Hearing Date: March 19, 2014 at 11:00 a.m. (prevailing Eastern time)
Objection Deadline: March 12, 2014 at 5:00 p.m. (prevailing Eastern time)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
ARCAPITA BANK B.S.C.(c), et al.,	:	Case No. 12-11076 (SHL)
Reorganized Debtors.	:	Confirmed

MOTION FOR ORDER PURSUANT TO BANKRUPTCY RULE 9019 APPROVING SETTLEMENT AGREEMENT WITH THRONSON PARTIES

Falcon Gas Storage Company, Inc. ("Falcon"), one of the former debtors in possession in the above-captioned chapter 11 case, files this motion (the "Motion") for entry of an order, pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), substantially in the form attached hereto as Exhibit A, approving the Settlement Agreement between (i) Falcon and (ii) Lowell C. Thronson, Henry Adair, Guy Busk, Galen W. Cantrell, Michelle G. Colombo, Glen M. Coman, Vhonda Cook, Randall L. Crumpley, Stephen Dorcheus, Judy B. Farley, Joe V. Fields, Gregory D. Fletcher, Kenneth Gillespie, Darrel R. Green, Terra Leigh Griffin, Michael L. Gryder, Jack L. Hopkins, John Holcomb, Andy Johnson, Ed McIntosh, Bryan K. Mercer, Carla Nims, David Robinson, Chad Rogers, Mark Rowland, James Scott,

Danny J. Sharp, Derrick M. Shaw, Randall J. Small, Joel P. Stephen, Ray Don Turner, Johnny B. Ulrich, James Bradley Underwood, Hank R. Watson, Royce Williams, and Troyce Willis (collectively, the "Thronson Parties"), dated as of January 15, 2013, attached hereto as Exhibit B (the "Settlement Agreement"). In support of the Motion, Falcon respectfully states as follows:

Background

1. On April 30, 2012 (the "Petition Date"), Falcon filed a voluntary petition for relief, joining certain of its affiliates whose chapter 11 cases had already been pending in this Court (the "Other Debtors"). On April 26, 2013, Falcon and the Other Debtors filed a joint Chapter 11 plan of reorganization (the "Plan").

2. On June 17, 2013, the Plan was confirmed as to the Other Debtors, but not as to Falcon. Consideration of the Plan as to Falcon was adjourned pending the resolution of certain contested matters, including the dispute between Falcon and the Thronson Parties.

3. The Thronson Parties are all former employees of Falcon who, prior to the Petition Date, obtained stock options in Falcon. The Thronson Parties have asserted that Falcon prevented them from exercising their stock options in connection with the sale of the NorTex assets, and, on April 26, 2011, filed suit in Texas state court to recover alleged damages (the "Texas Lawsuit"), which was stayed by Falcon's filing for bankruptcy protection.

4. The Thronson Parties filed proof of claim against Falcon in the aggregate amount of approximately $1.75 million (Claim Nos. 351-363 and 399-422, the "Thronson Claims"). In their Fourth Omnibus Objection to Claims, the Debtors objected to the Thronson Claims.

5. Thereafter, the parties engaged in settlement discussions and, wishing to avoid the delay and costs of litigation, entered into the Settlement Agreement. On January 31, 2014, the Court confirmed the Plan as to Falcon.

6. One of the conditions to the effectiveness of the Settlement Agreement was obtaining the Court's approval of the Settlement Agreement pursuant to Bankruptcy Rule 9019.

Jurisdiction and Venue

7. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory basis for the relief requested herein is Bankruptcy Rule 9019.

Relief Requested

8. By this Motion, Falcon requests entry of an order approving the Settlement Agreement. The Settlement Agreement, generally, provides as follows:

- Falcon will pay to the Thronson Parties $190,000;
- the Texas Lawsuit will be dismissed by joint stipulation;
- The Thronson Claims will be disallowed and expunged, and the Thronson Parties will not pursue any further claims against Falcon;[1]
- the Thronson Parties will support confirmation of the Plan as to Falcon; and
- the Thronson Parties will provide a broad release to Falcon and certain affiliated parties.

