

**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. 8 & 91

**NOTICE OF (I) ENTRY OF “INTERIM ORDER GRANTING DEBTORS’ MOTION
FOR (A) AUTHORITY TO (I) CONTINUE USING EXISTING CASH MANAGEMENT
SYSTEM, (II) HONOR CERTAIN PRE-PETITION OBLIGATIONS RELATED TO THE
USE OF THE CASH MANAGEMENT SYSTEM, AND (III) MAINTAIN EXISTING
BANK ACCOUNTS AND BUSINESS FORMS; AND (B) AN EXTENSION OF TIME TO
COMPLY WITH BANKRUPTCY CODE SECTION 345(b) AND LOCAL RULE 4001-3”
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 (A) Authority to (I) Continue Using Existing Cash Management System, (II) Honor Certain Pre-Petition Obligations Related to the Use of the Cash Management System, and (III) Maintain Existing Bank Accounts and Business Forms; and (B) An Extension of Time to Comply with Bankruptcy Code Section 345(b) and Local Rule 4001-3* [Docket No. 8] (the “Motion”) with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor,

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.

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 Granting Debtors’ Motion for (A) Authority to (I) Continue Using Existing Cash Management System, (II) Honor Certain Pre-Petition Obligations Related to the Use of the Cash Management System, and (III) Maintain Existing Bank Accounts and Business Forms; and (B) An Extension of Time to Comply with Bankruptcy Code Section 345(b) and Local Rule 4001-3* [Docket No. 91] (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.

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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:

Quicksilver Resources Inc., et al.,¹

Debtors.

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Chapter 11

Case No. 15-10585 ()

Joint Administration Requested

**DEBTORS' MOTION FOR (A) AUTHORITY TO (I) CONTINUE USING
EXISTING CASH MANAGEMENT SYSTEM, (II) HONOR CERTAIN
PRE-PETITION OBLIGATIONS RELATED TO THE USE OF
THE CASH MANAGEMENT SYSTEM, AND (III) MAINTAIN EXISTING BANK
ACCOUNTS AND BUSINESS FORMS; AND (B) AN EXTENSION OF TIME TO
COMPLY WITH BANKRUPTCY CODE SECTION 345(b) AND LOCAL RULE 4001-3**

The debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) respectfully submit this *Debtors’ Motion for (A) Authority to (I) Continue Using Existing Cash Management System, (II) Honor Certain Pre-petition Obligations Related to the Use of the Cash Management System, and (III) Maintain Existing Bank Accounts and Business Forms; and (B) an Extension of Time to Comply with Bankruptcy Code Section 345(b)* (the “Motion”). In support of the Motion, the Debtors represent and set forth as follows:²

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”).

PRELIMINARY STATEMENT

1. The Debtors operate a complex oil and gas exploration business with both domestic and international operations. The Debtors' ability to effectively manage their business is dependent in large part on their existing cash management system. The Debtors' cash management system enables them to efficiently collect, transfer, and distribute cash generated and utilized by their business operations. Any disruption in the Debtors' use of their cash management system would severely impede the Debtors' ability to continue operating to the detriment of the Debtors' estates and all of their creditors. Therefore, the Debtors request permission to continue using their existing cash management system.

JURISDICTION

2. 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).

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), 345, and 363, rules 4001, 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and rules 2015-2(a) and 4001-3 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules").³

³ Under Local Rule 9013-1(f), 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.

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.

B. Specific Background

7. The Debtors’ operations include both domestic and foreign operations. Prior to the Petition Date, in the ordinary course of the Debtors’ businesses, the Debtors utilized a complex cash management system (the “Cash Management System”) to efficiently collect, transfer, and distribute cash generated and utilized by business operations. The Cash Management System facilitates cash monitoring, forecasting, and reporting and enables the Debtors to maintain control over the administration of their bank accounts (the “Bank Accounts”) located at banks and other financial institutions (collectively, the “Banks”) and to utilize cash in the most efficient means possible.

8. The Cash Management System is comprised of numerous Bank Accounts, and a general overview of the movement of cash through the Cash Management System is depicted in the charts attached hereto as **Exhibit A**. A full listing of the Bank Accounts maintained by the

Debtors and the Non-Debtor Canadian Entities (as defined below) is attached hereto as **Exhibit B.**

9. Historically, the Debtors and their non-Debtor Canadian subsidiaries have maintained two (2) separate cash management systems: (i) the Cash Management System comprised of accounts for domestic operations; and (ii) a system of accounts for Canadian operations (the “Non-Debtor Canadian Cash Management System”). As discussed in further detail in the First Day Declaration, the Non-Debtor Canadian Entities have entered into a forbearance and waiver agreement with their senior secured lenders, and as a result, the Non-Debtor Canadian Entities have not commenced insolvency proceedings. None of the Non-Debtor Canadian Entities are Debtors in these chapter 11 cases. The Debtors do not believe that the Non-Debtor Canadian Cash Management System is impacted by the commencement of these chapter 11 cases and, therefore, this Motion does not seek any relief with respect to the Non-Debtor Canadian Cash Management System.

The Debtors’ Cash Management System

(i) The U.S. Operating Account

10. The Debtors use a centralized domestic account (the “U.S. Operating Account”) owned by Debtor Quicksilver Resources Inc. (“QRI”) to manage the in-flows and out-flows of substantially all of the Debtors’ domestic cash. The U.S. Operating Account, which is maintained at JPMorgan Chase Bank, N.A., is the account into which all funds generated by the Debtors’ domestic operations, including product sales, hedge settlements, joint interest billings, and other sources of funds, including, but not limited to, tax refunds and asset sale proceeds are deposited. Historically, funds paid to QRI by its non-Debtor Canadian subsidiary Quicksilver Resources Canada Inc. (“QRCI”) have also been deposited into the U.S. Operating Account, including funds paid to QRI on account of (i) services provided to Non-Debtor Canadian Entities

by QRI personnel, (ii) interest payments under an intercompany note issued by QRCI in favor of QRI, (iii) hedge settlements, and (iv) miscellaneous other expenses. In general, the U.S. Operating Account receives deposits from various sources on a daily basis, with the timing of payment from any given source depending on the applicable payment terms and billing cycle. As funds are received, the Debtors record the source of the funds and, to the extent necessary, allocate such funds to the Debtor entity to which the funds have been paid through accounting entries.

11. The Debtors also utilize the U.S. Operating Account to fund various other accounts from which the Debtors pay expenses relating to their operations. As discussed in further detail below, the Debtors transfer funds from the U.S. Operating Account to their domestic Payroll and Medical Accounts (each as defined below) to cover employee payroll obligations and medical benefits and to three (3) disbursement accounts from which the Debtors pay domestic vendors, royalty holders, and certain other parties. Funds are transferred from the U.S. Operating Account to the Payroll and Medical Accounts and the disbursement accounts described below. In addition, the U.S. Operating Account is used to pay various expenses through wire transfer. For example, the Debtors use this account to pay certain trade vendors that require wire transfers, certain gas gathering and transportation service providers, and to make other fund transfers as needed.

12. Finally, the Debtors transfer funds from the U.S. Operating Account to certain investment accounts in accordance with the terms of their Investment Policy (as defined below). In particular, all funds in excess of \$250,000 are automatically swept out of the U.S. Operating Account to the Investment Sweep Account (as defined below) on a nightly basis. Such funds are automatically transferred back to the U.S. Operating Account each morning. Funds are allocated

from the U.S. Operating Account to the Debtors' other investment accounts manually on a less frequent basis in accordance with the Debtors' Investment Policy.

(ii) *The Eni Operating Account*

13. Pursuant to the Debtors' Joint Exploration Agreement with Eni Petroleum US LLC ("Eni"), dated November 1, 2013, as amended, and the Joint Operating Agreement attached thereto, the Debtors periodically make cash calls to Eni. Eni then transfers funds to the Debtors to pay for, and reimburse the Debtors for, expenses that the Debtors incur as operator related to wells drilled thereunder. Such deposits are made into a special account (the "ENI Operating Account"). By segregating the funds into the ENI Operating Account, funds intended for expenses pursuant to the joint operating agreement referenced above do not become commingled with funds used for general purposes in the U.S. Operating Account.

