the Company or as may be established by the Board from time to time for the Company's senior executive officers) in performing services under this Agreement, provided that the Employee properly accounts for such expenses in accordance with the Company's policies as in effect from time to time. Each reimbursement shall be paid within 30 days after it has been properly submitted to the Company by the Employee in accordance with all applicable policies, but in no event later than the end of the calendar year following the calendar year in which any such reimbursable expense was incurred.

The Company shall not be obligated to pay any such reimbursement amount for which the Employee fails to submit an invoice or other documented reimbursement request at least ten business days before the end of the calendar year next following the calendar year in which the expense was incurred. Business related expenses shall be reimbursable only to the extent they were incurred during the Employment Term, but in no event shall the time period extend beyond the later of the lifetime of the Employee or, if longer, 20 years. The amount of such reimbursements that the Company is obligated to pay in any given calendar year shall not affect the amount the Company is obligated to pay in any other calendar year. In addition, the Employee may not liquidate or exchange the right to reimbursement of such expenses for any other benefits.

4.2 Paid Time Off. The Employee shall be entitled to paid time off in accordance with the Company's policy as then in effect (prorated for any calendar year during which the Employee is employed with the Company for less than the entire year, based on the number of days that the Employee is employed with the Company during such calendar year).

4.3 Other Employee Benefits. In addition to the foregoing, during the Employment Term, the Employee will be entitled to participate in and to receive benefits as a senior executive under all of the Company's employee benefit plans, programs and arrangements available to senior executives, subject to the eligibility criteria and other terms and conditions thereof, as such plans, programs and arrangements may be duly amended, terminated, approved or adopted by the Company from time to time.

Termination of Employment

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5.1 Death. The Employee's employment under this Agreement will terminate upon the Employee's death.

5.2 Termination by the Company.

(a) *Terminable at Will.* The Company may terminate the Employee's employment under this Agreement at any time with or without Cause (as defined below).

(b) *Definition of Cause.* For purposes of this Agreement, "Cause" means any of the Employee's: (1) conviction of a felony, or plea of guilty or *nolo contendere* to, any felony or any crime of moral turpitude; (2) repeated intoxication by alcohol or drugs during the performance of the Employee's duties; (3) embezzlement or other willful and intentional misuse of any of the funds of the Company or its direct or indirect subsidiaries, (4) commission of a demonstrable act of fraud; (5) willful and material misrepresentation or concealment on any written reports submitted to the Company or its direct or indirect subsidiaries; (6) material breach of this Agreement; (7) failure to follow or comply with the reasonable, material and lawful written directives of the Board; or (8) conduct constituting a material breach of the Company's then-current code of conduct or other similar written policy which has been provided to the Employee.

(c) *Notice and Cure Opportunity in Certain Circumstances.* The Employee may be afforded a reasonable opportunity to cure any act or omission that would otherwise constitute Cause hereunder according to the following terms: The Board shall give the Employee written notice stating with reasonable specificity the nature of the circumstances determined by the Board in its reasonable and good faith judgment to constitute Cause. If, in the reasonable and good faith judgment of the Board, the alleged breach is reasonably susceptible to cure, the Employee will have 15 days from the Employee's receipt of such notice to effect the cure of such circumstances or such breach to the reasonable and good faith satisfaction of the Board. The Board will state whether the Employee will have such an opportunity to cure in the initial notice of Cause referred to above. Prior to a termination for Cause, in those instances where the initial notice of Cause states that the Employee will have an opportunity to cure, the Company shall provide an opportunity for the Employee to be heard by the Board or a Board committee designated by the Board to hear the Employee. The decision as to whether the Employee has satisfactorily cured the alleged breach shall be made at such meeting. If, in the reasonable and good faith judgment of the Board, the alleged breach is not reasonably susceptible to cure, or such circumstances or breach have not been satisfactorily cured within such 15 day cure period, such breach will thereupon constitute Cause hereunder.

5.3 Termination by the Employee.

(a) *Terminable at Will.* The Employee may terminate the Employee's employment under this Agreement at any time with or without Good Reason (as defined below).

(b) *Notice and Cure Opportunity.* If such termination is for Good Reason, the Employee will give the Company written notice, which will identify with reasonable specificity the grounds for the Employee's resignation and provide the Company with 30 days from the day such notice is given to cure the alleged grounds for resignation contained in the notice. A termination will not be for Good Reason if such notice is given by the Employee to the Company more than 45 days after the first occurrence of the event that the Employee alleges is Good Reason for the Employee's termination hereunder. The Employee must actually terminate Employee's employment within 30 days following the expiration of the Company's 30-day cure period. Otherwise, any claim of such circumstances constituting "Good Reason" shall be deemed irrevocably waived by the Employee.

(c) *Definition of Good Reason.* For purposes of this Agreement, "Good Reason" will mean any of the following to which the Employee will not consent in writing: (i) a

relocation of the Employee's principal work location to a location in excess of 40 miles from its then current location; (ii) a reduction in the Employee's then current Base Salary or Target Bonus, or both; (iii) a material breach of any provision of this Agreement by the Company; or (iv) any material reduction in the Employee's title, authority, duties, responsibilities or reporting relationship from those in effect as of the Effective Date, except to the extent such reduction occurs in connection with the Employee's termination of employment for Cause or due to the Employee's death or Disability.

5.4 Notice of Termination. Any termination of the Employee's employment by the Company or by the Employee during the Employment Term (other than termination pursuant to Section 5.1) will be communicated by written Notice of Termination to the other Party hereto in accordance with Section 8.7. For purposes of this Agreement, a "Notice of Termination" means a written notice that (a) indicates the specific termination provision in this Agreement relied upon, (b) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated, and (c) if the Termination Date is other than the date of receipt of such notice, specifies the Termination Date (which Termination Date will be not more than 30 days after the giving of such notice).

5.5 Disability. If the Company determines in good faith that the Disability (as defined herein) of the Employee has occurred during the Employment Term, it may, without breaching this Agreement, give to the Employee written notice in accordance with Section 5.4 of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Company will terminate effective on the 30th day after receipt of such notice by the Employee, provided that, within 30 days after such receipt, the Employee has not returned to full-time performance of the Employee's duties hereunder.

"Disability" means the earlier of (a) written determination by a physician selected by the Company and reasonably agreed to by the Employee that the Employee has been unable to perform substantially the Employee's usual and customary duties under this Agreement for a period of at least 120 consecutive days or a non-consecutive period of 180 days during any 12-month period as a result of incapacity due to mental or physical illness or disease; and (b) "disability" as such term is defined in the Company's applicable long-term disability insurance plan. At any time and from time to time, upon reasonable request therefor by the Company, the Employee will submit to reasonable medical examination for the purpose of determining the existence, nature and extent of any such disability. Any physician selected by Company shall be Board Certified in the appropriate field and shall have no actual or potential conflict of interest.

Compensation of the Employee Upon Termination

. Subject to the provisions of Section 6.9, the Employee shall be entitled to receive the amount specified upon the termination events designated below:

6.1 Death. If the Employee's employment under this Agreement is terminated by reason of the Employee's death, the Company shall pay to the person or persons designated by the Employee for that purpose in a notice filed with the Company, or, if no such person has been so designated, to the Employee's estate, the following:

(a) an amount equal to the Employee's accrued but unpaid then current Base Salary through the Termination Date, payable in a lump sum within 30 days following the Termination Date; *plus*

(b) if the Termination Date occurs after the end of the calendar year but prior to the date on which annual bonuses are paid, an amount equal to the Annual Bonus that the Employee would have received (if any) had Employee been employed on the payment date (the "Actual Full Year Bonus Amount "), payable at the same time annual bonuses for such year are paid to actively-employed senior executives of the Company; *plus*

(c) a pro-rata portion of the Employee's Annual Bonus for the calendar year in which the Employee's Termination Date occurs, based on actual results for such year (determined by multiplying the amount of such Annual Bonus which would be due for the full calendar year by a fraction, (i) the numerator of which is the number of days during the calendar year that the Employee is employed by the Company and (ii) the denominator of which is three hundred sixty-five (365)) (the "Actual Pro Rata Bonus Amount"), if any, payable at the same time annual bonuses for such year are paid to actively-employed senior executives of the Company; *plus*

(d) any other amounts that may be reimbursable by the Company to the Employee as expressly provided under this Agreement, payable in a lump sum within 30 days following the Termination Date.

The Employee's entitlement to the amounts set forth in Section 6.1(b) and Section 6.1(c) is subject to the provisions of Section 6.5.

Thereafter, the Company will have no further obligation to the Employee under this Agreement, other than for payment of any amounts accrued and vested under any employee benefit plans or programs of the Company and any payments or benefits required to be made or provided under applicable law.

6.2 Disability. In the event of the Employee's termination by reason of Disability pursuant to Section 5.5, the Employee will continue to receive the Employee's Base Salary in effect immediately prior to the Termination Date and participate in applicable employee benefit plans or programs of the Company through the Termination Date, subject to offset dollar-for-dollar by the amount of any disability income payments provided to the Employee under any Company disability policy or program that is maintained by the Company. The Company also shall pay to the Employee the amounts set forth in Section 6.1(a) through Section 6.1(d), at the times and subject to the conditions set forth in Section 6.1. Thereafter, the Company will have no further obligation to the Employee under this Agreement, other than for payment of any amounts accrued and vested under any employee benefit plans or programs of the Company and any payments or benefits required to be made or provided under applicable law.

6.3 By the Company for Cause or by the Employee Without Good Reason.

(a) *Termination by Company For Cause.* If the Employee's employment is terminated by the Company for Cause, the Employee will receive (i) the Employee's accrued but unpaid then current Base Salary through the Termination Date and (ii) any other amounts that may be reimbursable by the Company to the Employee as expressly provided under this Agreement, in

each case, payable in a lump sum within 30 days following the Termination Date. Thereafter, the Company will have no further obligation to the Employee under this Agreement, other than for payment of any amounts accrued and vested under any employee benefit plans or programs of the Company, and any payments or benefits required to be made or provided under applicable law. No bonus will be paid to the Employee for a termination of the Employee's employment for Cause.