[1] While the Settlement Agreement contemplates the disallowance of the Thronson Claims by stipulation, in the interests of efficiency, Falcon requests that the Thronson Claims be disallowed by the order approving this Motion.

Basis for Requested Relief

9. Bankruptcy Rule 9019(a) provides that "on motion . . . and after a hearing, the court may approve a compromise or settlement." Fed. R. Bankr. P. 9019(a). The decision to approve or reject a compromise or settlement is within the sound discretion of the Court. See, e.g., In re Hibbard Brown & Co., 217 B.R. 41, 46 (Bankr. S.D.N.Y. 1998) ("The decision to grant or deny a settlement or compromise lies squarely within the discretion of the bankruptcy court [and such] discretion should be exercised in light of the general public policy favoring settlements.")

10. "Settlements and compromises are favored in bankruptcy as they minimize costly litigation and further parties' interests in expediting the administration of the bankruptcy estate." HSBC Bank USA, N.A. v. Fane (In re MF Global Inc.), 466 B.R. 244, 247 (Bankr. S.D.N.Y. 2012). See also In re Adelphia Commc'ns Corp., 368 B.R. 140, 226 (Bankr. S.D.N.Y. 2007), aff'd, 544 F.3d 420 (2d Cir. 2008) ("As a general matter, settlements or compromises are favored in bankruptcy and, in fact, encouraged.").

11. Bankruptcy courts in the Second Circuit have applied the following factors in determining whether a settlement should be approved:

(1) the balance between the litigation's possibility of success and the settlement's future benefits;

(2) the likelihood of complex and protracted litigation, with its attendant expense, inconvenience, and delay, including the difficulty in collecting on the judgment;

(3) the paramount interests of the creditors, including each affected class's relative benefits and the degree to which creditors either do not object to or affirmatively support the proposed settlement;

(4) whether other parties in interest support the settlement;

(5) the competency and experience of counsel supporting, and the experience and knowledge of the bankruptcy court judge reviewing, the settlement;

(6) the nature and breadth of releases to be obtained by officers and directors; and

(7) the extent to which the settlement is the product of arm's-length bargaining.

Motorola, Inc. v. Official Comm. of Unsecured Creditors (In re Iridium Operating LLC), 478 F.3d 452, 462 (2d Cir. 2007) (internal citations omitted). To approve a compromise or settlement, the Court need only to determine that it "fall[s] below the lowest point in the range of reasonableness.'" In re W.T. Grant Co., 699 F.2d 599, 608 (2d Cir. 1983) (citation omitted).

12. Falcon submits that the Settlement Agreement satisfies the Iridium factors, represents a fair and equitable settlement, and falls well above the lowest point in the range of reasonableness.

13. The Settlement Agreement fully and finally resolves all litigation between Falcon and the Thronson Parties. The Texas Lawsuit, brought by 36 claimants, has already been pending for almost three years. It involves complex legal and factual issues of contractual and fiduciary duties, alleges over a million dollars in damages, and would require a lengthy and costly litigation. The Settlement Agreement allows for the discontinuance of this litigation and a full release of Falcon and its affiliates for a payment of $190,000.

14. The Settlement Agreement is clearly in the best interest of Falcon's creditors and stakeholders because it (i) has made possible to have the Plan finally confirmed as to Falcon, and (ii) resolves the Thronson Claims, asserted in the aggregate amount of over $1.0 million, thus increasing Plan recovery by Falcon's other creditors.

15. Finally, the Settlement Agreement was negotiated and proposed without collusion, in good faith, and from arms'-length bargaining positions. Moreover, both parties were represented by competent and experienced counsel during the entire negotiation process.