(iii) *Payroll and Medical Accounts*

14. As described in the *Debtors' Motion for Entry of Interim and Final Order Authorizing, but not Directing, the Debtors to (A) Pay Pre-Petition Employee Wages, Other Compensation and Reimbursable Expenses, and (B) Continue Employee Benefits Programs* (the "Wage Motion"), which is being filed contemporaneously herewith, the Debtors have one (1) domestic payroll account (the "Payroll Account") from which (i) domestic employee payrolls are funded to the Debtors' payroll provider, Ceridian, (ii) employee 401(k) contributions are paid to the Debtors' 401(k) plan administrator, Milliman Benefits, and (iii) employee severance payments are made. The Debtors transfer funds from the U.S. Operating Account to the Payroll Account on a twice-monthly basis. In addition, the Debtors fund a medical account (the "Medical Account") from which the Debtors make payments to the applicable providers to fund employee healthcare benefits. Each of the Payroll and Medical Accounts is owned by QRI and maintained at JPMorgan Chase Bank, N.A.

(iv) *Disbursement Accounts*

15. The Debtors maintain three (3) domestic disbursement accounts, each owned by QRI and maintained at JPMorgan Chase Bank, N.A. The Debtors utilize one (1) account solely for electronic funds transfers (the “EFT Account”). The Debtors fund the EFT Account from the U.S. Operating Account. Transfers out of the EFT Account are transmitted by electronic funds transfers and are used to pay state taxing authorities and certain medical benefit payments that are not funded from the Medical Account. Payments to the state taxing authorities are typically made on a monthly basis, and medical benefit payments are made a few times per week. In addition, the Debtors utilize one (1) account solely for physical check disbursements (the “Controlled Disbursement Account”). The Controlled Disbursement Account is funded by the U.S. Operating Account and used to make payments at least twice per week to parties that do not receive funds by electronic funds transfers. The payments made from the Controlled Disbursement Account include certain royalty payments, and certain other accounts payable that require physical checks. Finally, the Debtors also transfer funds from the U.S. Operating Account to a “Revenue ACH Account,” which is used to make royalty payments to domestic royalty owners, working interest holders, and joint interest owners that have elected to receive payment through automatic clearing house transfers (“ACH Transfers”). Payments from the Revenue ACH Account are typically made monthly.

(v) *Investment Accounts*

16. In the ordinary course of their business, the Debtors established and follow an official “Investment Policy,” the goal of which policy is to preserve capital and maximize liquidity. Pursuant to the Investment Policy, investments are restricted to certain short-term investments as defined in the Investment Policy and as implemented by the Debtors’ treasury department. In accordance with the Investment Policy, the Debtors maintain thirteen (13)

domestic investment accounts owned by QRI. One of the investment accounts is the “Investment Sweep Account,” which is held at JPMorgan Chase Bank, N.A., and used to invest available funds in money markets overnight to maximize interest revenue. Funds in the U.S. Operating Account in excess of \$250,000 are automatically swept into the Investment Sweep Account nightly and returned to the U.S. Operating Account each morning. The other investment accounts are held at several different institutions, including (i) Comerica, (ii) Wells Fargo Securities, LLC, (iii) BB&T Securities, LLC, (iv) Merrill, Lynch, Pierce, Fenner & Smith Inc., (v) Bank of America, N.A., (vi) RBS, (vii) US Bank, National Association, (viii) BBVA Compass, (ix) Bank of Texas, (x) Texas Capital Bank, (xi) Plains Capital Bank, and (xii) Regions Financial Bank.

17. These other investment accounts are used to diversify the Debtors’ investment portfolio, and such accounts are used to invest in, among others things, money market accounts or commercial paper. Transfers into these accounts are relatively infrequent, and funds are transferred through a manual process set forth in the Investment Policy.

(vi) *Political Action Committee Account*

18. A PAC account is operated by the Debtors at the Bank of Texas (the “PAC Account”). The Debtors use the PAC Account to make political contributions. In general, the Debtors do not hold significant funds in the PAC Account. As of the Petition Date, the PAC Account held less than \$3,000.

RELIEF REQUESTED

19. The Debtors submit this Motion pursuant to Bankruptcy Code sections 363(c)(1) and 345(b) requesting entry of interim and final orders, substantially in the form attached hereto as **Exhibit C** and **Exhibit D** (the “Proposed Interim Order” and the “Proposed Final Order,” respectively) (a) authorizing the Debtors to (i) continue using their existing Cash Management

System, as modified pursuant to the terms set forth herein, and (ii) maintain their existing Bank Accounts and business forms; (b) granting the Debtors an extension of time to comply with the requirements of Bankruptcy Code section 345(b) and Local Rule 4001-3; and (c) scheduling a final hearing (the “Final Hearing”) to consider entry of the Proposed Final Order. In the event that no objections to entry of the Proposed Final Order are timely received, the Debtors request that the Court enter the Proposed Final Order without need for the Final Hearing.

20. In addition, the Debtors seek the authority, but not the direction, in the reasonable exercise of their business judgment, to continue to honor, pay, satisfy, and remit certain claims and pre-petition obligations related to the use of the Cash Management System during the first 21 days of these chapter 11 cases.

21. The Debtors’ Cash Management System constitutes an ordinary course, essential business practice that provides significant benefits to the Debtors, including the ability to control cash, ensuring the availability of funds when necessary, reducing transaction costs, and timely recording accurate account balance information. Any disruption of the Cash Management System could have a severe and adverse impact upon the Debtors’ reorganization efforts by impeding cash flow. The Debtors, therefore, request that they be authorized to use the Cash Management System with the flexibility to make any necessary changes to the purposes of the Cash Management System.

22. The Debtors will continue to maintain records of all receipts, disbursements, and transfers, including intercompany transfers, within the Cash Management System so that all post-petition transfers and transactions will be adequately and promptly documented on their respective books and records on entity-by-entity basis. In this way, all transfers and transactions will be properly documented, and accurate intercompany balances will be maintained to the

benefit of all parties in interest. Based on the foregoing, the Debtors believe that maintenance of the existing Cash Management System is in the best interests of their estates and all parties in interest. Therefore, the Debtors seek authority to maintain their Cash Management System, as modified herein, during their chapter 11 cases.

SUPPORTING AUTHORITY

A. Maintaining the Debtors' Cash Management System Is Authorized by the Bankruptcy Code and Is in the Best Interests of the Bankruptcy Estates and All Parties in Interest

23. Bankruptcy Code section 363(c)(1) authorizes a debtor in possession to “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). The purpose of Bankruptcy Code section 363(c)(1) is to provide a debtor in possession with the flexibility to engage in ordinary course transactions involved in operating the debtor’s business without unnecessary oversight by the creditors or the court. *See, e.g., In re Roth Am., Inc.*, 975 F.2d 949, 952 (3d Cir. 1992) (“The framework of section 363 is designed to allow a trustee (or debtor in possession) the flexibility to engage in ordinary transactions without unnecessary creditor and bankruptcy court oversight, while protecting creditors by giving them an opportunity to be heard when transactions are not ordinary.”); *Med. Malpractice Ins. Ass’n v. Hirsch (In re Lavigne)*, 114 F.3d 379, 384 (2d Cir. 1997) (same); *Chaney v. Official Comm. of Unsecured Creditors of Crystal Apparel, Inc. (In re Crystal Apparel, Inc.)*, 207 B.R. 406, 409 (S.D.N.Y. 1997) (same). Within the purview of Bankruptcy Code section 363(c) is a debtor’s ability to continue the “routine transactions” necessitated by a debtor’s cash management system. *See Amdura Nat’l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.)*, 75 F.3d 1447, 1453 (10th Cir. 1996). Accordingly, the Debtors seek authority under Bankruptcy Code section 363(c)(1) to continue the collection and disbursement, including intercompany transfers, of cash using their Cash Management System.

