Credit Facilities

2013 Credit Facility

In December 2013, the Company entered into a credit agreement that exchanged its previous revolving credit facility. Under the revolving credit facility, the Company had a borrowing capacity of $2.0 billion. The revolving credit facility was unsecured and was not guaranteed by any subsidiaries. In June 2016, this credit facility was substantially exchanged for a new credit facility comprised of a $1,191 million secured term loan and a new $743 million revolving credit facility. The borrowing capacity of the original 2013 credit agreement was reduced from $2.0 billion to $66 million, remained unsecured and the maturity remained December 2018. On April 26, 2018 the Company replaced its 2016 credit facility with the 2018 credit facility and terminated the 2013 credit facility.

2016 Credit Facility

In June 2016, the Company reduced its existing $2.0 billion unsecured revolving credit facility, entered into in December 2013, to $66 million and entered into a new credit agreement for $1,934 million, consisting of a $1,191 million secured term loan and a new $743 million unsecured revolving credit facility, maturing in December 2020.

Concurrent with the closing of the new 2018 credit facility agreement on April 26, 2018, the Company repaid the $1,191 million secured term loan balance and recognized a loss on early debt extinguishment of $8 million on the consolidated income statement related to the unamortized issuance expense. In addition, approximately $4 million of unamortized issuance expense associated with the closed $743 million revolving credit facility was carried forward into the unamortized issuance expenses of the 2018 credit facility. At December 31, 2017, the $1,191 million secured term loan was fully drawn, there were no borrowings under the revolving credit facility, but $323 million in letters of credit was outstanding under the 2016 revolving credit facility.

2018 Revolving Credit Facility

In April 2018, as part of the Company's strategic effort to simplify the capital structure, increase financial flexibility and reduce costs, the Company replaced its 2016 credit facility (which consisted of a $1,191 million secured term loan and an unsecured $743 million revolving credit facility) with a new revolving credit facility (the "2018 credit facility"). The 2018 credit facility has an aggregate maximum revolving credit amount of $3.5 billion, and at December 31, 2018, had a current borrowing base of $2.1 billion with a current aggregate commitment of $2.0 billion. The borrowing base is subject to redetermination twice a year in April and October. The 2018 credit facility matures in April 2023 and is secured by substantially all of the assets owned by the Company and its subsidiaries.

Loans under the 2018 credit facility are subject to varying rates of interest based on whether the loan is a Eurodollar loan or an alternate base rate loan. Eurodollar loans bear interest at the Eurodollar rate, which is adjusted LIBOR for such interest period plus the applicable margin (as those terms are defined in the 2018 credit facility documentation). The applicable margin for Eurodollar loans under the 2018 credit facility ranges from 1.50% to 2.50% based on the Company's utilization of the borrowing base under the 2018 credit facility. Alternate base rate loans bear interest at the alternate base rate plus the applicable margin. The applicable margin for alternate base rate loans under the 2018 credit facility ranges from 0.50% to 1.50% based on the Company's utilization of the borrowing base under the 2018 credit facility.

The 2018 credit facility contains customary representations and warranties and contains covenants including, among others, the following:

- a prohibition against incurring debt, subject to permitted exceptions;
- a restriction on creating liens on assets, subject to permitted exceptions;
- restrictions on mergers and asset dispositions;
- restrictions on use of proceeds, investments, transactions with affiliates, or change of principal business; and
- maintenance of the following financial covenants, commencing with the fiscal quarter ended June 30, 2018:
    1. Minimum current ratio of no less than 1.00 to 1.00, whereby current ratio is defined as the Company's consolidated current assets (including unused commitments under the credit agreement, but excluding non-cash derivative assets) to consolidated current liabilities (excluding non-cash derivative obligations and current maturities of long-term debt).