(b) *Termination by Employee Without Good Reason*. If the Employee's employment is terminated by the Employee without Good Reason, the Employee will receive (i) the Employee's accrued but unpaid then current Base Salary through the Termination Date and (ii) any other amounts that may be reimbursable by the Company to the Employee as expressly provided under this Agreement, in each case, payable in a lump sum within 30 days following the Termination Date. Thereafter, the Company will have no further obligation to the Employee under this Agreement, other than for payment of any amounts accrued and vested under any employee benefit plans or programs of the Company, and any payments or benefits required to be made or provided under applicable law. No bonus will be paid to the Employee for a termination of the Employee's employment without Good Reason.

6.4 By the Employee for Good Reason or by the Company Without Cause. Subject to the provisions of Section 6.5, if the Company terminates the Employee's employment without Cause, or the Employee terminates Employee's employment for Good Reason, then the Employee will be entitled to the following (with the amounts payable under clauses (b), (c), (e) and (f) below, collectively, the "Severance Benefits"):

(a) an amount equal to the Employee's accrued but unpaid then current Base Salary through the Termination Date, payable in a lump sum within 30 days following the Termination Date; *plus*

(b) if the Termination Date occurs after the end of the calendar year but prior to the date on which annual bonuses are paid, the Actual Full Year Bonus Amount, payable at the same time annual bonuses for such year are paid to actively-employed senior executives of the Company; *plus*

(c) the Actual Pro Rata Bonus Amount, if any, payable at the same time annual bonuses for such year are paid to actively-employed senior executives of the Company; *plus*

(d) any other amounts that may be reimbursable by the Company to the Employee as expressly provided under this Agreement; *plus*

(e) (i) if the Employee's termination occurs on or prior to December 11, 2019 , an amount equal to the Employee's monthly Base Salary rate as in effect on the day before the Termination Date (but not as an employee), and (ii) if the Employee's termination occurs after December 11, 2019, an amount equal to 200% of the Employee's monthly Base Salary rate as in effect on the day before the Termination Date, in each case, payable in accordance with the Company's regularly scheduled payroll practices for a period of 12 months following the Termination Date; provided that to the extent the payment of any amount constitutes "nonqualified deferred compensation" for purposes of Code Section 409A, any such payment scheduled to occur during the first 60 days following the Termination Date shall not be paid until the first regularly

scheduled pay period following the 60th day after the Termination Date and shall include payment of any amount that was otherwise scheduled to be paid prior thereto; *plus*

(f) subject to the Employee's (i) timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), and (B) continued copayment of premiums at the same level and cost to the Employee as if the Employee were a senior executive of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), continued participation in the Company's group health plan (to the extent permitted under applicable law and the terms of such plan) which covers the Employee (and Employee's spouse and eligible dependents, if applicable) for a period of 12 months, provided that the Employee is eligible and remains eligible for COBRA coverage; provided, further, that the Company may modify the continuation coverage contemplated by this Section 6.4(f) to the extent reasonably necessary to avoid the imposition of any excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and/or the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable); and provided, further, that in the event that the Employee obtains other employment that offers group health plan coverage, such continuation of coverage by the Company under this Section 6.4(f) shall cease as of the end of the month in which the Employee obtains such other employer-provided, group health plan coverage.

6.5 Conditions to Receipt of Certain Post-Termination Payments and Benefits.

(a) *Release.* As a condition to receiving the Actual Full Year Bonus Amount, the Actual Pro Rata Bonus Amount and/or any Severance Benefits to which the Employee may otherwise be entitled under Section 6.1, Section 6.2 or Section 6.4, the Employee must execute and not revoke a general release of claims, which will include an affirmation of the restrictive covenants set forth in Section 7, in form and substance satisfactory to the Company (the "Release"). The Company will provide the Release to the Employee for signature within ten days after the Termination Date. If the Company has provided the Release to the Employee for signature within ten days after the Termination Date, and if the Release is not executed and non-revocable within 60 days after the Termination Date and prior to the date on which such payment and/or benefits are to be first paid or provided to the Employee, the Employee will not be entitled to the Actual Full Year Bonus Amount, the Actual Pro Rata Bonus Amount and/or any Severance Benefits, as the case may be, and the Company will have no further obligations with respect to the provision of those payments and/or benefits except as may be required by law. If the Release consideration period spans two calendar years, no payments and/or benefits subject to the Release will be paid or provided until the later of (i) the date on which the Release becomes effective and non-revocable and (ii) January 2nd of the second calendar year.

(b) *Limitation on Benefits.* If, following a termination of employment that gives the Employee a right to the payment of the Actual Full Year Bonus Amount, the Actual Pro Rata Bonus Amount and/or any Severance Benefits to which the Employee may otherwise be entitled under Section 6.1, Section 6.2 or Section 6.4, the Employee violates any of the covenants in Section 7 or as otherwise set forth in the Release, the Employee will have no further right or claim to the Actual Full Year Bonus Amount, the Target Pro Rata Bonus Amount and/or any Severance Benefits to which the Employee may otherwise be entitled under Section 6.1, Section 6.2 or

Section 6.4 from and after the date on which the Employee engages in such activities, and the Company will have no further obligations with respect to such payments or benefits, and the covenants in Section 7 will nevertheless continue in full force and effect.

6.6 Certain Amounts Not Includable for Employee Benefits Purposes. Except to the extent the terms of any applicable benefit plan, policy or program provide otherwise, any benefit programs of the Company that take into account the Employee's income will exclude the Actual Full Year Bonus Amount, the Actual Pro Rata Bonus Amount and/or any Severance Benefits to which the Employee may otherwise be entitled under Section 6.1, Section 6.2 or Section 6.4.

6.7 Exclusive Severance Benefits. The Actual Full Year Bonus Amount, the Actual Pro Rata Bonus Amount and/or any Severance Benefits to which the Employee may otherwise be entitled under Section 6.1, Section 6.2 or Section 6.4, if they become payable under the terms of this Agreement, will be in lieu of any other severance or similar benefits that would otherwise be payable under any other agreement, plan, program or policy of the Company, excluding, for this purpose, any post-termination treatment of equity incentive awards provided under the terms of the governing award agreements.

6.8 Code Section 280G; Code Section 409A. Notwithstanding anything in this Agreement to the contrary:

(a) If any of the payments or benefits received or to be received by the Employee (including, without limitation, any payment or benefits received in connection with a "change of control" or the Employee's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) (all such payments collectively referred to herein as the ("280G Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section 6.8(a), be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then prior to making the 280G Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Employee of the 280G Payments after payment of the Excise Tax to (ii) the Net Benefit to the Employee if the 280G Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under clause (i) above is less than the amount under clause (ii) above will the 280G Payments be reduced to the minimum extent necessary to ensure that no portion of the 280G Payments is subject to the Excise Tax. "Net Benefit" shall mean the present value of the 280G Payments net of all federal, state, local, foreign income, employment and excise taxes. Any reduction made pursuant to this Section 6.8(a) shall be made in a manner determined by the Company that is consistent with the requirements of Code Section 409A and that maximizes the Employee's economic position and after-tax income; for the avoidance of doubt, the Employee shall not have any discretion in determining the manner in which the payments and benefits are reduced.

(b) In the event that any benefits payable or otherwise provided under this Agreement would be deemed to constitute non-qualified deferred compensation subject to Code Section 409A, the Company will have the discretion to adjust the terms of such payment or benefit (but not the amount or value thereof) to the minimum extent reasonably necessary to comply with the requirements of Code Section 409A to avoid the imposition of any excise tax or other penalty with respect to such payment or benefit under Code Section 409A.

6.9 Timing of Payments by the Company. Notwithstanding anything in this Agreement to the contrary, in the event that the Employee is a "specified employee" (as determined under Code Section 409A) at the time of the separation from service triggering the payment or provision of benefits, any payment or benefit under this Agreement which is determined to provide for a deferral of compensation pursuant to Code Section 409A shall not commence being paid or made available to the Employee until after six months from the Termination Date that constitutes a "separation from service" within the meaning of Code Section 409A or such earlier date as may be permitted under Code Section 409A.

Restrictive Covenants

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7.1 Confidential Information. During the Employment Term and thereafter, the Employee shall keep secret and retain in strictest confidence, and shall not use for the benefit of himself or others, any confidential matters or trade secrets of, or confidential and competitively valuable information concerning, the Company and its direct or indirect subsidiaries (collectively, the "Company Group"), including, without limitation, information concerning their organization and operations, business and affairs, formulae, manufacturing processes, proprietary information, technical data, "know-how", customer lists, details of client or consultant contracts, vendor and purchasing arrangements, terms and discounts, pricing methods and policies, financial information, operational methods, marketing plans or strategies, business acquisition plans, new personnel acquisition plans, technical processes, projects, financing/financial projections, budget information and procedures, marketing plans or strategies, and research products. The confidentiality obligations set forth in this Section 7.1 shall not apply to any information that becomes part of the public domain other than through the Employee's disclosure in violation of the terms hereof. Nothing herein shall be construed as prohibiting the Employee from using or disclosing such confidential information as is necessary and has been authorized in Employee's proper performance of services for the Company Group.

(a) SEC Provisions. The Employee understands that nothing contained in this Agreement limits the Employee's ability to file a charge or complaint with the Securities and Exchange Commission ("SEC"). The Employee further understands that this Agreement does not limit the Employee's ability to communicate with the SEC or otherwise participate in any investigation or proceeding that may be conducted by the SEC, including providing documents or other information, without notice to the Company. This Agreement does not limit the Employee's right to receive an award for information provided to the SEC. This Section 7.1(a) applies only for the period of time that the Company is subject to the Dodd-Frank Act.

(b) Trade Secrets. The parties specifically acknowledge that 18 U.S.C. § 1833(b) provides: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that—(A) is made—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Accordingly, notwithstanding anything to the contrary in the foregoing, the Parties have the right to disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the

sole purpose of reporting or investigating a suspected violation of law. If the Employee files a lawsuit for retaliation against the Company for reporting a suspected violation of law, the Employee may disclose the Company's trade secrets to the Employee's attorney and use the trade secret information in the court proceeding, if the Employee first files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

7.2 No Interference. Notwithstanding any other provision of this Agreement, (a) the Employee may disclose confidential information (as described in Section 7.1 above) when required to do so by a court of competent jurisdiction, by any governmental agency having authority over the Employee or the business of the Company or by any administrative body or legislative body (including a committee thereof) with jurisdiction to order the Employee to divulge, disclose or make accessible such information, in each case, subject to the Employee's obligations to notify the Company and first obtain a protective order, to the extent permitted by applicable law; and (b) nothing in this Agreement is intended to interfere with the Employee's right to (i) report possible violations of state or federal law or regulation to any governmental or law enforcement agency or entity; (ii) make other disclosures that are protected under the whistleblower provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies); (iii) file a claim or charge any governmental agency or entity; or (iv) testify, assist or participate in an investigation, hearing, or proceeding conducted by any governmental or law enforcement agency or entity, or any court. For purposes of clarity, in making or initiating any such reports or disclosures or engaging in any of the conduct outlined in subsection (b) above, the Employee may disclose confidential information to the extent necessary to such governmental or law enforcement agency or entity or such court, need not seek prior authorization from the Company and is not required to notify the Company of any such reports, disclosures or conduct.

