

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
	)	Chapter 11
)	
Quicksilver Resources Inc., <u>et al.</u> , ¹	)	Case No. 15-10585 (LSS)
)	
Debtors.	)	Jointly Administered
)	
	)	Hearing Date: April 15, 2015 at 2:00 p.m. (EDT)
	)	Obj. Deadline: April 8, 2015 at 4:00 p.m. (EDT)
)	
	)	Re: Docket Nos. 7 & 90

NOTICE OF (I) ENTRY OF “INTERIM ORDER DETERMINING ADEQUATE ASSURANCE OF PAYMENT FOR FUTURE UTILITY SERVICES” AND (II) SCHEDULING OF A FINAL HEARING THEREON

PLEASE TAKE NOTICE that, on March 17, 2015, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the *Debtors’ Motion for Interim and Final Orders Determining Adequate Assurance of Payment for Future Utility Services* [Docket No. 7] (the “Motion”) with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 (the “Bankruptcy Court”). A copy of the Motion is attached hereto as **Exhibit A**.

PLEASE TAKE FURTHER NOTICE that, following a first day hearing to consider approval of the Motion on an interim basis, on March 19, 2015, the Bankruptcy Court entered the *Interim Order Determining Adequate Assurance of Payment for Future Utility Services*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Quicksilver Resources Inc. [6163]; Barnett Shale Operating LLC [0257]; Cowtown Drilling, Inc. [8899]; Cowtown Gas Processing L.P. [1404]; Cowtown Pipeline Funding, Inc. [9774]; Cowtown Pipeline L.P. [9769]; Cowtown Pipeline Management, Inc. [9771]; Makarios Resources International Holdings LLC [1765]; Makarios Resources International Inc. [7612]; QPP Holdings LLC [0057]; QPP Parent LLC [8748]; Quicksilver Production Partners GP LLC [2701]; Quicksilver Production Partners LP [9129]; and Silver Stream Pipeline Company LLC [9384]. The Debtors’ address is 801 Cherry Street, Suite 3700, Unit 19, Fort Worth, Texas 76102.

[Docket No. 90] (the "Interim Order"). A copy of the Interim Order is attached hereto as **Exhibit B**.

PLEASE TAKE FURTHER NOTICE that a hearing to consider approval of the Motion on a final basis will be held on **April 15, 2015 at 2:00 p.m. (Eastern Daylight Time)** before The Honorable Laurie Selber Silverstein at the Bankruptcy Court, 824 North Market Street, 6th Floor, Courtroom 2, Wilmington, Delaware 19801.

PLEASE TAKE FURTHER NOTICE that objections or responses to the relief requested in the Motion, if any, must be made in writing, filed with the Bankruptcy Court, and served so as to be received on or before **April 8, 2015 at 4:00 p.m. (Eastern Daylight Time)** on the following parties: (a) Akin Gump Strauss Hauer & Feld LLP, 1700 Pacific Avenue, Suite 4100, Dallas, TX 75201, Attn: Charles R. Gibbs, Esq. and Sarah Link Schultz, Esq., proposed counsel to the Debtors; (b) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801, Attn: Paul N. Heath, Esq., proposed Delaware counsel to the Debtors; (c) Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017, Attn: Steven M. Fuhrman, Esq., counsel to the First Lien Agent; (d) Latham & Watkins LLP, 885 Third Avenue, Suite 1000, New York, NY 10022, Attn: Mitchell A. Seider, Esq., counsel to the Second Lien Agent; (e) Emmet, Marvin & Martin LLP, 120 Broadway, 32nd Floor, New York, NY 10271, Attn: Edward P. Zujkowski, counsel to the Second Lien Indenture Trustee; (f) Milbank, Tweed, Hadley & McCloy LLP, 28 Liberty Street, New York, NY 10005, Attn: Dennis F. Dunne, Esq. and Samuel A. Khalil, Esq., counsel to the Ad Hoc Group of Second Lienholders; and (g) the Office of the United States Trustee for Region 3, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Jane Leamy, Esq.

PLEASE TAKE FURTHER NOTICE THAT IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE FINAL RELIEF REQUESTED IN THE MOTION, ON A FINAL BASIS, WITHOUT FURTHER NOTICE OR A HEARING.

Wilmington, Delaware
Date: March 20, 2015

/s/ Amanda R. Steele

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**PROPOSED COUNSEL FOR DEBTORS AND
DEBTORS IN POSSESSION**

Exhibit A

Motion

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
	)	Chapter 11
Quicksilver Resources Inc., <u>et al.</u> , ¹	)	Case No. 15-10585 ()
)	
Debtors.	)	Joint Administration Requested
)	

**DEBTORS’ MOTION FOR INTERIM AND FINAL ORDERS DETERMINING
ADEQUATE ASSURANCE OF PAYMENT FOR FUTURE UTILITY SERVICES**

The debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) respectfully submit this *Debtors’ Motion for Interim and Final Orders Determining Adequate Assurance of Payment for Future Utility Services* (the “Motion”). In support of the Motion, the Debtors represent and set forth as follows:²

PRELIMINARY STATEMENT

1. By the Motion, the Debtors are requesting that the Court determine adequate assurance of payment for future utility services and approve procedures for determining adequate assurance for those Utility Providers (as defined below) that do not believe their interests are adequately protected. Absent the relief requested herein, the Debtors may be inundated with requests for adequate assurance and face the prospect that certain Utility Providers could,

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Quicksilver Resources Inc. [6163]; Barnett Shale Operating LLC [0257]; Cowtown Drilling, Inc. [8899]; Cowtown Gas Processing L.P. [1404]; Cowtown Pipeline Funding, Inc. [9774]; Cowtown Pipeline L.P. [9769]; Cowtown Pipeline Management, Inc. [9771]; Makarios Resources International Holdings LLC [1765]; Makarios Resources International Inc. [7612]; QPP Holdings LLC [0057]; QPP Parent LLC [8748]; Quicksilver Production Partners GP LLC [2701]; Quicksilver Production Partners LP [9129]; and Silver Stream Pipeline Company LLC [9384]. The Debtors’ address is 801 Cherry Street, Suite 3700, Unit 19, Fort Worth, Texas 76102.

² A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this Motion and the Debtors’ restructuring, are set forth in greater detail in the Declaration of Vanessa Gomez LaGatta in Support of First Day Pleadings (the “First Day Declaration”), filed contemporaneously with the Debtors’ voluntary petitions for relief filed under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

without warning, suspend service altogether. Given that uninterrupted utility services are essential to the Debtors' ongoing operations and the need to proceed in an organized fashion during the first critical weeks of the Debtors' chapter 11 proceedings, the Debtors request that the relief requested herein be granted.

JURISDICTION

2. The 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).³

3. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The statutory predicates for the relief requested herein are Bankruptcy Code sections 105(a) and 366.

BACKGROUND

A. General Background

5. On March 17, 2015 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in this Court. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases. No committees have been appointed or designated.

6. This Motion incorporates by reference the facts set forth in the First Day Declaration as if fully set forth herein. Additional facts specific to this Motion are set forth below.