24. The Court may also exercise its equitable powers to grant the relief requested herein. Bankruptcy Code section 105(a) empowers the Court to “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 Cash Management System is vital to the efficient and economic administration of these chapter 11 cases. Therefore, it is within the Court’s equitable power under Bankruptcy Code section 105(a) to approve the continued use of the Cash Management System. This Cash Management System is similar to the systems employed by comparable corporate enterprises. Moreover, the relief requested herein is routinely granted in other chapter 11 cases in this and other districts. *See, e.g. In re Endeavour Operating Corporation*, No. 14-12308 (KJC) (Bankr. D. Del. Nov. 6, 2014) (D.I. 149); *In re MACH Gen, LLC*, No. 14-10461 (MFW) (Bankr. D. Del. Mar. 27, 2014) (D.I. 99); *In re Dolan Co.*, No. 14-10614 (BLS) (Bankr. D. Del. Mar. 25, 2014) (D.I. 82); *In re QCE Finance LLC*, No. 14-10543 (PJW) (Bankr. D. Del. Mar. 17, 2014) (D.I. 41); *In re ICL Holding Co.*, No. 12-13319 (KG) (Bankr. D. Del. Dec. 14, 2012) (D.I. 84).⁴

B. Limited Modification of the Cash Management System Is in the Best Interests of the Bankruptcy Estates and All Parties in Interest

25. If requested by the Office of the United States Trustee (the “U.S. Trustee”), it may become necessary to modify the Cash Management System. Accordingly, the Debtors request authority to modify their Cash Management System as necessary to satisfy the requirements of the U.S. Trustee. In the event that the Debtors open or close any Bank Accounts, the Debtors will provide notice to the U.S. Trustee, Jane Leamy, Esq., and counsel for any statutory committee appointed in these chapter 11 cases no later than seven days after the opening or closing of any such accounts.

⁴ Because of the voluminous nature of the orders cited herein, such orders are not attached to this Motion. Copies of these orders are available upon request to the Debtors’ proposed counsel.

26. The Debtors request that the Court authorize financial institutions to honor the Debtors' requests to open or close, as the case may be, bank or investment accounts as may be necessary in connection with the foregoing; *provided, however*, that: (i) any new account shall be opened with an institution that is insured with the FDIC or the Federal Savings and Loan Insurance Corporation and organized under the laws of the United States or any state therein, and (ii) such account is consistent with, and subject to the liens and superpriority claims granted under, the interim and final orders of this Court granting the *Debtors' Motion for Entry of Interim and Final Orders (A) Authorizing the Use of Cash Collateral, (B) Granting the Prepetition Secured Lenders Adequate Protection, (C) Scheduling a Final Hearing, and (D) Granting Related Relief*.

C. Honoring Certain Pre-petition Obligations of the Debtors Related to the Cash Management System Is in the Best Interests of the Debtors, Their Estates, and All Parties in Interest

27. In connection with their use of the Cash Management System, the Debtors incur periodic service charges and other fees. The Debtors believe that, as of the Petition Date, there are minimal, if any, unpaid service charges. Accordingly, the Debtors hereby request authority to pay the pre-petition service charges that remain unpaid as of the Petition Date. Payment of the pre-petition service charges is in the best interests of the Debtors, their estates, and all parties in interest as it will prevent any disruption to the Cash Management System. Because the Banks may have setoff rights with respect to the pre-petition service charges, payment of any pre-petition service charges will not affect unsecured creditors, and paying any pre-petition service charges would merely be a matter of timing. Accordingly, by this Motion, the Debtors seek authority, pursuant to Bankruptcy Code sections 105(a) and 363(b) and Bankruptcy Rules 6003 and 6004 to pay, at the Debtors' sole discretion, pre-petition service charges.

D. Maintenance of the Debtors' Existing Bank Accounts and Business Forms Is Warranted

28. As part of the Cash Management System, the Debtors maintain numerous Bank Accounts. The Debtors routinely deposit and withdraw funds from the Bank Accounts by checks, wire transfers, and ACH Transfers. Rigid adherence to the U.S. Trustee's "Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees" (the "Guidelines") could require closing the Debtors' pre-petition Bank Accounts, opening new accounts, and printing new checks. The Debtors, however, believe that their transition to chapter 11 will be smoother, less costly, and more orderly, and that the disruption and harm to their Cash Management System will be minimized, if the Bank Accounts are maintained following the commencement of these chapter 11 cases.

29. Unless otherwise ordered by this Court, no Bank shall honor or pay any check issued on account of a pre-petition claim. The Debtors request that the Banks be authorized to accept and honor all representations from the Debtors as to which checks, drafts, wire transfers, ACH Transfers, or other debits should be honored or dishonored consistent with any order of this Court, whether or not such transfers are dated prior to, on, or subsequent to the Petition Date. The Banks shall not be liable to any party on account of following the Debtors' instructions or representations regarding which transfers should be honored. The Banks also shall be permitted to accept and process chargebacks against the Bank Accounts arising out of returned deposits into such accounts without regard to the date such return item was deposited.

30. By preserving business continuity and avoiding disruption and delay to the Debtors' disbursement obligations, including those related to payroll accounts, healthcare and other employee benefit accounts, and operating accounts, that would necessarily result from closing the Bank Accounts and opening new accounts, all parties in interest, including

employees, vendors, and customers, will be best served. The confusion that would otherwise result would ill-serve the Debtors' rehabilitative efforts. Accordingly, the Debtors respectfully request authority to maintain the Bank Accounts in the ordinary course of business.

31. In addition, to minimize expenses, the Debtors request they be authorized to continue to use their existing correspondence and business forms, including, but not limited to, purchase orders, offers for purchase, checks, letterhead, envelopes, promotional materials, invoices, and other business forms (collectively, the "Business Forms") without reference to their status as debtors in possession. With respect to wire transfer instructions and checks that the Debtors or their agents print themselves, the Debtors shall mark the lead case name, Quicksilver Resources Inc., the term "Debtor in Possession," and the case number under which these chapter 11 cases will be jointly administered beginning seven days after the date of entry of the order granting this Motion. The Debtors propose that they shall not be required to place such marking on pre-printed check stock until they exhaust their current stock in accordance with Local Rule 2015-2(a); *provided, however*, that once the Debtors' current stock has been used, the Debtors will, when reordering checks, require the designation "Debtor in Possession" and the corresponding case number.

32. If the Debtors are not permitted to maintain and utilize their current Bank Accounts and their existing Business Forms, the consequences could include significant disruption to the Debtors' ordinary financial affairs and business operations, delay in the administration of the Debtors' estates, and cost to the estates to set up new systems, open new accounts, print new business forms, and print new checks. Accordingly, authorization to maintain existing Bank Accounts and Business Forms is appropriate in these chapter 11 cases.

E. Extension of Time to Comply with Bankruptcy Code Section 345(b) and Local Rule 4001-3

33. Bankruptcy Code section 345 governs a debtor's cash deposits during a chapter 11 case and authorizes deposits of money as "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." 11 U.S.C. § 345(a). For deposits that are not "insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States," Bankruptcy Code section 345(b) requires an estate to obtain from the entity with which the money is being deposited a bond in favor of the United States and secured by the undertaking of an adequate corporate surety, unless the Court orders otherwise for cause. 11 U.S.C. § 345(a)-(b). In the alternative, an estate may require the entity to deposit governmental security pursuant to 31 U.S.C. section 9303. Section 9303 provides that when a person is required by law to give a surety bond, that person, in lieu of a surety bond, may provide a governmental obligation. 31 U.S.C. § 9303.

34. Similarly, narrower in scope, but in parallel with Bankruptcy Code section 345, Local Rule 4001-3 provides that if estate funds are invested in a "money market fund", then cause will exist for relief from Bankruptcy Code section 345(b) with respect to such funds if the

debtor has filed with the Court (i) a statement identifying the fund; and (ii) the fund's certification, which shall be accompanied by its currently effective prospectus as filed with the Securities and Exchange Commission, that the fund:

- (a) Invests exclusively in United States Treasury bills and United States Treasury Notes owned directly or through repurchase agreements;
- (b) Has received the highest money market fund rating from a nationally recognized statistical rating organization, such as Standard & Poor's or Moody's;

- (c) Has agreed to redeem fund shares in cash, with payment being made no later than the business day following a redemption request by a shareholder, except in the event of an unscheduled closing of Federal Reserve Banks or the New York Stock Exchange; and
- (d) Has adopted a policy that it will notify its shareholders sixty (60) days prior to any change in its investment or redemption policies under (a) and (c) above.

Del. Bankr. L.R. 4001-3.