7.3 Return of Property. The Employee agrees to deliver promptly to the Company, upon termination of the Employee's employment hereunder, or at any other time when the Company so requests, all documents relating to the business of the Company Group; provided, however, that the Employee will be permitted to retain copies of any documents or materials of a personal nature or otherwise related to the Employee's rights under this Agreement, copies of this Agreement and any attendant or ancillary documents specifically including any documents referenced in this Agreement and copies of any documents related to the Employee's long-term incentive awards and other compensation.

7.4 Non-Competition. The Employee acknowledges that the Employee (a) will perform services of a unique nature for the Company Group that are irreplaceable, and that the Employee's performance of such services to a competing business will result in irreparable harm to the Company Group, (b) will have access to Confidential Information which, if disclosed, would unfairly and inappropriately assist in competition against the Company Group, (c) would inevitably use or disclose such Confidential Information in the course of the Employee's employment by a competitor, (d) will have access to the customers of the Company Group, (e) will receive specialized training from the Company Group, and (f) will generate goodwill for the Company Group in the course of the Employee's employment. Accordingly, during the Employment Term and for a period of 12 months immediately thereafter, the Employee agrees that the Employee will not, directly or indirectly, other than through the Company, engage or participate (or prepare to engage or participate), in any manner, whether directly or indirectly

through an employee, employer, consultant, agent, principal, partner, more than 1% shareholder, officer, director, licensor, lender, lessor or in any other individual or representative capacity, in any business or activity which is in competition with the business of the Company Group in the leasing, acquiring, exploring or producing hydrocarbons and related products within the boundaries of, or within a ten-mile radius of the boundaries of, any mineral property interest of any member of the Company Group (including, without limitation, a mineral lease, overriding royalty interest, production payment, net profits interest, mineral fee interest or option or right to acquire any of the foregoing, or an area of mutual interest as designated pursuant to contractual agreements between any member of the Company Group and any third party), or any other property on which any of the Company Group has an option, right, license or authority to conduct or direct exploratory activities, such as three-dimensional seismic acquisition or other seismic, geophysical and geochemical activities (but not including any preliminary geological mapping), provided that the foregoing will not restrict the Employee from obtaining post-termination employment with an entity that only has de minimis operations in the restricted territory (as determined by the Board in good faith); provided that, this Section 7.4 will not preclude the Employee from making passive investments in securities of oil and gas companies which are registered on a national stock exchange, if (i) the aggregate amount owned by the Employee and Employee's spouse and children, if any, does not exceed 1% of such company's outstanding securities, and (ii) the aggregate amount invested in such investments by the Employee and Employee's spouse and children does not exceed $1,000,000.

7.5 Non-Solicitation; Non-Interference.

(a) During the Employment Term and for a period of 12 months immediately thereafter, the Employee agrees that Employee shall not, except in the furtherance of the Employee's duties hereunder, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, induce or attempt to induce any customer, supplier, agent, intermediary or other business relation of the Company Group to reduce or cease doing business with the Company Group, or interfere with the relationship between any such customer, supplier, agent, intermediary or business relation and the Company Group (including making any negative statements or communications concerning the Company Group); *provided* that nothing contained in this Section 7.5(a) will prohibit public advertising or general solicitations that are not specifically directed to customers, suppliers, licensees or other business relations of the Company Group.

(b) During the Employment Term and for a period of 12 months immediately thereafter, the Employee agrees that Employee shall not, except in the furtherance of the Employee's duties hereunder, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, solicit, aid or induce any employee, representative or agent of the Company Group to leave such employment or retention or to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company Group or hire or retain any such employee, representative or agent, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, representative or agent. An employee, representative or agent shall be deemed covered by this Section 7.5(b) while so employed or retained and for a period of six months thereafter.

7.6 Non-Disparagement. The Employee agrees not to make any negative, disparaging, detrimental or derogatory remarks or public statements (written, oral, telephonic, electronic, or by any other method) about the Company or any other member of the Company Group or their respective successors and assigns or any of their respective officers, directors, employees, shareholders, agents or products. The Company agrees not to make any negative, disparaging, detrimental or derogatory remarks or public statements (written, oral, telephonic, electronic or by any other method) about the Employee. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

7.7 Assignment of Developments.

(a) The Employee acknowledges and agrees that all ideas, methods, inventions, discoveries, improvements, work products, developments, software, know-how, processes, techniques, works of authorship and other work product, whether patentable or unpatentable, (i) that are reduced to practice, created, invented, designed, developed, contributed to, or improved with the use of any Company Group resources and/or within the scope of the Employee's work with the Company Group or that relate to the business, operations or actual or demonstrably anticipated research or development of the Company Group, and that are made or conceived by the Employee, solely or jointly with others, during the Employment Term, or (ii) suggested by any work that the Employee performs in connection with the Company Group, either while performing the Employee's duties with the Company Group or on the Employee's own time, but only insofar as the Inventions are related to the Employee's work as an employee or other service provider to the Company Group, shall belong exclusively to the Company (or its designee), whether or not patent or other applications for intellectual property protection are filed thereon (the "Inventions"). The Employee will keep full and complete written records (the "Records"), in the manner prescribed by the Company, of all Inventions, and will promptly disclose all Inventions completely and in writing to the Company. The Records shall be the sole and exclusive property of the Company, and the Employee will surrender them upon the termination of the Employment Term, or upon the Company's earlier request. The Employee irrevocably conveys, transfers and assigns to the Company the Inventions and all patents or other intellectual property rights that may issue thereon in any and all countries, whether during or subsequent to the Employment Term, together with the right to file, in the Employee's name or in the name of the Company (or its designee), applications for patents and equivalent rights (the "Applications"). The Employee will, at any time during and subsequent to the Employment Term, make such applications, sign such papers, take all rightful oaths, and perform all other acts as may be requested from time to time by the Company to perfect, record, enforce, protect, patent or register the Company's rights in the Inventions, all without additional compensation to the Employee from the Company. The Employee will also execute assignments to the Company (or its designee) of the Applications, and give the Company and its attorneys all reasonable assistance (including the giving of testimony) to obtain the Inventions for the Company's benefit, all without additional compensation to the Employee from the Company, but entirely at the Company's expense.

(b) In addition, the Inventions will be deemed Work for Hire, as such term is defined under the copyright laws of the United States, on behalf of the Company, and the Employee agrees that the Company will be the sole owner of the Inventions, and all underlying rights therein,

in all media now known or hereinafter devised, throughout the universe and in perpetuity without any further obligations to the Employee. If the Inventions, or any portion thereof, are deemed not to be Work for Hire, or the rights in such Inventions do not otherwise automatically vest in the Company, the Employee hereby irrevocably conveys, transfers and assigns to the Company, all rights, in all media now known or hereinafter devised, throughout the universe and in perpetuity, in and to the Inventions, including, without limitation, all of the Employee's right, title and interest in the copyrights (and all renewals, revivals and extensions thereof) to the Inventions, including, without limitation, all rights of any kind or any nature now or hereafter recognized, including, without limitation, the unrestricted right to make modifications, adaptations and revisions to the Inventions, to exploit and allow others to exploit the Inventions and all rights to sue at law or in equity for any infringement, or other unauthorized use or conduct in derogation of the Inventions, known or unknown, prior to the date hereof, including, without limitation, the right to receive all proceeds and damages therefrom. In addition, the Employee hereby waives any so-called "moral rights" with respect to the Inventions. To the extent that the Employee has any rights in the results and proceeds of the Employee's service to the Company that cannot be assigned in the manner described herein, the Employee agrees to unconditionally waive the enforcement of such rights. The Employee hereby waives any and all currently existing and future monetary rights in and to the Inventions and all patents and other registrations for intellectual property that may issue thereon, including, without limitation, any rights that would otherwise accrue to the Employee's benefit by virtue of the Employee being an employee of or other service provider to the Company.

7.8 Injunctive Relief. The Employee acknowledges that a breach of any of the covenants contained in this Section 7 may result in material, irreparable injury to the Company Group for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely, and that, in the event of such a breach or threat of breach, the Company or any other member of the Company Group will be entitled to obtain a temporary restraining order and/or a preliminary or permanent injunction restraining the Employee from engaging in activities prohibited by this Section 7 or such other relief as may be required to specifically enforce any of the covenants in this Section 7.

7.9 Adjustment of Covenants. The Parties consider the covenants and restrictions contained in this Section 7 to be reasonable. However, if and when any such covenant or restriction is found to be void or unenforceable and would have been valid had some part of it been deleted or had its scope of application been modified, such covenant or restriction will be deemed to have been applied with such modification as would be necessary and consistent with the intent of the Parties to have made it valid, enforceable and effective.

7.10 Forfeiture Provision.

(a) *Detrimental Activities.* If the Employee engages in any activity that violates any covenant or restriction contained in this Section 7, in addition to any other remedy the Company may have at law or in equity, (i) the Employee will be entitled to no further payments or benefits from the Company under this Agreement or otherwise, except for any payments or benefits required to be made or provided under applicable law; (ii) all forms of equity compensation held by or credited to the Employee will terminate effective as of the date on which the Employee engages in that activity, unless terminated sooner by operation of another term or condition of this Agreement or other applicable plans and agreements; and (iii) any exercise,

payment or delivery pursuant to any equity compensation award that occurred within one year prior to the date on which the Employee engages in that activity may be rescinded within one year after the first date that any member of the Board first became aware that the Employee engaged in that activity. In the event of any such rescission, the Employee will pay to the Company the amount of any gain realized or payment received as a result of the rescinded exercise, payment or delivery (after deducting the Employee's actual income tax liability incurred with respect to such gain or payment), in such manner and on such terms and condition as may be required. Notwithstanding any provision of this Agreement to the contrary, if the Employee disputes whether Employee has violated any covenant or restriction contained in Section 7, and such dispute has been adjudicated to a final decision pursuant to Section 8.5 in the Employee's favor, the Company will pay to the Employee all amounts withheld or clawed back pursuant to this Section 7.11 to the extent ordered by a court of competent jurisdiction; provided that legal action in this respect is filed by the Employee within 60 days after being notified of the Company's decision affecting the Employee under this Section 7.11.