³ Under rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the Debtors hereby confirm their consent to the entry of a final order by this Court in connection with this Motion if it is later determined that this Court, absent consent of the parties, cannot enter final orders or judgments in connection therewith consistent with Article III of the United States Constitution.

B. Specific Background

7. As set forth in the First Day Declaration, in the ordinary course of business, the Debtors incur expenses for gas, water, sewer, electric, telecommunications, waste, and other similar utility services provided by approximately thirty-five utility providers (as such term is used in Bankruptcy Code section 366, collectively, the “Utility Providers”), a list of which is attached as **Exhibit A** hereto (the “Utility Service List”). On average, the Debtors spend approximately \$135,000 each month on utility costs. As of the Petition Date, the Debtors estimate that approximately \$45,000 in utility costs are outstanding.

8. Uninterrupted utility services are essential to the Debtors’ ongoing operations and, therefore, to the success of their reorganization. Indeed, any interruption of utility services, even for a brief period of time, would negatively affect the Debtors’ operations, customer relationships, revenues, and profits, seriously jeopardizing the Debtors’ reorganization efforts and, ultimately, recoveries to their creditors. It, therefore, is critical that utility services continue uninterrupted during these chapter 11 cases.

RELIEF REQUESTED

9. By the Motion, the Debtors request entry of interim and final orders, substantially in the forms attached hereto as **Exhibit B** and **Exhibit C** (the “Interim Order” and the “Final Order,” respectively), (a) determining that the Utility Providers have been provided with adequate assurance of payment within the meaning of Bankruptcy Code section 366; (b) approving the Debtors’ proposed offer of adequate assurance and procedures governing the Utility Providers’ requests for additional or different adequate assurance; (c) prohibiting the Utility Providers from altering, refusing, or discontinuing services on account of pre-petition amounts outstanding, if any, and on account of any perceived inadequacy of the Debtors’ proposed adequate assurance pending entry of the Final Order; and (d) determining that the

Debtors are not required to provide any additional adequate assurance beyond what is proposed by this Motion, pending entry of the Final Order.

PROPOSED ADEQUATE ASSURANCE

A. Proposed Adequate Assurance

10. The Debtors intend to pay post-petition obligations owed to the Utility Providers in a timely manner. The Debtors expect that their cash flow from operations and cash on hand will be sufficient to pay post-petition obligations related to their utility service.

11. Nevertheless, to provide additional assurance of payment for future services to the Utility Providers who request additional assurance of payment for future services, the Debtors propose to deposit an amount equal to two weeks of utility services provided by such Utility Provider (the "Adequate Assurance Deposit"), into an interest-bearing, newly created, segregated account (the "Adequate Assurance Deposit Account") within three business days following entry of the Interim Order. The amount of the Adequate Assurance Deposit is calculated as an historical average over the past twelve months. The Adequate Assurance Deposit will be held by the Debtors for the benefit of Utility Providers during the pendency of these chapter 11 cases.

12. The Debtors submit that the Adequate Assurance Deposit, in conjunction with the Debtors' demonstrated ability to pay for future utility services in the ordinary course of business (together, the "Proposed Adequate Assurance"), constitutes sufficient adequate assurance to the Utility Providers. If any Utility Provider believes that additional assurance is required, that Utility Provider may request such assurance pursuant to the procedures set forth below.⁴

⁴ The Debtors further request that any Adequate Assurance Deposit required by, and deposited into the Adequate Assurance Deposit Account on behalf of, any Utility Provider pursuant to the procedures described herein be returned to the Debtors upon the earlier of (a) consensual termination of services between Utility Provider and the Debtors or (b) confirmation of a plan of reorganization, if not applied or returned earlier.

13. In light of the severe consequences to the Debtors and their operations of any interruption in services by the Utility Providers, but recognizing the right of the Utility Providers to evaluate the Proposed Adequate Assurance on a case-by-case basis, the Debtors propose that the Court approve and adopt the following procedures (the “Adequate Assurance Procedures”):

- (a) Within two business days following entry of the Interim Order, or as soon thereafter as is reasonably practicable, the Debtors shall provide notice of (i) this Motion, (ii) entry of the Interim Order, and (iii) the hearing scheduled to consider entry of the proposed Final Order.
- (b) If a Utility Provider is not satisfied with the Proposed Adequate Assurance and seeks additional assurance of payment in the form of deposits, prepayments, or otherwise, it must serve a request (an “Additional Assurance Request”) upon (i) Quicksilver Resources Inc., 801 Cherry Street, Suite 3700, Unit 19, Fort Worth, Texas 76102, Attn: Keith Forbes; (ii) proposed counsel for the Debtors, Akin Gump Strauss Hauer & Feld LLP, 1700 Pacific Avenue, Suite 4100, Dallas, Texas 75201, Attn: Charles R. Gibbs and Sarah Link Schultz; and (iii) proposed Delaware counsel for the Debtors, Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attn: Paul N. Heath and Amanda R. Steele (collectively, the “Notice Parties”).
- (c) Any Additional Assurance Request must: (i) be made in writing; (ii) set forth the location(s) for which utility services are provided; (iii) include a summary of the Debtors’ payment history relevant to the affected account(s); (iv) certify the amount that is equal to two weeks of utility service it provides to the Debtors, calculated as an historical average over the past twelve months; (v) certify that it currently is not paid in advance for its services; and (vi) explain why the Utility Provider believes the Debtors’ Proposed Adequate Assurance is not sufficient adequate assurance of future payment.
- (d) Upon the Debtors’ receipt of any Additional Assurance Request at the addresses set forth above, the Debtors shall have twenty-one days from the receipt of such Additional Assurance Request (the “Resolution Period”) to negotiate with such Utility Provider to resolve such Utility Provider’s request for additional assurance of payment.
- (e) The Debtors may resolve any Additional Assurance Request by mutual agreement with the Utility Provider and without further order of the Court, and may, in connection with any such agreement, provide a Utility Provider with additional adequate assurance of future payment, including, but not limited to, cash deposits, prepayments, and other forms of security, without further order of the Court if the Debtors believe such additional assurance is reasonable, subject to the terms of any cash collateral or financing order entered by the Court.

- (f) If the Debtors determine that the Additional Assurance Request is not reasonable and are not able to reach an alternative resolution with the Utility Provider during the Resolution Period, the Debtors, during or immediately after the Resolution Period, will request a hearing before the Court to determine the adequacy of assurances of payment with respect to a particular Utility Provider (the “Determination Hearing”) pursuant to Bankruptcy Code section 366(c)(3).
- (g) Pending resolution of any such Determination Hearing, the Utility Provider filing such Additional Assurance Request shall be prohibited from altering, refusing, or discontinuing service to the Debtors on account of unpaid charges for pre-petition services or on account of any objections to the Proposed Adequate Assurance.
- (h) Subject to the Adequate Protection Procedures, the Proposed Adequate Assurance shall be deemed adequate assurance of payment for any Utility Provider that does not make an Additional Assurance Request.