35. By this Motion, the Debtors seek a thirty-day extension of the time to comply with Bankruptcy Code section 345(b) and Local Rule 4001-3 without prejudice to request further extensions by motion to this Court. The Debtors believe that the benefits of the requested extension far outweigh any harm to the estates. *See In re Serv. Merch. Co., Inc.*, 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999) (noting that some of the factors to consider in determining whether cause exists for “relief from the strictures of § 345(b)” is whether benefits to the debtor outweigh the harm, if any, to the estate). During the extension period, the Debtors will contact each Bank that is party to a Uniform Depository agreement with the U.S. Trustee, provide such Banks with each of the Debtors’ employer identification numbers, and identify each of their Bank Accounts at such Banks as being held by a debtor in possession. For Banks that are not party to a Uniform Depository agreement with the U.S. Trustee, the Debtors will use their good-faith efforts to cause such Banks to execute a Uniform Depository agreement in a form prescribed by the U.S. Trustee. The Debtors’ deposits and investments are prudent and designed to yield the maximum reasonable net return on the funds deposited or invested, taking into account the safety of such deposits and investments. Accordingly, the Debtors request an extension of time to comply with the requirements under Local Rule 4001-3 with respect to the Debtors’ investment accounts, for the same reasons that the Debtors request relief regarding an extension of time to comply with the requirements under Bankruptcy Code section 345.

36. Similar extensions have been granted in other chapter 11 cases in this district. *See, e.g., In re Endeavour Operating Corp.*, No. 14-12308 (KJC) (Bankr. D. Del. Nov. 6, 2014) (D.I. 149) (granting 30-day extension); *In re Energy Futures Holding Corp.*, No. 14-10979 (CSS) (Bankr. D. Del. Apr. 29, 2014) (D.I. 304) (granting 60-day extension); *In re Brookstone Holdings Corp.*, No. 14-10752 (BLS) (Bankr. D. Del. Apr. 4, 2014) (D.I. 77) (granting 60-day extension); *In re Quantum Foods, LLC*, No. 14-10318 (KJC) (Bankr. D. Del. Feb. 20, 2014) (D.I. 38) (granting 45-day extension); *In re Event Rentals Inc.*, No. 14-10282 (PJW) (Bankr. D. Del. Feb. 20, 2014) (D.I. 48) (granting 60-day extension).⁵ Similar authorization is appropriate in these chapter 11 cases.

THE REQUIREMENTS OF BANKRUPTCY RULE 6003 ARE SATISFIED

37. For a debtor to obtain relief to make payments within twenty-one days of the Petition Date, it must establish that making such payments satisfies the requirements mandated by Bankruptcy Rule 6003—namely, that the relief requested is necessary to avoid “immediate and irreparable harm.” If a debtor’s prospect of reorganizing is threatened, or a swift diminution in value of the debtor’s estate is likely absent the granting of the requested relief, immediate and irreparable harm likely exists. *See In re WorldSpace, Inc.*, No. 08–12412, 2008 WL 8153639, at *2 (Bankr. D. Del. Oct. 20, 2008) (granting emergency motions for post-petition financing, adequate protection, and modification of the stay where the court found that the relief was necessary to avoid irreparable harm to the debtors and their estates because such relief was essential for the continued operations of the debtors’ businesses); *In re New World Pasta Co.*, No. 04–02817, 2004 WL 5651052, at *5 (Bankr. M.D. Pa. July 9, 2004) (same); *In re Ames*

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

Dep't Stores, Inc., 115 B.R. 34, 36 n.2 (Bankr. S.D.N.Y. 1990) (finding that “immediate and irreparable harm” exists where loss of the business threatens ability to reorganize).

38. Immediate and irreparable harm would result if the relief requested herein is not granted. Specifically, discontinuing the Cash Management System would result in an almost immediate shutdown of the Debtors’ cash flow and thwart their ability to continue operating, thereby resulting in immediate and irreparable harm to the Debtors’ estates.

WAIVER OF BANKRUPTCY RULE 6004(a) AND 6004(h)

39. Given the nature of the relief requested herein, the Debtors respectfully request a waiver of (a) the notice requirements under Bankruptcy Rule 6004(a) and (b) the fourteen-day stay under Bankruptcy Rule 6004(h), to the extent that either rule is applicable.

DEBTORS’ RESERVATION OF RIGHTS

40. Nothing contained herein is intended or should be construed as an admission as to the validity of any claim against the Debtors, a waiver of the Debtors’ rights to dispute any claim, or an approval or assumption of any agreement, contract, or lease under Bankruptcy Code section 365. Likewise, if this Court grants the relief sought herein, any payment made pursuant to the Court’s order is not intended, and should not be construed, as an admission as to the validity of any claim or a waiver of the Debtors’ rights to dispute such claim subsequently.

NOTICE

41. No trustee, examiner, or creditors’ committee has been appointed in these 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.

WHEREFORE, for the reasons set forth herein, the Debtors respectfully request that the Court (a) enter the Proposed Interim Order substantially in the form annexed as **Exhibit C** hereto granting the relief requested in the Motion, (b) schedule a Final Hearing on the Motion within 30 days of the Petition Date or as soon as is otherwise practicable thereafter to consider entry of the Final Order substantially in the form annexed hereto as **Exhibit D**, and (c) 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.

Paul N. Heath (DE 3704)
Amanda R. Steele (DE 5530)
Rachel L. Biblo (DE 6012)
One Rodney Square
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Telephone: (302) 651-7700
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– and –

AKIN GUMP STRAUSS HAUER & FELD LLP

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Sarah Link Schultz (*pro hac vice* motion pending)
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Ashleigh L. Blaylock (*pro hac vice* motion pending)
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**PROPOSED COUNSEL FOR DEBTORS AND
DEBTORS IN POSSESSION**