(b) *Right of Setoff.* The Employee consents to a deduction from any amounts the Company owes the Employee from time to time (including amounts owed as wages or other compensation, fringe benefits, or vacation pay, as well as any other amounts owed to the Employee by the Company), to the extent of the amounts the Employee owes the Company under Section 7.11(a) (above). Whether or not the Company elects to make any setoff in whole or in part, if the Company does not recover by means of setoff the full amount the Employee owes, calculated as set forth above, the Employee agrees to pay immediately the unpaid balance to the Company.

Miscellaneous

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8.1 Assignment; Successors; Binding Agreement. This Agreement may not be assigned by either Party, whether by operation of law or otherwise, without the prior written consent of the other Party, except that any right, title or interest of the Company arising out of this Agreement may be assigned to any corporation or entity controlling, controlled by, or under common control with the Company, or succeeding to the business and substantially all of the assets of the Company or any affiliates for which the Employee performs substantial services. Subject to the foregoing, this Agreement will be binding upon and will inure to the benefit of the Parties and their respective heirs, legatees, devisees, personal representatives, successors and assigns. The Company shall obtain from any successor or other person or entity acquiring a majority of the Company's assets or equity securities a written agreement to perform all terms of this Agreement, and any failure by the Company to obtain such written agreement shall be a material breach of this Agreement.

8.2 Modification and Waiver. Except as otherwise provided below, no provision of this Agreement may be modified, waived, or discharged unless such waiver, modification or discharge is duly approved by the Board and is agreed to in writing by the Employee and such officer(s) as may be specifically authorized by the Board to effect it. No waiver by any Party of any breach by any other Party of, or of compliance with, any term or condition of this Agreement to be performed by any other Party, at any time, will constitute a waiver of similar or dissimilar terms or conditions at that time or at any prior or subsequent time.

8.3 Entire Agreement. This Agreement, together with any documents specifically referenced in this Agreement, embodies the entire understanding of the Parties hereto, and, upon

the Effective Date, will supersede all other oral or written agreements or understandings between them regarding the subject matter hereof including any promises or agreements providing for severance including, without limitation, the Prior Agreements, and any promises or agreements providing for severance; provided, however, that if there is a conflict between any of the terms in this Agreement and the terms in any award agreement between the Company and the Employee pursuant to any long-term incentive plan or otherwise, the terms of the award agreement shall govern. No agreement or representation, oral or otherwise, express or implied, with respect to the subject matter of this Agreement, has been made by either Party which is not set forth expressly in this Agreement or the other documents referenced in this Section 8.3.

8.4 Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of Texas other than the conflict of laws provision thereof.

8.5 Consent to Jurisdiction; Service of Process; Waiver of Right to Jury Trial.

(a) *Disputes*. In the event of any dispute, controversy or claim between the Company and the Employee arising out of or relating to the interpretation, application or enforcement of the provisions of this Agreement, the Company and the Employee agree and consent to the personal jurisdiction of the state and local courts of Harris County, Texas and/or the United States District Court for the Southern District of Texas, Houston Division for resolution of the dispute, controversy or claim, and that those courts, and only those courts, shall have any jurisdiction to determine any dispute, controversy or claim related to, arising under or in connection with this Agreement. The Company and the Employee also agree that those courts are convenient forums for the parties to any such dispute, controversy or claim and for any potential witnesses and that process issued out of any such court or in accordance with the rules of practice of that court may be served by mail or other forms of substituted service to the Company at the address of its principal executive offices and to the Employee at the Employee's last known address as reflected in the Company's records.

(b) *Waiver of Right to Jury Trial*. THE COMPANY AND THE EMPLOYEE HEREBY VOLUNTARILY, KNOWINGLY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS TO TRIAL BY JURY TO ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT, AS WELL AS TO ALL CLAIMS ARISING OUT OF THE EMPLOYEE'S EMPLOYMENT WITH THE COMPANY OR TERMINATION THEREFROM.

8.6 Withholding of Taxes. The Company will withhold from any amounts payable under the Agreement all federal, state, local or other taxes as legally will be required to be withheld.

8.7 Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by facsimile (with written confirmation of receipt), provided that a copy is mailed by registered mail, return receipt requested, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and facsimile numbers set forth below (or to such other addresses and facsimile numbers as a Party may designate by notice to the other parties).

To the Company:

AMPLIFY ENERGY CORP.
Attn: General Counsel
500 Dallas Street
Suite 1700
Houston, TX 77002 17
Facsimile: (713) 456-2940

To the Employee:

At the address reflected in the Company's written records.

Addresses may be changed by written notice sent to the other Party at the last recorded address of that Party.

8.8 Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

8.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

8.10 Headings. The headings used in this Agreement are for convenience only, do not constitute a part of the Agreement, and will not be deemed to limit, characterize, or affect in any way the provisions of the Agreement, and all provisions of the Agreement will be construed as if no headings had been used in the Agreement.

8.11 Construction. As used in this Agreement, unless the context otherwise requires: (a) the terms defined herein will have the meanings set forth herein for all purposes; (b) references to "Section" are to a section hereof; (c) "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; (d) "writing," "written" and comparable terms refer to printing, typing, lithography and other means of reproducing words in a visible form; (e) "hereof," "herein," "hereunder" and comparable terms refer to the entirety of this Agreement and not to any particular section or other subdivision hereof or attachment hereto; (f) references to any gender include references to all genders; and (g) references to any agreement or other instrument or statute or regulation are referred to as amended or supplemented from time to time (and, in the case of a statute or regulation, to any successor provision).

8.12 Capacity; No Conflicts. The Employee represents and warrants to the Company that: (a) the Employee has full power, authority and capacity to execute and deliver this Agreement, and to perform the Employee's obligations hereunder, (b) such execution, delivery and performance will not (and with the giving of notice or lapse of time, or both, would not) result in the breach of any agreement or other obligation to which the Employee is a party or is otherwise bound, and (c) this Agreement is the Employee's valid and binding obligation, enforceable in accordance with its terms.

[*Signature page follows.*]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

AMPLIFY ENERGY CORP.

By: /s/ Kenneth Mariani

Name: Kenneth Mariani

Title: President and Chief Executive Officer

EMPLOYEE

/s/ Rich Smiley
Rich Smiley

Exhibit 10.3

EMPLOYMENT AGREEMENT

May 3, 2019

This Employment Agreement ("Agreement") is entered into by and between **AMPLIFY ENERGY CORP.**, a Delaware corporation (the "Company"), and **Eric Willis** (the "Employee"), effective as of May 3, 2019 (the "Effective Date"), on the terms set forth herein. The Company and Employee may sometimes hereafter be referred to singularly as a "Party" or collectively as the "Parties."

Accordingly, the Parties, intending to be legally bound, agree as follows:

Position and Duties

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1.1 Employment; Titles; Reporting. The Company agrees to employ the Employee and the Employee agrees to commence employment with the Company, upon the terms and subject to the conditions provided under this Agreement. During the Employment Term (as defined in Section 2), the Employee will serve the Company as its Vice President and General Counsel. In such capacity, the Employee will report to the Chief Executive Officer of the Company (the "CEO") or such position designated by the CEO and otherwise will be subject to the direction and control of the CEO or such position designated by the CEO, and the Employee will have such duties, responsibilities and authorities as may be assigned to the Employee by the CEO or such position designated by the CEO from time to time to the extent consistent with Employee's position as Vice President and General Counsel in a publicly traded company comparable to the Company.

1.2 Duties. During the Employment Term, the Employee will devote substantially all of the Employee's full working time to the business and affairs of the Company, will use the Employee's best efforts to promote the Company's interests and will perform the Employee's duties and responsibilities faithfully, diligently and to the best of the Employee's ability, consistent with sound business practices. The Employee may be required by the CEO and/or the Board of Directors of the Company (the "Board") to provide services to, or otherwise serve as an officer or director of, any direct or indirect subsidiary of the Company. The Employee will comply with the Company's policies, codes and procedures, as they may be in effect from time to time, applicable to executive officers of the Company. Subject to the preceding sentence, the Employee may, with the prior written approval of the Board in each instance, engage in other business and charitable activities, provided that such charitable and/or other business activities do not violate Section 7, create a conflict of interest or the appearance of a conflict of interest with the Company, or interfere, individually or in the aggregate, with the performance of the Employee's obligations to the Company under this Agreement.

1.3 Place of Employment. The Employee will perform the Employee's duties under this Agreement at the Company's offices in Houston, Texas. The Employee understands and agrees that Employee will be required to travel from time to time for purposes of the Company's business.

Term of Employment

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The term of the Employee's employment by the Company under this Agreement (the "Employment Term") will commence on the Effective Date and will continue until the Employee's employment is terminated by either Party under Section 5. The date on which the Employee's employment ends is referred to in this Agreement as the "Termination Date." For the purpose of Sections 5 and 6 of this Agreement, the Termination Date shall be the date upon which the Employee incurs a "separation from service" as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and regulations issued thereunder (collectively, "Code Section 409A").

Compensation

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3.1 Base Salary. During the Employment Term, the Employee will be entitled to receive a base salary ("Base Salary") at an annual rate of not less than $350,000 for services rendered to the Company and any of its direct or indirect subsidiaries, payable in accordance with the Company's regular payroll practices. The Employee's Base Salary shall be reviewed annually by the Board and may be adjusted upward in the Board's sole discretion, but not downward.