14. Absent compliance with the Adequate Assurance Procedures, the Debtors request that the Utility Providers be forbidden from altering, refusing, or discontinuing service on account of any pre-petition charges, or requiring additional assurance of payment other than the Proposed Adequate Assurance, pending entry of the Final Order.

B. Subsequent Modifications

15. To the extent that the Debtors subsequently identify additional providers of utility services, the Debtors seek authority to amend the Utility Service List to add or remove any Utility Provider. In the event that the Utility Provider is amended, the Debtors will file the amended Utility Providers List with the Court. The Debtors further request that the Interim and Final Orders apply to any such subsequently identified Utility Provider, regardless of when each Utility Provider was added to the Utility Service List. The Debtors shall have the period specified in the proposed Adequate Assurance Procedures to seek to resolve any subsequently added Utility Provider’s Additional Assurance Request by mutual agreement with the Utility Provider without further order of the Court or to schedule a Determination Hearing with the

Court to determine the adequacy of assurance of payment with respect to such Utility Provider in accordance with such Adequate Assurance Procedures.

16. The Debtors request that all Utility Providers, including subsequently added Utility Providers, be prohibited from altering, refusing, or discontinuing utility services to the Debtors absent further order of the Court.

SUPPORTING AUTHORITY

A. The Utility Providers are Adequately Assured of Payment for Future Services

17. Bankruptcy Code section 366(c)(2) provides that a utility provider may discontinue its services to a debtor if the debtor has not furnished adequate assurance of payment within thirty days after the petition date. *See* 11 U.S.C. § 366(c)(2). Congress enacted Bankruptcy Code section 366 to protect debtors from utility service cutoffs upon a bankruptcy filing while providing utility companies with adequate assurance that the debtors will pay for post-petition services. *See* H.R. Rep. No. 95-595, at 350 (1978), *reprinted in* 1978 U.S.C.C.A.N. 5963, 6306. Accordingly, Bankruptcy Code section 366 protects debtors by prohibiting utilities from altering, refusing, or discontinuing services to a debtor solely on account of unpaid pre-petition amounts for a period of thirty days after a chapter 11 filing. At the same time, it protects utilities by permitting them to alter, refuse, or discontinue service after thirty days if the debtor has not furnished “adequate assurance” of payment in a form “satisfactory” to the utility.

18. Bankruptcy Code section 366(c) also restricts the factors that a court may consider when determining whether an adequate assurance payment is, in fact, adequate. Specifically, courts no longer may consider (a) the absence of a security deposit before a debtor’s petition date, (b) a debtor’s history of timely payments, or (c) the availability of an administrative expense priority when determining the amount of a deposit. Notwithstanding these changes, it does not appear that Congress intended to or did abrogate a bankruptcy court’s

ability to determine the amount of adequate assurance necessary or change the fundamental requirement that assurance of payment must simply be “adequate.” *See, e.g., In re DBSI, Inc.*, 405 B.R. 698, 708 (Bankr. D. Del. 2009) (“Generally, adequate assurance is considered to be something less than an absolute guarantee. The particular facts and circumstances of each case are evaluated and taken into consideration to determine what constitutes adequate assurance.”) (internal quotations omitted); *Steinebach v. Tucson Elec. Power Co. (In re Steinebach)*, 303 B.R. 634, 641 (Bankr. D. Ariz. 2004) (“a utility is only entitled to adequate assurance of payment. Adequate assurance of payment is not, however, absolute assurance.”).

19. Thus, while Bankruptcy Code section 366(c) limits the factors a court can consider when determining whether a debtor has provided adequate assurance of payment, it does not limit the court’s ability to determine the amount of payment necessary, if any, to provide such adequate assurance. Instead, Bankruptcy Code section 366(c) gives courts the same discretion in determining the amount of payment necessary for adequate assurance that they previously had under Bankruptcy Code section 366(b). *Compare* 11 U.S.C. § 366(b) (2005) (“On request of a party in interest and after notice and a hearing, the court may order reasonable modification of the amount of the deposit or other security necessary to provide adequate assurance of payment.”) *with* 11 U.S.C. § 366(c)(3)(a) (2005) (“On request of a party in interest and after notice and a hearing, the court may order modification of the amount of an assurance of payment under paragraph (2).”).

20. In addition, it is well-established that Bankruptcy Code section 366(b) permits a court to find that no adequate assurance payment is necessary to provide a utility with adequate assurance of payment. *See Va. Elec. & Power Co. v. Caldor, Inc.–NY*, 117 F.3d 646, 650 (2d Cir. 1997) (“Even assuming that other security should be interpreted narrowly . . . a bankruptcy

court's authority to modify the level of the deposit or other security provided for under § 366(b), includes the power to require no deposit or other security where none is necessary to provide a utility supplier with adequate assurance of payment.”) (internal quotation marks omitted). This principle may be applicable in cases where the debtor has made pre-petition deposits or prepayments for services that utilities ultimately will render post-petition. *See* 11 U.S.C. § 366(c)(1)(A)(v) (recognizing a prepayment for post-petition services as adequate assurance). Accordingly, even after the 2005 revisions to Bankruptcy Code section 366, courts continue to have discretion to determine the amount of adequate assurance payments and, where appropriate, to determine that no such payment is necessary.

21. Finally, Bankruptcy Code section 366(c), like Bankruptcy Code section 366(b), requires only that a utility's assurance of payment be “adequate.” Courts recognize that adequate assurance of performance does not constitute an absolute guarantee of a debtor's ability to pay. *See, e.g., In re Adelpia Bus. Solutions, Inc.*, 280 B.R. 63, 80 (Bankr. S.D.N.Y. 2002) (“In determining adequate assurance, a bankruptcy court is not required to give a utility company the equivalent of a guaranty of payment, but must only determine that the utility is not subject to an unreasonable risk of nonpayment for post-petition services.”); *see also In re Caldor, Inc.–NY*, 199 B.R. 1, 3 (S.D.N.Y. 1996) (stating that section 366(b) “does not require an absolute guarantee of payment”), *aff'd sub nom. Va. Elec. & Power Co. v. Caldor, Inc.–NY*, 117 F.3d 646 (2d Cir. 1997). Courts also have recognized that, in determining the requisite level of adequate assurance, bankruptcy courts should “focus upon the need of the utility for assurance, and to require that the debtor supply *no more than that*, since the debtor almost perforce has a conflicting need to conserve scarce financial resources.” *Va. Elec. & Power Co.*, 117 F.3d at 650 (emphasis in original) (internal quotation marks omitted); *see also In re Penn Cent. Transp. Co.*,

467 F.2d 100, 103–04 (3d Cir. 1972) (affirming bankruptcy court’s ruling that no utility deposits were necessary where such deposits likely would “jeopardize the continuing operation of the [debtor] merely to give further security to suppliers who already are reasonably protected”). Accordingly, demands by a Utility Provider for a guarantee of payment should be refused when the Debtors’ specific circumstances already afford adequate assurance of payment.