No Prior Request

16. No prior request for the relief requested herein has been made to this or any other court.

Notice

17. Falcon has provided notice of the Motion by electronic mail, facsimile and/or overnight mail to: (i) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Richard Morrissey, Esq.); and (ii) counsel to the Thronson Parties, Law Office of Mark A. Sanders, 11511 Katy Freeway, Suite 600, Houston, TX 77079 (Attn: Mark A. Sanders, Esq.). A copy of the Motion is also available on the website of the Debtors' notice and claims agent, GCG, Inc. ("GCG"), at www.gcginc.com/cases/arcapita.

Conclusion

WHEREFORE, for the reasons set forth above, Falcon respectfully requests that the Court enter an Order, substantially in the form attached hereto as Exhibit A, granting the relief requested herein and such other and further relief as the Court may deem just and proper.

Dated: February 13, 2014
New York, New York

MILBANK, TWEED, HADLEY & M^{c}CLOY LLP

/s/ Lena Mandel

Dennis F. Dunne
Evan R. Fleck
Lena Mandel
One Chase Manhattan Plaza
New York, NY 10005-1413
Telephone: (212) 530-5000

Counsel for the Reorganized Debtors and the New Holding Companies

Exhibit A

Proposed Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
ARCAPITA BANK B.S.C.(c), et al.,	:	Case No. 12-11076 (SHL)
Reorganized Debtors.	:	Confirmed

ORDER, PURSUANT TO BANKRUPTCY RULE 9019, APPROVING SETTLEMENT AGREEMENT WITH THRONSON PARTIES

Upon the motion, dated February 13, 2014 (the "Motion"),[1] of Falcon Gas Storage Company, Inc. ("Falcon"), for entry of an order, pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure, approving and authorizing Falcon to enter into the Settlement Agreement; and the Court having considered the Motion and determined that approving the Settlement Agreement is in the best interests of Falcon's estate, its creditors, and other parties in interest; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue of this proceeding is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that notice of the Motion and the relief requested therein was appropriate under the circumstances, and that no other or further notice is needed or necessary; and the Court having reviewed the Motion and having heard statements in support of the Motion at a hearing held before the Court; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby **ORDERED** that:

[1] Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion.

1. The relief requested in the Motion is GRANTED in its entirety.

2. Pursuant to Bankruptcy Rule 9019, the Settlement Agreement is approved in all respects, and Falcon is authorized to execute the Settlement Agreement and take any and all steps and to perform such other and further actions as are necessary to carry out, effectuate or otherwise enforce the terms, conditions and provisions of the Settlement Agreement.

3. The Settlement Agreement shall be binding and enforceable in accordance with its terms on all parties thereto and their respective successors and assigns.

4. Within three (3) business days after the Settlement Payment Date (as such term is defined in the Settlement Agreement), each one of Claim Nos. Claim Nos. 351-363 and 399-422 shall be deemed disallowed and expunged without further order from the Court.

5. GCG is authorized and directed to reflect the terms of this Order in the claims register.

6. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

7. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: _____, 2014
New York, New York

_____
THE HONORABLE SEAN H. LANE
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

The Settlement Agreement

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT ("**Agreement**") is hereby entered into as of this 15th day of January 2014 (the "**Agreement Effective Date**") by and between Falcon Gas Storage Company, Inc. ("**Falcon**") and Lowell C. Thronson, Henry Adair, Guy Busk, Galen W. Cantrell, Michelle G. Colombo, Glen M. Coman, Vhonda Cook, Randall L. Crumpley, Stephen Dorcheus, Judy B. Farley, Joe V. Fields, Gregory D. Fletcher, Kenneth Gillespie, Darrel R. Green, Terra Leigh Griffin, Michael L. Gryder, Jack L. Hopkins, John Holcomb, Andy Johnson, Ed McIntosh, Bryan K. Mercer, Carla Nims, David Robinson, Chad Rogers, Mark Rowland, James Scott, Danny J. Sharp, Derrick M. Shaw, Randall J. Small, Joel P. Stephen, Ray Don Turner, Johnny B. Ulrich, James Bradley Underwood, Hank R. Watson, Royce Williams, and Troyce Willis (collectively, the "**Thronson Parties**") (together the "**Parties**" and each a "**Party**").