Exhibit A

Cash Management System

U.S. Cash Management System

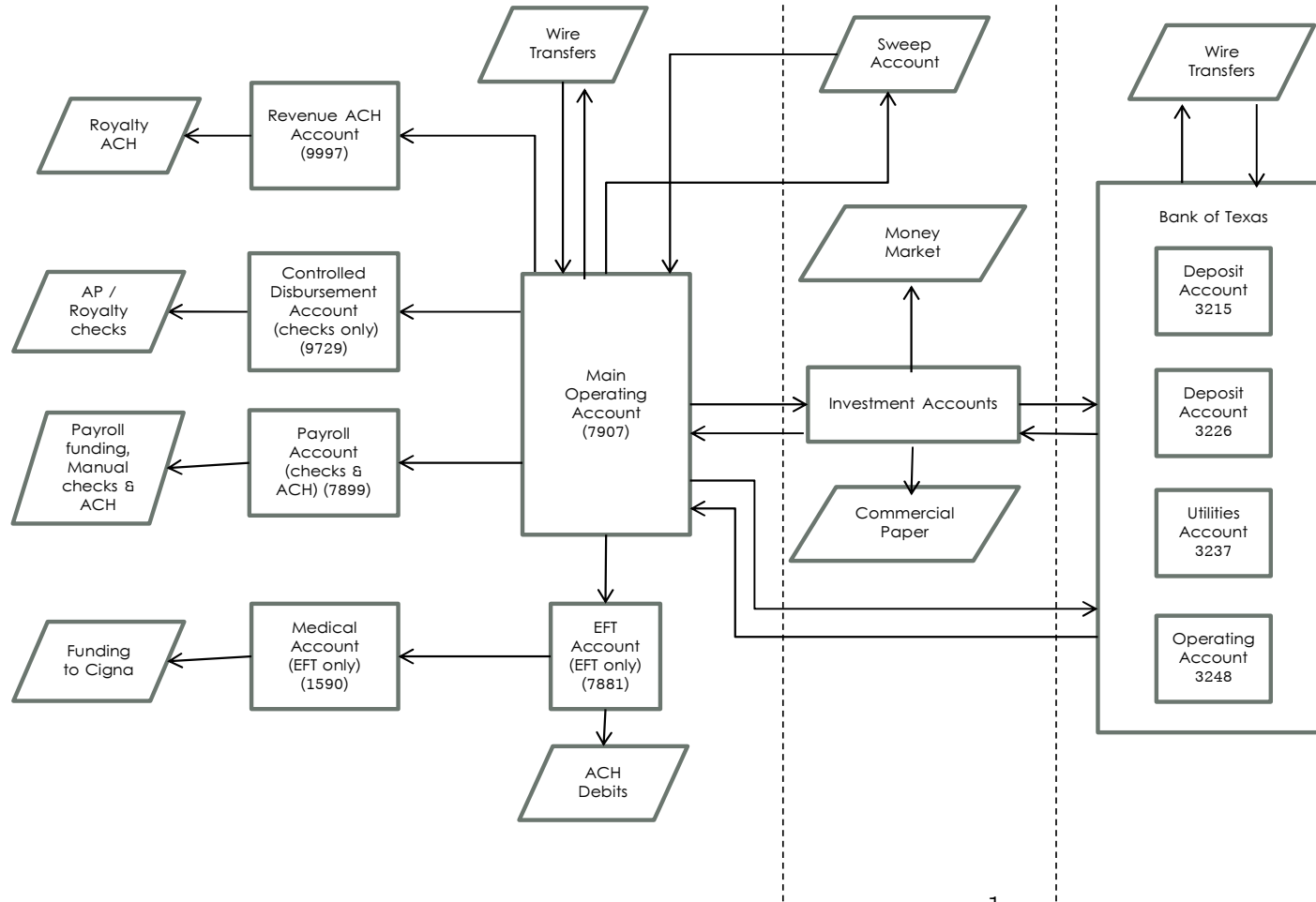


Exhibit B

Domestic Bank Accounts

Account Function	Account Owner	Bank	Account No. (Last 4 Digits)
Payroll Account	Quicksilver Resources Inc.	JPMorgan Chase 2200 Ross Ave. Dallas, TX 75201	7899
U.S. Operating Account	Quicksilver Resources Inc.	JPMorgan Chase 2200 Ross Ave. Dallas, TX 75201	7907
ENI Operating Account	Quicksilver Resources Inc.	Bank of Texas P.O. Box 29775 Dallas, TX 75229	3215
Controlled Disbursement Account	Quicksilver Resources Inc.	JPMorgan Chase 2200 Ross Ave. Dallas, TX 75201	9729
EFT Account	Quicksilver Resources Inc.	JPMorgan Chase 2200 Ross Ave. Dallas, TX 75201	7881
Medical Account	Quicksilver Resources Inc.	JPMorgan Chase 2200 Ross Ave. Dallas, TX 75201	1590
Revenue ACH Account	Quicksilver Resources Inc.	JPMorgan Chase 2200 Ross Ave. Dallas, TX 75201	9997
Political Action Committee Account	Quicksilver Resources PAC	Bank of Texas P.O. Box 29775 Dallas, TX 75229	7165
Utilities Account ¹	Quicksilver Resources Inc.	Bank of Texas P.O. Box 29775 Dallas, TX 75229	3237

¹ The Utilities Account was opened for the purpose of making adequate assurance deposits as more fully described in the *Debtors' Motion for Interim and Final Orders Determining Adequate Assurance of Payment for Future Utility Services*, which is being filed contemporaneously herewith.

Account Function	Account Owner	Bank	Account No. (Last 4 Digits)
Other/Contingency Account	Quicksilver Resources Inc.	Bank of Texas P.O. Box 29775 Dallas, TX 75229	3226
Other/Contingency Account	Quicksilver Resources Inc.	Bank of Texas P.O. Box 29775 Dallas, TX 75229	3248
Investment Sweep Account	Quicksilver Resources Inc.	JPMorgan Chase 2200 Ross Ave. Dallas, TX 75201	9270
Investment Account	Quicksilver Resources Inc.	Comerica P.O. Box 650282 Dallas, TX 75265-0282	8024
Investment Account	Quicksilver Resources Inc.	Wells Fargo Securities, LLC 1445 Ross Ave. Dallas, TX 75202-2812	5761
Investment Account	Quicksilver Resources Inc.	BB&T Securities, LLC 901 E. Byrd St. Ste. 300 Richmond, VA 23219-4066	7698
Investment Account	Quicksilver Resources Inc.	Merrill, Lynch, Pierce, Fenner & Smith Inc. 901 Main St. Dallas, TX 75202	1EJE
Investment Account	Quicksilver Resources Inc.	Bank of America, NA 901 Main St. Dallas, TX 75202	1558
Investment Account	Quicksilver Resources Inc.	RBS 600 Travis Street #6500 Houston, TX 77002	0371

Account Function	Account Owner	Bank	Account No. (Last 4 Digits)
Investment Account	Quicksilver Resources Inc.	US Bank, National Association 800 Nicollet Mall BC-MN-H18T Minneapolis, MN 55402	0050
Investment Account	Quicksilver Resources Inc.	BBVA Compass 100 Main St. Houston, TX 77002	8438
Investment Account	Quicksilver Resources Inc.	Bank of Texas 7600 W Northwest Hwy. Dallas, TX 75225	8126
Investment Account	Quicksilver Resources Inc.	Texas Capital Bank 300 Throckmorton Street Suite 100 Fort Worth, TX 76102	5974
Investment Account	Quicksilver Resources Inc.	Plains Capital Bank 8200 Douglas Ave. #201 Dallas, TX 75225	4031
Investment Account	Quicksilver Resources Inc.	Regions Financial Bank 100 Main Street, Ste. 100 Fort Worth, TX 76102	8318

Exhibit C

Proposed Interim Order

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

In re:

Quicksilver Resources Inc., et al.,¹

Debtors.

)
)
)
)
)
)
)

Chapter 11

Case No. 15-10585 ()

Joint Administration Requested

**INTERIM ORDER GRANTING DEBTORS' MOTION FOR
(A) AUTHORITY TO (I) CONTINUE USING EXISTING CASH
MANAGEMENT SYSTEM, (II) HONOR CERTAIN PRE-PETITION
OBLIGATIONS RELATED TO THE USE OF THE CASH
MANAGEMENT SYSTEM, AND (III) MAINTAIN EXISTING BANK
ACCOUNTS AND BUSINESS FORMS; AND (B) AN
EXTENSION OF TIME TO COMPLY WITH BANKRUPTCY CODE
SECTION 345(b) AND LOCAL RULE 4001-3**

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), 345, and 363, rules 4001, 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and rules 2015-2(a) and 4001-3 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), all as further described in the Motion; the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; consideration of the Motion and the relief requested therein being a core proceeding in

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.

accordance with 28 U.S.C. §§ 157(b)(2); 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; a hearing having been held to consider the relief requested in the Motion; upon the First Day Declaration, the record of the hearing, and all proceedings had before the Court; 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; 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 are authorized, pursuant to Bankruptcy Code sections 105(a) and 363(c), to continue using the Cash Management System maintained by the Debtors prior to the Petition Date (and to effect such changes in the ordinary course of business as are from time to time necessary to address the basic purposes of the Cash Management System) and to collect, concentrate, and disburse cash in accordance with the Cash Management System, including intercompany transfers of funds.
3. The Debtors shall maintain accurate and detailed records of all transfers, including intercompany transfers, within the Cash Management System so that all post-petition transfers and transactions shall be accurately and promptly documented and distinguished between pre-petition and post-petition transactions on their respective books and records on an entity-by-entity basis and shall make such records available to the Office of the U.S. Trustee for the District of Delaware upon request.

4. The Debtors are authorized to: (i) designate, maintain, and continue to use any or all of their existing Bank Accounts, including those listed on **Exhibit B** to the Motion, in the names and with the account numbers existing immediately prior to the Petition Date; (ii) deposit funds in and withdraw funds from the Bank Accounts by all usual means including, without limitation, checks, drafts, wire transfers, electronic funds transfers (“EFTs”), automated clearinghouse transfers (“ACH Transfers”) and other debits; (iii) pay any service fees or charges associated with the Bank Accounts; and (iv) treat their pre-petition Bank Accounts for all purposes as debtor-in-possession accounts.

5. Except as otherwise provided in this Interim Order, all Banks are authorized to continue to maintain, service, and administer such Bank Accounts as accounts of the Debtors as debtors-in-possession without interruption and in the usual and ordinary course, and to receive, process, honor, and pay any and all checks, drafts, wire transfers, EFTs, ACH Transfers, or other debits drawn on any of the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be, provided that sufficient funds are on deposit in the applicable accounts to cover such payments.

6. Unless otherwise specifically agreed to by the relevant Bank, the Debtors are authorized to direct each such Bank to stop payment on, and each such Bank is authorized not to honor, any and all checks, drafts, wires, EFTs, or ACH Transfers drawn or issued pre-petition, but presented on or after the Petition Date, except that the Banks may rely on the representations of the Debtors with respect to whether any check, draft, wire, EFT, or other transfer drawn or issued by the Debtors pre-petition should be honored pursuant to an order of this Court, and such Bank shall not have any liability to any party for relying on such representation by the Debtors as provided for herein.