22. The Debtors submit that the Proposed Adequate Assurance, the Adequate Assurance Deposit Account, and the Adequate Assurance Procedures provide more than adequate assurance of future payment. Furthermore, the Debtors expect that revenue from continued business operations, coupled with cash on hand, will be sufficient to pay their operating costs, including utility costs, as such costs come due. The Debtors also have a powerful incentive to remain current on utility obligations because of their reliance on utility services for the operation of their businesses. These factors, which the Court may (and should) consider when determining the amount of any adequate assurance payments, justify a finding that the Proposed Adequate Assurance, Adequate Assurance Deposit Account, and the Adequate Assurance Procedures are more than sufficient to assure the Utility Providers of future payment.

23. Courts in this jurisdiction and others have approved relief similar to the relief requested here. *See, e.g., In re QCE Finance LLC*, No. 14-10543 (Bankr. D. Del. Mar. 17, 2014 & Apr. 9, 2014); *In re Old FENM, Inc.*, No. 13-12569 (Bankr. D. Del. Oct. 23, 2013); *In re MSD Performance, Inc.*, No. 13-12286 (Bankr. D. Del. Oct. 1, 2013); *In re THQ Inc.*, No. 12-13398 (Bankr. D. Del. Dec. 21, 2012 & Jan. 4, 2013); *In re Overseas Shipholding Grp., Inc.*, No. 12-20000 (Bankr. D. Del. Nov. 15, 2012 & Dec. 7, 2012); *In re Amicus Wind Down Corp. (f/k/a Friendly Ice Cream Corp.)*, No. 11-13167 (Bankr. D. Del. Oct. 24, 2011); *In re Neb. Book Co.*, No. 11-12005 (Bankr. D. Del. July 21, 2011); *In re L.A. Dodgers LLC*, No. 11-12010 (Bankr. D.

Del. July 19, 2011); *In re Ambassadors Int'l, Inc.*, No. 11-11002 (Bankr. D. Del. Apr. 26, 2011); *In re Stallion Oilfield Servs. Ltd.*, No. 09-13562 (Bankr. D. Del. Nov. 16, 2009).⁵

B. The Adequate Assurance Procedures are Appropriate

24. The Court has authority to approve the Adequate Assurance Procedures under Bankruptcy Code section 105(a). Bankruptcy Code section 105(a) provides that the Court “may issue any order, process or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. 105(a). The purpose of Bankruptcy Code section 105(a) is “to assure the bankruptcy courts power to take whatever action is appropriate or necessary in aid of the exercise of their jurisdiction.” 2 COLLIER ON BANKRUPTCY ¶ 105.01 (Alan N. Resnick & Henry J. Sommer, eds. 16th ed. rev. 2011).

25. The proposed Adequate Assurance Procedures are necessary in these chapter 11 cases. If the proposed Adequate Assurance Procedures are not approved, the Debtors could be forced to address numerous requests by the Utility Providers in a disorganized manner during the critical first weeks of these chapter 11 cases. Moreover, a Utility Provider could blindside the Debtors by unilaterally deciding on or after the thirtieth day following the Petition Date that it is not adequately protected and discontinuing service or making an exorbitant demand for payment to continue service. Discontinuation of utility service could essentially shut down business operations, and any significant disruption of such operations could jeopardize these chapter 11 cases.

WAIVER OF BANKRUPTCY RULE 6004 (A) AND 6004 (H)

26. Given the nature of the relief requested herein, the Debtors respectfully request a waiver of (a) the notice requirements under Rule 6004(a) of the Federal Rules of Bankruptcy

⁵ Because of the voluminous nature of the orders cited herein, they are not attached to this Motion. Copies of these orders are available upon request to the Debtors’ proposed counsel.

Procedures (the “Bankruptcy Rules”) and (b) the 14-day stay under Bankruptcy Rule 6004(h), to the extent that either rule is applicable.

NOTICE

27. No trustee, examiner, or creditors’ committee has been appointed in the Debtors’ chapter 11 cases. The Debtors have provided notice of this Motion to (a) the Office of the United States Trustee for the District of Delaware, Attn: Jane Leamy, Esq.; (b) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) counsel to the agents under the Debtors’ pre-petition credit facilities; (d) counsel to the Ad Hoc Group of Second Lienholders; (e) counsel to the indenture trustees under the Debtors’ pre-petition indentures; (f) the United States Securities and Exchange Commission; (g) the United States Internal Revenue Service; and (h) any parties entitled to notice pursuant to Local Rule 9013-1(m). In light of the nature of the relief requested in this Motion, the Debtors respectfully submit that no further notice is necessary.

NO PRIOR MOTION

28. No prior motion for the relief requested herein has been made by the Debtors to this or any other court.

WHEREFORE, for the reasons set forth herein, the Debtors respectfully request that the Court (a) enter the Interim Order and Final Order substantially in the form annexed hereto as **Exhibit B** and **Exhibit C**, respectively, granting the relief requested in the Motion and (b) grant such other and further relief as may be just and proper.

Wilmington, Delaware
Date: March 17, 2015

/s/ Paul N. Heath

RICHARDS, LAYTON & FINGER, P.A.

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**PROPOSED COUNSEL FOR DEBTORS AND
DEBTORS IN POSSESSION**

Exhibit A

Utility Providers

Exhibit A

Utility Provider	Address(es)	Description of Utility Provided	Account Number(s)	Deposit
Accudata Systems Inc.	7906 N Sam Houston Pkwy W Suite 300 Houston, TX 77064	Telecommunications	115065	
American Millennium Corporation	17301 W Colfax Ave., Suite 230 Golden, CO 80401	Safety / Security	QRI100	
Arlington Utilities	101 W. Abram St. Arlington, TX 76010 101 E. Abram St. Arlington, TX 76010	Water	42-1424-300	\$160
AT&T	1380 Atlantic Dr. NW Suite 420 Atlanta, GA 30363	Telecommunications	81787001666316	
AT&T Mobility	619 N York St. Elmhurst, IL 60126	Telecommunications	BES02463699	
AT&T Teleconference Services	PO BOX 5002 Carol Stream, IL 60197-5002 PO Box 5001 Carol Stream, IL 60197-5001	Telecommunications	4239814500001	
Atmos Energy	224 S 6th St. Vandalia, IL 62471-2739 5430 Lyndon B Johnson FWY Dallas, TX 75240-2601	Natural Gas	3023339752	
CenturyLink	333 E Westmore Rd. Ste 220 Tucson, AZ 85705	Telecommunications	9708242611509B	
Charter Communications Holding Co. LLC	12405 Powerscourt Dr. St. Louis, MO 63131-3673	Telecommunications	8246100550162650	
Cisco Webex LLC	16720 Collections Center Dr. Chicago, IL 60693	Telecommunications	106269	
City of Glen Rose	201 NE Vernon St. Glen Rose, TX 76043	Water / Sewer	14024	
City of Craig	300 West 4th St. Craig, CO 71625-2713	Water / Sewer	62.00742990.00	
City of Haslet	105 Main St. Haslet, TX 76052	Water / Sewer	90026575001	
Cogent Communications	1015 31st Street NW	Telecommunications	QUICKSIL00003	