3.2 Bonus Compensation. During the Employment Term, the Employee shall be eligible for discretionary bonus compensation with a target of 65% of the Employee's Base Salary (the "Target Bonus") for each complete calendar year that the Employee is employed by the Company hereunder (any bonus compensation payable, the "Annual Bonus"). The performance targets that must be achieved in order to be eligible for certain bonus levels shall be established by the Board (or a committee thereof) annually. Each Annual Bonus, if any, shall be paid as soon as administratively feasible after the Board (or a committee thereof) certifies whether the applicable performance targets for the applicable calendar year have been achieved, but in no event later than March 15 following the end of such calendar year. Notwithstanding anything in this Section 3.2 to the contrary, but subject to Section 6 below, no Annual Bonus, if any, nor any portion thereof, shall be payable for any calendar year unless the Employee remains continuously employed by the Company from the Effective Date through the date on which such Annual Bonus is paid. Any Annual Bonus will be paid in the form of (a) cash, with respect to 25% of the amount of the Annual Bonus, and (b) fully-vested shares of the Company's common stock having an aggregate fair market value on the grant date (as determined by the Board) equal to 75% of the amount of the Annual Bonus.

3.3 Long-Term Incentive Compensation. Long-term incentive compensation awards may be made to the Employee from time to time during the Employment Term by the Board in its sole discretion, whose decision will be based upon performance and award guidelines for executive officers of the Company established periodically by the Board in its sole discretion.

Expenses and Other Benefits

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4.1 Reimbursement of Business Expenses. The Employee will be entitled to receive prompt reimbursement for all reasonable business expenses incurred by the Employee during the Employment Term (in accordance with the policies and practices presently followed by the Company or as may be established by the Board from time to time for the Company's senior

executive officers) in performing services under this Agreement, provided that the Employee properly accounts for such expenses in accordance with the Company's policies as in effect from time to time. Each reimbursement shall be paid within 30 days after it has been properly submitted to the Company by the Employee in accordance with all applicable policies, but in no event later than the end of the calendar year following the calendar year in which any such reimbursable expense was incurred.

The Company shall not be obligated to pay any such reimbursement amount for which the Employee fails to submit an invoice or other documented reimbursement request at least ten business days before the end of the calendar year next following the calendar year in which the expense was incurred. Business related expenses shall be reimbursable only to the extent they were incurred during the Employment Term, but in no event shall the time period extend beyond the later of the lifetime of the Employee or, if longer, 20 years. The amount of such reimbursements that the Company is obligated to pay in any given calendar year shall not affect the amount the Company is obligated to pay in any other calendar year. In addition, the Employee may not liquidate or exchange the right to reimbursement of such expenses for any other benefits.

4.2 Paid Time Off. The Employee shall be entitled to paid time off in accordance with the Company's policy as then in effect (prorated for any calendar year during which the Employee is employed with the Company for less than the entire year, based on the number of days that the Employee is employed with the Company during such calendar year).

4.3 Other Employee Benefits. In addition to the foregoing, during the Employment Term, the Employee will be entitled to participate in and to receive benefits as a senior executive under all of the Company's employee benefit plans, programs and arrangements available to senior executives, subject to the eligibility criteria and other terms and conditions thereof, as such plans, programs and arrangements may be duly amended, terminated, approved or adopted by the Company from time to time.

Termination of Employment

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5.1 Death. The Employee's employment under this Agreement will terminate upon the Employee's death.

5.2 Termination by the Company.

(a) *Terminable at Will.* The Company may terminate the Employee's employment under this Agreement at any time with or without Cause (as defined below).

(b) *Definition of Cause.* For purposes of this Agreement, "Cause" means any of the Employee's: (1) conviction of a felony, or plea of guilty or *nolo contendere* to, any felony or any crime of moral turpitude; (2) repeated intoxication by alcohol or drugs during the performance of the Employee's duties; (3) embezzlement or other willful and intentional misuse of any of the funds of the Company or its direct or indirect subsidiaries, (4) commission of a demonstrable act of fraud; (5) willful and material misrepresentation or concealment on any written reports submitted to the Company or its direct or indirect subsidiaries; (6) material breach of this Agreement; (7) failure to follow or comply with the reasonable, material and lawful written

directives of the Board; or (8) conduct constituting a material breach of the Company's then-current code of conduct or other similar written policy which has been provided to the Employee.

(c) *Notice and Cure Opportunity in Certain Circumstances.* The Employee may be afforded a reasonable opportunity to cure any act or omission that would otherwise constitute Cause hereunder according to the following terms: The Board shall give the Employee written notice stating with reasonable specificity the nature of the circumstances determined by the Board in its reasonable and good faith judgment to constitute Cause. If, in the reasonable and good faith judgment of the Board, the alleged breach is reasonably susceptible to cure, the Employee will have 15 days from the Employee's receipt of such notice to effect the cure of such circumstances or such breach to the reasonable and good faith satisfaction of the Board. The Board will state whether the Employee will have such an opportunity to cure in the initial notice of Cause referred to above. Prior to a termination for Cause, in those instances where the initial notice of Cause states that the Employee will have an opportunity to cure, the Company shall provide an opportunity for the Employee to be heard by the Board or a Board committee designated by the Board to hear the Employee. The decision as to whether the Employee has satisfactorily cured the alleged breach shall be made at such meeting. If, in the reasonable and good faith judgment of the Board, the alleged breach is not reasonably susceptible to cure, or such circumstances or breach have not been satisfactorily cured within such 15 day cure period, such breach will thereupon constitute Cause hereunder.

5.3 Termination by the Employee.

(a) *Terminable at Will.* The Employee may terminate the Employee's employment under this Agreement at any time with or without Good Reason (as defined below).

(b) *Notice and Cure Opportunity.* If such termination is for Good Reason, the Employee will give the Company written notice, which will identify with reasonable specificity the grounds for the Employee's resignation and provide the Company with 30 days from the day such notice is given to cure the alleged grounds for resignation contained in the notice. A termination will not be for Good Reason if such notice is given by the Employee to the Company more than 45 days after the first occurrence of the event that the Employee alleges is Good Reason for the Employee's termination hereunder. The Employee must actually terminate Employee's employment within 30 days following the expiration of the Company's 30-day cure period. Otherwise, any claim of such circumstances constituting "Good Reason" shall be deemed irrevocably waived by the Employee.

(c) *Definition of Good Reason.* For purposes of this Agreement, "Good Reason" will mean any of the following to which the Employee will not consent in writing: (i) a relocation of the Employee's principal work location to a location in excess of 40 miles from its then current location; (ii) a reduction in the Employee's then current Base Salary or Target Bonus, or both; (iii) a material breach of any provision of this Agreement by the Company; or (iv) any material reduction in the Employee's title, authority, duties, responsibilities or reporting relationship from those in effect as of the Effective Date, except to the extent such reduction occurs in connection with the Employee's termination of employment for Cause or due to the Employee's death or Disability.

5.4 Notice of Termination. Any termination of the Employee's employment by the Company or by the Employee during the Employment Term (other than termination pursuant to Section 5.1) will be communicated by written Notice of Termination to the other Party hereto in accordance with Section 8.7. For purposes of this Agreement, a "Notice of Termination" means a written notice that (a) indicates the specific termination provision in this Agreement relied upon, (b) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated, and (c) if the Termination Date is other than the date of receipt of such notice, specifies the Termination Date (which Termination Date will be not more than 30 days after the giving of such notice).

5.5 Disability. If the Company determines in good faith that the Disability (as defined herein) of the Employee has occurred during the Employment Term, it may, without breaching this Agreement, give to the Employee written notice in accordance with Section 5.4 of its intention to terminate the Employee's employment. In such event, the Employee's employment with the Company will terminate effective on the 30th day after receipt of such notice by the Employee, provided that, within 30 days after such receipt, the Employee has not returned to full-time performance of the Employee's duties hereunder.

"Disability" means the earlier of (a) written determination by a physician selected by the Company and reasonably agreed to by the Employee that the Employee has been unable to perform substantially the Employee's usual and customary duties under this Agreement for a period of at least 120 consecutive days or a non-consecutive period of 180 days during any 12-month period as a result of incapacity due to mental or physical illness or disease; and (b) "disability" as such term is defined in the Company's applicable long-term disability insurance plan. At any time and from time to time, upon reasonable request therefor by the Company, the Employee will submit to reasonable medical examination for the purpose of determining the existence, nature and extent of any such disability. Any physician selected by Company shall be Board Certified in the appropriate field and shall have no actual or potential conflict of interest.

Compensation of the Employee Upon Termination

. Subject to the provisions of Section 6.9, the Employee shall be entitled to receive the amount specified upon the termination events designated below:

6.1 Death. If the Employee's employment under this Agreement is terminated by reason of the Employee's death, the Company shall pay to the person or persons designated by the Employee for that purpose in a notice filed with the Company, or, if no such person has been so designated, to the Employee's estate, the following:

(a) an amount equal to the Employee's accrued but unpaid then current Base Salary through the Termination Date, payable in a lump sum within 30 days following the Termination Date; *plus*

(b) if the Termination Date occurs after the end of the calendar year but prior to the date on which annual bonuses are paid, an amount equal to the Annual Bonus that the Employee would have received (if any) had Employee been employed on the payment date (the

"Actual Full Year Bonus Amount"), payable at the same time annual bonuses for such year are paid to actively-employed senior executives of the Company; *plus*

(c) a pro-rata portion of the Employee's Annual Bonus for the calendar year in which the Employee's Termination Date occurs, based on actual results for such year (determined by multiplying the amount of such Annual Bonus which would be due for the full calendar year by a fraction, (i) the numerator of which is the number of days during the calendar year that the Employee is employed by the Company and (ii) the denominator of which is three hundred sixty-five (365)) (the "Actual Pro Rata Bonus Amount"), if any, payable at the same time annual bonuses for such year are paid to actively-employed senior executives of the Company; *plus*

(d) any other amounts that may be reimbursable by the Company to the Employee as expressly provided under this Agreement, payable in a lump sum within 30 days following the Termination Date.

The Employee's entitlement to the amounts set forth in Section 6.1(b) and Section 6.1(c) is subject to the provisions of Section 6.5.

Thereafter, the Company will have no further obligation to the Employee under this Agreement, other than for payment of any amounts accrued and vested under any employee benefit plans or programs of the Company and any payments or benefits required to be made or provided under applicable law.