7. The Debtors shall have thirty days (or such additional time as the U.S. Trustee may agree to) from the entry of this Interim Order (the “Extension Period”) to (i) come into compliance with section 345(b) and Local Rule 4001-3, (ii) make such other arrangements as agreed with the U.S. Trustee, or (iii) file a motion seeking waiver or modification of the requirements of Bankruptcy Code section 345(b).

8. Nothing contained herein shall prevent the Debtors from opening any additional bank accounts or closing any existing Bank Account(s) as they may deem necessary and appropriate; *provided, however*, that the Debtors open any such new bank account at financial institutions that have executed a Uniform Depository agreement with the U.S. Trustee, or a such financial institutions that are willing to immediately execute such an agreement. Financial institutions are authorized to honor the Debtors’ requests to open or close, as the case may be, Bank Accounts. In addition to the foregoing requirements, any new account (i) shall be maintained with financial institutions whose deposits are insured by the FDIC or the Federal Savings and Loan Insurance Corporation and organized under the laws of the United States or any state therein, (ii) is consistent with, and subject to the liens and superpriority claims granted under, the *Interim Order Under 11 U.S.C. §§ 105, 361, 362, 363 and 507, and Bankruptcy Rules 2002, 4001 and 9014 (i) Authorizing Debtors to Use Cash Collateral, (ii) Granting Adequate Protection to Prepetition Secured Parties and (iii) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(B)* (the “Interim Cash Collateral Order”), (iii) shall, for purposes of this Interim Order, be deemed a Bank Account as if it had been opened prior to the Petition Date and listed on **Exhibit B** annexed to the Motion, and (iv) the Debtors shall provide notice of the opening and closing of Bank Accounts to the Office of the U.S. Trustee, Jane Leamy, Esq., and

any statutory committee appointed in these chapter 11 cases within seven days after such opening or closing.

9. For Banks at which the Debtors hold accounts that are party to a Uniform Depository agreement with the U.S. Trustee, within 14 days of the date of entry of this Interim Order, the Debtors shall (a) contact each Bank, (b) provide each of the Debtors' employer identification numbers, and (c) identify each of their accounts held at such Banks as being held by a debtor in possession in a bankruptcy case. For Banks at which the Debtors hold accounts that are not party to a Uniform Depository agreement with the U.S. Trustee, the Debtors shall use their good-faith efforts to cause the Bank to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee within 30 days of the date of this Interim Order. The Debtors will promptly direct such Banks that are not party to a Uniform Depository agreement with the U.S. Trustee to internally designate the Debtors' accounts as debtor in possession accounts. The U.S. Trustee's rights to seek further relief from this Court in the event that the aforementioned Banks are unwilling to execute a Uniform Depository agreement in a form prescribed by the U.S. Trustee are fully reserved.

10. With respect to wire instructions and checks that the Debtors or their agents print themselves, the Debtors shall mark the lead case name, Quicksilver Resources Inc., the term "Debtor in Possession," and the case number under which these chapter 11 cases are being jointly administered beginning seven days after the date of entry of this Interim Order and shall not be required to place such marking on pre-printed check stock until they exhaust their current stock; *provided, however*, that once the Debtors' current stock has been used, the Debtors will, when reordering checks, require the designation "Debtor in Possession" and the corresponding case number.

11. The Debtors are authorized, but not directed, to pay pre-petition amounts outstanding as of the Petition Date, if any, owed to the Banks as service charges for the maintenance of the Cash Management System.

12. Each Bank is authorized to assess and deduct from the Bank Accounts maintained by such Bank the normal services charges incurred as a result of returned or dishonored checks, drafts, wires, EFTs, and ACH Transfers. The Debtors are authorized to pay any fees due to each Bank under the applicable bank or account agreements for maintenance of the Bank Accounts, regardless of whether such fees are due for account maintenance services rendered by the Bank pre-petition, and for this limited purpose, any restrictions under the automatic stay provisions of section 362 are lifted in all respects.

13. The Banks are authorized to permit the Debtors to continue to use the Cash Management System, as more fully described in the Motion and subject to the modifications described in the Motion to manage the Debtors' cash in a manner consistent with the Debtors' pre-petition practices (subject to such changes from time to time pursuant to this Interim Order as necessary to fulfill the basic purposes of the Cash Management System).

14. Despite the use of a consolidated cash management system, the Debtors will calculate quarterly fees under 20 U.S.C. § 1930(a)(6) based on disbursements made for the benefit of each Debtor, regardless of whether such Debtor actually makes such disbursements.

15. To the extent applicable, the Debtors shall cause a copy of this Interim Order to be served on all of the financial institutions at which any account is maintained within two days of the date hereof.

16. Notwithstanding anything to the contrary contained herein, any payment to be made and any authorization contained hereunder shall be subject to the requirements imposed on

the Debtors by the Interim Cash Collateral Order, and nothing herein shall alter the rights of the Pre-petition Secured Parties² in the Interim Cash Collateral Order. To the extent of any conflict between the terms of this Interim Order and the terms of the Interim Cash Collateral Order, the terms of the Interim Cash Collateral Order shall govern.

17. Bankruptcy Rule 6003 has been satisfied because the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors.

18. 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

² The term "Pre-petition Secured Parties" shall have the meaning ascribed to it in the Interim Cash Collateral Order.

Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Jane Leamy, Esq., no later than ____:____ __.m. (prevailing Eastern Time) on _____, 2015.

19. 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.

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

21. 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 D

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 GRANTING DEBTORS' MOTION FOR
(A) AUTHORITY TO (I) CONTINUE USING EXISTING CASH
MANAGEMENT SYSTEM, (II) HONOR CERTAIN PRE-PETITION
OBLIGATIONS RELATED TO THE USE OF THE CASH
MANAGEMENT SYSTEM, AND (III) MAINTAIN EXISTING BANK
ACCOUNTS AND BUSINESS FORMS; AND (B) AN EXTENSION OF
TIME TO COMPLY WITH BANKRUPTCY CODE
SECTION 345(b) AND LOCAL RULE 4001-3**

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), 345, and 363, rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and rule 2015-2(a) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), all as further described in the Motion; and the Court having entered the Interim Order captioned *Interim Order Granting Debtors’ Motion for (A) Authority to (I) Continue Using Existing Cash Management System, (II) Honor Certain Pre-Petition Obligations Related to the Use of the Cash Management*

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.

System, and (III) Maintain Existing Bank Accounts; and (B) an Extension of Time to Comply with Bankruptcy Code Section 345(b) [Docket No. ___]; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; consideration of the Motion and the relief requested therein being a core proceeding in accordance with 28 U.S.C. §§ 157(b)(2); 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; upon the First Day Declaration, the record of the Final Hearing, and all proceedings had before the Court; 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; 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 relief provided in the Interim Order is approved on a final basis.
3. The Debtors are authorized, pursuant to Bankruptcy Code sections 105(a) and 363(c), to continue using the Cash Management System maintained by the Debtors prior to the Petition Date (and to effect such changes in the ordinary course of business as are from time to time necessary to address the basic purposes of the Cash Management System) and to collect, concentrate, and disburse cash in accordance with the Cash Management System, including intercompany transfers of funds.

4. The Debtors shall maintain accurate and detailed records of all transfers, including intercompany transfers, within the Cash Management System so that all post-petition transfers and transactions shall be accurately and promptly documented and distinguished between pre-petition and post-petition transactions on their respective books and records on an entity-by-entity basis and shall make such records available to the Office of the U.S. Trustee for the District of Delaware upon request.

5. The Debtors are authorized to: (i) designate, maintain, and continue to use any or all of their existing Bank Accounts, including those listed on **Exhibit B** to the Motion, in the names and with the account numbers existing immediately prior to the Petition Date; (ii) deposit funds in and withdraw funds from the Bank Accounts by all usual means including, without limitation, checks, drafts, wire transfers, electronic funds transfers (“EFTs”), automated clearinghouse transfers (“ACH Transfers”) and other debits; (iii) pay any service fees or charges associated with the Bank Accounts; and (iv) treat their pre-petition Bank Accounts for all purposes as debtor-in-possession accounts.