Utility Provider	Address(es)	Description of Utility Provided	Account Number(s)	Deposit
Inc.	5th Floor Washington, DC 20007			
CoServ	3501 FM 2181 Denton, TX 76210 PO Box 650785 Dallas, TX 75265-0785 7701 S. Stemmons Corinth, TX 76210-1842	Electricity	309210 309215 309225 411000 422580 170006160 170006180 444785 447845	
Databank Holdings Ltd.	400 S Akard St. Ste. 100 Dallas, TX 75202	Telecommunications	QWKS	
Dish Network	9601 S Meridian Blvd. Englewood, CO 80112-5905	Telecommunications	8255707081356276	
DirecTV Inc.	2230 E Imperial Hwy. El Segundo, CA 90245-3504 2260 E Imperial Hwy. El Segundo, CA 90245-3501	Telecommunications	064827407	
Emerson Network Power	610 Executive Campus Dr. Westerville, OH 43082	Network Services	C213873	
First Choice Power	12 Greenway Plaza Suite 600 Houston, TX 77046 PO Box 2943 Fort Worth, TX 76113	Electricity	675828602 674084967 680477064	
Fort Worth Water Department	908 Monroe St. Fort Worth, TX 76102 PO Box 870 Fort Worth, TX 76101	Water	1180865-368870 1276755-116776 1276755-638918 860377-91734 860377-610566 860377-494098 860377-374802 860377-365258 1180865-332502 860377-641288	\$4,400
Green Mountain Energy Company	300 W 6th St. Suite 900 Austin, TX 78701	Electricity	9 781 266-3	

Utility Provider	Address(es)	Description of Utility Provided	Account Number(s)	Deposit
Hilco Electric Cooperative Inc.	300 Silken Crossing Midlothian, TX 76065 115 E Main St PO Box 127 Itasca, TX 76055-2118	Electricity	4707447900 4706433202	
InterCall	8420 W Bryn Mawr Ave. Suite 400 Chicago, IL 60631 c/o West IP Communications 200 S Smoothstone Center 401 Fourth St Louisville, KY 40202	Telecommunications	272107	
Level 3 Communications LLC	400 S. Akard St. Dallas, TX 75202 19111 N Dallas Parkway Ste. 225 Dallas, TX 75287 2323 Bryan Street Dallas, TX 75201	Telecommunications	1-95JDSW	
North Texas Groundwater	5100 Airport Dr. Denison, TX 75020 PO Box 508 Dallas, TX 75201	Water / Sewer	0000000190	
Tech Plan	717 Taylor Dr. Plano, TX 75074-6778	Network Services	C14567	
Texas Excavation Safety System Inc.	11880 Greenville Ave. Ste 120 Dallas, TX 75243	Safety / Security	QRA	
Tri-County Electric Cooperative Inc.	1623 Weatherford Hwy. Granbury, TX 76048 600 N W Parkway Azle, TX 76020 4900 Keller Hicks Rd Fort Worth, TX 76244	Electricity	800646603 800654375 800654376 800654377 800654378 800654379 800654380 800654381 800672298 800686012 800700502 800714590 800717473 800759650	

Utility Provider	Address(es)	Description of Utility Provided	Account Number(s)	Deposit
TXU Energy	6555 Sierra Dr. Irving, TX 75039 PO Box 650764 Dallas, TX 75262-0764	Electricity	900009700191 100015237005 900009683749 100019100905	
Tyco Integrated Security	777 Taylor St. Fort Worth, TX 76102 4200 Buckingham Rd Ste 150 Fort Worth, TX 76155-2618	Safety / Security	01400103447810	
United Cooperative Services	2601 S I-35 W Burleson, TX 76097	Electricity	184300006 184300011 184300015 184300016 184300017 184300021 184300041 184300044 184300046 184300068 184300059 184300049 184300065 184300067 184300038 184300039 184300-042 184300048 184300073 184300074 99184300-XXX(1) 99184300002 99184300003 99184300004 99184300005 99184300(00)6	
Verizon Wireless	1109 W I-20 Suite 121 Arlington, TX 76017	Telecommunications	22017799300001	
Windstream Corporation	4001 Rodney Parham Rd. Little Rock, AR 72212	Telecommunications	126204243	
Yampa Valley Electric Association Inc.	2211 Elk River Rd. Steamboat Springs, CO 80477-5267 32 10 th St Steamboat Springs, CO 80477	Electricity	6990001403	

Exhibit B

Proposed Interim Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
	)	Chapter 11
Quicksilver Resources Inc., <u>et al.</u> , ¹	)	Case No. 15-10585 ()
)	
Debtors.	)	Joint Administration Requested
)	

**INTERIM ORDER DETERMINING ADEQUATE
ASSURANCE OF PAYMENT FOR FUTURE UTILITY SERVICES**

Upon the Motion² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for entry of this Interim Order pursuant to Bankruptcy Code sections 105(a) and 366 determining adequate assurance of payment for future utility services, all as more fully set forth in the Motion and scheduling a final hearing (the “Final Hearing”) to consider entry of the Final Order, all as more fully described in the Motion; and the Court having jurisdiction to consider this Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding in accordance with 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion being adequate and appropriate under the particular circumstances; and a hearing having been held to consider the relief requested in the Motion; and upon the First Day Declaration, the record of the hearing and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Quicksilver Resources Inc. [6163]; Barnett Shale Operating LLC [0257]; Cowtown Drilling, Inc. [8899]; Cowtown Gas Processing L.P. [1404]; Cowtown Pipeline Funding, Inc. [9774]; Cowtown Pipeline L.P. [9769]; Cowtown Pipeline Management, Inc. [9771]; Makarios Resources International Holdings LLC [1765]; Makarios Resources International Inc. [7612]; QPP Holdings LLC [0057]; QPP Parent LLC [8748]; Quicksilver Production Partners GP LLC [2701]; Quicksilver Production Partners LP [9129]; and Silver Stream Pipeline Company LLC [9384]. The Debtors’ address is 801 Cherry Street, Suite 3700, Unit 19, Fort Worth, Texas 76102.