6.2 Disability. In the event of the Employee's termination by reason of Disability pursuant to Section 5.5, the Employee will continue to receive the Employee's Base Salary in effect immediately prior to the Termination Date and participate in applicable employee benefit plans or programs of the Company through the Termination Date, subject to offset dollar-for-dollar by the amount of any disability income payments provided to the Employee under any Company disability policy or program that is maintained by the Company. The Company also shall pay to the Employee the amounts set forth in Section 6.1(a) through Section 6.1(d), at the times and subject to the conditions set forth in Section 6.1. Thereafter, the Company will have no further obligation to the Employee under this Agreement, other than for payment of any amounts accrued and vested under any employee benefit plans or programs of the Company and any payments or benefits required to be made or provided under applicable law.

6.3 By the Company for Cause or by the Employee Without Good Reason.

(a) *Termination by Company For Cause.* If the Employee's employment is terminated by the Company for Cause, the Employee will receive (i) the Employee's accrued but unpaid then current Base Salary through the Termination Date and (ii) any other amounts that may be reimbursable by the Company to the Employee as expressly provided under this Agreement, in each case, payable in a lump sum within 30 days following the Termination Date. Thereafter, the Company will have no further obligation to the Employee under this Agreement, other than for payment of any amounts accrued and vested under any employee benefit plans or programs of the Company, and any payments or benefits required to be made or provided under applicable law. No bonus will be paid to the Employee for a termination of the Employee's employment for Cause.

(b) *Termination by Employee Without Good Reason*. If the Employee's employment is terminated by the Employee without Good Reason, the Employee will receive (i) the Employee's accrued but unpaid then current Base Salary through the Termination Date and (ii) any other amounts that may be reimbursable by the Company to the Employee as expressly provided under this Agreement, in each case, payable in a lump sum within 30 days following the Termination Date. Thereafter, the Company will have no further obligation to the Employee under this Agreement, other than for payment of any amounts accrued and vested under any employee benefit plans or programs of the Company, and any payments or benefits required to be made or provided under applicable law. No bonus will be paid to the Employee for a termination of the Employee's employment without Good Reason.

6.4 By the Employee for Good Reason or by the Company Without Cause. Subject to the provisions of Section 6.5, if the Company terminates the Employee's employment without Cause, or the Employee terminates Employee's employment for Good Reason, then the Employee will be entitled to the following (with the amounts payable under clauses (b), (c), (e) and (f) below, collectively, the "Severance Benefits"):

(a) an amount equal to the Employee's accrued but unpaid then current Base Salary through the Termination Date, payable in a lump sum within 30 days following the Termination Date; *plus*

(b) if the Termination Date occurs after the end of the calendar year but prior to the date on which annual bonuses are paid, the Actual Full Year Bonus Amount, payable at the same time annual bonuses for such year are paid to actively-employed senior executives of the Company; *plus*

(c) the Actual Pro Rata Bonus Amount, if any, payable at the same time annual bonuses for such year are paid to actively-employed senior executives of the Company; *plus*

(d) any other amounts that may be reimbursable by the Company to the Employee as expressly provided under this Agreement; *plus*

(e) (i) if the Employee's termination occurs on or prior to December 11, 2019 , an amount equal to the Employee's monthly Base Salary rate as in effect on the day before the Termination Date (but not as an employee), and (ii) if the Employee's termination occurs after December 11, 2019, an amount equal to 200% of the Employee's monthly Base Salary rate as in effect on the day before the Termination Date, in each case, payable in accordance with the Company's regularly scheduled payroll practices for a period of 12 months following the Termination Date; provided that to the extent the payment of any amount constitutes "nonqualified deferred compensation" for purposes of Code Section 409A, any such payment scheduled to occur during the first 60 days following the Termination Date shall not be paid until the first regularly scheduled pay period following the 60th day after the Termination Date and shall include payment of any amount that was otherwise scheduled to be paid prior thereto; *plus*

(f) subject to the Employee's (i) timely election of continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), and (B) continued copayment of premiums at the same level and cost to the Employee as if the Employee

were a senior executive of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), continued participation in the Company's group health plan (to the extent permitted under applicable law and the terms of such plan) which covers the Employee (and Employee's spouse and eligible dependents, if applicable) for a period of 12 months, provided that the Employee is eligible and remains eligible for COBRA coverage; provided, further, that the Company may modify the continuation coverage contemplated by this Section 6.4(f) to the extent reasonably necessary to avoid the imposition of any excise taxes on the Company for failure to comply with the nondiscrimination requirements of the Patient Protection and Affordable Care Act of 2010, as amended, and/or the Health Care and Education Reconciliation Act of 2010, as amended (to the extent applicable); and provided, further, that in the event that the Employee obtains other employment that offers group health plan coverage, such continuation of coverage by the Company under this Section 6.4(f) shall cease as of the end of the month in which the Employee obtains such other employer-provided, group health plan coverage.

6.5 Conditions to Receipt of Certain Post-Termination Payments and Benefits.

(a) *Release.* As a condition to receiving the Actual Full Year Bonus Amount, the Actual Pro Rata Bonus Amount and/or any Severance Benefits to which the Employee may otherwise be entitled under Section 6.1, Section 6.2 or Section 6.4, the Employee must execute and not revoke a general release of claims, which will include an affirmation of the restrictive covenants set forth in Section 7, in form and substance satisfactory to the Company (the "Release"). The Company will provide the Release to the Employee for signature within ten days after the Termination Date. If the Company has provided the Release to the Employee for signature within ten days after the Termination Date, and if the Release is not executed and non-revocable within 60 days after the Termination Date and prior to the date on which such payment and/or benefits are to be first paid or provided to the Employee, the Employee will not be entitled to the Actual Full Year Bonus Amount, the Actual Pro Rata Bonus Amount and/or any Severance Benefits, as the case may be, and the Company will have no further obligations with respect to the provision of those payments and/or benefits except as may be required by law. If the Release consideration period spans two calendar years, no payments and/or benefits subject to the Release will be paid or provided until the later of (i) the date on which the Release becomes effective and non-revocable and (ii) January 2nd of the second calendar year.

(b) *Limitation on Benefits.* If, following a termination of employment that gives the Employee a right to the payment of the Actual Full Year Bonus Amount, the Actual Pro Rata Bonus Amount and/or any Severance Benefits to which the Employee may otherwise be entitled under Section 6.1, Section 6.2 or Section 6.4, the Employee violates any of the covenants in Section 7 or as otherwise set forth in the Release, the Employee will have no further right or claim to the Actual Full Year Bonus Amount, the Target Pro Rata Bonus Amount and/or any Severance Benefits to which the Employee may otherwise be entitled under Section 6.1, Section 6.2 or Section 6.4 from and after the date on which the Employee engages in such activities, and the Company will have no further obligations with respect to such payments or benefits, and the covenants in Section 7 will nevertheless continue in full force and effect.

6.6 Certain Amounts Not Includable for Employee Benefits Purposes. Except to the extent the terms of any applicable benefit plan, policy or program provide otherwise, any benefit

programs of the Company that take into account the Employee's income will exclude the Actual Full Year Bonus Amount, the Actual Pro Rata Bonus Amount and/or any Severance Benefits to which the Employee may otherwise be entitled under Section 6.1, Section 6.2 or Section 6.4.

6.7 Exclusive Severance Benefits. The Actual Full Year Bonus Amount, the Actual Pro Rata Bonus Amount and/or any Severance Benefits to which the Employee may otherwise be entitled under Section 6.1, Section 6.2 or Section 6.4, if they become payable under the terms of this Agreement, will be in lieu of any other severance or similar benefits that would otherwise be payable under any other agreement, plan, program or policy of the Company, excluding, for this purpose, any post-termination treatment of equity incentive awards provided under the terms of the governing award agreements.

6.8 Code Section 280G; Code Section 409A. Notwithstanding anything in this Agreement to the contrary:

(a) If any of the payments or benefits received or to be received by the Employee (including, without limitation, any payment or benefits received in connection with a "change of control" or the Employee's termination of employment, whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement, or otherwise) (all such payments collectively referred to herein as the ("280G Payments") constitute "parachute payments" within the meaning of Section 280G of the Code and would, but for this Section 6.8(a), be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then prior to making the 280G Payments, a calculation shall be made comparing (i) the Net Benefit (as defined below) to the Employee of the 280G Payments after payment of the Excise Tax to (ii) the Net Benefit to the Employee if the 280G Payments are limited to the extent necessary to avoid being subject to the Excise Tax. Only if the amount calculated under clause (i) above is less than the amount under clause (ii) above will the 280G Payments be reduced to the minimum extent necessary to ensure that no portion of the 280G Payments is subject to the Excise Tax. "Net Benefit" shall mean the present value of the 280G Payments net of all federal, state, local, foreign income, employment and excise taxes. Any reduction made pursuant to this Section 6.8(a) shall be made in a manner determined by the Company that is consistent with the requirements of Code Section 409A and that maximizes the Employee's economic position and after-tax income; for the avoidance of doubt, the Employee shall not have any discretion in determining the manner in which the payments and benefits are reduced.

(b) In the event that any benefits payable or otherwise provided under this Agreement would be deemed to constitute non-qualified deferred compensation subject to Code Section 409A, the Company will have the discretion to adjust the terms of such payment or benefit (but not the amount or value thereof) to the minimum extent reasonably necessary to comply with the requirements of Code Section 409A to avoid the imposition of any excise tax or other penalty with respect to such payment or benefit under Code Section 409A.

6.9 Timing of Payments by the Company. Notwithstanding anything in this Agreement to the contrary, in the event that the Employee is a "specified employee" (as determined under Code Section 409A) at the time of the separation from service triggering the payment or provision of benefits, any payment or benefit under this Agreement which is determined to provide for a deferral of compensation pursuant to Code Section 409A shall not commence being paid or made

available to the Employee until after six months from the Termination Date that constitutes a "separation from service" within the meaning of Code Section 409A or such earlier date as may be permitted under Code Section 409A.

Restrictive Covenants

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7.1 Confidential Information. During the Employment Term and thereafter, the Employee shall keep secret and retain in strictest confidence, and shall not use for the benefit of himself or others, any confidential matters or trade secrets of, or confidential and competitively valuable information concerning, the Company and its direct or indirect subsidiaries (collectively, the "Company Group"), including, without limitation, information concerning their organization and operations, business and affairs, formulae, manufacturing processes, proprietary information, technical data, "know-how", customer lists, details of client or consultant contracts, vendor and purchasing arrangements, terms and discounts, pricing methods and policies, financial information, operational methods, marketing plans or strategies, business acquisition plans, new personnel acquisition plans, technical processes, projects, financing/financial projections, budget information and procedures, marketing plans or strategies, and research products. The confidentiality obligations set forth in this Section 7.1 shall not apply to any information that becomes part of the public domain other than through the Employee's disclosure in violation of the terms hereof. Nothing herein shall be construed as prohibiting the Employee from using or disclosing such confidential information as is necessary and has been authorized in Employee's proper performance of services for the Company Group.