6. Except as otherwise provided in this Final Order, all Banks are authorized to continue to maintain, service, and administer such Bank Accounts as accounts of the Debtors as debtors-in-possession without interruption and in the usual and ordinary course, and to receive, process, honor, and pay any and all checks, drafts, wire transfers, EFTs, ACH Transfers, or other debits drawn on any of the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be, provided that sufficient funds are on deposit in the applicable accounts to cover such payments.

7. Unless otherwise specifically agreed to by the relevant Bank, the Debtors are authorized to direct each such Bank to stop payment on, and each such Bank is authorized not to

honor, any and all checks, drafts, wires, EFTs, or ACH Transfers drawn or issued pre-petition, but presented on or after the Petition Date, except that the Banks may rely on the representations of the Debtors with respect to whether any check, draft, wire, EFT, or other transfer drawn or issued by the Debtors pre-petition should be honored pursuant to an order of this Court, and such Bank shall not have any liability to any party for relying on such representation by the Debtors as provided for herein.

8. The Debtors shall have thirty (30) days (or such additional time as the U.S. Trustee may agree to) from the entry of the Interim Order (the “Extension Period”) to (i) come into compliance with section 345(b) and Local Rule 4001-3, (ii) make such other arrangements as agreed with the U.S. Trustee, or (iii) file a motion seeking waiver or modification of the requirements of Bankruptcy Code section 345(b) and Local Rule 4001-3.

9. Nothing contained herein shall prevent the Debtors from opening any additional bank accounts or closing any existing Bank Account(s) as they may deem necessary and appropriate; *provided, however*, that the Debtors open any such new bank account at financial institutions that have executed a Uniform Depository agreement with the U.S. Trustee, or a such financial institutions that are willing to immediately execute such an agreement. Financial institutions are authorized to honor the Debtors’ requests to open or close, as the case may be, Bank Accounts. In addition to the foregoing requirements, any new account (i) shall be maintained with financial institutions whose deposits are insured by the FDIC or the Federal Savings and Loan Insurance Corporation and organized under the laws of the United States or any state therein, (ii) is consistent with, and subject to the liens and superpriority claims granted under, the *Final Order Under 11 U.S.C. §§ 105, 361, 362, 363 and 507, and Bankruptcy Rules 2002, 4001 and 9014 (i) Authorizing Debtors to Use Cash Collateral, (ii) Granting Adequate*

Protection to Prepetition Secured Parties and (iii) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(B) (the “Final Cash Collateral Order”), (iii) shall, for purposes of this Final Order, be deemed a Bank Account as if it had been opened prior to the Petition Date and listed on **Exhibit B** annexed to the Motion, and (iv) the Debtors shall provide notice of the opening and closing of Bank Accounts to the Office of the U.S. Trustee, Jane Leamy, Esq., and any statutory committee appointed in these chapter 11 cases within seven days after such opening or closing.

10. For Banks at which the Debtors hold accounts that are party to a Uniform Depository agreement with the U.S. Trustee, within 14 days of the date of entry of the Interim Order, the Debtors shall have (a) contacted each Bank, (b) provided each of the Debtors’ employer identification numbers, and (c) identified each of their accounts held at such Banks as being held by a debtor in possession in a bankruptcy case. For Banks at which the Debtors hold accounts that are not party to a Uniform Depository agreement with the U.S. Trustee, the Debtors shall use their good-faith efforts to cause the Bank to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee within 30 days of the date of the Interim Order. The Debtors will promptly direct such Banks that are not party to a Uniform Depository agreement with the U.S. Trustee to internally designate the Debtors’ accounts as debtor in possession accounts. The U.S. Trustee’s rights to seek further relief from this Court in the event that the aforementioned Banks are unwilling to execute a Uniform Depository agreement in a form prescribed by the U.S. Trustee are fully reserved.

11. With respect to wire instructions and checks that the Debtors or their agents print themselves, the Debtors shall mark the lead case name, Quicksilver Resources Inc., the term “Debtor in Possession,” and the case number under which these chapter 11 cases are being

jointly administered beginning seven days after the date of entry of the Interim Order and shall not be required to place such marking on pre-printed check stock until they exhaust their current stock; *provided, however*, that once the Debtors' current stock has been used, the Debtors will, when reordering checks, require the designation "Debtor in Possession" and the corresponding case number.

12. The Debtors are authorized, but not directed, to pay pre-petition amounts outstanding as of the Petition Date, if any, owed to the Banks as service charges for the maintenance of the Cash Management System.

13. Each Bank is authorized to assess and deduct from the Bank Accounts maintained by such bank the normal services charges incurred as a result of returned or dishonored post-petition checks, drafts, wires, EFTs, and ACH Transfers. The Debtors are authorized to pay any fees due to each Bank under the applicable bank or account agreements for maintenance of the Bank Accounts, regardless of whether such fees are due for account maintenance services rendered by the Bank pre-petition, and for this limited purpose, any restrictions under the automatic stay provisions of section 362 are lifted in all respects.

14. The Banks are authorized to permit the Debtors to continue to use the Cash Management System, as more fully described in the Motion and subject to the modifications described in the Motion to manage the Debtors' cash in a manner consistent with the Debtors' pre-petition practices (subject to such changes from time to time pursuant to this Final Order as necessary to fulfill the basic purposes of the Cash Management System).

15. Despite the use of a consolidated cash management system, the Debtors will calculate quarterly fees under 20 U.S.C. § 1930(a)(6) based on disbursements made for the benefit of each Debtor, regardless of whether such Debtor actually makes such disbursements.

16. To the extent applicable, the Debtors shall cause a copy of this Final Order to be served on all of the financial institution at which any account is maintained within two days of the date hereof.

17. Notwithstanding anything to the contrary contained herein, any payment to be made and any authorization contained hereunder shall be subject to the requirements imposed on the Debtors by the Final Cash Collateral Order, and nothing herein shall alter the rights of the Pre-petition Secured Parties² as set forth in the Final Cash Collateral Order. To the extent of any conflict between the terms of this Final Order and the terms of the Final Cash Collateral Order, the terms of the Final Cash Collateral Order shall govern.

18. Bankruptcy Rule 6003 has been satisfied because the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors.

19. 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.

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

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

² The term "Pre-petition Secured Parties" shall have the meaning ascribed to it in the Interim Cash Collateral 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 N. Heath entered on 3/17/2015 at 6:17 PM EDT and filed on 3/17/2015

Case Name: Quicksilver Resources Inc.**Case Number:** [15-10585](#)**Document Number:** [8](#)**Docket Text:**

Motion to Maintain Bank Accounts (*Debtors' Motion for (A) Authority to (I) Continue Using Existing Cash Management System, (II) Honor Certain Pre-Petition Obligations Related to the Use of the Cash Management System, and (III) Maintain Existing Bank Accounts and Business Forms; and (B) an Extension of Time to Comply with Bankruptcy Code Section 345(b) and Local Rule 4001-3*) Filed By Quicksilver Resources Inc. (Heath, Paul)

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

Document description:Main Document**Original filename:**W:\AJ\Quicksilver\Quicksilver - Cash Management Motion.pdf**Electronic document Stamp:**

[STAMP bkecfStamp_ID=983460418 [Date=3/17/2015] [FileNumber=13021068-0]
] [64396f5783b764fd32fddb6292a1cd0e72136380ce20dd58ec793348bcf23befb39
4eca6e5a3f6c6727c1caa880e30fbec454f4afbe28e794eebfce5bd5a7942]]

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., et al.,¹

Case No. 15-10585 (LSS)

Debtors.