² All capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Motion.

all proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors' estates, their creditors and other parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and any objections to the requested relief having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The Motion is granted on an interim basis to the extent provided herein.
2. The Debtors shall deposit the Adequate Assurance Deposit into the Adequate Assurance Deposit Account as provided in the Motion, subject to the terms of any cash collateral or financing order entered by the Court, within three business days following entry of this Interim Order.
3. The following Adequate Assurance Procedures are approved:
 - (i) Within two business days following entry of the Interim Order, or as soon thereafter as is reasonably practicable, the Debtors shall provide notice of (i) the Motion, (ii) entry of this Interim Order, and (iii) the hearing scheduled to consider entry of the proposed Final Order.
 - (ii) If a Utility Provider is not satisfied with the Proposed Adequate Assurance and seeks additional assurance of payment in the form of deposits, prepayments, or otherwise, it must serve a request (an "Additional Assurance Request") upon (i) Quicksilver Resources Inc., 801 Cherry Street, Suite 3700, Unit 19, Fort Worth, Texas 76102, Attn: Keith Forbes; (ii) proposed counsel for the Debtors, Akin Gump Strauss Hauer & Feld LLP, 1700 Pacific Avenue, Suite 4100, Dallas, Texas 75201, Attn: Charles R. Gibbs and Sarah Link Schultz; and (iii) proposed Delaware counsel for the Debtors, Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attn: Paul N. Heath and Amanda R. Steele (collectively, the "Notice Parties").
 - (iii) Any Additional Assurance Request must: (i) be made in writing; (ii) set forth the location(s) for which utility services are provided; (iii) include a summary of the Debtors' payment history relevant to

the affected account(s), including any security deposits; (iv) certify the amount that is equal to two weeks of utility service it provides to the Debtors, calculated as an historical average over the past twelve months; (v) certify that it currently is not paid in advance for its services; and (vi) explain why the Utility Provider believes the Debtors' Adequate Assurance is not sufficient adequate assurance of future payment.

- (iv) Upon the Debtors' receipt of any Additional Assurance Request at the addresses set forth above, the Debtors shall have twenty-one days from the receipt of such Additional Assurance Request (the "Resolution Period") to negotiate with such Utility Provider to resolve such Utility Provider's request for additional assurance of payment.
- (v) The Debtors may resolve any Additional Assurance Request by mutual agreement with the Utility Provider and without further order of the Court, and may, in connection with any such agreement, provide a Utility Provider with additional adequate assurance of future payment, including, but not limited to, cash deposits, prepayments, and other forms of security, without further order of the Court if the Debtors believe such additional assurance is reasonable, subject to the terms of any cash collateral or financing order entered by the Court.
- (vi) If the Debtors determine that the Additional Assurance Request is not reasonable and are not able to reach an alternative resolution with the Utility Provider during the Resolution Period, the Debtors, during or immediately after the Resolution Period, will request a hearing before the Court to determine the adequacy of assurances of payment with respect to a particular Utility Provider (the "Determination Hearing") pursuant to Bankruptcy Code section 366(c)(3).
- (vii) Pending resolution of any such Determination Hearing, the Utility Provider filing such Additional Assurance Request shall be prohibited from altering, refusing, or discontinuing service to the Debtors on account of unpaid charges for pre-petition services or on account of any objections to the Proposed Adequate Assurance.
- (viii) Subject to the Adequate Assurance Procedures, the Proposed Adequate Assurance shall be deemed adequate assurance of payment for any Utility Provider that does not make an Additional Assurance Request.

4. The Debtors are authorized to amend the Utility Provider List, if necessary and in their discretion, and the Debtors will file any amended Utility Provider List with the Court and increase the Adequate Assurance Deposit accordingly. The Debtors shall also serve a copy of the Motion and this Interim Order on any additional Utility Provider within three days of filing any amended Utility Provider List with the Court. This Interim Order applies to any subsequently identified Utility Provider, regardless of when each Utility Provider was added to the Utility Service List.

5. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in this Interim Order shall constitute, nor is it intended to constitute, an admission as to the validity or priority of any claim against the Debtors, the creation of an administrative priority claim on account of the assumption, or adoption of any contract or agreement under Bankruptcy Code section 365.

6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the pre-petition obligations approved herein are authorized to receive, process, honor and pay all such checks and electronic payment requests when presented for payment, provided that sufficient funds are on deposit in the applicable accounts to cover such payments, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as being approved by this Interim Order.

7. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Bankruptcy Rule 6004(a) are satisfied by such notice.

8. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, this Interim Order shall be immediately effective and enforceable upon its entry.

9. The Final Hearing on the Motion shall be held on _____, 2015 at ____:____ __.m. (prevailing Eastern Time). Any objections or responses to entry of the proposed Final Order shall be filed on or before seven calendar days before the Final Hearing and served on the following parties: (a) Akin Gump Strauss Hauer & Feld LLP, 1700 Pacific Avenue, Suite 4100, Dallas, TX 75201, Attn: Charles R. Gibbs, Esq. and Sarah Link Schultz, Esq., proposed counsel to the Debtors; (b) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801, Attn: Paul N. Heath, Esq., proposed Delaware counsel to the Debtors; (c) Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017, Attn: Steven M. Fuhrman, Esq., counsel to the First Lien Agent; (d) Latham & Watkins LLP, 885 Third Avenue, Suite 1000, New York, NY 10022, Attn: Mitchell A. Seider, Esq., counsel to the Second Lien Agent; (e) Emmet, Marvin & Martin LLP, 120 Broadway, 32nd Floor, New York, NY 10271, Attn: Edward P. Zujkowski, counsel to the Second Lien Indenture Trustee; (f) Milbank, Tweed, Hadley & McCloy LLP, 28 Liberty Street, New York, NY 10005, Attn: Dennis F. Dunne, Esq. and Samuel A. Khalil, Esq., counsel to the Ad Hoc Group of Second Lienholders; and (g) the Office of the United States Trustee for Region 3, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Jane Leamy, Esq., no later than ____:____ __.m. (prevailing Eastern Time) on _____, 2015.

10. In the event no objections are timely received, the Court may enter the Final Order without need for the Final Hearing.

11. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Interim Order in accordance with the Motion.

12. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Interim Order.

Wilmington, Delaware

Date: _____, 2015

United States Bankruptcy Judge

Exhibit C

Proposed Final Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
	)	Chapter 11
Quicksilver Resources Inc., <u>et al.</u> , ¹	)	Case No. 15-10585 ()
)	
Debtors.	)	Joint Administration Requested
)	

**FINAL ORDER DETERMINING ADEQUATE
ASSURANCE OF PAYMENT FOR FUTURE UTILITY SERVICES**

Upon the Motion² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for entry of this Final Order pursuant to Bankruptcy Code sections 105(a) and 366 determining adequate assurance of payment for future utility services, all as more fully set forth in the Motion; and the Court having entered the Interim Order captioned *Interim Order Determining Adequate Assurance of Payment for Future Utility Services* [Docket No. ___]; and the Court having jurisdiction to consider this Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding in accordance with 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion being adequate and appropriate under the particular circumstances; and the Court having held the Final Hearing to consider the relief requested in the Motion; and upon the First Day Declaration, the record of the Final Hearing and all proceedings had before the Court; and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Quicksilver Resources Inc. [6163]; Barnett Shale Operating LLC [0257]; Cowtown Drilling, Inc. [8899]; Cowtown Gas Processing L.P. [1404]; Cowtown Pipeline Funding, Inc. [9774]; Cowtown Pipeline L.P. [9769]; Cowtown Pipeline Management, Inc. [9771]; Makarios Resources International Holdings LLC [1765]; Makarios Resources International Inc. [7612]; QPP Holdings LLC [0057]; QPP Parent LLC [8748]; Quicksilver Production Partners GP LLC [2701]; Quicksilver Production Partners LP [9129]; and Silver Stream Pipeline Company LLC [9384]. The Debtors’ address is 801 Cherry Street, Suite 3700, Unit 19, Fort Worth, Texas 76102.