(a) SEC Provisions. The Employee understands that nothing contained in this Agreement limits the Employee's ability to file a charge or complaint with the Securities and Exchange Commission ("SEC"). The Employee further understands that this Agreement does not limit the Employee's ability to communicate with the SEC or otherwise participate in any investigation or proceeding that may be conducted by the SEC, including providing documents or other information, without notice to the Company. This Agreement does not limit the Employee's right to receive an award for information provided to the SEC. This Section 7.1(a) applies only for the period of time that the Company is subject to the Dodd-Frank Act.

(b) Trade Secrets. The parties specifically acknowledge that 18 U.S.C. § 1833(b) provides: "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that—(A) is made—(i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Nothing in this Agreement is intended to conflict with 18 U.S.C. § 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by 18 U.S.C. § 1833(b). Accordingly, notwithstanding anything to the contrary in the foregoing, the Parties have the right to disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. If the Employee files a lawsuit for retaliation against the Company for reporting a suspected violation of law, the Employee may disclose the Company's trade secrets to the Employee's attorney and use the trade secret information in the court proceeding, if the Employee first files any document containing the trade secret under seal and does not disclose the trade secret, except pursuant to court order.

7.2 No Interference. Notwithstanding any other provision of this Agreement, (a) the Employee may disclose confidential information (as described in Section 7.1 above) when required to do so by a court of competent jurisdiction, by any governmental agency having authority over the Employee or the business of the Company or by any administrative body or legislative body (including a committee thereof) with jurisdiction to order the Employee to divulge, disclose or make accessible such information, in each case, subject to the Employee's obligations to notify the Company and first obtain a protective order, to the extent permitted by applicable law; and (b) nothing in this Agreement is intended to interfere with the Employee's right to (i) report possible violations of state or federal law or regulation to any governmental or law enforcement agency or entity; (ii) make other disclosures that are protected under the whistleblower provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies); (iii) file a claim or charge any governmental agency or entity; or (iv) testify, assist or participate in an investigation, hearing, or proceeding conducted by any governmental or law enforcement agency or entity, or any court. For purposes of clarity, in making or initiating any such reports or disclosures or engaging in any of the conduct outlined in subsection (b) above, the Employee may disclose confidential information to the extent necessary to such governmental or law enforcement agency or entity or such court, need not seek prior authorization from the Company and is not required to notify the Company of any such reports, disclosures or conduct.

7.3 Return of Property. The Employee agrees to deliver promptly to the Company, upon termination of the Employee's employment hereunder, or at any other time when the Company so requests, all documents relating to the business of the Company Group; provided, however, that the Employee will be permitted to retain copies of any documents or materials of a personal nature or otherwise related to the Employee's rights under this Agreement, copies of this Agreement and any attendant or ancillary documents specifically including any documents referenced in this Agreement and copies of any documents related to the Employee's long-term incentive awards and other compensation.

7.4 Non-Competition. The Employee acknowledges that the Employee (a) will perform services of a unique nature for the Company Group that are irreplaceable, and that the Employee's performance of such services to a competing business will result in irreparable harm to the Company Group, (b) will have access to Confidential Information which, if disclosed, would unfairly and inappropriately assist in competition against the Company Group, (c) would inevitably use or disclose such Confidential Information in the course of the Employee's employment by a competitor, (d) will have access to the customers of the Company Group, (e) will receive specialized training from the Company Group, and (f) will generate goodwill for the Company Group in the course of the Employee's employment. Accordingly, during the Employment Term and for a period of 12 months immediately thereafter, the Employee agrees that the Employee will not, directly or indirectly, other than through the Company, engage or participate (or prepare to engage or participate), in any manner, whether directly or indirectly through an employee, employer, consultant, agent, principal, partner, more than 1% shareholder, officer, director, licensor, lender, lessor or in any other individual or representative capacity, in any business or activity which is in competition with the business of the Company Group in the leasing, acquiring, exploring or producing hydrocarbons and related products within the boundaries of, or within a ten-mile radius of the boundaries of, any mineral property interest of any member of the Company Group (including, without limitation, a mineral lease, overriding

royalty interest, production payment, net profits interest, mineral fee interest or option or right to acquire any of the foregoing, or an area of mutual interest as designated pursuant to contractual agreements between any member of the Company Group and any third party), or any other property on which any of the Company Group has an option, right, license or authority to conduct or direct exploratory activities, such as three-dimensional seismic acquisition or other seismic, geophysical and geochemical activities (but not including any preliminary geological mapping), provided that the foregoing will not restrict the Employee from obtaining post-termination employment with an entity that only has de minimis operations in the restricted territory (as determined by the Board in good faith); provided that, this Section 7.4 will not preclude the Employee from making passive investments in securities of oil and gas companies which are registered on a national stock exchange, if (i) the aggregate amount owned by the Employee and Employee's spouse and children, if any, does not exceed 1% of such company's outstanding securities, and (ii) the aggregate amount invested in such investments by the Employee and Employee's spouse and children does not exceed $1,000,000.

7.5 Non-Solicitation; Non-Interference.

(a) During the Employment Term and for a period of 12 months immediately thereafter, the Employee agrees that Employee shall not, except in the furtherance of the Employee's duties hereunder, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, induce or attempt to induce any customer, supplier, agent, intermediary or other business relation of the Company Group to reduce or cease doing business with the Company Group, or interfere with the relationship between any such customer, supplier, agent, intermediary or business relation and the Company Group (including making any negative statements or communications concerning the Company Group); *provided* that nothing contained in this Section 7.5(a) will prohibit public advertising or general solicitations that are not specifically directed to customers, suppliers, licensees or other business relations of the Company Group.

(b) During the Employment Term and for a period of 12 months immediately thereafter, the Employee agrees that Employee shall not, except in the furtherance of the Employee's duties hereunder, directly or indirectly, individually or on behalf of any other person, firm, corporation or other entity, solicit, aid or induce any employee, representative or agent of the Company Group to leave such employment or retention or to accept employment with or render services to or with any other person, firm, corporation or other entity unaffiliated with the Company Group or hire or retain any such employee, representative or agent, or take any action to materially assist or aid any other person, firm, corporation or other entity in identifying, hiring or soliciting any such employee, representative or agent. An employee, representative or agent shall be deemed covered by this Section 7.5(b) while so employed or retained and for a period of six months thereafter.

7.6 Non-Disparagement. The Employee agrees not to make any negative, disparaging, detrimental or derogatory remarks or public statements (written, oral, telephonic, electronic, or by any other method) about the Company or any other member of the Company Group or their respective successors and assigns or any of their respective officers, directors, employees, shareholders, agents or products. The Company agrees not to make any negative, disparaging, detrimental or derogatory remarks or public statements (written, oral, telephonic, electronic or by

any other method) about the Employee. The foregoing shall not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings).

7.7 Assignment of Developments.

(a) The Employee acknowledges and agrees that all ideas, methods, inventions, discoveries, improvements, work products, developments, software, know-how, processes, techniques, works of authorship and other work product, whether patentable or unpatentable, (i) that are reduced to practice, created, invented, designed, developed, contributed to, or improved with the use of any Company Group resources and/or within the scope of the Employee's work with the Company Group or that relate to the business, operations or actual or demonstrably anticipated research or development of the Company Group, and that are made or conceived by the Employee, solely or jointly with others, during the Employment Term, or (ii) suggested by any work that the Employee performs in connection with the Company Group, either while performing the Employee's duties with the Company Group or on the Employee's own time, but only insofar as the Inventions are related to the Employee's work as an employee or other service provider to the Company Group, shall belong exclusively to the Company (or its designee), whether or not patent or other applications for intellectual property protection are filed thereon (the "Inventions"). The Employee will keep full and complete written records (the "Records"), in the manner prescribed by the Company, of all Inventions, and will promptly disclose all Inventions completely and in writing to the Company. The Records shall be the sole and exclusive property of the Company, and the Employee will surrender them upon the termination of the Employment Term, or upon the Company's earlier request. The Employee irrevocably conveys, transfers and assigns to the Company the Inventions and all patents or other intellectual property rights that may issue thereon in any and all countries, whether during or subsequent to the Employment Term, together with the right to file, in the Employee's name or in the name of the Company (or its designee), applications for patents and equivalent rights (the "Applications"). The Employee will, at any time during and subsequent to the Employment Term, make such applications, sign such papers, take all rightful oaths, and perform all other acts as may be requested from time to time by the Company to perfect, record, enforce, protect, patent or register the Company's rights in the Inventions, all without additional compensation to the Employee from the Company. The Employee will also execute assignments to the Company (or its designee) of the Applications, and give the Company and its attorneys all reasonable assistance (including the giving of testimony) to obtain the Inventions for the Company's benefit, all without additional compensation to the Employee from the Company, but entirely at the Company's expense.

(b) In addition, the Inventions will be deemed Work for Hire, as such term is defined under the copyright laws of the United States, on behalf of the Company, and the Employee agrees that the Company will be the sole owner of the Inventions, and all underlying rights therein, in all media now known or hereinafter devised, throughout the universe and in perpetuity without any further obligations to the Employee. If the Inventions, or any portion thereof, are deemed not to be Work for Hire, or the rights in such Inventions do not otherwise automatically vest in the Company, the Employee hereby irrevocably conveys, transfers and assigns to the Company, all rights, in all media now known or hereinafter devised, throughout the universe and in perpetuity, in and to the Inventions, including, without limitation, all of the Employee's right, title and interest

in the copyrights (and all renewals, revivals and extensions thereof) to the Inventions, including, without limitation, all rights of any kind or any nature now or hereafter recognized, including, without limitation, the unrestricted right to make modifications, adaptations and revisions to the Inventions, to exploit and allow others to exploit the Inventions and all rights to sue at law or in equity for any infringement, or other unauthorized use or conduct in derogation of the Inventions, known or unknown, prior to the date hereof, including, without limitation, the right to receive all proceeds and damages therefrom. In addition, the Employee hereby waives any so-called "moral rights" with respect to the Inventions. To the extent that the Employee has any rights in the results and proceeds of the Employee's service to the Company that cannot be assigned in the manner described herein, the Employee agrees to unconditionally waive the enforcement of such rights. The Employee hereby waives any and all currently existing and future monetary rights in and to the Inventions and all patents and other registrations for intellectual property that may issue thereon, including, without limitation, any rights that would otherwise accrue to the Employee's benefit by virtue of the Employee being an employee of or other service provider to the Company.