RECITALS

A. The Thronson Parties, former employees of Falcon, participated in a 2005 Equity Incentive Plan ("**EIP**") with Falcon. Among other items, the plan granted certain stock options to the Thronson Parties.

B. In March of 2010, Falcon sold the majority of its assets (the "**NorTex assets**") to Alinda Gas Storage I, L.P. and Alinda Gas Storage II, LP ("**Alinda**"). Falcon advised the Thronson Parties that because the majority of Falcon's assets had been sold, the Thronson parties could exercise their options that were in the money in accordance with the EIP.

C. The Thronson Parties maintain that Falcon prevented them from actually exercising their options.

D. On April 26, 2011, the Thronson Parties filed suit in Texas state court in a matter styled *Thronson, et al. v. Falcon Gas Storage, Inc.* Cause No. 2011-25202, Harris County, Texas, 157th Judicial District Court (the "**Texas Lawsuit**"). In the Lawsuit, the Thronson Parties assert that Falcon breached various contractual and fiduciary obligations to them, including because Falcon has not yet honored their option rights. Falcon has answered the Texas Lawsuit and denied the Thronson Parties' claims.

E. On April 30, 2012, Falcon commenced a voluntary Chapter 11 bankruptcy case (the "**Falcon Bankruptcy Case**") in the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") which was ordered jointly administered under the caption *In re Arcapita Bank B.S.C.(c)*, Case No. 12-11076 (SHL). The commencement of the Falcon Bankruptcy Case automatically stayed the Texas Lawsuit.

F. Each of the Thronson Parties filed a proof of claim against Falcon in the Falcon Bankruptcy Case (collectively, the "**Thronson Claims**").

G. On April 26, 2013, Falcon filed objections to the Thronson Claims (the "**Thronson Claims Objections**"). The Thronson Claims Objections remain pending before the Bankruptcy Court.

H. Falcon, and other affiliated debtors, proposed a joint Chapter 11 plan of reorganization (the "**Plan**"), also on April 26, 2013.

I. By an order of the Bankruptcy Court entered on June 17, 2013, the Plan was confirmed as to all debtors except Falcon and the effective date of the Plan as to all debtors except Falcon occurred on September 17, 2013. In the Order confirming the Plan as to all debtors except Falcon, consideration of the Plan as to Falcon was adjourned by the Bankruptcy Court pending the resolution of certain matters, which have now been resolved consensually.

J. To avoid the cost and uncertainty of litigation, the Parties by this Agreement desire to compromise and resolve all outstanding issues among them allowing for, among other things, the dismissal of the Texas Lawsuit and the confirmation of the Plan as to Falcon.

TERMS

NOW, THEREFORE, for good and valuable consideration, the exchange of which is hereby acknowledged, and intending to be legally bound hereby, and subject to the conditions set forth below, the Parties agree as follows:

1. Approval Order. Upon execution of this Agreement by all Parties, Falcon will promptly file a motion (the "**9019 Motion**") that seeks entry of an order in the Falcon Bankruptcy Case, in form and substance satisfactory to the Parties hereto, approving this Agreement under Federal Rule of Bankruptcy Procedure 9019 (the "**Approval Order**"), which may be sought contemporaneously with an order confirming the Plan as to Falcon. The provisions and obligations of this Agreement set forth hereafter shall be conditioned upon entry of the Approval Order. The "**Approval Order Effective Date**" shall be the earlier of (a) the date the Approval Order becomes a Final Order or (b) the date, if any, that the Parties jointly agree to waive the requirement that the Approval Order become a Final Order, provided however that no such waiver shall be enforceable if given after a stay of the Approval Order has been issued. "**Final Order**" means, as applicable, an order or judgment of the Bankruptcy Court or other court of competent jurisdiction approving this Agreement, which has not been reversed, stayed, modified, or amended, and as to which the time to appeal, seek certiorari, or move for a new trial, reargument, or rehearing has expired and no appeal, petition for certiorari, or motion for a new trial, reargument, or rehearing has been timely filed, or as to which any appeal that has been taken, any petition for certiorari, or motion for a new trial, reargument, or rehearing that has been or may be Filed has been resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought; provided, however, that the possibility that a motion pursuant to section 502(j) or 1144 of the Bankruptcy Code or under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed relating to such order shall not prevent the Approval Order from becoming a "Final Order". Falcon shall provide prompt notice, by email in accordance with the notice provisions below, to the other Parties of the occurrence of the Approval Order Effective Date.