the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors' estates, their creditors and other parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and any objections to the requested relief having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The Motion is granted on a final basis to the extent provided herein.
2. The following Adequate Assurance Procedures are approved:
 - (i) If a Utility Provider is not satisfied with the Proposed Adequate Assurance and seeks additional assurance of payment in the form of deposits, prepayments, or otherwise, it must serve a request (an "Additional Assurance Request") upon (i) Quicksilver Resources Inc., 801 Cherry Street, Suite 3700, Unit 19, Fort Worth, Texas 76102, Attn: Keith Forbes; (ii) proposed counsel for the Debtors, Akin Gump Strauss Hauer & Feld LLP, 1700 Pacific Avenue, Suite 4100, Dallas, Texas 75201, Attn: Charles R. Gibbs and Sarah Link Schultz; and (iii) proposed Delaware counsel for the Debtors, Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attn: Paul N. Heath and Amanda R. Steele (collectively, the "Notice Parties").
 - (ii) Any Additional Assurance Request must: (i) be made in writing; (ii) set forth the location(s) for which utility services are provided; (iii) include a summary of the Debtors' payment history relevant to the affected account(s), including any security deposits; (iv) certify the amount that is equal to two weeks of utility service it provides to the Debtors, calculated as an historical average over the past 12 months; (v) certify that it currently is not paid in advance for its services; and (vi) explain why the Utility Provider believes the Debtors' Adequate Assurance is not sufficient adequate assurance of future payment.
 - (iii) Upon the Debtors' receipt of any Additional Assurance Request at the addresses set forth above, the Debtors shall have twenty-one (21) days from the receipt of such Additional Assurance Request

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(the “Resolution Period”) to negotiate with such Utility Provider to resolve such Utility Provider’s request for additional assurance of payment.

- (iv) The Debtors may resolve any Additional Assurance Request by mutual agreement with the Utility Provider and without further order of the Court, and may, in connection with any such agreement, provide a Utility Provider with additional adequate assurance of future payment, including, but not limited to, cash deposits, prepayments, and other forms of security, without further order of the Court if the Debtors believe such additional assurance is reasonable, subject to the terms of any cash collateral or financing order entered by the Court.
- (v) If the Debtors determine that the Additional Assurance Request is not reasonable and are not able to reach an alternative resolution with the Utility Provider during the Resolution Period, the Debtors, during or immediately after the Resolution Period, will request a hearing before the Court to determine the adequacy of assurances of payment with respect to a particular Utility Provider (the “Determination Hearing”) pursuant to Bankruptcy Code section 366(c)(3).
- (vi) Pending resolution of any such Determination Hearing, the Utility Provider filing such Additional Assurance Request shall be prohibited from altering, refusing, or discontinuing service to the Debtors on account of unpaid charges for pre-petition services or on account of any objections to the Proposed Adequate Assurance.
- (vii) Subject to the Adequate Assurance Procedures, the Proposed Adequate Assurance shall be deemed adequate assurance of payment for any Utility Provider that does not make an Additional Assurance Request.

3. The Debtors are authorized to amend the Utility Provider List, if necessary and in their discretion, and the Debtors will file any amended Utility Provider List with the Court. The Debtors shall also serve a copy of the Motion and this Final Order on any additional Utility Provider. This Final Order applies to any subsequently identified Utility Provider, regardless of when each Utility Provider was added to the Utility Service List.

4. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in this Final Order shall constitute, nor is it intended to constitute, an

admission as to the validity or priority of any claim against the Debtors, the creation of an administrative priority claim on account of the assumption, or adoption of any contract or agreement under Bankruptcy Code section 365.

5. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the pre-petition obligations approved herein are authorized to receive, process, honor and pay all such checks and electronic payment requests when presented for payment, provided that sufficient funds are on deposit in the applicable bank accounts to cover such payments, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as being approved by this Final Order.

6. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

7. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, this Final Order shall be immediately effective and enforceable upon its entry.

8. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

9. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

Wilmington, Delaware
Date: _____, 2015

United States Bankruptcy Judge

File a First Day Motion:[15-10585 Quicksilver Resources Inc.](#)

Type: bk Chapter: 11 v Office: 1 (Delaware)
Assets: y Case Flag: PlnDue, VerifDue,
DsclsDue

U.S. Bankruptcy Court**District of Delaware**

Notice of Electronic Filing

The following transaction was received from Paul Noble Heath entered on 3/17/2015 at 6:13 PM EDT and filed on 3/17/2015

Case Name: Quicksilver Resources Inc.

Case Number: [15-10585](#)

Document Number: [7](#)

Docket Text:

Motion Prohibiting Utilities from Discontinuing Service (*Debtors' Motion for Interim and Final Orders Determining Adequate Assurance of Payment for Future Utility Services*) Filed By Quicksilver Resources Inc. (Heath, Paul)

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:\\netapp2\home\lae\WindowsProfile\Desktop\KWK - Utilities Motion.pdf

Electronic document Stamp:

[STAMP bkecfStamp_ID=983460418 [Date=3/17/2015] [FileNumber=13021059-0
] [208eb7a575ab4554bd9f1c3c585de62e9a70894a5ac1edc43d52e676dbd27fb998b
537250fc89323bdc117052d4f36ee47a3a18abad0b7d13e40c6526604ec8d]]

15-10585 Notice will be electronically mailed to:

Paul N. Heath on behalf of Debtor Quicksilver Resources Inc.
RBGroup@rlf.com

Paul Noble Heath on behalf of Debtor Quicksilver Resources Inc.
heath@rlf.com, RBGroup@rlf.com

United States Trustee
USTPREGION03.WL.ECF@USDOJ.GOV

15-10585 Notice will not be electronically mailed to:

Exhibit B

Interim Order

ORIGINAL

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

)	
In re:	)	Chapter 11
)	
Quicksilver Resources Inc., <u>et al.</u> , ¹	)	Case No. 15-10585 (LSS)
)	
Debtors.	)	Joint Administration Requested
	)	Re: Docket No. 7

**INTERIM ORDER DETERMINING ADEQUATE
ASSURANCE OF PAYMENT FOR FUTURE UTILITY SERVICES**

Upon the Motion² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for entry of this Interim Order pursuant to Bankruptcy Code sections 105(a) and 366 determining adequate assurance of payment for future utility services, all as more fully set forth in the Motion and scheduling a final hearing (the “Final Hearing”) to consider entry of the Final Order, all as more fully described in the Motion; and the Court having jurisdiction to consider this Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding in accordance with 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion being adequate and appropriate under the particular circumstances; and a hearing having been held to consider the relief requested in the Motion; and upon the First Day Declaration, the record of the hearing and

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Quicksilver Resources Inc. [6163]; Barnett Shale Operating LLC [0257]; Cowtown Drilling, Inc. [8899]; Cowtown Gas Processing L.P. [1404]; Cowtown Pipeline Funding, Inc. [9774]; Cowtown Pipeline L.P. [9769]; Cowtown Pipeline Management, Inc. [9771]; Makarios Resources International Holdings LLC [1765]; Makarios Resources International Inc. [7612]; QPP Holdings LLC [0057]; QPP Parent LLC [8748]; Quicksilver Production Partners GP LLC [2701]; Quicksilver Production Partners LP [9129]; and Silver Stream Pipeline Company LLC [9384]. The Debtors’ address is 801 Cherry Street, Suite 3700, Unit 19, Fort Worth, Texas 76102.