Joint Administration Requested

Re: Docket No. 8

**INTERIM ORDER GRANTING DEBTORS' MOTION FOR
(A) AUTHORITY TO (I) CONTINUE USING EXISTING CASH
MANAGEMENT SYSTEM, (II) HONOR CERTAIN PRE-PETITION
OBLIGATIONS RELATED TO THE USE OF THE CASH
MANAGEMENT SYSTEM, AND (III) MAINTAIN EXISTING BANK
ACCOUNTS AND BUSINESS FORMS; AND (B) AN
EXTENSION OF TIME TO COMPLY WITH BANKRUPTCY CODE
SECTION 345(b) AND LOCAL RULE 4001-3**

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), 345, and 363, rules 4001, 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and rules 2015-2(a) and 4001-3 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), all as further described in the Motion; the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; consideration of the Motion and the relief requested therein being a core proceeding in

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.

accordance with 28 U.S.C. §§ 157(b)(2); 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; a hearing having been held to consider the relief requested in the Motion; upon the First Day Declaration, the record of the hearing, and all proceedings had before the Court; 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; 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 are authorized, pursuant to Bankruptcy Code sections 105(a) and 363(c), to continue using the Cash Management System maintained by the Debtors prior to the Petition Date (and to effect such changes in the ordinary course of business as are from time to time necessary to address the basic purposes of the Cash Management System) and to collect, concentrate, and disburse cash in accordance with the Cash Management System, including intercompany transfers of funds.
3. The Debtors shall maintain accurate and detailed records of all transfers, including intercompany transfers, within the Cash Management System so that all post-petition transfers and transactions shall be accurately and promptly documented and distinguished between pre-petition and post-petition transactions on their respective books and records on an entity-by-entity basis and shall make such records available to the Office of the U.S. Trustee for the District of Delaware upon request.

4. The Debtors are authorized to: (i) designate, maintain, and continue to use any or all of their existing Bank Accounts, including those listed on **Exhibit B** to the Motion, in the names and with the account numbers existing immediately prior to the Petition Date; (ii) deposit funds in and withdraw funds from the Bank Accounts by all usual means including, without limitation, checks, drafts, wire transfers, electronic funds transfers (“EFTs”), automated clearinghouse transfers (“ACH Transfers”) and other debits; (iii) pay any service fees or charges associated with the Bank Accounts; and (iv) treat their pre-petition Bank Accounts for all purposes as debtor-in-possession accounts.

5. Except as otherwise provided in this Interim Order, all Banks are authorized to continue to maintain, service, and administer such Bank Accounts as accounts of the Debtors as debtors-in-possession without interruption and in the usual and ordinary course, and to receive, process, honor, and pay any and all checks, drafts, wire transfers, EFTs, ACH Transfers, or other debits drawn on any of the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be, provided that sufficient funds are on deposit in the applicable accounts to cover such payments.

6. Unless otherwise specifically agreed to by the relevant Bank, the Debtors are authorized to direct each such Bank to stop payment on, and each such Bank is authorized not to honor, any and all checks, drafts, wires, EFTs, or ACH Transfers drawn or issued pre-petition, but presented on or after the Petition Date, except that the Banks may rely on the representations of the Debtors with respect to whether any check, draft, wire, EFT, or other transfer drawn or issued by the Debtors pre-petition should be honored pursuant to an order of this Court, and such Bank shall not have any liability to any party for relying on such representation by the Debtors as provided for herein.

7. The Debtors shall have thirty days (or such additional time as the U.S. Trustee may agree to) from the entry of this Interim Order (the “Extension Period”) to (i) come into compliance with section 345(b) and Local Rule 4001-3, (ii) make such other arrangements as agreed with the U.S. Trustee, or (iii) file a motion seeking waiver or modification of the requirements of Bankruptcy Code section 345(b).

8. Nothing contained herein shall prevent the Debtors from opening any additional bank accounts or closing any existing Bank Account(s) as they may deem necessary and appropriate; *provided, however*, that the Debtors open any such new bank account at financial institutions that have executed a Uniform Depository agreement with the U.S. Trustee, or a such financial institutions that are willing to immediately execute such an agreement. Financial institutions are authorized to honor the Debtors’ requests to open or close, as the case may be, Bank Accounts. In addition to the foregoing requirements, any new account (i) shall be maintained with financial institutions whose deposits are insured by the FDIC or the Federal Savings and Loan Insurance Corporation and organized under the laws of the United States or any state therein, (ii) is consistent with, and subject to the liens and superpriority claims granted under, the *Interim Order Under 11 U.S.C. §§ 105, 361, 362, 363 and 507, and Bankruptcy Rules 2002, 4001 and 9014 (i) Authorizing Debtors to Use Cash Collateral, (ii) Granting Adequate Protection to Prepetition Secured Parties and (iii) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(B)* (the “Interim Cash Collateral Order”), (iii) shall, for purposes of this Interim Order, be deemed a Bank Account as if it had been opened prior to the Petition Date and listed on **Exhibit B** annexed to the Motion, and (iv) the Debtors shall provide notice of the opening and closing of Bank Accounts to the Office of the U.S. Trustee, Jane Leamy, Esq., and

any statutory committee appointed in these chapter 11 cases within seven days after such opening or closing.

9. For Banks at which the Debtors hold accounts that are party to a Uniform Depository agreement with the U.S. Trustee, within 14 days of the date of entry of this Interim Order, the Debtors shall (a) contact each Bank, (b) provide each of the Debtors' employer identification numbers, and (c) identify each of their accounts held at such Banks as being held by a debtor in possession in a bankruptcy case. For Banks at which the Debtors hold accounts that are not party to a Uniform Depository agreement with the U.S. Trustee, the Debtors shall use their good-faith efforts to cause the Bank to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee within 30 days of the date of this Interim Order. The Debtors will promptly direct such Banks that are not party to a Uniform Depository agreement with the U.S. Trustee to internally designate the Debtors' accounts as debtor in possession accounts. The U.S. Trustee's rights to seek further relief from this Court in the event that the aforementioned Banks are unwilling to execute a Uniform Depository agreement in a form prescribed by the U.S. Trustee are fully reserved.

10. With respect to wire instructions and checks that the Debtors or their agents print themselves, the Debtors shall mark the lead case name, Quicksilver Resources Inc., the term "Debtor in Possession," and the case number under which these chapter 11 cases are being jointly administered beginning seven days after the date of entry of this Interim Order and shall not be required to place such marking on pre-printed check stock until they exhaust their current stock; *provided, however*, that once the Debtors' current stock has been used, the Debtors will, when reordering checks, require the designation "Debtor in Possession" and the corresponding case number.

11. The Debtors are authorized, but not directed, to pay pre-petition amounts outstanding as of the Petition Date, if any, owed to the Banks as service charges for the maintenance of the Cash Management System.

12. Each Bank is authorized to assess and deduct from the Bank Accounts maintained by such Bank the normal services charges incurred as a result of returned or dishonored checks, drafts, wires, EFTs, and ACH Transfers. The Debtors are authorized to pay any fees due to each Bank under the applicable bank or account agreements for maintenance of the Bank Accounts, regardless of whether such fees are due for account maintenance services rendered by the Bank pre-petition, and for this limited purpose, any restrictions under the automatic stay provisions of section 362 are lifted in all respects.

13. The Banks are authorized to permit the Debtors to continue to use the Cash Management System, as more fully described in the Motion and subject to the modifications described in the Motion to manage the Debtors' cash in a manner consistent with the Debtors' pre-petition practices (subject to such changes from time to time pursuant to this Interim Order as necessary to fulfill the basic purposes of the Cash Management System).

14. Despite the use of a consolidated cash management system, the Debtors will calculate quarterly fees under 20 U.S.C. § 1930(a)(6) based on disbursements made for the benefit of each Debtor, regardless of whether such Debtor actually makes such disbursements.

15. To the extent applicable, the Debtors shall cause a copy of this Interim Order to be served on all of the financial institutions at which any account is maintained within two days of the date hereof.

16. Notwithstanding anything to the contrary contained herein, any payment to be made and any authorization contained hereunder shall be subject to the requirements imposed on

the Debtors by the Interim Cash Collateral Order, and nothing herein shall alter the rights set forth in the Interim Cash Collateral Order or the rights of any party under the Interim Cash Collateral Order, including the Prepetition Secured Parties (as defined in the Interim Cash Collateral Order). To the extent of any conflict between the terms of this Interim Order and the terms of the Interim Cash Collateral Order, the terms of the Interim Cash Collateral Order shall govern.

17. Bankruptcy Rule 6003 has been satisfied because the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors.

18. 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

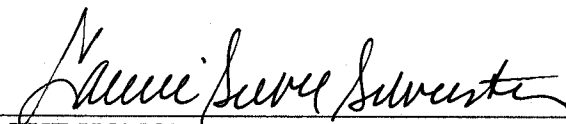
Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Jane Leamy, Esq., no later than 4:00 p.m. (prevailing Eastern Time) on April 8, 2015.

19. 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.

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

21. 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