2. Disbursement of Payment. Within ten (10) Business Days following the Approval Order Effective Date, Falcon shall pay a total of $190,000.00 to the Thronson Parties (the day such disbursement is made shall be the "**Settlement Payment Date**"). The Thronson Parties are solely responsible for the division of the settlement funds and any tax consequences associated with the settlement funds. The funds shall be wired to the account set forth in Exhibit

A. Falcon is under no obligation to partially fund or otherwise conclude this settlement unless 100% of the Thronson Parties execute this Agreement.

3. Dismissal of the Texas Lawsuit. Within three (3) Business Days after the Settlement Payment Date, the parties to the Texas Lawsuit shall jointly submit a fully executed agreed motion for dismissal with prejudice and a proposed order to the Harris County court.

4. Disallowance of Thronson Claims. Within three (3) Business Days after the Settlement Payment Date, the Thronson Parties shall execute and file a stipulation, to disallow, with prejudice, the Thronson Claims in full. The Thronson Parties agree that they shall not pursue, file or assert any further claims of any kind or nature whatsoever against Falcon, and that, for purposes of confirmation of the Plan, the Thronson Claims can be deemed to be withdrawn, with prejudice, and the Thronson Parties shall be deemed not to oppose confirmation of the Plan, if the Approval Order is entered.

5. Releases by the Thronson Parties. "**Released Claims**" shall mean damages, suits, claims, proofs of claims, debts, demands, obligations, liabilities, attorneys' fees, costs, expenses, and causes of action, known and unknown, suspected and unsuspected, disclosed and undisclosed, from the beginning of the world to the Settlement Payment Date based on, arising out of, or relating in any way to the Thronson Parties' employment with Falcon, the Thronson Parties' rights under any incentive plan with Falcon, the Texas Lawsuit, the Thronson Claims, and/or the 2010 sale of NorTex, including, without limitation, any claims or causes of action that were or could have been asserted in the Texas Lawsuit or in any proceedings before the Bankruptcy Court. Effective on the Settlement Payment Date, the Thronson Parties, on behalf of themselves and their predecessors, successors, subsidiaries, principals, parents, affiliates, joint ventures, officers, directors, partners, members, proprietors, servants, employees, representatives, shareholders, agents, attorneys, licensees, and assigns hereby generally, fully and forever release and discharge Falcon, Arcapita Bank B.S.C.(c), Arcapita, Inc., MoBay Storage Holdings, LLC, MoBay Storage Hub LLC, RA Holding Corp., AIM Group Limited, and their respective current and former predecessors, successors, subsidiaries, parents, affiliates, joint ventures, investment funds and similar investment vehicles, partners, and proprietors (collectively, the "**Released Persons**"), along with the current and former principals, officers, directors, managers, servants, employees, representatives, shareholders, agents, attorneys, licensees, and assigns of the Released Persons (collectively, the "**Released Parties**") from and for any and all Released Claims.

6. Waiver of All Claims. The releases provided by the Thronson Parties to the Released Parties shall be a waiver and relinquishment, to the fullest extent permitted by law.

7. Warranty Regarding Assignment of Claims. It is the intention of each Party that this Agreement will fully and finally dispose of all the Released Claims, that no other entity or person may assert any such Released Claims, and that no other entity or person is subrogated to the right of any Party to assert any Released Claim. Accordingly, the Parties individually represent and warrant that they have not heretofore assigned, transferred, pledged, or hypothecated, or purported to assign, transfer, pledge, or hypothecate, to any entity or individual, any of the Released Claims that they ever had the right to assert, and each Party agrees to indemnify and hold harmless each other Party against any Released Claim brought by anyone

that has been assigned, transferred, pledged, or hypothecated such Released Claim from such Party.

8. Termination of the Thronson Claims and Texas Lawsuit. The Parties agree that this Agreement, including without limitation the releases set forth herein and the payments to be made hereunder, resolves any and all issues, whenever arising or asserted, related to the Thronson Claims and the Texas Lawsuit.

9. Plan Support. All Parties shall take such other actions as may be reasonably requested by Falcon to support entry of an order confirming the Plan as to Falcon, the Approval Order, and the occurrence of the Approval Order Effective Date and the effective date of the Plan as to Falcon, provided that the Plan shall not become effective as to Falcon until on or after the Settlement Payment Date.

10. No Effect on Plan as to Arcapita Bank. The Parties expressly acknowledge and agree that nothing in this Agreement affects the Plan as to Arcapita Bank or any other debtor, other than Falcon, and that nothing herein affects or alters the rights and obligations of any Party, if any and whatever they may, under the Plan previously confirmed as to Arcapita Bank.

11. General Representations of Non-Debtors. The Thronson Parties represent and warrant that:

a) Corporate Power and Authorization. They have the power and authority, and the legal right, to make, deliver and perform under this Agreement, and they have taken all necessary actions to authorize its execution, delivery and performance;

b) No Violation or Conflict. Such execution, delivery and performance do not violate or conflict with any law applicable to them, nor any order or judgment of any court or other agency of government.

c) Obligations Binding. Their obligations under this Agreement constitute legal, valid, and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

12. No Admission of Liability. The Parties agree that nothing in this Agreement shall be construed as, or be deemed to be, an admission of wrongdoing or liability. The Parties each agree that neither this Agreement nor any of its terms shall be admissible as evidence in any suit or proceeding whatsoever as evidence of or as an admission of any liability; provided that this sentence shall not be applicable in the case of any proceeding to enforce the provisions of this Agreement, including without limitation, the waiver, release, and discharge of the Released Claims set forth herein.

13. Voluntary Agreement with Advice of Counsel. Each Party acknowledges that it has entered into this Agreement freely and voluntarily and after having consulted with counsel of

its own choosing and having had the terms contained in this Agreement explained by counsel. The Parties appreciate and understand the terms contained in this Agreement and are fully satisfied with the settlement set forth herein.

14. Notices. All notices and other communications hereunder shall be in writing and shall be deemed duly given (a) on the date of delivery if delivered personally, or if by facsimile or e-mail, upon written confirmation of receipt by facsimile, e-mail or otherwise, (b) on the third day following the date of dispatch if delivered utilizing a next-day service by a recognized next-day courier or (c) on the earlier of confirmed receipt or the seventh day following the date of mailing if delivered by registered or certified mail, return receipt requested, postage prepaid. All notices hereunder shall be delivered to the addresses set forth below, or pursuant to such other instructions as may be designated in writing by the Party to receive such notice.

a) If to one or more of the Thronson Parties:

Mark A. Sanders
Mark A. Sanders, P.C.
11511 Katy Freeway, Suite 600
Houston, Texas 77079
(281) 531-0902 (facsimile)
Mark@MSandersLaw.com

b) If to Falcon:

Eugene I. Davis
PIRINATE Consulting Group, LLC
5 Canoe Brook Drive
Livingston, New Jersey 07039
(973) 535-1843 (facsimile)
GeneDavis@pirinateconsulting.com

with a copy to:

Evan R. Fleck
Milbank Tweed Hadley & McCloy, LLP
One Chase Manhattan Plaza
New York, NY 100005
(212) 822-5567 (facsimile)
efleck@milbank.com

15. Entire Agreement/No Reliance. The Parties acknowledge that no person has made any promise, representation or warranty whatsoever, express or implied, not contained herein concerning the subject matter hereof, to induce the execution of this instrument, and each signatory hereby acknowledges that such signatory has not executed this instrument in reliance upon any such promise, representation or warranty. Without limiting the generality of the foregoing, no Party shall be deemed to have made to another Party any representation or

warranty other than as expressly made in this Agreement, and no Party has relied on nor is it relying on any statement, representation or warranty, either express or implied, other than those expressly made in this Agreement or contained in the Plan or Plan-related documents. This Agreement is a fully integrated agreement, and this Agreement constitutes the entire agreement between the Parties concerning the resolution of the Parties' disputes with respect to the Released Claims and supersedes all prior negotiations, representations, or agreements between the Parties, either written or oral, on the subject hereof. This Agreement may be amended only by written instrument designated as an amendment to this Agreement, executed by each of the Parties hereto or their respective successors, heirs, or assigns.

16. Successors, Subsidiaries, and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective agents, representatives, subsidiaries, successors, trustees, heirs, and assigns.

17. Governing Law/Forum. The validity, construction, and all rights and obligations relating to this Agreement shall be governed by New York Law and the United States Bankruptcy Code, as applicable. Any disputes arising from this Agreement shall be decided in an action or proceedings occurring before the Bankruptcy Court, which shall have exclusive jurisdiction over any dispute relating to this Agreement.

18. No Waiver. No provision herein may be waived, modified, or amended unless in writing and signed by all Parties whose rights are thereby waived, modified, or amended. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.

19. Third-Party Beneficiaries. All Parties agree that the Released Parties that are not Parties are express beneficiaries of this Agreement. The Parties each warrant, acknowledge, and agree that, except for the Released Parties, there are no other third-party beneficiaries of the rights, claims, and obligations created by this Agreement.

20. No Presumptions Against Any Party. The Parties acknowledge that this Agreement and the provisions contained herein were jointly drafted and shall not be construed or interpreted for or against any Party on the basis of presumption that such Party was the drafter.

21. Execution in Counterparts. This Agreement may be executed in counterparts. Each of such counterparts, when executed and delivered, shall be deemed to be an original and, taken together, shall constitute one and the same instrument.

22. PDF Signatures. The signatures to this Agreement may be evidenced by pdf copies reflecting the Party's signature hereto, and any such pdf copy shall be sufficient to evidence the signature of such Party just as if it were an original signature.

23. Captions. The captions to the paragraphs or subparagraphs of this Agreement are solely for the convenience of the Parties, are not part of the Agreement, and shall not be used for the interpretation of, or determination of the validity of, this Agreement or any provision hereof.

IN WITNESS WHEREOF, the undersigned have read this Agreement in its entirety, and fully understand its terms, and have caused this Agreement to be duly executed as of the date first above written.

FALCON GAS STORAGE COMPANY, INC.

By:_____

Name: _____

Title: _____

_____
LOWELL C. THRONSON

_____
HENRY ADAIR

_____
GUY BUSK

_____
GALEN W. CANTRELL

_____
MICHELLE G. COLOMBO

_____
GLEN M. COMAN

_____
VHONDA COOK

_____
RANDALL L. CRUMPLEY

_____
STEPHEN DORCHEUS

_____
JUDY B. FARLEY

_____
JOE V. FIELDS

_____
GREGORY D. FLETCHER

_____
KENNETH GILLESPIE

_____
DARRELL R. GREEN

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TERRA LEIGH GRIFFIN

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MICHAEL L. GRYDER

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JACK L. HOPKINS

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JOHN HOLCOMB

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ANDY JOHNSON

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ED MCINTOSH

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BRYAN K. MERCER

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CARLA NIMS

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DAVID ROBINSON

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CHAD ROGERS

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MARK ROWLAND

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JAMES SCOTT

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DANNY J. SHARP

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DERRICK M. SHAW

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RANDALL J. SMALL

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JOEL P. STEPHEN

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RAY DON TURNER

_____
JOHNNY B. ULRICH

_____
JAMES BRADLEY UNDERWOOD

_____
HANK R. WATSON

_____
ROYCE WILLIAMS

_____
TROYCE WILLIS