7.8 Injunctive Relief. The Employee acknowledges that a breach of any of the covenants contained in this Section 7 may result in material, irreparable injury to the Company Group for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely, and that, in the event of such a breach or threat of breach, the Company or any other member of the Company Group will be entitled to obtain a temporary restraining order and/or a preliminary or permanent injunction restraining the Employee from engaging in activities prohibited by this Section 7 or such other relief as may be required to specifically enforce any of the covenants in this Section 7.

7.9 Adjustment of Covenants. The Parties consider the covenants and restrictions contained in this Section 7 to be reasonable. However, if and when any such covenant or restriction is found to be void or unenforceable and would have been valid had some part of it been deleted or had its scope of application been modified, such covenant or restriction will be deemed to have been applied with such modification as would be necessary and consistent with the intent of the Parties to have made it valid, enforceable and effective.

7.10 Forfeiture Provision.

(a) *Detrimental Activities.* If the Employee engages in any activity that violates any covenant or restriction contained in this Section 7, in addition to any other remedy the Company may have at law or in equity, (i) the Employee will be entitled to no further payments or benefits from the Company under this Agreement or otherwise, except for any payments or benefits required to be made or provided under applicable law; (ii) all forms of equity compensation held by or credited to the Employee will terminate effective as of the date on which the Employee engages in that activity, unless terminated sooner by operation of another term or condition of this Agreement or other applicable plans and agreements; and (iii) any exercise, payment or delivery pursuant to any equity compensation award that occurred within one year prior to the date on which the Employee engages in that activity may be rescinded within one year after the first date that any member of the Board first became aware that the Employee engaged in that activity. In the event of any such rescission, the Employee will pay to the Company the amount of any gain realized or payment received as a result of the rescinded exercise, payment or delivery (after deducting the Employee's actual income tax liability incurred with respect to such gain or

payment), in such manner and on such terms and condition as may be required. Notwithstanding any provision of this Agreement to the contrary, if the Employee disputes whether Employee has violated any covenant or restriction contained in Section 7, and such dispute has been adjudicated to a final decision pursuant to Section 8.5 in the Employee's favor, the Company will pay to the Employee all amounts withheld or clawed back pursuant to this Section 7.11 to the extent ordered by a court of competent jurisdiction; provided that legal action in this respect is filed by the Employee within 60 days after being notified of the Company's decision affecting the Employee under this Section 7.11.

(b) *Right of Setoff.* The Employee consents to a deduction from any amounts the Company owes the Employee from time to time (including amounts owed as wages or other compensation, fringe benefits, or vacation pay, as well as any other amounts owed to the Employee by the Company), to the extent of the amounts the Employee owes the Company under Section 7.11(a) (above). Whether or not the Company elects to make any setoff in whole or in part, if the Company does not recover by means of setoff the full amount the Employee owes, calculated as set forth above, the Employee agrees to pay immediately the unpaid balance to the Company.

Miscellaneous

.

8.1 Assignment; Successors; Binding Agreement. This Agreement may not be assigned by either Party, whether by operation of law or otherwise, without the prior written consent of the other Party, except that any right, title or interest of the Company arising out of this Agreement may be assigned to any corporation or entity controlling, controlled by, or under common control with the Company, or succeeding to the business and substantially all of the assets of the Company or any affiliates for which the Employee performs substantial services. Subject to the foregoing, this Agreement will be binding upon and will inure to the benefit of the Parties and their respective heirs, legatees, devisees, personal representatives, successors and assigns. The Company shall obtain from any successor or other person or entity acquiring a majority of the Company's assets or equity securities a written agreement to perform all terms of this Agreement, and any failure by the Company to obtain such written agreement shall be a material breach of this Agreement.

8.2 Modification and Waiver. Except as otherwise provided below, no provision of this Agreement may be modified, waived, or discharged unless such waiver, modification or discharge is duly approved by the Board and is agreed to in writing by the Employee and such officer(s) as may be specifically authorized by the Board to effect it. No waiver by any Party of any breach by any other Party of, or of compliance with, any term or condition of this Agreement to be performed by any other Party, at any time, will constitute a waiver of similar or dissimilar terms or conditions at that time or at any prior or subsequent time.

8.3 Entire Agreement. This Agreement, together with any documents specifically referenced in this Agreement, embodies the entire understanding of the Parties hereto, and, upon the Effective Date, will supersede all other oral or written agreements or understandings between them regarding the subject matter hereof provided, however, that if there is a conflict between any of the terms in this Agreement and the terms in any award agreement between the Company and the Employee pursuant to any long-term incentive plan or otherwise, the terms of the award agreement shall govern. No agreement or representation, oral or otherwise, express or implied,

with respect to the subject matter of this Agreement, has been made by either Party which is not set forth expressly in this Agreement or the other documents referenced in this Section 8.3.

8.4 Governing Law. The validity, interpretation, construction and performance of this Agreement will be governed by the laws of the State of Texas other than the conflict of laws provision thereof.

8.5 Consent to Jurisdiction; Service of Process; Waiver of Right to Jury Trial.

(a) *Disputes*. In the event of any dispute, controversy or claim between the Company and the Employee arising out of or relating to the interpretation, application or enforcement of the provisions of this Agreement, the Company and the Employee agree and consent to the personal jurisdiction of the state and local courts of Harris County, Texas and/or the United States District Court for the Southern District of Texas, Houston Division for resolution of the dispute, controversy or claim, and that those courts, and only those courts, shall have any jurisdiction to determine any dispute, controversy or claim related to, arising under or in connection with this Agreement. The Company and the Employee also agree that those courts are convenient forums for the parties to any such dispute, controversy or claim and for any potential witnesses and that process issued out of any such court or in accordance with the rules of practice of that court may be served by mail or other forms of substituted service to the Company at the address of its principal executive offices and to the Employee at the Employee's last known address as reflected in the Company's records.

(b) *Waiver of Right to Jury Trial*. THE COMPANY AND THE EMPLOYEE HEREBY VOLUNTARILY, KNOWINGLY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS TO TRIAL BY JURY TO ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT, AS WELL AS TO ALL CLAIMS ARISING OUT OF THE EMPLOYEE'S EMPLOYMENT WITH THE COMPANY OR TERMINATION THEREFROM.

8.6 Withholding of Taxes. The Company will withhold from any amounts payable under the Agreement all federal, state, local or other taxes as legally will be required to be withheld.

8.7 Notices. All notices, consents, waivers, and other communications under this Agreement must be in writing and will be deemed to have been duly given when (a) delivered by hand (with written confirmation of receipt), (b) sent by facsimile (with written confirmation of receipt), provided that a copy is mailed by registered mail, return receipt requested, or (c) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested), in each case to the appropriate addresses and facsimile numbers set forth below (or to such other addresses and facsimile numbers as a Party may designate by notice to the other parties).

To the Company:

AMPLIFY ENERGY CORP.
Attn: General Counsel
500 Dallas Street
Suite 1700
Houston, TX 77002 17
Facsimile: (713) 456-2940

To the Employee:

At the address reflected in the Company's written records.

Addresses may be changed by written notice sent to the other Party at the last recorded address of that Party.

8.8 Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

8.9 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

8.10 Headings. The headings used in this Agreement are for convenience only, do not constitute a part of the Agreement, and will not be deemed to limit, characterize, or affect in any way the provisions of the Agreement, and all provisions of the Agreement will be construed as if no headings had been used in the Agreement.

8.11 Construction. As used in this Agreement, unless the context otherwise requires: (a) the terms defined herein will have the meanings set forth herein for all purposes; (b) references to "Section" are to a section hereof; (c) "include," "includes" and "including" are deemed to be followed by "without limitation" whether or not they are in fact followed by such words or words of like import; (d) "writing," "written" and comparable terms refer to printing, typing, lithography and other means of reproducing words in a visible form; (e) "hereof," "herein," "hereunder" and comparable terms refer to the entirety of this Agreement and not to any particular section or other subdivision hereof or attachment hereto; (f) references to any gender include references to all genders; and (g) references to any agreement or other instrument or statute or regulation are referred to as amended or supplemented from time to time (and, in the case of a statute or regulation, to any successor provision).

8.12 Capacity; No Conflicts. The Employee represents and warrants to the Company that: (a) the Employee has full power, authority and capacity to execute and deliver this Agreement, and to perform the Employee's obligations hereunder, (b) such execution, delivery and performance will not (and with the giving of notice or lapse of time, or both, would not) result in the breach of any agreement or other obligation to which the Employee is a party or is otherwise bound, and (c) this Agreement is the Employee's valid and binding obligation, enforceable in accordance with its terms.

[*Signature page follows.*]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

AMPLIFY ENERGY CORP.

By: /s/ Kenneth Mariani

Name: Kenneth Mariani

Title: President and Chief Executive Officer

EMPLOYEE

/s/ Eric Willis
Eric Willis

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Kenneth Mariani, certify that:

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

Date: May 9, 2019

/s/ Kenneth Mariani
Kenneth Mariani
President and Chief Executive Officer
Amplify Energy Corp.

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULE 13A-14(A) AND RULE 15D-14(A)
OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

I, Martyn Willsher, certify that:

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

Date: May 9, 2019

/s/ Martyn Willsher
Martyn Willsher
Senior Vice President and Chief Financial Officer
Amplify Energy Corp.

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Amplify Energy Corp. (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Kenneth Mariani, President and Chief Executive Officer of Amplify Energy Corp., and Martyn Willsher, Senior Vice President and Chief Financial Officer of Amplify Energy Corp., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to their knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2019

/s/ Kenneth Mariani

Kenneth Mariani
President and Chief Executive Officer
Amplify Energy Corp.

Date: May 9, 2019

/s/ Martyn Willsher

Martyn Willsher
Senior Vice President and Chief Financial Officer
Amplify Energy Corp.

The foregoing certifications are being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, are not being filed as part of the Report for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.