² All capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Motion.

all proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors' estates, their creditors and other parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and any objections to the requested relief having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The Motion is granted on an interim basis to the extent provided herein.
2. The Debtors shall deposit the Adequate Assurance Deposit into the Adequate Assurance Deposit Account as provided in the Motion, subject to the terms of any cash collateral or financing order entered by the Court, within three business days following entry of this Interim Order.
3. The following Adequate Assurance Procedures are approved:
 - (i) Within two business days following entry of the Interim Order, or as soon thereafter as is reasonably practicable, the Debtors shall provide notice of (i) the Motion, (ii) entry of this Interim Order, and (iii) the hearing scheduled to consider entry of the proposed Final Order.
 - (ii) If a Utility Provider is not satisfied with the Proposed Adequate Assurance and seeks additional assurance of payment in the form of deposits, prepayments, or otherwise, it must serve a request (an "Additional Assurance Request") upon (i) Quicksilver Resources Inc., 801 Cherry Street, Suite 3700, Unit 19, Fort Worth, Texas 76102, Attn: Keith Forbes; (ii) proposed counsel for the Debtors, Akin Gump Strauss Hauer & Feld LLP, 1700 Pacific Avenue, Suite 4100, Dallas, Texas 75201, Attn: Charles R. Gibbs and Sarah Link Schultz; and (iii) proposed Delaware counsel for the Debtors, Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, Attn: Paul N. Heath and Amanda R. Steele (collectively, the "Notice Parties").
 - (iii) Any Additional Assurance Request must: (i) be made in writing; (ii) set forth the location(s) for which utility services are provided; (iii) include a summary of the Debtors' payment history relevant to

the affected account(s), including any security deposits; (iv) certify the amount that is equal to two weeks of utility service it provides to the Debtors, calculated as an historical average over the past twelve months; (v) certify that it currently is not paid in advance for its services; and (vi) explain why the Utility Provider believes the Debtors' Adequate Assurance is not sufficient adequate assurance of future payment.

- (iv) Upon the Debtors' receipt of any Additional Assurance Request at the addresses set forth above, the Debtors shall have twenty-one days from the receipt of such Additional Assurance Request (the "Resolution Period") to negotiate with such Utility Provider to resolve such Utility Provider's request for additional assurance of payment.
- (v) The Debtors may resolve any Additional Assurance Request by mutual agreement with the Utility Provider and without further order of the Court, and may, in connection with any such agreement, provide a Utility Provider with additional adequate assurance of future payment, including, but not limited to, cash deposits, prepayments, and other forms of security, without further order of the Court if the Debtors believe such additional assurance is reasonable, subject to the terms of any cash collateral or financing order entered by the Court.
- (vi) If the Debtors determine that the Additional Assurance Request is not reasonable and are not able to reach an alternative resolution with the Utility Provider during the Resolution Period, the Debtors, during or immediately after the Resolution Period, will request a hearing before the Court to determine the adequacy of assurances of payment with respect to a particular Utility Provider (the "Determination Hearing") pursuant to Bankruptcy Code section 366(c)(3).
- (vii) Pending resolution of any such Determination Hearing, the Utility Provider filing such Additional Assurance Request shall be prohibited from altering, refusing, or discontinuing service to the Debtors on account of unpaid charges for pre-petition services or on account of any objections to the Proposed Adequate Assurance.
- (viii) Subject to the Adequate Assurance Procedures, the Proposed Adequate Assurance shall be deemed adequate assurance of payment for any Utility Provider that does not make an Additional Assurance Request.

4. The Debtors are authorized to amend the Utility Provider List, if necessary and in their discretion, and the Debtors will file any amended Utility Provider List with the Court and increase the Adequate Assurance Deposit accordingly. The Debtors shall also serve a copy of the Motion and this Interim Order on any additional Utility Provider within three days of filing any amended Utility Provider List with the Court. In addition, the Debtors will serve any amended Utility Provider List on any Utility Provider removed from the Utility Provider List within three days of filing any amended Utility Provider List with the Court. This Interim Order applies to any subsequently identified Utility Provider, regardless of when each Utility Provider was added to the Utility Service List.

5. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in this Interim Order shall constitute, nor is it intended to constitute, an admission as to the validity or priority of any claim against the Debtors, the creation of an administrative priority claim on account of the assumption, or adoption of any contract or agreement under Bankruptcy Code section 365.

6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the pre-petition obligations approved herein are authorized to receive, process, honor and pay all such checks and electronic payment requests when presented for payment, provided that sufficient funds are on deposit in the applicable accounts to cover such payments, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as being approved by this Interim Order.

7. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Bankruptcy Rule 6004(a) are satisfied by such notice.

8. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, this Interim Order shall be immediately effective and enforceable upon its entry.

9. The Final Hearing on the Motion shall be held on April 15, 2015 at 2:00 p.m. (prevailing Eastern Time). Any objections or responses to entry of the proposed Final Order shall be filed on or before seven calendar days before the Final Hearing and served on the following parties: (a) Akin Gump Strauss Hauer & Feld LLP, 1700 Pacific Avenue, Suite 4100, Dallas, TX 75201, Attn: Charles R. Gibbs, Esq. and Sarah Link Schultz, Esq., proposed counsel to the Debtors; (b) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801, Attn: Paul N. Heath, Esq., proposed Delaware counsel to the Debtors; (c) Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017, Attn: Steven M. Fuhrman, Esq., counsel to the First Lien Agent; (d) Latham & Watkins LLP, 885 Third Avenue, Suite 1000, New York, NY 10022, Attn: Mitchell A. Seider, Esq., counsel to the Second Lien Agent; (e) Emmet, Marvin & Martin LLP, 120 Broadway, 32nd Floor, New York, NY 10271, Attn: Edward P. Zujkowski, counsel to the Second Lien Indenture Trustee; (f) Milbank, Tweed, Hadley & McCloy LLP, 28 Liberty Street, New York, NY 10005, Attn: Dennis F. Dunne, Esq. and Samuel A. Khalil, Esq., counsel to the Ad Hoc Group of Second Lienholders; and (g) the Office of the United States Trustee for Region 3, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Jane Leamy, Esq., no later than 4:00 p.m. (prevailing Eastern Time) on April 8, 2015.

10. In the event no objections are timely received, the Court may enter the Final Order without need for the Final Hearing.

11. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Interim Order in accordance with the Motion.

12. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Interim Order.

Wilmington, Delaware
Date: March 19, 2015



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE