

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

In re:	)	
	)	Chapter 11
Quicksilver Resources Inc., <u>et al.</u> , <sup>1</sup>	)	Case No. 15-10585 (LSS)
	)	
Debtors.	)	Jointly Administered
	)	Hearing Deadline: April 15, 2015 at 2:00 p.m. (EDT)

**DEBTORS’ APPLICATION FOR ENTRY OF AN ORDER  
PURSUANT TO BANKRUPTCY CODE SECTIONS 327(a) AND 328(a) (A)  
AUTHORIZING THE EMPLOYMENT AND RETENTION OF HOULIHAN  
LOKEY CAPITAL, INC. AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO  
THE DEBTORS AND DEBTORS IN POSSESSION, *NUNC PRO TUNC* TO THE  
PETITION DATE, (B) WAIVING CERTAIN TIME-KEEPING REQUIREMENTS  
PURSUANT TO LOCAL RULE 2016-2(h) AND (C) GRANTING RELATED RELIEF**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) seek entry of an order, substantially in the form attached hereto as Exhibit A, (a) authorizing the Debtors to employ and retain Houlihan Lokey Capital, Inc. (“Houlihan Lokey”) as their financial advisor and investment banker, *nunc pro tunc* to the Petition Date (as defined herein), pursuant to that certain engagement letter dated January 27, 2014, annexed as Exhibit 1 to Exhibit A (the “Houlihan Engagement Letter”),<sup>2</sup> by and between Houlihan Lokey and Quicksilver Resources Inc. and each of its direct and indirect subsidiaries; (b) waiving certain time-keeping requirements pursuant to Rule 2016-2(h) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local

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<sup>1</sup> 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.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Houlihan Engagement Letter.

Rules”); and (c) granting related relief. In support of this application (the “Application”), the Debtors submit the Declaration of Adam Dunayer, Managing Director at Houlihan Lokey (the “Dunayer Declaration”), which is attached hereto as **Exhibit B**. In support of the Application, the Debtors represent and set forth as follows:

### **JURISDICTION**

1. 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).
2. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The bases for the relief requested herein are sections 327(a), 328(a), and 1107 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rules 2014-1 and 2016-2.<sup>3</sup>

### **BACKGROUND**

#### **A. General Background**

4. 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. These chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015 and Local Rule 1015-1. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases. As of the date of this Application, no committees have been appointed or designated.

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<sup>3</sup> Under rule 9013-1(f) of the Local Rules, the Debtors hereby confirm their consent to the entry of a final order by this Court in connection with this Application 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. Houlihan Lokey's Qualifications**

5. In light of the size and complexity of these chapter 11 cases, the Debtors require a qualified and experienced investment banker with the resources, capabilities, and experience of Houlihan Lokey to assist them in pursuing the transaction(s) that are crucial to the success of the Debtors' reorganization. An investment banker, such as Houlihan Lokey, fulfills a critical service that complements the services provided by the Debtors' other professionals.

6. Houlihan Lokey is an internationally recognized investment banking and financial advisory firm, with eighteen offices worldwide and more than 1,000 professionals. Houlihan Lokey's Financial Restructuring Group, which has more than 170 professionals, is one of the leading advisors and investment bankers to unsecured and secured creditors, debtors, acquirers, and other parties-in-interest involved with financially troubled companies both in and outside of bankruptcy. Houlihan has been, and is, involved in some of the largest restructuring cases in the United States, including representing debtors in *Mark IV Industries*, *Buffets Holdings, Inc.*, *Bally Total Fitness Holding Corp.*, *XO Communications, Inc.*, *Six Flags, Inc.*, *Granite Broadcasting Corp.*, and *MS Resorts* and representing official committees in *Lehman Brothers Holdings Inc.*, *Arcapita Bank B.S.C(c)*, *Enron Corp.*, *WorldCom, Inc.*, *Delta Air Lines, Inc.*, *General Growth Properties*, and *Capmark*. In addition, Houlihan Lokey has represented debtors or creditors in numerous oil and gas restructuring cases, including with respect to the pre-petition first lien lenders and debtor-in-possession lenders in *ATP Oil & Gas Corporation* and *BPZ Resources, Inc.*

7. The Debtors selected Houlihan Lokey as their investment banker based upon, among other things, the Debtors' need to retain an investment banking firm to provide advice with respect to the Debtors' restructuring activities and Houlihan Lokey's extensive experience and excellent reputation in providing investment banking services in complex chapter 11 cases.

In addition, Houlihan Lokey has already expended significant time, effort, and resources in assisting the Debtors with respect to the marketing of their assets and their restructuring activities. Indeed, Houlihan Lokey has been advising the Debtors since January 2014 in accordance with the terms of the Houlihan Engagement Letter. During the course of the past year, Houlihan Lokey has developed significant relevant experience and expertise regarding the Debtors and their current situation. Houlihan Lokey is thus well qualified and uniquely suited to deal effectively and efficiently with any financial issues that may arise during the pendency of these cases.

**C. Scope of Services**

8. Subject to approval of the Court and consistent with the Houlihan Engagement Letter, Houlihan Lokey will advise and assist the Debtors in connection with the following tasks:<sup>4</sup>

- (a) evaluating the Company's strategic options, focusing on both near- and long-term issues;
- (b) reviewing the Company's liquidity needs to determine financing or additional resources necessary to support the Company's immediate requirements and longer-term strategic initiatives;
- (c) advising the Company and the Board generally as to available financing and capital restructuring alternatives, including making recommendations of specific courses of action and, if requested, assisting the Company with the implementation of such course(s) of action, including participation as an advisor to the Company in negotiations with creditors and other parties involved;
- (d) assisting the Company with the negotiation of any Transaction(s), including participating in negotiations with creditors and other parties involved in any Transaction(s);
- (e) assisting the Company in evaluating indications of interest and proposals regarding any Transaction(s) from current and/or potential lenders, equity investors, acquirers, and/or strategic partners;

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<sup>4</sup> The summary provided herein is for illustrative purposes only and is subject to the Houlihan Engagement Letter in all respects. In the event of any inconsistency between the summary of services as set forth herein and the Houlihan Engagement Letter, the Houlihan Engagement Letter will control.

- (f) assisting the Company in the development and distribution of selected information, documents, and other materials, including, if appropriate, advising the Company in the preparation of offering memoranda;
- (g) providing expert advice and testimony regarding financial matters related to any Transaction(s), if necessary;
- (h) attending meetings of the Board, creditor groups, official constituencies, and other interested parties, as the Company and Houlihan Lokey mutually agree; and
- (i) providing such other financial advisory and investment banking services as may be required by additional issues and developments not anticipated on the Effective Date, as described in Section 9 of the Engagement Letter.

**D. Professional Compensation**

9. As more fully described in the Houlihan Engagement Letter, the Debtors have agreed to, among other things, (i) compensate for services rendered and reimburse for expenses incurred in connection with the services provided by Houlihan Lokey; and (ii) fulfill certain indemnification and reimbursement obligations to Houlihan Lokey for liabilities, if any, arising out of or in connection with Houlihan Lokey's retention by the Debtors.

10. Houlihan Lokey intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these chapter 11 cases, subject to the Court's approval and in compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable procedures and orders of the Court (to the extent compliance is not waived) and consistent with the proposed compensation set forth in the Houlihan Engagement Letter (the "Fee Structure"). Houlihan Lokey's decision to advise and assist the Debtors is conditioned upon its ability to be retained in accordance with its customary terms and conditions of employment and to be compensated for its services and reimbursed for the expenses it incurs in accordance with its customary billing practices.

11. Investment bankers such as Houlihan Lokey do not typically charge for their services on an hourly basis. Instead, they customarily charge a monthly advisory fee plus an

additional fee that is contingent upon the occurrence of a specified type of transaction. The Houlihan Engagement Letter follows this custom in the investment banking industry and sets forth the monthly and transaction-based fees that are to be payable to Houlihan Lokey.

12. The compensation arrangements contained in the Houlihan Engagement Letter are highly beneficial to the Debtors' estates as they provide certainty and proper inducement for Houlihan Lokey to act expeditiously and prudently with respect to the matters for which it will be employed. Accordingly, because the Debtors are seeking to retain Houlihan Lokey under Bankruptcy Code section 328(a), the Debtors believe that Houlihan Lokey's compensation should not be subject to any additional standard of review under Bankruptcy Code section 330 and does not constitute a "bonus" or fee enhancement under applicable law.

13. Pre-petition, and in accordance with the Houlihan Engagement Letter, the Company paid Houlihan Lokey the Initial Fee of \$175,000 on or about January 27, 2014. In addition, the Company paid Houlihan Lokey Monthly Fees of \$175,000 in respect of services provided in each of February and March 2014. The Company also paid Houlihan Lokey Monthly Fees of \$150,000 on the 27<sup>th</sup> of each month thereafter, leading up to the Petition Date. The final Monthly Fee paid in advance of the Petition Date was paid in February 2015. Beginning with the Monthly Fee paid on July 27, 2014, Houlihan Lokey began crediting fifty percent of each Monthly Fee against any Transaction Fees payable to Houlihan Lokey pursuant to the Houlihan Engagement Letter. In addition, the Company paid Houlihan Lokey an Amendment Transaction Fee of \$750,000 in March 2014.

14. In summary, the Fee Structure provides for the following compensation during the course of these chapter 11 cases:<sup>5</sup>

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<sup>5</sup> The summary provided herein is for illustrative purposes only and is subject to the Houlihan Engagement Letter in all respects. In the event of any inconsistency between the Fee Structure as set forth herein and the

- (a) **Monthly Fee.** The Company shall pay Houlihan Lokey in advance a Monthly Fee of \$150,000, commencing in March 2015 (timing subject to approval by the Court) and continuing on the 27th day of each month thereafter. Beginning with the Monthly Fee payable in July 2014, 50% of all Monthly Fees paid to Houlihan Lokey have and will credit against any Transaction Fees (as defined below) payable to Houlihan Lokey pursuant to the Houlihan Engagement Letter, it being expressly understood that no part of a Monthly Fee shall be credited more than once and that in no event shall the Transaction Fees be reduced below zero. No additional Monthly Fee shall be paid after payment of any final transaction fee referred to in paragraph 3(iii)(a) of the Houlihan Engagement Letter with respect to a 3(a)(9) Offer.
- (b) **Transaction Fee(s):** In addition to the other fees provided for in the Houlihan Engagement Letter, the Company shall pay Houlihan Lokey the following transaction fee(s):
- (i) **Restructuring Transaction Fee.** Upon the date of confirmation of a plan under chapter 11 of the Bankruptcy Code pursuant to an order of the Court, Houlihan Lokey shall earn, and the Company shall promptly pay to Houlihan Lokey, a cash fee (“Restructuring Transaction Fee”) without duplication equal to the sum of: (i) 0.75% of any of the Company's outstanding principal amount (including committed but undrawn capacity) of debt securities and/or other indebtedness, obligations or liabilities (including without limitation preferred stock, partnerships interests, lease obligations, trade credit facilities, collective bargaining agreements and other contract or tort obligations, but expressly excluding any obligations of the Company to Houlihan Lokey under the Houlihan Engagement Letter and any liabilities that would not be required to be reflected on a balance sheet of the Company prepared in accordance with United States generally accepted accounting principles, as consistently applied by the Company) of any entity comprising the Company, including accrued and/or accreted interest thereon, which are outstanding as of the Effective Date, including, without limitation, interest bearing trade debt (the “Indebtedness”), up to and including \$500.0 million, that is restructured pursuant to a Restructuring Transaction; (ii) 0.55% of any Indebtedness greater than \$500.0 million but less than or equal to \$1.0 billion that is restructured pursuant to a Restructuring Transaction; (iii) 0.40% of any Indebtedness greater than \$1.0 billion but less than or equal to \$1.5 billion that is restructured pursuant to a Restructuring Transaction; and (iv) 0.35% of any Indebtedness greater than \$1.5 billion that is restructured pursuant to a Restructuring Transaction; *provided* that, in the event the Restructuring Transaction is undertaken as a 3(a)(9) Offer, the Restructuring Transaction Fee, whether or not as a part of a Plan, shall be earned and payable immediately upon the first mailing, delivery or other dissemination of offering documents pursuant to the 3(a)(9) Offer.
- (ii) **Sale Transaction Fee.** Upon the closing of each Sale Transaction (as defined below), Houlihan Lokey shall earn, and the Company shall thereupon pay immediately and directly from the gross proceeds of such Sale Transaction, as a cost of such Sale Transaction, a cash fee (“Sale

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Houlihan Engagement Letter, the Houlihan Engagement Letter will control.

Transaction Fee”) based upon Aggregate Gross Consideration (“AGC”), calculated as follows:

0% if the gross proceeds of such Sale Transaction are less than \$40 million, it being assumed that Houlihan Lokey will not be responsible for assisting the Company with any such Sale Transactions

If the gross proceeds of such Sale Transaction are equal to or greater than \$40 million, but less than \$250 million, the greater of (i) \$750,000 or (ii) 1% of AGC.

.90% of AGC if the gross proceeds of such Sale Transaction are equal to or greater than \$250 million, but less than \$500 million

.80% of AGC if the gross proceeds of such Sale Transaction are equal to or greater than \$500 million, but less than \$1 billion

.70% of AGC if the gross proceeds of such Sale Transaction are equal to or greater than \$1 billion

If more than one Sale Transaction is consummated, Houlihan Lokey shall be compensated based on the AGC from all Sale Transactions, calculated in the manner set forth above.

Houlihan Lokey shall credit 75% of any Sale Transaction Fee payable against a subsequent or simultaneous Restructuring Transaction Fee, *provided* that the Restructuring Transaction Fee is greater than \$8,000,000; otherwise Houlihan Lokey shall credit 25% of any Sale Transaction Fee payable against a subsequent or simultaneous Restructuring Transaction Fee.

- (iii) **Financing Transaction Fee**. Upon the closing of each Financing Transaction (as defined below), Houlihan Lokey shall earn, and the Company shall thereupon pay immediately and directly from the gross proceeds of such Financing Transaction, as a cost of such Financing Transaction, a cash fee (“Financing Transaction Fee”) equal to the sum of: (I) 0.75% of the gross proceeds of any indebtedness raised or committed that is senior to other indebtedness of the Company, secured by a first priority lien and unsubordinated, with respect to both lien priority and payment, to any other obligations of the Company (including with respect to debtor-in-possession financing); (II) 1.5% of the gross proceeds of any indebtedness raised or committed that is secured by a lien (other than a first lien) and/or is unsecured; (III) 2.5% of the gross proceeds of any indebtedness raised or committed that is subordinated; and (IV) 5.0% of the gross proceeds of all newly issued equity or equity-linked securities of the Company (including, without limitation, convertible securities and preferred stock) placed with or committed to be purchased by a third party; *provided, however*, that to the extent to that a Financing Transaction occurs following the closing of an Excluded Canadian Transaction, instead of the foregoing, Houlihan Lokey shall instead receive a role in the Financing Transaction, with a minimum allocation of 10.0%. It is understood and agreed that if the proceeds of any such Financing Transaction are to be funded in more than one stage, Houlihan Lokey shall be entitled to its applicable compensation hereunder upon the closing date



of each stage. The Financing Transaction Fee(s) shall be payable in respect of any sale of securities whether such sale has been arranged by Houlihan Lokey, by another agent (or other issuer of the Securities in such Financing Transaction) or directly by the Company. Any non-cash consideration provided to or received by the Company in connection with the Financing Transaction (including but not limited to intellectual or intangible property) shall be valued for purposes of calculating the Financing Transaction Fee as equaling the number of Securities issued in exchange for such consideration multiplied by (in the case of debt securities) the face value of each such Security or (in the case of equity securities) the price per Security paid in the then current round of financing. The fees set forth herein shall be in addition to any other fees that the Company may be required to pay to any investor or other purchaser of Securities to secure its financing commitment.

Houlihan Lokey shall credit 75% of any Financing Fee payable against a subsequent or simultaneous Restructuring Transaction Fee, *provided that* the Restructuring Transaction Fee is greater than \$8,000,000, otherwise Houlihan Lokey shall credit 25% of any Financing Fee payable against a subsequent or simultaneous Restructuring Transaction Fee.

Houlihan Lokey shall earn, and the Company shall thereupon pay immediately and directly from the gross proceeds of such Financing Transaction, a Financing Transaction Fee for any debtor-in-possession (“DIP”) financing that is raised equal to 0.375% of the gross proceeds of any DIP financing that is raised.

- (iv) **Amendment Fee.** Upon the closing of each Amendment Transaction (as defined below), Houlihan Lokey shall earn, and the Company shall promptly pay to Houlihan Lokey, a cash fee (the “**Amendment Transaction Fee**”) equal to \$750,000.00; *provided, however*, that instead of the foregoing, Houlihan Lokey shall earn \$500,000.00 for all Amendment Transactions involving the Company's existing first lien credit facilities. For the avoidance of doubt, a transaction involving the amendment, modification and/or restatement of those documents and agreements related to the Fortune Creek joint venture shall be an Amendment Transaction. If two or more Amendment Transaction Fees are earned and payable, 50.0% of each Amendment Transaction Fee shall be credited against the sum of any of: (i) the Restructuring Transaction Fee, (ii) Sale Transaction Fee, and (iii) Financing Transaction Fee that are actually paid to Houlihan Lokey. Any Restructuring Transaction Fee, Sale Transaction Fee, Financing Transaction Fee, and Amendment Transaction Fee is each referred to herein as a “**Transaction Fee**” and are collectively referred to herein as “**Transaction Fees.**” All payments received by Houlihan Lokey pursuant to this Agreement at any time shall become the property of Houlihan Lokey without restriction. No payments received by Houlihan Lokey pursuant to this Agreement will be put into a trust or other segregated account. No Transaction Fee will be paid in connection with an Excluded Transaction. To the extent the Company requests Houlihan Lokey's assistance with one or more of the Excluded Transactions, the applicable Transaction Fee will be mutually agreed upon in writing prior to the commencement of services related to such Excluded Transaction.

15. In addition to any fees that may be payable to Houlihan Lokey and, regardless of whether any transaction occurs, the Debtors shall promptly reimburse Houlihan Lokey for all actual and reasonable expenses incurred by Houlihan Lokey (including travel-related expenses, research, database and similar information charges, postage, telecommunication, and duplication expenses) and the reasonable fees and expenses of counsel, if any, retained by Houlihan Lokey, without the need for such legal counsel to be retained as professionals in these chapter 11 cases and without regard to whether such legal counsel's services satisfy Bankruptcy Code section 330(a)(3)(c).

16. Houlihan Lokey will maintain records in support of any expenses incurred in connection with the rendering of its services in these cases. As Houlihan Lokey's compensation will be calculated and paid based on certain transaction fees (in addition to Monthly Fees), Houlihan Lokey requests that it not be required to file time records in accordance with Bankruptcy Rule 2016(a), Local Rule 2016-2(d), the United States Trustee fee guidelines, and any otherwise applicable orders or procedures of the Court. Notwithstanding that Houlihan Lokey does not charge for its services on an hourly basis, Houlihan Lokey will nonetheless maintain records (in summary format) of its services rendered for the Debtors in one-half hour increments, including reasonably detailed descriptions of those services and the individuals who provided those services, and will present such records to the Court in its interim and final fee applications.

17. The Debtors believe the Fee Structure is consistent with and typical of compensation arrangements entered into by Houlihan Lokey and other comparable firms in connection with the rendering of similar services under similar circumstances. Houlihan Lokey's strategic and financial expertise as well as its capital markets knowledge, financing

skills, restructuring capabilities, and mergers and acquisitions expertise, some or all of which may be required by the Debtors during the term of Houlihan Lokey's engagement, were all important factors in determining the Fee Structure. The Debtors believe that the ultimate benefit of Houlihan Lokey's services cannot be measured by reference to the number of hours to be expended by Houlihan Lokey's professionals in the performance of such services. Indeed, the Debtors and Houlihan Lokey have agreed upon the Fee Structure in anticipation that a substantial commitment of professional time and effort will be required of Houlihan Lokey and its professionals in connection with these cases and in light of the facts that such commitment may foreclose other opportunities for Houlihan Lokey, and that the actual time and commitment required of Houlihan Lokey and its professionals to perform its services under the Houlihan Engagement Letter may vary substantially from week to week and month to month, creating "peak load" issues for Houlihan Lokey.

18. In light of the foregoing and given the numerous issues that Houlihan Lokey may be required to address in the performance of its services hereunder, Houlihan Lokey's commitment to the variable level of time and effort necessary to address all such issues as they arise and the market prices for Houlihan Lokey's services for engagements of this nature both in an out of court and chapter 11 context, the Debtors believe that the Fee Structure is fair, reasonable, and market-based under the standard set forth in Bankruptcy Code section 328(a).

**E. Indemnification**

19. As part of the overall compensation payable to Houlihan Lokey under the terms of the Houlihan Engagement Letter, the Debtors have agreed to indemnify Houlihan Lokey and the other Indemnified Parties in accordance with the provisions set forth in the Houlihan Engagement Letter. The Houlihan Engagement Letter provides, among other things, that the Debtors will indemnify Houlihan Lokey and other Indemnified Parties except to the extent that

any loss, claim, damage, or liability is finally judicially determined by a court of competent jurisdiction to have resulted primarily from the willful misconduct or gross negligence of such Indemnified Party.

20. The indemnification, contribution, and reimbursement provisions reflected in the Houlihan Engagement Letter are customary and reasonable terms of consideration for investment bankers such as Houlihan Lokey for proceedings both out of court and in chapter 11. The terms of the Houlihan Engagement Letter were fully negotiated between the Debtors and Houlihan Lokey at arm's length, and the Debtors respectfully submit that the Houlihan Engagement Letter is reasonable and is in the best interests of the Debtors, their estates, and stakeholders. Accordingly, the Debtors request that the Court approve the Houlihan Engagement Letter, subject to customary modifications set forth in the Debtors' proposed order.

**F. No Duplication of Services**

21. The Debtors intend that Houlihan Lokey's services will complement, and not duplicate, the services to be rendered by any other professional retained by the Debtors in these chapter 11 cases. The Houlihan Engagement Letter reflects Houlihan Lokey's understanding that the Debtors may retain other professionals during the term of the engagement, and the Debtors believe that at their request Houlihan Lokey will work cooperatively with such professionals to integrate any respective work conducted by the professionals on behalf of the Debtors.

**G. Compensation Received by Houlihan Lokey from the Debtors**

22. As outlined in paragraph 13 above, prior to the Petition Date, the Debtors paid Houlihan Lokey an aggregate total of \$2,925,000.00 in fees and \$133,829.09 in expenses for pre-petition services rendered and expenses incurred in connection with the engagement. Houlihan

Lokey has no claims against any Debtor on account of any fees or expenses that accrued prior to the Petition Date and, therefore, is not a creditor of the Debtors.

**H. Houlihan Lokey's Disinterestedness**

23. To the best of the Debtors' knowledge and based upon the Dunayer Declaration (a) Houlihan Lokey is a "disinterested person" within the meaning of Bankruptcy Code section 101(14), as modified by Bankruptcy Code section 1107(b) and as required by Bankruptcy Code section 327(a), and does not hold or represent an interest materially adverse to the estates with respect to the matters on which Houlihan Lokey will be employed; and (b) Houlihan Lokey's connections to the Debtors, these chapter 11 estates, their creditors, or their related parties are disclosed on Schedule 2 in the Dunayer Declaration.

**RELIEF REQUESTED**

24. By this application, the Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A** (a) authorizing the Debtors to employ and retain Houlihan Lokey as their financial advisor and investment banker *nunc pro tunc* to the Petition Date; (b) waiving certain time-keeping requirements pursuant to Local Rule 2016-2(h); and (c) granting related relief.

**SUPPORTING AUTHORITY**

25. The Debtors seek approval of the Houlihan Lokey Agreement, including the Fee Structure contained therein, pursuant to Bankruptcy Code sections 327(a) and 328(a). Bankruptcy Code section 327(a) authorizes a debtor in possession to employ professionals that "do not hold or represent an interest adverse to the estate, and that are disinterested persons." 11 U.S.C. § 327(a). As discussed above, Houlihan Lokey satisfies the disinterestedness standard of section 327(a).

26. In addition, the Debtors seek approval of the Houlihan Engagement Letter, including the Fee Structure set forth therein, pursuant to Bankruptcy Code section 328(a). Section 328(a) provides, in relevant part, that the Debtors “with the court’s approval, may employ or authorize the employment of a professional person under section 327 . . . on any reasonable terms and conditions of employment, including on a retainer, on an hourly basis, on a fixed or percentage fee basis, or on a contingent fee basis.” 11 U.S.C. § 328(a).

27. Section 328 permits the compensation of professionals, including investment bankers and financial advisors, on more flexible terms that reflect the nature of their services and market conditions. As the United States Court of Appeals for the Fifth Circuit recognized in *Donaldson Lufkin & Jenrette Sec. Corp. v. Nat’l Gypsum (In re Nat’l Gypsum Co.)*, 123 F.3d 861 (5th Cir. 1997):

Prior to 1978 the most able professionals were often unwilling to work for bankruptcy estates where their compensation would be subject to the uncertainties of what a judge thought the work was worth after it had been done. That uncertainty continues under the present § 330 of the Bankruptcy Code, which provides that the court award to professional consultants “reasonable compensation” based on relevant factors of time and comparable costs, etc. Under present § 328 the professional may avoid that uncertainty by obtaining court approval of compensation agreed to with the trustee (or debtor or committee).

*Id.* at 862 (internal citations and emphasis omitted).

28. As set forth above, notwithstanding approval of the Houlihan Engagement Letter under Bankruptcy Code section 328(a), Houlihan Lokey intends to apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with these cases, subject to the Court’s approval and in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other applicable procedures and orders of the Court (to the extent compliance is not waived) and consistent with the Fee Structure set forth in the Houlihan Engagement Letter.

29. The Debtors believe that the Fee Structure appropriately reflects the nature and scope of services to be provided by Houlihan Lokey in these complex chapter 11 cases, Houlihan Lokey's substantial experience with respect to investment banking services, and the fee structures typically utilized by Houlihan Lokey and other leading investment banks that do not bill their clients on an hourly basis. In agreeing to seek Houlihan Lokey's retention under Bankruptcy Code section 328(a), the Debtors acknowledge the following: (a) they believe that Houlihan Lokey's general restructuring experience and expertise, its knowledge of the capital markets, and its knowledge of the Debtors' operations will inure to the benefit of the Debtors in pursuing any Restructuring, Sale Transaction, or Financing (as defined in the Houlihan Engagement Letter); (b) the value to the Debtors of Houlihan Lokey's services under the Houlihan Engagement Letter derives in substantial part from that expertise and experience; (c) accordingly, the structure and amount of the Transaction Fees are reasonable regardless of the number of hours to be expended by Houlihan Lokey's professionals in the performance of the services to be provided under the Houlihan Engagement Letter; and (d) the deferred fees should not be considered to be "bonuses" or fee enhancements under applicable law.

30. Indeed, similar fixed and contingency fee arrangements in other large chapter 11 cases have been routinely approved and implemented by courts in this circuit and elsewhere. *See, e.g., In re Longview Power, LLC*, No. 13-12211 (BLS) (Bankr. D. Del. Sept. 24, 2013) (approving a flexible fee structure and engagement letter under section 328 on the grounds that both were reasonable); *In re Cengage Learning, Inc.*, No. 13-44106 (ESS) (Bankr. E.D.N.Y. 2013 July 24, 2013) (same); *In re Exide Technologies, Inc.*, No. 13-11482 (KJC) (Bankr. D. Del. July 10, 2013) (same); *In re Vertis Holdings, Inc.*, No. 12-12821 (CSS) (Bankr. D. Del. Nov. 20,

2012) (same); *In re AI23 Sys., Inc.*, No. 12-12859 (KJC) (Bankr. D. Del. Nov. 9, 2012); *In re WP Steel Venture, LLC*, No. 12-11661 (KJC) (Bankr. D. Del. July 3, 2012) (same).<sup>6</sup>

31. Moreover, the Debtors and Houlihan Lokey believe that the indemnification provisions set forth in the Houlihan Engagement Letter are customary and reasonable for investment banking engagements, both out of court and in chapter 11 cases, and reflect the qualifications and limitations on indemnification provisions in this District. *See, e.g., In re Longview Power, LLC*, No. 13-12211 (BLS) (Bankr. D. Del. Sept. 24, 2013); *In re Cengage Learning, Inc.*, No. 13-44106 (CSS) (Bankr. E.D.N.Y. 2013 July 24, 2013); *In re Exide Technologies, Inc.*, No. 13-11482 (KJC) (Bankr. D. Del. July 10, 2013); *In re AI23 Sys., Inc.*, No. 12-12859 (KJC) (Bankr. D. Del. Nov. 9, 2012); *In re WP Steel Venture, LLC*, No. 12-11661 (KJC) (Bankr. D. Del. July 3, 2012); *In re NewPage Corp.*, No. 11-12804 (AG) (Bankr. D. Del. Sept. 7, 2011).

32. The Debtors also believe that employment of Houlihan Lokey *nunc pro tunc* to the Petition Date is warranted by the circumstances presented by these cases. The Third Circuit has identified “time pressure to begin service” and absence of prejudice as factors favoring *nunc pro tunc* retention. *See In re Arkansas Co.*, 798 F.2d 645, 650 (3d Cir. 1986). The complexity, compressed timing, and intense activity relating to the preparation and filing of these chapter 11 cases necessitated that the Debtors and Houlihan Lokey, as well as the Debtors’ other professionals, focus their immediate attention on time-sensitive matters, and promptly devote substantial resources to the affairs of the Debtors to comply with the pending submission and approval of this application.

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<sup>6</sup> Due to the voluminous nature of the orders cited herein, such orders have not been attached to this application. Copies of these orders are available upon request to the Debtors’ proposed counsel.



33. In light of the foregoing, and given the numerous issues that Houlihan Lokey may be required to address in the performance of its services under the Houlihan Engagement Letter, Houlihan Lokey's commitment to the variable level of time and effort necessary to address all such issues as they arise, and the market prices for Houlihan Lokey's services for engagement of this nature, the Debtors believe that the terms and conditions of the Houlihan Engagement Letter are fair, reasonable, and market-based under the standards set forth in Bankruptcy Code section 328(a).

**NOTICE**

34. No trustee, examiner, or creditors' committee has been appointed in the Debtors' chapter 11 cases. The Debtors have provided notice of this Application 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) Houlihan Lokey; (g) the United States Securities and Exchange Commission; (h) the United States Internal Revenue Service; and (i) any parties entitled to notice pursuant to Local Rule 2002-1(b). In light of the nature of the relief requested in this Application, the Debtors respectfully submit that no further notice is necessary.

WHEREFORE, for the reasons set forth herein and in the Dunayer Declaration, the Debtors respectfully request that the Court (a) enter an order granting the relief requested herein and (b) grant such other and further relief as may be just, proper and equitable.

Fort Worth, Texas  
Date: March 25, 2015



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Vanessa Gomez LaGatta  
Senior Vice President, Chief Financial Officer, and  
Treasurer  
Quicksilver Resources Inc.

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

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

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**NOTICE OF APPLICATION AND HEARING**

PLEASE TAKE NOTICE that, on March 25, 2015, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the *Debtors’ Application for Entry of an Order Pursuant to Bankruptcy Code Sections 327(a) and 328(a) (A) Authorizing the Employment and Retention of Houlihan Lokey Capital, Inc. as Financial Advisor and Investment Banker to the Debtors and Debtors in Possession, Nunc Pro Tunc to the Petition Date, (B) Waiving Certain Time-Keeping Requirements Pursuant To Local Rule 2016-2(h) and (C) Granting Related Relief* (the “Application”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that, any responses or objections to the Application must be filed in writing with the Bankruptcy Court, 824 N. Market Street, 3<sup>rd</sup> Floor, Wilmington, Delaware 19801, and served upon and received by the undersigned proposed counsel for the Debtors on or before **April 8, 2015 at 4:00 p.m. (Eastern Daylight Time)**.

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<sup>1</sup> 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.

PLEASE TAKE FURTHER NOTICE that, if an objection is timely filed, served and received and such objection is not otherwise timely resolved, a hearing to consider such objection and the Application will be held before The Honorable Laurie Selber Silverstein at the Bankruptcy Court, 824 N. Market Street, 6<sup>th</sup> Floor, Courtroom 2, Wilmington, Delaware 19801 on **April 15, 2015 at 2:00 p.m. (Eastern Daylight Time)**.

**IF NO OBJECTIONS TO THE APPLICATION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED IN THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.**

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Wilmington, Delaware  
Date: March 25, 2015

/s/ Amanda R. Steele

**RICHARDS, LAYTON & FINGER, P.A.**

Paul N. Heath (DE 3704)  
Amanda R. Steele (DE 5530)  
Rachel L. Biblo (DE 6012)  
One Rodney Square  
920 North King Street  
Wilmington, Delaware 19801  
Telephone: (302) 651-7700  
Facsimile: (302) 651-7701

– and –

**AKIN GUMP STRAUSS HAUER & FELD LLP**

Charles R. Gibbs (admitted *pro hac vice*)  
Sarah Link Schultz (admitted *pro hac vice*)  
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Ashleigh L. Blaylock (admitted *pro hac vice*)  
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Robert S. Strauss Building  
1333 New Hampshire Avenue, N.W.  
Washington, DC 20036-1564  
Telephone: (202) 887-4000  
Facsimile: (202) 887-4288

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

**Exhibit A**  
**Proposed Order**

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

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

**ORDER PURSUANT TO BANKRUPTCY CODE SECTIONS 327(a) AND 328(a) (A) AUTHORIZING THE EMPLOYMENT AND RETENTION OF HOULIHAN LOKEY CAPITAL, INC. AS FINANCIAL ADVISOR AND INVESTMENT BANKER TO THE DEBTORS AND DEBTORS IN POSSESSION, *NUNC PRO TUNC* TO THE PETITION, (B) APPROVING THE TERMS OF THE HOULIHAN ENGAGEMENT LETTER, (C) WAIVING CERTAIN TIME-KEEPING REQUIREMENTS PURSUANT TO LOCAL RULE 2016-2(h) AND (D) GRANTING RELATED RELIEF**

Upon the application (the “Application”)<sup>3</sup> the above-captioned debtors and debtors in possession (collectively, the “Debtors”), pursuant to Bankruptcy Code sections 327(a) and 328(a), Bankruptcy Rule 2014, and Local Rules 2014-1 and 2016-2(h), seeking entry of an order (a) authorizing the Debtors to employ and retain Houlihan Lokey as their financial advisor and investment banker, *nunc pro tunc* to the Petition Date, pursuant to the Houlihan Engagement Letter; (b) approving the terms of the Houlihan Engagement Letter; (c) waiving certain time-keeping requirements pursuant to Local Rule 2016-2(h); and (d) granting related relief, all as further described in the Application; the Court having jurisdiction to consider the Application

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<sup>1</sup> 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.

<sup>3</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Application.

and relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Application 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 Application being adequate and appropriate under the particular circumstances; and a hearing having been held to consider the relief requested in the Application; and upon the Dunayer Declaration, the record of the hearing and all proceedings had before the Court; and the Court finding that (a) Houlihan Lokey (i) does not hold an interest adverse to the interest of the estate with respect to the matters on which Houlihan Lokey will be employed; and (ii) is a “disinterested person” as that term is defined under section 101(14) of the Bankruptcy Code; (b) the Application and the Declaration are in full compliance with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules; and the Court having found and determined that the relief sought in the Application 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 Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, AND DECREED THAT:

1. The Application is granted to the extent set forth herein.
2. The retention and employment of Houlihan Lokey as financial advisor and investment banker to the Debtors pursuant to Bankruptcy Code sections 327(a) and 328(a), Bankruptcy Rules 2014, and Local Rules 2014-1 and 2016-2(h), *nunc pro tunc* to the Petition Date, on the terms and conditions set forth in the Houlihan Engagement Letter (attached hereto as **Exhibit 1**) and the Application, is approved.



3. Houlihan Lokey's compensation shall be subject to the standard of review provided in section 328(a) of the Bankruptcy Code and not subject to any other standard of review under section 330 of the Bankruptcy Code.

4. Notwithstanding the preceding paragraph, the U.S. Trustee shall retain the right to object to the compensation and fees and expenses to be paid to Houlihan Lokey pursuant to the Application and the Houlihan Engagement Letter, including, without limitation, the Monthly Fee and the Transaction Fees, based on the reasonableness standard provided for in Bankruptcy Code section 330, and the Court shall consider any such objection by the United States Trustee under Bankruptcy Code section 330; *provided* that reasonableness for this purpose shall include, among other things, an evaluation by comparing the fees payable in this case to the fees paid to other investment banking firms for comparable services in other chapter 11 cases and outside of chapter 11 cases, and shall not be evaluated primarily on the basis of time committed or the length of these chapter 11 cases.

5. The Debtors are authorized to employ and retain, and the Debtors are authorized to compensate and reimburse, Houlihan Lokey pursuant to the terms of the Houlihan Engagement Letter.

6. In light of the services to be provided by Houlihan Lokey and the compensation structure in the Houlihan Engagement Letter, Houlihan Lokey and its professionals shall be excused from the following: (i) the requirement to maintain or provide detailed time records in accordance with Bankruptcy Rule 2016(a), Local Rule 2016-2(d), and the United States Trustee Fee Guidelines; and (ii) conforming with a schedule of hourly rates for its professionals. Instead, notwithstanding that Houlihan Lokey does not charge for its services on an hourly basis, Houlihan Lokey will maintain reasonably detailed time records in 0.5 hour increments

containing descriptions of those services rendered for the Debtors, and the individuals who provided those services, and will present such records together with its interim and final fee applications filed with the Court.

7. The indemnification provisions set forth in the Houlihan Engagement Letter are approved, subject during the pendency of these cases to the following:

- (a) Subject to the provisions of subparagraphs (b) and (c) below, the Debtors are authorized to indemnify, and shall indemnify, Houlihan Lokey for any claims arising from, related to, or in connection with the services to be provided by Houlihan Lokey as specified in the Application, but not for any claim arising from, related to, or in connection with Houlihan Lokey's post-petition performance of any other services other than those in connection with the engagement, unless such post-petition services and indemnification therefor are approved by this Court; and
- (b) Notwithstanding any provisions of the Houlihan Engagement Letter to the contrary, the Debtors shall have no obligation to indemnify Houlihan Lokey or provide contribution or reimbursement to Houlihan Lokey (i) for any claim or expense that is judicially determined (the determination having become final) to have arisen from Houlihan Lokey's bad faith, self-dealing, breach of fiduciary duty (if any), willful misconduct or gross negligence, (ii) for a contractual dispute in which the Debtors allege the breach of Houlihan Lokey's contractual obligations if the Court determines that indemnification, contribution, or reimbursement would not be permissible pursuant to *In re United Artists Theatre Company, et. al.*, 315 F.3d 217 (3d Cir. 2003), or (iii) for any claim or expense that is settled prior to a judicial determination as to the exclusions set forth in clauses (i) and (ii) above, but determined by the Court, after notice and a hearing pursuant to subparagraph (d), *infra*, to be a claim or expense for which Houlihan Lokey should not receive indemnity, contribution or reimbursement under the terms of the Houlihan Engagement Letter, as modified by this Order; and
- (c) If, before the earlier of (i) the entry of an order confirming a chapter 11 plan in these cases (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing these chapter 11 cases, Houlihan Lokey believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification obligations under the Application, including, without limitation, the advancement of defense costs, Houlihan Lokey must file an application in this Court, and the Debtors may not pay any such amounts to Houlihan Lokey before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by Houlihan Lokey for indemnification, and not as a provision limiting the duration of the Debtors' obligation to indemnify Houlihan Lokey.

8. Notwithstanding any provision in the Houlihan Engagement Letter to the contrary, the contribution obligations of the Indemnified Parties (as such term is defined in the

Houlihan Engagement Letter) shall not be limited to the aggregate amount of fees actually received by Houlihan Lokey from the Debtors pursuant to the Houlihan Engagement Letter, this Order, or subsequent orders of this Court.

9. To the extent requested in the Application, Houlihan Lokey is excused from complying with the information requirements contained in Local Rule 2016-2(d).

10. Houlihan Lokey shall be compensated in accordance with the procedures set forth in the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, this Order, and any other applicable orders of this Court.

11. This Court shall retain jurisdiction to construe and enforce the terms of this Order.

Wilmington, Delaware  
Date: April \_\_, 2015

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THE HONORABLE LAURIE SELBER SILVERSTEIN  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit 1 to Exhibit A**

**Engagement Letter**



## HOULIHAN LOKEY

### ENGAGEMENT LETTER

*Personal and Confidential*

Effective as of January 27, 2014

Quicksilver Resources Inc.  
801 Cherry Street, Suite 3700, Unit 19  
Fort Worth, TX 76102  
Attn: Mr. Glenn Darden, Chief Executive Officer and President

Dear Ladies and Gentlemen:

This letter agreement (this “Agreement”) confirms the terms under which Quicksilver Resources Inc. (collectively with its direct and indirect subsidiaries, the “Company”) has engaged Houlihan Lokey Capital, Inc. (“Houlihan Lokey”), effective as of the date indicated above (the “Effective Date”), as its financial advisor to provide financial advisory and investment banking services in connection with a financial restructuring or reorganization of the Company, and/or one or more merger and/or acquisition transactions involving the Company, and/or one or more financing transactions for the Company and with respect to such other financial matters as to which the Company and Houlihan Lokey may agree in writing during the term of this Agreement.

1. **Services.** In connection with each potential Transaction (as defined below), Houlihan Lokey will assist and advise the Company and the Board of Directors of Quicksilver Resources (the “Board”) with the analysis, evaluation, pursuit and effectuation of any such Transaction. Houlihan Lokey’s services will consist of, if appropriate and if requested by the Company or the Board, (i) evaluating the Company’s strategic options, focusing on both near- and long-term issues; (ii) reviewing the Company’s liquidity needs to determine financing or additional resources necessary to support the Company’s immediate requirements and longer-term strategic initiatives; (iii) advising the Company and the Board generally as to available financing and capital restructuring alternatives, including making recommendations of specific courses of action and, if requested, assisting the Company with the implementation of such course(s) of action, including participation as an advisor to the Company in negotiations with creditors and other parties involved; (iv) assisting the Company with the negotiation of any Transaction(s), including participating in negotiations with creditors and other parties involved in any Transaction(s), except to the extent provided below; (v) assisting the Company in evaluating indications of interest and proposals regarding any Transaction(s) from current and/or potential lenders, equity investors, acquirers and/or strategic partners; (vi) assisting the Company in the development and distribution of selected information, documents and other materials, including, if appropriate, advising the

Quicksilver Resources Inc.  
Page 2

Company in the preparation of offering memoranda; (vii) providing expert advice and testimony regarding financial matters related to any Transaction(s), if necessary; (viii) attending meetings of the Board, creditor groups, official constituencies and other interested parties, as the Company and Houlihan Lokey mutually agree, except to the extent provided below; and (iv) providing such other financial advisory and investment banking services as may be required by additional issues and developments not anticipated on the Effective Date, as described in Section 9 of this Agreement. In the event that, in order to accomplish a Transaction, the Company undertakes an "exchange offer" pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended (a "3(a)(9) Offer") it is agreed and understood that Houlihan Lokey shall not (a) engage, directly or indirectly, in the solicitation of the exchange or any consent, or (b) make recommendations regarding the exchange to security holders or their advisors.

So long as either of Eric Siegert and Adam Dunayer is employed by Houlihan Lokey on a full time basis during the term of this Agreement, Houlihan Lokey shall use commercially reasonable efforts to cause them to provide (or supervise the provision of) such services. It is understood and agreed that if either of Eric Siegert and Adam Dunayer is no longer employed by Houlihan Lokey on a full time basis during the term of this Agreement, Houlihan Lokey will seek the Company's consent regarding which of its employees will replace them in providing (or supervising the provision of) the services contemplated herein going forward; provided, however, that such consent shall not be unreasonably withheld by the Company.

2. **Exclusive Agency.** Except for Excluded Transactions (defined below), the Company agrees that neither it nor its management will initiate any discussions regarding a Transaction during the term of this Agreement, except with prior consultation with Houlihan Lokey; provided, however, that (i) the Company has advised Houlihan Lokey that it is currently in discussions regarding those transactions set forth in the attached Exhibit A (the "Excluded Transactions"), (ii) the Company has agreed to keep Houlihan Lokey fully apprised of the status of the Excluded Transactions, and (iii) Houlihan Lokey and the Company have agreed that discussions regarding the Excluded Transactions shall occur without the involvement of Houlihan Lokey; and provided further that no Transaction shall be considered an Excluded Transaction if such Transaction is effectuated in the context of a Chapter 11 bankruptcy process and a transaction fee is not paid to another investment bank or financial advisor. In the event the Company or its management receives any inquiry regarding a Transaction from any party, the Company shall promptly inform Houlihan Lokey of such inquiry so that Houlihan Lokey can assist the Company in evaluating such party and its interest in a Transaction and in any resulting negotiations.

3. **Fees.** In consideration of Houlihan Lokey's acceptance of this engagement, the Company shall pay the following:

- (i) *Initial Fee:* In addition to the other fees provided for herein, upon the execution of this Agreement, the Company shall pay Houlihan Lokey a nonrefundable cash fee of \$175,000.00, which shall be earned upon Houlihan Lokey's receipt thereof in consideration of Houlihan Lokey accepting this engagement ("Initial Fee");
- (ii) *Monthly Fees:* In addition to the other fees provided for herein, upon the first monthly anniversary of the Effective Date, and on every monthly anniversary of the Effective Date during the term of this Agreement, the Company shall pay Houlihan Lokey in advance, without notice or invoice, a nonrefundable cash fee of: (i) \$175,000.00 on the first and second monthly anniversaries of the Effective Date; and (ii) \$150,000.00 for each monthly anniversary of the Effective Date thereafter (provisos (i) and (ii) are together referred to herein as the "Monthly Fees"). Beginning with the sixth monthly anniversary of the Effective Date, 50% of each Monthly Fee paid to Houlihan Lokey will credit against any Transaction Fees payable to Houlihan Lokey pursuant to this Agreement, it being expressly understood that no part of a Monthly Fee shall be credited more than once and that in no event shall the

Transaction Fees be reduced below zero. No additional Monthly Fee shall be paid after the payment of any final transaction fee referred to in paragraph 3(iii)(a) below with respect to a 3(a)(9) Offer. Each Monthly Fee shall be earned upon Houlihan Lokey's receipt thereof in consideration of Houlihan Lokey accepting this engagement and performing services as described herein; and

(iii) *Transaction Fee(s)*: In addition to the other fees provided for herein, the Company shall pay Houlihan Lokey the following transaction fee(s):

- a. *Restructuring Transaction Fee*. Upon the earlier to occur of: (I) in the case of an out-of-court Restructuring Transaction (as defined below), the closing of such Restructuring Transaction; and (II) in the case of an in-court Restructuring Transaction, the date that the requisite consents to a "pre-packaged" plan of reorganization under Chapter 11 of the Bankruptcy Code are obtained - or - the date of confirmation of a plan under Chapter 11 of the Bankruptcy Code pursuant to an order of the applicable bankruptcy court, Houlihan Lokey shall earn, and the Company shall promptly pay to Houlihan Lokey, a cash fee ("Restructuring Transaction Fee") without duplication equal to the sum of: (i) 0.75% of any of the Company's outstanding principal amount (including committed but undrawn capacity) of debt securities and/or other indebtedness, obligations or liabilities (including without limitation preferred stock, partnerships interests, lease obligations, trade credit facilities, collective bargaining agreements and other contract or tort obligations, but expressly excluding any obligations of the Company to Houlihan Lokey under this Agreement and any liabilities that would not be required to be reflected on a balance sheet of the Company prepared in accordance with United States generally accepted accounting principles, as consistently applied by the Company) of any entity comprising the Company, including accrued and/or accreted interest thereon, which are outstanding as of the Effective Date, including, without limitation, interest bearing trade debt (the "Indebtedness"), up to and including \$500.0 million, that is restructured pursuant to a Restructuring Transaction (as defined herein); (ii) 0.55% of any Indebtedness greater than \$500.0 million but less than or equal to \$1.0 billion that is restructured pursuant to a Restructuring Transaction; (iii) 0.40% of any Indebtedness greater than \$1.0 billion but less than or equal to \$1.5 billion that is restructured pursuant to a Restructuring Transaction; and (iv) 0.35% of any Indebtedness greater than \$1.5 billion that is restructured pursuant to a Restructuring Transaction; provided that, in the event the Restructuring Transaction is undertaken as a 3(a)(9) Offer, the Restructuring Transaction Fee, whether or not as a part of a Plan, shall be earned and payable immediately upon the first mailing, delivery or other dissemination of offering documents pursuant to the 3(a)(9) Offer;
- b. *Sale Transaction Fee*. Upon the closing of each Sale Transaction (as defined below), Houlihan Lokey shall earn, and the Company shall thereupon pay immediately and directly from the gross proceeds of such Sale Transaction, as a cost of such Sale Transaction, a cash fee ("Sale Transaction Fee") based upon Aggregate Gross Consideration ("AGC"), calculated as follows:

0% if the gross proceeds of such Sale Transaction are less than \$40 million, it being assumed that Houlihan Lokey will not be responsible for assisting the Company with any such Sale Transactions

If the gross proceeds of such Sale Transaction are equal to or greater than \$40 million, but less than \$250 million, the greater of (i) \$750,000 or (ii) 1% of AGC

.90% of AGC if the gross proceeds of such Sale Transaction are equal to or greater than \$250 million, but less than \$500 million

.80% of ACG if the gross proceeds of such Sale Transaction are equal to or greater than \$500 million, but less than \$1 billion

.70% of ACG if the gross proceeds of such Sale Transaction are equal to or greater than \$1 billion

If more than one Sale Transaction is consummated, Houlihan Lokey shall be compensated based on the AGC from all Sale Transactions, calculated in the manner set forth above

Houlihan Lokey shall credit 75% of any Sale Transaction Fee payable against a subsequent or simultaneous Restructuring Transaction Fee, provided that the Restructuring Transaction Fee is greater than \$8,000,000; otherwise Houlihan Lokey shall credit 25% of any Sale Transaction Fee payable against a subsequent or simultaneous Restructuring Transaction Fee.

- c. *Financing Transaction Fee.* Upon the closing of each Financing Transaction (as defined below), Houlihan Lokey shall earn, and the Company shall thereupon pay immediately and directly from the gross proceeds of such Financing Transaction, as a cost of such Financing Transaction, a cash fee ("Financing Transaction Fee") equal to the sum of: (I) 0.75% of the gross proceeds of any indebtedness raised or committed that is senior to other indebtedness of the Company, secured by a first priority lien and unsubordinated, with respect to both lien priority and payment, to any other obligations of the Company (including with respect to debtor-in-possession financing); (II) 1.5% of the gross proceeds of any indebtedness raised or committed that is secured by a lien (other than a first lien) and/or is unsecured; (III) 2.5% of the gross proceeds of any indebtedness raised or committed that is subordinated; and (IV) 5.0% of the gross proceeds of all newly issued equity or equity-linked securities of the Company (including, without limitation, convertible securities and preferred stock) placed with or committed to be purchased by a third party; provided, however, that to the extent to that a Financing Transaction occurs following the closing of an Excluded Canadian Transaction<sup>1</sup>, instead of the foregoing, Houlihan Lokey shall instead receive a role in the Financing Transaction, with a minimum allocation of 10.0%. It is understood and agreed that if the proceeds of any such Financing Transaction are to be funded in more than one stage, Houlihan Lokey shall be entitled to its applicable compensation hereunder upon the closing date of each stage. The Financing Transaction Fee(s) shall be payable in respect of any sale of securities whether such sale has been arranged by Houlihan Lokey, by another agent (or other issuer of the Securities in such Financing Transaction) or directly by the Company. Any non-cash consideration provided to or received by the Company in connection with the Financing Transaction (including but not limited to intellectual or intangible property) shall be valued for purposes of calculating the Financing Transaction Fee as equaling the number of Securities issued in exchange for such consideration multiplied by (in the case of debt securities) the face value of each such Security or (in the case of equity securities) the price per Security paid in the then current round of financing. The fees set forth herein shall be in addition to any other fees that the Company may be required to pay to any investor or other purchaser of Securities to secure its financing commitment.

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<sup>1</sup> Excluded Canadian Transactions shall be defined to include those transactions regarding the Horn River Basin where the Company is already in negotiations with a potential purchaser.



Houlihan Lokey shall credit 75% of any Financing Fee payable against a subsequent or simultaneous Restructuring Transaction Fee, provided that the Restructuring Transaction Fee is greater than \$8,000,000, otherwise Houlihan Lokey shall credit 25% of any Financing Fee payable against a subsequent or simultaneous Restructuring Transaction Fee.

Houlihan Lokey shall earn, and the Company shall thereupon pay immediately and directly from the gross proceeds of such Financing Transaction, a Financing Transaction Fee for any debtor-in-possession ("DIP") financing that is raised equal to 0.375% of the gross proceeds of any DIP financing that is raised.

*Amendment Fee.* Upon the closing of each Amendment Transaction (as defined below), Houlihan Lokey shall earn, and the Company shall promptly pay to Houlihan Lokey, a cash fee (the "Amendment Transaction Fee") equal to \$750,000.00; provided, however, that instead of the foregoing, Houlihan Lokey shall earn \$500,000.00 for all Amendment Transactions involving the Company's existing first lien credit facilities. For the avoidance of doubt, a transaction involving the amendment, modification and/or restatement of those documents and agreements related to the Fortune Creek joint venture shall be an Amendment Transaction. If two or more Amendment Transaction Fees are earned and payable, 50.0% of each Amendment Transaction Fee shall be credited against the sum of any of: (i) the Restructuring Transaction Fee, (ii) Sale Transaction Fee, and (iii) Financing Transaction Fee that are actually paid to Houlihan Lokey. Any Restructuring Transaction Fee, Sale Transaction Fee, Financing Transaction Fee, and Amendment Transaction Fee is each referred to herein as a "Transaction Fee" and are collectively referred to herein as "Transaction Fees." All payments received by Houlihan Lokey pursuant to this Agreement at any time shall become the property of Houlihan Lokey without restriction. No payments received by Houlihan Lokey pursuant to this Agreement will be put into a trust or other segregated account. No Transaction Fee will be paid in connection with an Excluded Transaction. To the extent the Company requests Houlihan Lokey's assistance with one or more of the Excluded Transactions, the applicable Transaction Fee will be mutually agreed upon in writing prior to the commencement of services related to such Excluded Transaction.

4. **Term and Termination.** This Agreement may be terminated at any time by either party upon 15 days' prior written notice to the other party. The expiration or termination of this Agreement shall not affect (i) any provision of this Agreement other than Sections 1 through 3 and (ii) Houlihan Lokey's right to receive, and the Company's obligation to pay, any and all fees, expenses and other amounts due, whether or not any Transaction shall be consummated prior to or subsequent to the effective date of expiration or termination, as more fully set forth in this Agreement.

In addition, notwithstanding the expiration or termination of this Agreement, Houlihan Lokey shall be entitled to full payment by the Company of the Transaction Fees described in this Agreement: (i) so long as a Transaction is consummated during the term of this Agreement, or within 9 months after the date of expiration or termination of this Agreement ("Tail Period"), and/or (ii) if an agreement to consummate a Transaction is executed by any entity comprising the Company during the term of this Agreement, or within the Tail Period, and such Transaction is consummated at any time within 9 months following such execution with the counterparty named in such agreement, or with any affiliate or employee of, or investor in, such counterparty, or any affiliate of any of the foregoing.

5. **Transaction.** As used in this Agreement, the term "Transaction" shall mean any of the following, provided, however, that no Excluded Transaction shall be included within the definition of the term Transaction:

- (i) *Restructuring Transaction.* Any transaction or series of transactions that constitute a material modification, recapitalization or restructuring of the equity and/or debt securities and/or other

- indebtedness, obligations or liabilities (including, without limitation, preferred stock, partnership interests, lease obligations, trade credit facilities, collective bargaining agreements and other contract or tort obligations) of the Company, including accrued and/or accreted interest thereon, which are outstanding as of the Effective Date, including, without limitation, interest bearing trade debt which recapitalization or restructuring is effected pursuant to an exchange transaction, tender offer, a plan under the Bankruptcy Code, a solicitation of consents, waivers, acceptances or authorizations, any change of control transaction, any refinancing, sale, acquisition, merger, repurchase, exchange, conversion to equity, cancellation, forgiveness, retirement and/or a modification or amendment to the terms, conditions, or covenants (including, without limitation, the principal balance, accrued or accreted interest, payment term, other debt service requirement and/or financial or operating covenant) of any agreements or instruments governing any of the equity and/or debt securities and/or other indebtedness of any entity comprising the Company (such modification or amendment shall include, without limitation, any forbearance with respect to any payment obligation) or any combination of the foregoing transactions (each a “Restructuring Transaction”);
- (ii) *Sale Transaction.* Any transaction or series of related transactions that constitute the disposition to one or more third parties (including, without limitation, any person, group of persons, partnership, corporation or other entity, and also including, among others, any of the existing owners, shareholders, employees, or creditors of any entity comprising the Company and/or the affiliates of each) in one or a series of related transactions of (a) all or a material portion of the issued and outstanding equity securities of any entity comprising the Company or any interest held by any entity comprising the Company and/or (b) all or substantially all of the assets (including the assignment of any executory contracts) or operations of any entity comprising the Company or any joint venture or partnership or other entity formed by it (other than the sale of inventory in the ordinary course of business), in either case, including, without limitation, through a sale or exchange of capital stock, options or assets with or without a purchase option, a merger, consolidation or other business combination, an exchange or tender offer, a recapitalization, the formation of a joint venture, partnership or similar entity, or any similar transaction, including, without limitation, any sale transaction under Sections 363, 1129 or any other provision of Title 11, United States Code (11 U.S.C. §§ 101 et seq.) (the “Bankruptcy Code”) (each a “Sale Transaction”);
- (iii) *Financing Transaction.* (a) Any transaction or series of related transactions that constitutes any refinancing of all or any portion of the existing obligations of any entity comprising the Company and/or (b) the placement, raising or issuance of any form of equity, equity-linked or debt securities (including, without limitation, any convertible securities, preferred stock, unsecured, non-senior or subordinated debt securities, and/or senior notes or bank debt) or any loan or other financing, including any “debtor in possession financing” or “exit financing” in connection with a case under the Bankruptcy Code by any entity comprising the Company (any or all of which being “Securities”), from any source including, without limitation, any of the existing owners, shareholders, employees, or creditors of any entity comprising the Company (whether or not such transaction is effectuated in-court, out-of-court, through the confirmation of a plan of reorganization or otherwise under the Bankruptcy Code, or whether the requisite consents to such transaction(s) are obtained in-court or out-of-court) (each a “Financing Transaction”); or
- (iv) *Amendment Transaction.* Any amendment or waiver effecting a change in the terms of the Company’s Indebtedness (as defined earlier herein) or a forbearance, in each case, which does not otherwise constitute a Restructuring Transaction (an “Amendment Transaction”).

Each debt facility, tranche of debt, or series of notes that is so amended, waived, or forbore shall be considered a separate Amendment Transaction.

6. **Aggregate Gross Consideration (“AGC”)**. For the purpose of calculating the Sale Transaction Fee, the AGC shall be the gross proceeds and other consideration paid to, or received by any entity comprising the Company, or any of its equity or debt holders, or other parties in interest, including, without limitation, holders of warrants and convertible securities, and holders of options or stock appreciation rights, whether or not vested (collectively “Constituents”), in connection with the relevant Sale Transaction. Such proceeds and consideration shall be deemed to include, without limitation: amounts in escrow received by the Company and any deposits or other amounts forfeited by any investor and received by the Company; cash, notes, securities, and other property; payments made in installments; Contingent Payments (as defined below) and/or insurance proceeds upon the occurrence of an insurable event that diminishes the value of the Company. If, in the Sale Transaction, no consideration is being paid in respect of the existing equity, AGC of the retained equity shall be determined by the good faith agreement of the parties as to the value of such retained equity implied by the Sale Transaction. In addition, if any of the liabilities of any entity comprising the Company are assumed, decreased, reinstated, satisfied or otherwise paid off in conjunction with a Sale Transaction (by any entity comprising the Company or any investor, in the form of “cure” payments or otherwise), or any of the assets of any entity comprising the Company are sold or otherwise transferred outside of the Company’s ordinary course of business to another party prior to the closing of a Sale Transaction (including, without limitation, any dividends or distributions paid to security holders or amounts paid to repurchase any securities but expressly excluding any Excluded Transaction), the AGC will be increased to reflect the face value of any such liabilities and the fair market value of any such assets. Contingent Payments shall be defined as the consideration received by the Company, or any of its Constituents and/or any other parties in the form of deferred performance-based payments, “earn-outs”, or other contingent payments based upon the future performance of any entity comprising the Company, or any of its businesses or assets.

7. **Value of Consideration**. For the purpose of calculating the AGC received in a Sale Transaction, any securities, other than a promissory note, will be valued at the time of the announcement of the Sale Transaction, without regard to any restrictions on transferability, as follows: (i) if such securities are traded on a stock exchange, the securities will be valued at the average last sale or closing price for the twenty trading days immediately prior to the announcement of the Sale Transaction; (ii) if such securities are traded primarily in over-the-counter transactions, the securities will be valued at the mean of the closing bid and asked quotations similarly averaged over a twenty trading day period immediately prior to the announcement of the Sale Transaction; and (iii) if such securities have not been traded prior to the announcement of the Sale Transaction, Houlihan Lokey and the Company shall negotiate in good faith to agree on a fair valuation thereof, without regard to any restrictions on transferability, for the purposes of calculating the AGC. For any lease payments and other consideration that is not freely tradable or has no established public market, if the consideration utilized consists of property other than securities, then the value of such property shall be the fair market value thereof as determined in good faith by Houlihan Lokey and the Company. If a Sale Transaction involves a land swap, then the value of such land swap for purposes of determining AGC shall be equal to the difference between the fair market value of land assigned to a third party by the Company and the fair market value of the land received from a third party by the Company (for the avoidance of doubt, to the extent that the fair market value of the land assigned to a third party by the Company and the fair market value of the land received from a third party by the Company is equal, the Sale Transaction shall have no AGC associated with such land swap). If any consideration to be paid is computed in any foreign currency, the value of such foreign currency shall, for purposes hereof, be converted into U.S. dollars at the prevailing exchange rate on the date or dates on which such consideration is payable. The value of any purchase money or other promissory notes shall be deemed to be the face amount thereof and shall be payable when received by the Company. In the event the AGC includes any Contingent Payments, Houlihan Lokey’s Transaction Fee shall be calculated based on the mutually agreed value of such Contingent Payments as of closing. If the parties cannot reach such

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an agreement, an additional Sale Transaction Fee shall be paid to Houlihan Lokey from, and on account of, such Contingent Payments at the same time that each of such Contingent Payments are received regardless of any prior termination or expiration of this Agreement. Each such additional Sale Transaction Fee shall be calculated pursuant to the provisions of this Agreement based upon the amount of each such Contingent Payment.

8. **Characterization of Multiple and/or Complex Transactions.** In the event the Company and Houlihan Lokey are unable to agree in good faith upon the classification of any single Transaction as a Restructuring Transaction, Sale Transaction or Financing Transaction, or if a single Transaction with only one third party shall consist of two, or more, of the foregoing types of Transactions, or elements thereof, Houlihan Lokey shall receive only one Transaction Fee in respect of such Transaction, which shall be equal to the greater of the Restructuring Transaction Fee, Sale Transaction Fee or Financing Transaction Fee, as applicable, as calculated in accordance with the terms of this Agreement. For the avoidance of doubt, if two or more single Transactions occur simultaneously or at different times, whether or not they are connected with or related to one another, the Company shall pay Houlihan Lokey the Transaction Fee for each such Transaction in addition to, and not in lieu of, each other.

9. **Reasonableness of Fees.** The parties acknowledge that this engagement will require a substantial professional commitment of time and effort by Houlihan Lokey. Moreover, the amount of time and effort may vary substantially during different periods of the engagement. As a result, in order to ensure the availability of all necessary professional resources, whenever required, Houlihan Lokey may be foreclosed from pursuing other alternative engagement opportunities. In light of the foregoing, and given: (i) the numerous issues which can currently be anticipated in engagements such as this, (ii) Houlihan Lokey's commitment to the variable level of time and effort necessary to address such issues, (iii) the expertise and capabilities of Houlihan Lokey that will be required in this engagement, and (iv) the market rate for Houlihan Lokey's services of this nature, whether in-court or out-of-court, the parties agree that the fee arrangement provided for herein is reasonable, fairly compensates Houlihan Lokey, and provides the requisite certainty to the Company. The parties further agree and acknowledge that: (a) additional issues and developments, not currently anticipated, may arise and have an impact upon the services to be rendered by Houlihan Lokey hereunder, and may result in substantially more work and/or services being performed by Houlihan Lokey than is anticipated at this time; and (b) as a result of such unanticipated issues and/or developments, the results of Houlihan Lokey's services under this Agreement may also be substantially more beneficial than anticipated at this time. Accordingly, in the event of the occurrence of (a) and/or (b), in the prior sentence, each of the parties to this Agreement may, at the conclusion of the services rendered by Houlihan Lokey pursuant hereto, agree to a modification of the Transaction Fees described herein to more appropriately reflect the actual work performed, services rendered and/or any extraordinary results achieved by Houlihan Lokey pursuant to its engagement hereunder.

10. **Expenses.** In addition to all of the other fees and expenses described in this Agreement, and regardless of whether any Transaction is consummated, the Company shall, upon Houlihan Lokey's request, reimburse Houlihan Lokey for its reasonable and actual out-of-pocket expenses incurred from time to time in connection with its services hereunder prior to termination (or related to Houlihan Lokey's pre-termination services). Houlihan Lokey bills its clients for its reasonable out-of-pocket expenses including, but not limited to (i) travel-related and certain other expenses, without regard to volume-based or similar credits or rebates Houlihan Lokey may receive from, or fixed-fee arrangements made with, travel agents, airlines or other vendors, and (ii) research, database and similar information charges paid to third party vendors, and postage, telecommunication and duplicating expenses, to perform client-related services that are not capable of being identified with, or charged to, a particular client or engagement in a reasonably practicable manner, based upon a uniformly applied monthly assessment or percentage of the fees due to Houlihan Lokey.

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Houlihan Lokey shall, in addition, be reimbursed by the Company for the fees and expenses of Houlihan Lokey's legal counsel incurred in connection with the negotiation and performance of this Agreement and the matters contemplated hereby, not to exceed \$25,000 without the Company's written consent, which consent shall not be unreasonably withheld.

11. **Invoicing and Payment.** All amounts payable to Houlihan Lokey shall be made in lawful money of the United States in accordance with the payment instructions set forth on the invoice provided with this Agreement, or to such accounts as Houlihan Lokey shall direct, and the Company shall provide contemporaneous written notice of each such payment to Houlihan Lokey. All amounts invoiced by Houlihan Lokey shall be exclusive of value added tax, withholding tax, sales tax and any other similar taxes ("Taxes"). All amounts charged by Houlihan Lokey will be invoiced together with Taxes where appropriate.

12. **Information.** The Company will provide Houlihan Lokey with access to management and other representatives of the Company and other participants in the Transaction, as reasonably requested by Houlihan Lokey. The Company will furnish Houlihan Lokey with such information as Houlihan Lokey may reasonably request for the purpose of carrying out its engagement hereunder, all of which will be, to the Company's best knowledge, accurate and complete at the time furnished. The Company further represents and warrants that any financial projections delivered to Houlihan Lokey have been or will be reasonably prepared in good faith on bases reflecting the best currently available estimates and judgments of the future financial results and condition of the Company. The Company will promptly notify Houlihan Lokey in writing of any material inaccuracy or misstatement in, or material omission from, any information previously delivered to, or discussed with, Houlihan Lokey, or any materials provided to any interested party. Houlihan Lokey shall rely, without independent verification, on the accuracy and completeness of all information that is publicly available and of all information furnished by or on behalf of the Company or any other potential party to any Transaction or otherwise reviewed by, or discussed with, Houlihan Lokey. The Company understands and agrees that Houlihan Lokey will not be responsible for the accuracy or completeness of such information, and shall not be liable for any inaccuracies or omissions therein. The Company acknowledges that Houlihan Lokey has no obligation to conduct any appraisal of any assets or liabilities of the Company or any other party or to evaluate the solvency of any party under any applicable laws relating to bankruptcy, insolvency or similar matters. Any advice (whether written or oral) rendered by Houlihan Lokey pursuant to this Agreement is intended solely for the use of the Board of Directors of the Company (solely in its capacity as such) in evaluating a Transaction, and such advice may not be relied upon by any other person or entity or used for any other purpose. Any advice rendered by, or other materials prepared by, or any communication from, Houlihan Lokey (including, without limitation, the Opinion (as defined below), if rendered) may not be disclosed, in whole or in part, to any third party, or summarized, quoted from, or otherwise referred to in any manner without the prior written consent of Houlihan Lokey, except as otherwise provided herein. In addition, except as required by applicable law or otherwise provided herein, neither Houlihan Lokey nor the terms of this Agreement may otherwise be referred to without our prior written consent.

13. **Confidential Information.** Houlihan Lokey acknowledges that, in connection with the services to be provided pursuant to this Agreement, certain confidential, non-public and proprietary information concerning the Company and the Transaction ("Confidential Information") has been or may be disclosed by the Company to Houlihan Lokey or its employees, affiliates, attorneys, subcontractors and advisors (collectively, "Representatives"). On January 23, 2014, Houlihan Lokey and the Company entered into a Confidentiality Agreement (the "Confidentiality Agreement"). Houlihan Lokey agrees that the Confidentiality Agreement remains in full force and effect and that all Confidential Information provided to Houlihan Lokey pursuant to this Agreement shall be subject to and treated in accordance with the Confidentiality Agreement.

14. **Additional Provisions Regarding Financing Transaction.** The Company authorizes Houlihan Lokey, upon the Company's prior written consent, to provide an information memorandum (or similar document) (as such document may be amended or supplemented and including any information incorporated therein by reference, the "Information Memorandum") and other pertinent information to prospective investors and other purchasers and agrees not to transmit the Information Memorandum to prospective investors or other purchasers without Houlihan Lokey's prior approval. The Company will be solely responsible for the contents of the Information Memorandum and any and all other written or oral communications provided by or on behalf of the Company to any actual or prospective investor or other purchaser. The Company represents and warrants that the Information Memorandum and such other communications will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If an event occurs as a result of which the Information Memorandum (as then supplemented or amended) would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the Company will promptly notify Houlihan Lokey of such event and Houlihan Lokey will suspend solicitations of prospective investors and other purchasers until such time as the Company prepares (and the Company agrees that, if the solicitation of prospective investors and other purchasers has been so suspended after the Company has accepted orders from prospective investors or other purchasers, the Company will promptly prepare) a supplement or amendment to the Information Memorandum which corrects such statement(s) or omission(s). The Company will (i) make available to each bona fide offeree of the Securities such information (in addition to that contained in the Information Memorandum) concerning the offering of the Securities, the Company and any other relevant matters, and (ii) will provide each bona fide offeree the opportunity to ask questions of, and receive answers from, the officers and employees of the Company concerning the terms and conditions of the offering of the Securities.

The Company acknowledges that closing of a Financing Transaction is subject, among other factors, to acceptable documentation, market conditions, and satisfaction of the conditions set forth in one or more agreements to be entered into with any financier, lender, investor or other purchaser of Securities. It is expressly understood that this engagement does not constitute any commitment, express or implied, on the part of Houlihan Lokey to acquire, and does not ensure the successful placement of, any portion of the Securities. The Company further acknowledges and agrees that Houlihan Lokey is not acting as an underwriter of the Securities and shall have no responsibility or obligation to underwrite the Securities.

In connection with all offers and sales of the Securities, the Company will cause to be addressed and delivered to Houlihan Lokey a written opinion of Company counsel acceptable to Houlihan Lokey containing (i) an opinion to the effect that the placement of Securities was exempt from registration under the Securities Act of 1933, as amended (the "Act"), and (ii) any other opinions of counsel that have been provided to investors or other purchasers of the Securities or which Houlihan Lokey may reasonably request. The Company also will cause to be furnished to Houlihan Lokey at or after each closing of a sale of Securities copies (addressed to Houlihan Lokey, if requested and as appropriate) of such agreements, opinions, certificates and other documents (including, without limitation, accountant's letters) as Houlihan Lokey may reasonably request. The Company hereby acknowledges and agrees that Houlihan Lokey shall be entitled to rely upon the representations and warranties made (whether pursuant to a subscription agreement or in any other format) to investors or other purchasers of Securities and the Company shall be deemed to have made such representations and warranties to and for the benefit of Houlihan Lokey.

It is understood that the offer and sale of the Securities in a Financing Transaction will be exempt from the registration requirements of the Act, pursuant to Section 4(2) thereof. The Company has not taken, and will not take, any action, directly or indirectly, so as to cause the transactions contemplated by this Agreement to fail to be entitled to exemption under Section 4(2) of the Act. The Company will

promptly from time to time take such reasonable action as necessary to qualify the Securities as a private placement under the securities laws of such States and foreign jurisdictions as any prospective investor or other purchaser may reasonably request and will comply with applicable laws. The Company shall cause the issuer of the Securities to offer and sell the Securities only to investors and other purchasers of the Securities that they reasonably believe to be “accredited investors”, as defined in Rule 501 of Regulation D under the Act. The Company will cause the issuer of the Securities to file in a timely manner with the Securities and Exchange Commission (the “SEC”) and/or each other regulatory authority any notices or other filings with respect to the Securities required by Rule 503 of Regulation D under the Act and/or other applicable law or regulation and will upon request furnish to Houlihan Lokey a signed copy of each such notice or filing promptly after its submission.

The Company represents and warrants that it has filed all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Securities Exchange Act of 1934, as amended (“1934 Act”) (all of the foregoing filed prior to the Effective Date and all exhibits included therein and financial statements, notes and schedules thereto and documents incorporated by reference therein being hereinafter referred to as the “SEC Documents”). As of their respective dates, all SEC Documents complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC promulgated thereunder applicable to the SEC Documents, and none of the SEC Documents, at the time they were filed with the SEC contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the SEC Documents complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto.

15. **Limitations on Services as Advisor.** Houlihan Lokey's services are limited to those specifically provided in this Agreement, or subsequently agreed upon in writing, by the parties hereto. Houlihan Lokey shall have no obligation or responsibility for any other services including, without limitation, any crisis management or business consulting services related to, among other things, the implementation of any operational, organizational, administrative, cash management, or similar activities. The parties understand that Houlihan Lokey is being engaged hereunder as an independent contractor to provide the services hereunder solely to the Company, and that Houlihan Lokey is not acting as an agent or fiduciary of the Company, its security holders or creditors or any other person or entity in connection with this engagement, and the Company agrees that it shall not make, and hereby waives, any claim based on an assertion of such an agency or fiduciary relationship. In performing its services pursuant to this Agreement, Houlihan Lokey is not assuming any responsibility for the Company's decision on whether to pursue, endorse or support any business strategy, or to effect, or not to effect, any Transaction(s), which decision shall be made by the Company in its sole discretion. Any duties arising by reason of this Agreement or as a result of the services to be rendered by Houlihan Lokey hereunder will be owed solely to the Company. In connection with any Transaction purported by the Company to be made pursuant to a 3(a)(9) Offer, the Company has not paid any commission or other remuneration, directly or indirectly, for soliciting or recommending such 3(a)(9) Offer to any soliciting broker, dealer, salesman, agent, employee or director of the Company, or any other person involved in any way on behalf of the Company in conflict with such Section 3(a)(9).

16. **Bankruptcy Court Approval.** In the event that the Company is or becomes a debtor under Chapter 11 of the Bankruptcy Code, whether voluntarily or involuntarily, the Company shall seek an order authorizing the employment of Houlihan Lokey pursuant to the terms of this Agreement, as a professional person pursuant to, and subject to the standard of review of, Section 328(a) of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and applicable local rules and orders and not subject to any other standard of review under Section 330 of the Bankruptcy Code. In so agreeing to seek Houlihan Lokey's retention under Section 328(a) of the

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Bankruptcy Code, the Company acknowledges that it believes that Houlihan Lokey's general restructuring experience and expertise, its knowledge of the capital markets and its merger and acquisition capabilities will inure to the benefit of the Company in pursuing any Transaction, that the value to the Company of Houlihan Lokey's services derives in substantial part from that expertise and experience and that, accordingly, the structure and amount of the contingent Transaction Fee(s) is reasonable regardless of the number of hours to be expended by Houlihan Lokey's professionals in the performance of the services to be provided hereunder. The Company shall submit Houlihan Lokey's employment application as soon as practicable following the Company's filing of a voluntary Chapter 11 case, or the entry of an order for relief in any involuntary case filed against the Company, and use its best efforts to cause such application to be considered on the most expedited basis. The employment application and the proposed order authorizing employment of Houlihan Lokey shall be provided to Houlihan Lokey as much in advance of any Chapter 11 filing as is practicable, and must be acceptable to Houlihan Lokey in its sole discretion. Following entry of the order authorizing the employment of Houlihan Lokey, the Company shall pay all fees and expenses due pursuant to this Agreement, as approved by the court having jurisdiction of the bankruptcy case involving the Company (the "Bankruptcy Court"), as promptly as possible in accordance with the terms of this Agreement and the order of such Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules and applicable local rules and orders, and will work with Houlihan Lokey to promptly file any and all necessary applications regarding such fees and expenses with the Bankruptcy Court. Houlihan Lokey shall have no obligation to provide services under this Agreement in the event that the Company becomes a debtor under the Bankruptcy Code unless Houlihan Lokey's retention under this Agreement is approved under Section 328(a) of the Bankruptcy Code by final order of the Bankruptcy Court no longer subject to appeal, rehearing, reconsideration or petition for certiorari, and which is acceptable to Houlihan Lokey in all respects. If the order authorizing the employment of Houlihan Lokey is not obtained, or is later reversed or set aside for any reason, Houlihan Lokey may terminate this Agreement, and the Company shall reimburse Houlihan Lokey for all fees and expenses reasonably incurred prior to the date of expiration or termination, subject to the requirements of the Bankruptcy Code, Bankruptcy Rules and applicable local rules and orders. Prior to commencing a Chapter 11 case, the Company shall pay all amounts due and payable to Houlihan Lokey in cash. The terms of this Section are solely for the benefit of Houlihan Lokey, and may be waived, in whole or in part, only by Houlihan Lokey.

17. **Additional Services.** To the extent Houlihan Lokey is requested by the Company to perform any financial advisory or investment banking services which are not within the scope of this engagement (such as rendering a fairness opinion), the Company shall pay Houlihan Lokey such fees as shall be mutually agreed upon by Houlihan Lokey and the Company in writing, in advance, depending on the level and type of services required, and shall be in addition to the fees and expenses described hereinabove.

If the Company, or the special committee if one is formed by the Company (the "Committee"), so requests and it is appropriate under the circumstances, Houlihan Lokey may, in its sole discretion, render an opinion (the "Opinion") as to the fairness, from a financial point of view, to the Company or holders of the common stock of the Company, as appropriate, of the consideration to be received, or the exchange ratio provided for, in a Sale Transaction involving the sale of (a) more than 50% of the outstanding shares of the common stock of the Company, or (b) all or substantially all of the assets of the Company constituting a change of control of the Company. The nature and scope of Houlihan Lokey's analysis as well as the form and substance of the Opinion shall be such as Houlihan Lokey deems appropriate. Houlihan Lokey shall be responsible only for the conclusions or opinions set forth in its written Opinion, and the Opinion will be subject to the limitations, qualifications and standards of conduct set forth therein. The Opinion will be furnished solely for the use of the Board of Directors of the Company, or the Committee (solely in its capacity as such) in connection with its evaluation of the Sale Transaction and may not be relied upon by any other person or entity or used for any other purpose without our express, prior written consent. In addition, if the Company is required under the federal securities laws to include



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the text of the Opinion and a description thereof in any proxy statement or other similar communication required to be filed by the Company with the Securities and Exchange Commission and delivered to the holders of the Company's common stock in connection with the Sale Transaction, the Company may do so, provided that (i) if the Opinion is included in such materials, the Opinion will be reproduced therein only in its entirety, and (ii) the content and context of any such inclusion or description (including, without limitation, any reference to Houlihan Lokey, the engagement of Houlihan Lokey, the services provided by Houlihan Lokey or the Opinion) shall be subject to Houlihan Lokey's prior review and written approval (and, if applicable, formal written consent and (iii) the Company shall, as a condition to such approval, pay Houlihan Lokey an additional fee, which shall be mutually agreed upon by the parties hereto.)

If the Company determines that an Opinion is necessary, the Company shall pay Houlihan Lokey, in addition to the other fees set forth in this Agreement, an additional cash fee to be mutually agreed (the "Opinion Fee"), which shall be payable at the time Houlihan Lokey notifies the Company that it is prepared to render an Opinion. No portion of the Opinion Fee is contingent upon the closing of the Sale Transaction or any conclusions set forth in the Opinion.

18. **Required Services.** If Houlihan Lokey is required to render services not described herein, but which relate directly or indirectly to the subject matter of this Agreement (including, but not limited to, producing documents, answering interrogatories, attending depositions, giving expert or other testimony, whether by subpoena, court process or order, or otherwise), the Company shall pay Houlihan Lokey additional fees to be mutually agreed upon for such services, plus reasonable related out-of-pocket costs and expenses, including, among other things, the reasonable legal fees and expenses of Houlihan Lokey's counsel in connection therewith.

19. **Credit.** After the announcement or closing of any Transaction, Houlihan Lokey may, at its own expense, place announcements on its corporate website and in financial and other newspapers and periodicals (such as a customary "tombstone" advertisement, including the Company's logo or other identifying marks) describing its services in connection therewith. Furthermore, if requested by Houlihan Lokey, the Company agrees that in any press release announcing any Transaction, the Company will include in such press release a mutually acceptable reference to Houlihan Lokey's role as financial advisor to the Company with respect to such Transaction.

20. **Choice of Law; Jury Trial Waiver; Jurisdiction.** THIS AGREEMENT SHALL BE DEEMED TO BE MADE IN NEW YORK. ALL DISPUTES ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS. EACH OF HOULIHAN LOKEY AND THE COMPANY (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS EQUITY HOLDERS) IRREVOCABLY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) RELATED TO OR ARISING OUT OF THE ENGAGEMENT OF HOULIHAN LOKEY PURSUANT TO, OR THE PERFORMANCE BY HOULIHAN LOKEY OF THE SERVICES CONTEMPLATED BY, THIS AGREEMENT. REGARDLESS OF ANY PRESENT OR FUTURE DOMICILE OR PRINCIPAL PLACE OF BUSINESS OF THE PARTIES HERETO, EACH PARTY HEREBY IRREVOCABLY CONSENTS AND AGREES THAT ANY CLAIMS OR DISPUTES BETWEEN OR AMONG THE PARTIES HERETO ARISING OUT OF OR RELATED TO THIS AGREEMENT (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) SHALL BE BROUGHT AND MAINTAINED IN ANY FEDERAL OR STATE COURT OF COMPETENT JURISDICTION SITTING IN THE COUNTY OF NEW YORK IN THE STATE OF NEW YORK OR IN THE UNITED STATES DISTRICT COURT FOR

**THE SOUTHERN DISTRICT OF NEW YORK, WHICH COURTS SHALL HAVE EXCLUSIVE JURISDICTION OVER THE ADJUDICATION OF SUCH MATTERS, AND AGREES TO VENUE IN SUCH COURTS; PROVIDED THAT SUCH CONSENT AND AGREEMENT SHALL NOT BE DEEMED TO REQUIRE ANY BANKRUPTCY CASE INVOLVING THE COMPANY TO BE FILED IN SUCH COURTS, AND IF THE COMPANY BECOMES A DEBTOR UNDER CHAPTER 11 OF THE BANKRUPTCY CODE, DURING ANY SUCH CASE, ANY CLAIMS MAY ALSO BE HEARD AND DETERMINED BEFORE THE BANKRUPTCY COURT. EACH PARTY FURTHER IRREVOCABLY SUBMITS AND CONSENTS IN ADVANCE EXCLUSIVELY TO SUCH JURISDICTION AND VENUE IN ANY ACTION OR SUIT COMMENCED IN ANY SUCH COURTS, AND HEREBY WAIVES IN ALL RESPECTS ANY CLAIM OR OBJECTION WHICH IT MAY HAVE BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS. THE COMPANY AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, SUIT OR CLAIM BROUGHT IN ANY OF THE COURTS REFERRED TO ABOVE SHALL BE CONCLUSIVE AND BINDING UPON IT AND MAY BE ENFORCED IN ANY OTHER COURTS HAVING JURISDICTION OVER IT BY SUIT UPON SUCH JUDGMENT. THE COMPANY IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN ALL SUCH DISPUTES BY THE MAILING OF COPIES OF SUCH PROCESS TO THE COMPANY AT 801 CHERRY STREET, SUITE 3700, UNIT 19, FORT WORTH, TX 76102, ATTN: GLENN DARDEN AND JOHN REGAN WITH A COPY, WHICH COPY SHALL NOT BE DEEMED NOTICE, TO AKIN GUMP STRAUSS HAUER & FELD LLP, 1700 PACIFIC AVENUE, SUITE 4100, DALLAS, TX 75201, ATTN: SARAH LINK SCHULTZ.**

21. **Indemnification and Standard of Care.** As a material part of the consideration for the agreement of Houlihan Lokey to furnish its services under this Agreement, the Company agrees (i) to indemnify and hold harmless Houlihan Lokey and its affiliates, and their respective past, present and future directors, officers, shareholders, partners, members, employees, agents, representatives, advisors, subcontractors and controlling persons (collectively, the "Indemnified Parties"), to the fullest extent lawful, from and against any and all losses, claims, damages or liabilities (or actions in respect thereof), joint or several, arising out of or related to this Agreement, Houlihan Lokey's engagement under this Agreement, any Transaction or proposed Transaction, or any actions taken or omitted to be taken by an Indemnified Party or the Company in connection with this Agreement and (ii) to reimburse each Indemnified Party for all expenses (including, without limitation, the fees and expenses of counsel) as they are incurred in connection with investigating, preparing, pursuing, defending, settling, compromising or otherwise becoming involved in any action, suit, dispute, inquiry, investigation or proceeding, pending or threatened, brought by or against any person or entity (including, without limitation, any shareholder or derivative action), arising out of or relating to this Agreement, or such engagement, Transaction or actions. However, the Company shall not be liable under the foregoing indemnification provision for any loss, claim, damage or liability which is finally judicially determined by a court of competent jurisdiction to have resulted primarily from the willful misconduct or gross negligence of such Indemnified Party.

If for any reason the foregoing indemnification or reimbursement is unavailable to any Indemnified Party or insufficient fully to indemnify any such party or to hold it harmless in respect of any losses, claims, damages, liabilities or expenses referred to in such indemnification or reimbursement provisions, then the Company shall contribute to the amount paid or payable by the Indemnified Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and Houlihan Lokey, on the other hand, in connection with the matters contemplated by this Agreement. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then the Company shall contribute to such amount paid or payable by any Indemnified Party in such proportion as is appropriate to reflect not only such relative benefits, but also the relative fault of the Company, on the one hand, and such Indemnified Party, on the other hand, in connection therewith, as well as any other

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relevant equitable considerations. Notwithstanding the foregoing, in no event shall the Indemnified Parties be required to contribute an aggregate amount in excess of the amount of fees actually received by Houlihan Lokey from the Company pursuant to this Agreement. Relative benefits received by the Company, on the one hand, and Houlihan Lokey, on the other hand, shall be deemed to be in the same proportion as (i) the total value paid or received or contemplated to be paid or received by the Company, and its security holders and creditors, as the case may be, pursuant to the transaction(s) (whether or not consummated) contemplated by the engagement hereunder, bears to (ii) the fees received by Houlihan Lokey under this Agreement. The Company shall not settle, compromise or consent to the entry of any judgment in or otherwise seek to terminate any pending or threatened action, suit, dispute, inquiry, investigation or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not an Indemnified Party is an actual or potential party thereto), unless such settlement, compromise, consent or termination contains a release of the Indemnified Parties reasonably satisfactory in form and substance to Houlihan Lokey.

The Company further agrees that neither Houlihan Lokey nor any other Indemnified Party shall have any liability (whether direct or indirect and regardless of the legal theory advanced) to the Company or any person or entity asserting claims on behalf of or in right of the Company related to or arising out of this Agreement, Houlihan Lokey's engagement under this Agreement, any Transaction or proposed Transaction, or any actions taken or omitted to be taken by an Indemnified Party or the Company in connection with this Agreement, except for losses, claims, damages or liabilities incurred by the Company which are finally judicially determined by a court of competent jurisdiction to have resulted primarily from the willful misconduct or gross negligence of such Indemnified Party.

The Company shall cause any new company that may be formed by the Company, for any purpose, to agree to all of the obligations in this Section to Houlihan Lokey in accordance with the foregoing provisions. Prior to entering into any agreement or arrangement with respect to, or effecting, any (i) merger, statutory exchange or other business combination or proposed sale, exchange, dividend or other distribution or liquidation of all or a significant portion of its assets, or (ii) significant recapitalization or reclassification of its outstanding securities that does not directly or indirectly provide for the assumption of the obligations of the Company set forth in this Agreement, the Company will notify Houlihan Lokey in writing thereof (if not previously so notified) and, if requested by Houlihan Lokey, shall arrange in connection therewith alternative means of providing for the obligations of the Company set forth in this Agreement, including the assumption of such obligations by another party, insurance, surety bonds, the creation of an escrow, or other credit support arrangements, in each case in an amount and upon terms and conditions satisfactory to Houlihan Lokey. The Company agrees that Houlihan Lokey would be irreparably injured by any breach of this Agreement (including, without limitation, the agreement set forth in the immediately preceding sentence), that money damages alone would not be an adequate remedy for any such breach and that, in the event of any such breach, Houlihan Lokey shall be entitled, in addition to any other remedies, to pursue injunctive relief and specific performance.

The indemnity, reimbursement, and other obligations and agreements of the Company set forth herein (i) shall apply to any services provided by Houlihan Lokey in connection with this engagement prior to the Effective Date and to any modifications of this Agreement, (ii) shall be in addition to any obligation or liability which the Company may otherwise have to any Indemnified Party, (iii) shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Company or any Indemnified Party or any person controlling any of them, and (iv) shall survive the completion of the services described in, and any expiration or termination of the relationship established by, this Agreement.

22. **Miscellaneous.** This Agreement shall be binding upon the parties hereto and their respective successors, heirs and permitted assigns and any successor, heir or assign of any substantial portion of

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such parties' respective businesses and/or assets, including any Chapter 11 or Chapter 7 trustee appointed on behalf of the Company.

Neither Houlihan Lokey nor the Company may assign its rights or obligations under this Agreement without the prior written consent or the other, and any purported assignment of this Agreement in violation of the foregoing shall be null and void.

Nothing in this Agreement, express or implied, is intended to confer or does confer on any person or entity, other than the parties hereto, the Indemnified Parties and each of their respective successors, heirs and permitted assigns, any rights or remedies (directly or indirectly as a third party beneficiary or otherwise) under or by reason of this Agreement or as a result of the services to be rendered by Houlihan Lokey hereunder.

This Agreement is the complete and exclusive statement of the entire understanding of the parties regarding the subject matter hereof, and supersedes all previous agreements or understandings regarding the same, whether written or oral. This Agreement may not be amended, and no portion hereof may be waived, except in a writing duly executed by the parties hereto.

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect pursuant to the terms hereof.

To help the United States government fight the funding of terrorism and money laundering activities, the federal law of the United States requires all financial institutions to obtain, verify and record information that identifies each person with whom they do business as a condition to doing business with that person. Accordingly, the Company will provide Houlihan Lokey upon request certain identifying information necessary to verify the Company's identity, such as a government-issued identification number (e.g., a U.S. taxpayer identification number), certified articles of incorporation, a government-issued business license, partnership agreement or trust instrument.

This Agreement may be executed in any number of counterparts, each of which will be deemed an original and all of which will constitute one and the same instrument. Such counterparts may be delivered by one party to the other by facsimile or other electronic transmission, and such counterparts shall be valid for all purposes.

The Company has all requisite power and authority to enter into this Agreement. This Agreement has been duly and validly authorized by all necessary action on the part of the Company and has been duly executed and delivered by the Company and constitutes a legal, valid and binding agreement of the Company, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application with respect to creditors and general principles of equity. Houlihan Lokey has all requisite power and authority to enter into this Agreement. This Agreement has been duly and validly authorized by all necessary action on the part of Houlihan Lokey and has been duly executed and delivered by Houlihan Lokey and constitutes a legal, valid and binding agreement of Houlihan Lokey, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application with respect to creditors and general principles of equity. This Agreement has been reviewed by the signatories hereto and their counsel. There shall be no construction of any provision against Houlihan Lokey because this Agreement was drafted by Houlihan Lokey, and the parties waive any statute or rule of law to such effect.

The Company agrees that it will be solely responsible for ensuring that any Transaction complies with applicable law. The Company understands that Houlihan Lokey is not undertaking to provide any

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legal, regulatory, accounting, insurance, tax or other similar professional advice and the Company confirms that it is relying on its own counsel, accountants and similar advisors for such advice.

To the extent that the Company hereunder is comprised of more than one entity or company, the obligations of the Company under this Agreement are joint and several, and any consent, direction, approval, demand, notice or the like given by any one of such entities or companies shall be deemed given by all of them and, as such, shall be binding on the Company.

The Company understands and acknowledges that Houlihan Lokey and its affiliates, including ORIX USA Corporation and its subsidiaries and affiliates (collectively, the "Houlihan Lokey Group"), engage in providing investment banking, securities trading, financing, and financial advisory services and other commercial and investment banking products and services to a wide range of institutions and individuals. In the ordinary course of business, the Houlihan Lokey Group and certain of its employees, as well as investment funds in which they may have financial interests or with which they may co-invest, may acquire, hold or sell, long or short positions, or trade or otherwise effect transactions, in debt, equity, and other securities and financial instruments (including bank loans and other obligations) of, or investments in, the Company or any other party that may be involved in the matters contemplated by this Agreement or have other relationships with such parties. With respect to any such securities, financial instruments and/or investments, all rights in respect of such securities, financial instruments and investments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion. In addition, the Houlihan Lokey Group may in the past have had, and may currently or in the future have, financial advisory or other investment banking relationships with parties involved in the matters contemplated by this Agreement, including parties that may have interests with respect to the Company, a Transaction or other parties involved in a Transaction, from which conflicting interests or duties may arise. Although the Houlihan Lokey Group in the course of such other activities and relationships may acquire information about the Company, a Transaction or such other parties, or that otherwise may be of interest to the Company, the Houlihan Lokey Group shall have no obligation to, and may not be contractually permitted to, disclose such information, or the fact that the Houlihan Lokey Group is in possession of such information, to the Company or to use such information on the Company's behalf.

In order to enable Houlihan Lokey to bring relevant resources to bear on its engagement hereunder from among its global affiliates, the Company agrees that Houlihan Lokey may share information obtained from the Company and other parties hereunder with other members of the Houlihan Lokey Group, and may perform the services contemplated hereby in conjunction with such other members, in each case consistent with the Confidentiality Agreement.

The Company acknowledges that Houlihan Lokey and/or its affiliates have in the past provided certain financial advisory services to the Company, and the Company (on its own behalf and, to the extent permitted by applicable law, on behalf of its security holders) knowingly and voluntarily (a) waives and releases, to the fullest extent permitted by law, any claims it may have against the Houlihan Lokey or its affiliates arising out of, resulting from or based upon such services/engagements (it being understood that such waiver shall not be construed to apply to any breach of the Confidentiality Agreement by Houlihan Lokey), and (b) waives any actual or potential conflicts of interest which may result from Houlihan Lokey's and/or such affiliates' multiple roles as an advisor to the Company and an advisor to the Company pursuant to this Agreement.

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If the foregoing correctly sets forth our agreement, please sign and return to us a copy of this Agreement along with a check (or wire transfer confirmation) for \$175,000.00 on account of the Initial Fee.

All of us at Houlihan Lokey thank you for choosing us to advise the Company, and look forward to working with you on this engagement.

Very truly yours,

HOULIHAN LOKEY CAPITAL, INC.

By: 

**Adam Dunayer**  
Managing Director

Accepted and agreed to as of the Effective Date:

**Quicksilver Resources Inc.**, on its own behalf, and on behalf of its direct and indirect subsidiaries

By: 

**Glenn Darden**  
Chief Executive Officer and President

**Personal and Confidential**

January 27, 2014

Quicksilver Resources Inc.  
801 Cherry Street, Suite 3700, Unit 19  
Fort Worth, TX 76102  
Attn: Mr. Glenn Darden, Chief Executive Officer and President

Initial fee

\$175,000.00

**PAYMENT DUE UPON RECEIPT**

**Please Send Checks To:**  
Houlihan Lokey Capital, Inc.  
Accounts Receivable Department  
10250 Constellation Blvd., 5<sup>th</sup> Floor  
Los Angeles, California 90067

**Wire Transfer Instructions:**  
Bank of America  
Wire Transfer ABA #026009593  
ACH ABA #121000358  
fbo Houlihan Lokey Capital, Inc.  
Account #1453120593  
Swift Code (International Wires Only): BOFAUS3N

EXHIBIT A

For purposes of the agreement, Excluded Transactions shall include the following:

- Sale of the Company's assets located in Colorado to Southwestern
- Transaction between the Company and Tokyo Gas Co. Ltd. related to the Company's equity interest in and/or those assets owned by Quicksilver Resources Canada, Inc. ("QRCI")
- Transaction between the Company and Tokyo Electric Power Company and/or one of its affiliated entities that is related to the Company's equity interest in and/or those assets owned by QRCI
- Transaction between the Company and Japan Bank for International Cooperation and/or one of its affiliated entities that is related to the Company's equity interest in and/or those assets owned by QRCI
- Transaction between the Company and Pavilion Energy Pte. Ltd. and/or one of its affiliated entities that is related to the Company's equity interest in and/or those assets owned by QRCI
- Transaction between the Company and Crestwood Holding Partners LLC and/or one of its affiliated entities



**Exhibit B**

**Dunayer Declaration**

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

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

**DECLARATION OF ADAM DUNAYER IN SUPPORT OF THE DEBTORS’  
APPLICATION FOR ENTRY OF AN ORDER PURSUANT TO BANKRUPTCY  
CODE SECTIONS 327(A) AND 328(A) (A) AUTHORIZING THE EMPLOYMENT  
AND RETENTION OF HOULIHAN LOKEY CAPITAL, INC. AS FINANCIAL  
ADVISOR AND INVESTMENT BANKER TO THE DEBTORS AND DEBTORS  
IN POSSESSION, *NUNC PRO TUNC* TO THE PETITION DATE,  
(B) WAIVING CERTAIN TIME-KEEPING REQUIREMENTS  
PURSUANT TO LOCAL RULE 2016-2(H) AND (C) GRANTING RELATED RELIEF**

I, ADAM DUNAYER, declare as follows:

1. I am familiar with the matters set forth herein and, if called as a witness, I could and would testify thereto.
2. I am a managing director of Houlihan Lokey Capital, Inc. (“Houlihan Lokey”) and am duly authorized to execute this declaration (the “Declaration”) on behalf of Houlihan Lokey.
3. I make this Declaration in support of the Debtors’ Application for Entry of an Order Pursuant to Bankruptcy Code sections 327(a) and 328(a) (A) Authorizing the Employment

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<sup>11</sup> 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.

and Retention of Houlihan Lokey Capital Inc. as Financial Advisor and Investment Banker to the Debtors and Debtors in Possession, *Nunc Pro Tunc* to the Petition Date, (B) Waiving Certain Time-Keeping Requirements Pursuant to Local Rule 2016-2(h) and (C) Granting Related Relief (the “Application”).<sup>12</sup> This Declaration is also submitted as the statement required pursuant to §§ 328(a), 329, and 504 of title 11 of the United States Code (11 U.S.C. §§ 101 et seq. (as amended, the “Bankruptcy Code”) and Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

4. Houlihan Lokey is an internationally recognized investment banking and financial advisory firm, with eighteen offices worldwide and more than 1,000 professionals. Houlihan Lokey’s Financial Restructuring Group, which has more than 170 professionals, is one of the leading advisors and investment bankers to unsecured and secured creditors, debtors, acquirers, and other parties-in-interest involved with financially troubled companies both in and outside of bankruptcy. Houlihan has been, and is, involved in some of the largest restructuring cases in the United States, including representing debtors in *Mark IV Industries*, *Buffets Holdings, Inc.*, *Bally Total Fitness Holding Corp.*, *XO Communications, Inc.*, *Six Flags, Inc.*, *Granite Broadcasting Corp.*, and *MS Resorts* and official committees in *Lehman Brothers Holdings Inc.*, *Arcapita Bank B.S.C(c)*, *Enron Corp.*, *WorldCom, Inc.*, *Delta Air Lines, Inc.*, *General Growth Properties*, *Capmark*. In addition, Houlihan Lokey has represented debtors or creditors in numerous oil and gas restructuring cases, including with respect to the pre-petition first lien lenders and debtor-in-possession lenders in *ATP Oil & Gas Corporation* and *BPZ Resources, Inc.*

5. Houlihan Lokey has agreed to provide investment banking and financial advisory services to the Debtors in the above-captioned chapter 11 cases pursuant to the terms and

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<sup>12</sup> Unless otherwise defined, all capitalized terms used herein have the meanings ascribed to them in the Application.

conditions of that certain Engagement Letter dated January 27, 2014 (the “Houlihan Engagement Letter”) by and between Houlihan Lokey and Quicksilver Resources Inc. with each of its direct and indirect subsidiaries. The Engagement Letter is attached as Exhibit 1 to Exhibit A to the Application.

6. Among other things, the Houlihan Engagement Letter provides that the Debtors shall indemnify Houlihan Lokey and certain other Indemnified Parties against any and all losses, claims, damages, or liabilities to which Houlihan Lokey or the other Indemnified Parties may become subject in connection with services provided pursuant to the Houlihan Engagement Letter. The Debtors shall pay Houlihan Lokey’s fees and expenses, including counsel fees, as they are incurred in defending any such claim. Where it has been determined in a final judgment by a court of competent jurisdiction that the claim resulted primarily from the gross negligence or willful misconduct of Houlihan Lokey or an Indemnified Party, the Debtors shall not be liable for indemnifying Houlihan Lokey or the other Indemnified Parties. Notwithstanding a final judgment determining that a claim did not result from Houlihan Lokey’s gross negligence or willful misconduct, the Debtors shall not pay any indemnification claim without further notice and a hearing before the Bankruptcy Court for approval of such payment.

7. In addition to me, the principal professionals who have rendered, and are expected to render, services to the Debtors are as follows: Eric Siegert, John-Paul Hanson, Michael Boone, Daniel Crowley, Justin Zammit, Marcus Bellows, Scott Ingles, Jacob Broom, and Neel Gupta. A summary of the qualifications of the principal professionals is attached hereto as **Schedule 1** and is incorporated herein by this reference.

8. By way of further disclosure:

- (a) From time to time, Houlihan Lokey’s Financial Restructuring Group, which is providing the services in this case, has provided services, and likely will continue to provide services to certain attorneys, other

professionals, creditors (including lenders) and/or security holders of the Debtors and various other parties, some of whom may be providing services to, or may be adverse to, or may be otherwise connected to, the Debtors, in each case in matters unrelated to these chapter 11 cases.

- (b) In addition to its Financial Restructuring Group, Houlihan Lokey and the other subsidiaries of its direct parent company, Houlihan Lokey, Inc., that are engaged in providing investment banking and financial advisory services globally (collectively, the “Houlihan Lokey Group”) provide services to a wide range of institutions and individuals and may in the past have had, and may currently or in the future have, financial advisory or other investment banking or consulting relationships with parties that may have interests with respect to the Debtor. In the ordinary course of business, investment funds affiliated with the Houlihan Lokey Group and certain of the Houlihan Lokey Group’s employees, as well as investment funds in which such employees may have financial interests, but over whose investment decisions such employees have no input or control, may acquire, hold or sell, long or short positions, or trade or otherwise effect transactions, in debt, equity, and other securities and financial instruments (including bank loans and other obligations) of, or investments in, the Debtors or other parties that may have an interest in these chapter 11 cases or have other relationships with such parties. With respect to any such securities, financial instruments, and/or investments, all rights in respect of such securities, financial instruments, and investments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion. Moreover, the Houlihan Lokey employees who are working on these chapter 11 cases are subject to compliance mechanisms and policies and procedures designed to prevent confidential, non-public information from being improperly shared.
- (c) The Houlihan Lokey Group’s Hedge Fund and Derivatives Valuation Services Group provides valuation opinions on the securities and derivative holdings of various business development companies, private equity firms and hedge funds, which may include debt securities of the Debtors. This work is unrelated to the financial advisory and investment banking services that Houlihan Lokey intends to provide in these chapter 11 cases. Moreover, the Houlihan Lokey Group, through the establishment of an “Information Wall” has separated its employees in the Hedge Fund and Derivatives Valuation Services Group from the rest of the employees of the Houlihan Lokey Group. This Information Wall includes physical and technological barriers, compliance mechanisms, and policies and procedures designed to prevent confidential, non-public information and work product from being shared improperly.
- (d) In the ordinary course of its business, Houlihan Lokey from time to time discusses issues concerning stressed and distressed companies with creditors and prospective creditors that are clients of the firm, or that otherwise contact Houlihan Lokey, or that are referred to the firm in light of Houlihan Lokey’s reputation for covering such companies and/or relevant industry expertise. At the time of those contacts, it is not known whether any particular company will actually file for bankruptcy, or if any of these creditors and/or potential creditors will serve on any future Committee, or even be a creditor of the relevant estate in the event of a future bankruptcy. It is also Houlihan Lokey’s customary practice to

communicate with and, when appropriate or requested, send materials to one, or more, of the 50 largest unsecured creditors identified by a debtor and who are, therefore, potential members of a creditors' committee, if we either know, work with, are contacted by, or are otherwise referred to the relevant creditor. In some circumstances, we may contact potential committee members with whom we are not previously familiar.

- (e) Houlihan Lokey personnel may have business associations with certain creditors of the Debtors or counsel or other professionals involved in these chapter 11 cases on matters unrelated to these chapter 11 cases. In addition, in the ordinary course of its business, Houlihan Lokey may engage counsel or other professionals in unrelated matters who now represent, or in the future may represent, creditors or other interested parties in these chapter 11 cases.
- (f) Houlihan Lokey is indirectly majority-owned by ORIX USA Corporation, an affiliate of ORIX Corporation, a diversified financial services company based in Japan (collectively, "ORIX"), which has a wide-range of business interests in 26 countries. ORIX's businesses (other than the Houlihan Lokey Group) are not managed or controlled by the Houlihan Lokey Group or any of its employees and the Houlihan Lokey Group has no input into any of ORIX's decisions regarding its other businesses. While ORIX does control a majority of the equity of the Houlihan Lokey Group (approximately 48% of the common equity is held by Houlihan Lokey Group employees), the Houlihan Lokey Group is operated as a separate business from all other ORIX entities. As evidence of this separateness, (i) the Houlihan Lokey Group is governed by a 17-person board of directors, thirteen of whom are Houlihan Lokey Group employees and four are designated by ORIX, (ii) the activities of the Houlihan Lokey Group are managed on a day-to-day basis exclusively by Houlihan Lokey Group employees, (iii) only the profits and losses of the Houlihan Lokey Group businesses are taken into account in valuing the equity of the Houlihan Lokey Group, and (iv) the aggregate annual compensation of Houlihan Lokey Group professionals is set by formula and ORIX has no input in determining that amount.

9. To determine its relationship with parties in interest in these chapter 11 cases, Houlihan Lokey has researched the client databases maintained with respect to the Houlihan Lokey Group to determine whether it has any relationships with the entities (individually an "Interested Party" and collectively, the "Interested Parties") that were identified to Houlihan Lokey by the Debtor. Such entities include the following: (i) the Debtors and their affiliates; (ii) the Debtors' (a) former and current officers and directors, and other key employees, (b) lenders and their affiliates, (c) lenders' restructuring advisors, (d) potential and active litigation counterparties, (e) equity interest holders, (f) banking institutions, (g) insurance

carriers, (h) landlords, (i) other professionals proposed to be retained in these chapter 11 cases, (j) vendors, (k) taxing authorities and (l) utility providers; and (iii) the United States Trustee for the District of Delaware, judges and court personnel for the District of Delaware. In addition to checking the client data base maintained by the Houlihan Lokey Group, Houlihan Lokey checked this list of Interested Parties and determined that none of them is a company controlled by ORIX outside the Houlihan Lokey Group.

10. The attached **Schedule 2** details the relationship check performed by Houlihan Lokey and identifies any relationships discovered through such investigation that members of the Houlihan Lokey Group have with any Interested Parties in these chapter 11 cases.

11. To the best of my knowledge, information, and belief after reasonable inquiry, other than as disclosed in this Declaration, neither I, the Houlihan Lokey Group, nor any of our professionals or employees participating in or connected with Houlihan Lokey's engagement with the Debtors (i) is related to the Debtors or any other party in interest herein, the United States Trustee for this District, or anyone employed in the United States Trustee's Office for this District; (ii) has any connection with or holds or represents any interest adverse to the Debtors, their estate, their creditors, or any other Interested Party or their respective attorneys in the matters on which Houlihan Lokey is proposed to be retained; or (iii) has advised any Interested Party, except for the Debtors, in connection with these chapter 11 cases. In addition, Houlihan Lokey does not believe that any relationship that the Houlihan Lokey Group, or any of our professionals or employees participating in or connected with Houlihan Lokey's engagement with the Debtors may have with any Interested Party in connection with any unrelated matter will interfere with or impair Houlihan Lokey's representation of the Debtors in these chapter 11 cases.

12. To the extent Houlihan Lokey discovers any facts bearing on the matters described herein during the period of Houlihan Lokey's retention, Houlihan Lokey undertakes to amend and supplement the information contained in this Declaration to disclose such facts.

13. Based on all of the foregoing, Houlihan Lokey is a "disinterested person" as that term is defined in Section 101(14) of the Bankruptcy Code.

14. No agreement presently exists to share with any other person or firm any compensation received by Houlihan Lokey for its services in this case. If any such agreement is entered into, Houlihan Lokey undertakes to amend and supplement this Declaration to disclose the terms of any such agreement.

15. No promises have been received by Houlihan Lokey, or by any employee thereof, as to compensation in connection with this case other than in accordance with the provisions of the Bankruptcy Code.

16. I am generally familiar with the Bankruptcy Code and the Bankruptcy Rules, and Houlihan Lokey will comply with them, subject to the Orders of this Court.

17. I declare under penalty of perjury that the foregoing is true and correct.



Executed on this 25<sup>th</sup> day of March, 2015.

A handwritten signature in black ink, reading "Adam Dunayer". The signature is written in a cursive style with a large initial "A".

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Adam Dunayer

**Schedule 1**

**Principal Professionals**

**Eric Siegert**

Mr. Siegert is a Senior Managing Director and Co-Head of Houlihan Lokey's Global Financial Restructuring practice. Since joining the firm more than 25 years ago, he has worked on more than 100 restructuring transactions, including many of the world's largest and most complex. On the creditor side, transactions include Lehman Brothers Holdings Inc., General Motors, Enron, Conseco, Visteon Corp., NRG, Mirant Corp., Centro Properties, and Residential Capital, LLC. On the company side, transactions include Payless Cashways Inc., Purina Mills, LLC, C.R. Anthony Co., AEI Coal Sales Co., Westmoreland Coal Co., and Sino-Forest Corp.

Mr. Siegert has testified in bankruptcy court as an expert on valuation and financial restructuring matters, and is a frequent speaker on financial restructuring topics. He serves on the Board of Directors of Wise Metals Group and Joy Global Inc., and formerly served on the Board of Directors of Alabama River Group prior to its sale to Georgia-Pacific Corp.

Mr. Siegert holds a B.A. in Economics from the University of California at Berkeley.

**Adam Dunayer (Managing Director):**

Mr. Dunayer is a Managing Director in Houlihan Lokey's Dallas office, where he is a member of the Financial Restructuring Group. He leads the firm's regional financial restructuring and distressed-company M&A efforts. He has over two decades of experience consummating transactions and providing strategic advice to companies and creditors in connection with in- and out-of-court financial restructurings, mergers, acquisitions and dispositions. He also has extensive experience raising debt and equity capital in public and private markets.

Mr. Dunayer's experience spans industries including consumer products, food, healthcare, building products, energy, general industrial, telecom and technology. His recent engagements include Spansion (secured creditors); American Safety Razor (secured creditors); Innovative Communication (company); Heartland Automotive (secured creditors); Pilgrim's Pride (equity committee) and Global Home Products (company). He speaks frequently on trends and issues in restructuring, distressed M&A and other topics. He has also testified as an expert witness on a variety of bankruptcy and restructuring issues.

Before joining Houlihan Lokey, Mr. Dunayer was a managing director with Bear, Stearns & Co. He was also an executive vice president and chief financial officer with Miller Industries, where he also served as president of the company's largest subsidiary.

Mr. Dunayer holds a B.B.A. from the University of Texas at Austin. He is a member of the American Bankruptcy Institute and the Turnaround Management Association.

**John-Paul Hanson (Managing Director):**

Mr. Hanson is a Managing Director at Houlihan Lokey, where he is a senior banker in the firm's Financial Restructuring Group, Head of Houlihan Lokey's Oil and Gas E&P Group, and Co-Head of the firm's Energy Group. Mr. Hanson is based in the New York office.

During his career, Mr. Hanson has worked on numerous financing, M&A, and restructuring engagements. He has advised companies, secured and unsecured creditors, and other stakeholders in both out-of-court and in-court restructurings, including "pre-packaged," "pre-arranged," and "free-fall" chapter 11 bankruptcy cases. In addition to domestic transactions, he has been involved in transactions for several Latin American, European, and South African based companies, advising companies and stakeholders regarding the structuring and implementation of financings, M&A transactions, out-of-court exchange offers, and "pre-arranged" reorganizations in local jurisdictions. His notable engagements include: ATP Oil & Gas Corp.; Trident Resources Corp.; Trident Exploration Corp.; Beacon Power, LLC; U.S. Department of Energy Loan Program Office; U.S. Energy Corp.; GBGH Ltd.; Big West Oil, LLC; Solutia, Inc.; National Energy & Gas Transmission, Inc. (formerly PG&E NEG); and Southaven Power, LLC., among others within both the energy industry and a variety of other sectors.

Before joining Houlihan Lokey, Mr. Hanson was a manager of alternative lending at Commonfund Mortgage Corp., where he structured whole loan and portfolio fundings, sales, and securitizations involving a variety of asset-backed lending transactions. Earlier in his career, he held a similar position at MoneyLine Lending. Mr. Hanson began his career in finance, trading fixed income securities at NNJ, a private family wealth fund formerly based in San Francisco, Calif.

Mr. Hanson has authored, co-authored, and spoken on various topics, including: Trends in Financial Restructuring, Financing Markets in a Distressed Environment, Valuation Dynamics in Financial Restructuring, and Valuing Net Operating Losses, among others. Mr. Hanson currently serves on the Board of Directors of Bennu Oil & Gas, LLC, an entity established for the purpose of acquiring and operating oil and gas properties in the Gulf of Mexico.

Mr. Hanson earned a dual B.A. degree, cum laude, in Italian and International Finance from Brigham Young University and an MBA, with a concentration in Finance, from the University of Maryland's Robert H. Smith School of Business.

**Michael Boone (Director):**

Mr. Boone is a Director in Houlihan Lokey's Dallas office, where he is a member of the Financial Restructuring Group and focuses on distressed mergers and acquisitions, special situations financing, and financial restructuring transactions. He has over a decade of experience advising troubled businesses and their creditors in a wide range of industries including oil field services, manufacturing, distribution, specialty retail, building products, and telecommunications.

Before joining Houlihan Lokey, Mr. Boone was with both FTI Consulting and Arthur Andersen in their respective restructuring groups. While he was with these firms, he advised creditors and companies with respect to crisis management and restructuring transactions in the telecommunications, distribution, and manufacturing industries.

Mr. Boone holds a B.A. from Vanderbilt University and an MBA from the McCombs School of Business at the University of Texas at Austin. He also holds the designation of Chartered Financial Analyst.

**Daniel Crowley, III (Vice President):**

Mr. Crowley is a Vice President in Houlihan Lokey's Financial Restructuring Group and is a member of the Oil & Gas Exploration & Production Group. He is based in the firm's New York office.

During his career, Mr. Crowley has worked on restructuring, financing, and M&A engagements in a variety of industries, with a specific focus on upstream oil & gas. He has advised a wide range of constituents, including companies, boards of directors, and debt and equity investors.

Mr. Crowley's notable public engagements include ATP Oil & Gas Corp., Endeavour International Corp., Quicksilver Resources Inc., Bennu Oil & Gas, LLC, Trident Exploration Corp., General Motors Corp., Delphi Automotive Corp., Overseas Shipholding Group Inc., ZAIS Investment Grade Limited VII, Herbst Gaming Inc., and Aliante Station Casino and Hotel.

Mr. Crowley holds a B.A. in Economics from Columbia College.

**Marcus Bellows (Associate):**

Mr. Bellows is an Associate in Houlihan Lokey's Financial Restructuring Group. He is based in Houlihan Lokey's New York office.

Mr. Bellows graduated from the University of Chicago Booth School of Business with an M.B.A., and Middlebury College with a B.A. in economics.

Prior to joining Houlihan Lokey full time, Mr. Bellows worked as a summer associate, and worked previously as a Senior Analyst for Square 1 Bank in Durham, NC.

**Justin Zammit (Associate):**

Mr. Zammit is an Associate and member of Houlihan Lokey's Financial Restructuring Group, focusing on distressed mergers and acquisitions, special situations financing, and financial restructuring transactions. His restructuring experience to date includes companies in the airline, business services, healthcare facility, manufacturing, oil & gas, and transportation & logistics sectors. Mr. Zammit is based in the firm's Dallas office.

Prior to joining Houlihan Lokey, Mr. Zammit was with Deloitte Corporate Restructuring Group and Stonegate Securities, a middle-market boutique investment bank.

In addition, Mr. Zammit is an eight-year veteran of the United States Marine Corps Reserve, where he served on two overseas deployments with the 2nd and 3rd Battalions of the 25th Marine Regiment and was honorably discharged at the rank of Sergeant.

Mr. Zammit received a B.A. in Economics from the University at Buffalo and holds M.S. degrees in both Finance and Accounting from the University of Texas at Dallas.

**Scott Ingles (Financial Analyst):**

Mr. Ingles is a Financial Analyst in Houlihan Lokey's Financial Restructuring Group. He is based in the firm's New York office.

Before joining Houlihan Lokey full-time, Mr. Ingles was a Summer Financial Analyst in the Financial Restructuring Group. He recently worked on the Chapter 11 Plan of Reorganization of Genco Shipping & Trading, a dry bulk shipping company.

Mr. Ingles graduated with a B.B.A. in Finance, with distinction, from the University of Wisconsin-Madison.

**Neel Gupta (Financial Analyst):**

Mr. Gupta is a Financial Analyst and a member of Houlihan Lokey's Financial Restructuring Group, focusing on distressed mergers and acquisitions, special situations financing, and financial restructuring transactions. He is based in Houlihan Lokey's Dallas office.

Mr. Gupta holds a B.B.A. in Corporate Finance from the McCombs School of Business at the University of Texas at Austin.

**Jacob Broom (Financial Analyst):**

Mr. Broom is a Financial Analyst and member of Houlihan Lokey's Financial Restructuring Group. He is based in the firm's Dallas office.

Before joining Houlihan Lokey, Mr. Broom was an Associate in Deloitte's Financial Advisory Services practice and previously was an intern at Luther King Capital Management.

Mr. Broom graduated cum laude with a B.A. in Finance from the Neeley School of Business at Texas Christian University.

**Schedule 2**

**Annex A to Schedule 2: Relationship Check**

**Debtors**

Quicksilver Resources Inc.  
Cowntown Pipeline Funding, Inc.  
Cowntown Pipeline Management, Inc.  
Cowntown Pipeline L.P.  
Cowntown Gas Processing L.P.  
Barnett Shale Operating LLC  
QPP Parent LLC  
QPP Holdings LLC  
Silver Stream Pipeline Company LLC  
Quicksilver Resources Canada Inc.  
Quicksilver Resources Partners Operating Ltd.  
0942065 B.C. Ltd.  
0942069 B.C. Ltd.  
Makarios Resources International Holdings LLC  
1622834 Alberta Inc.  
Makarios Midstream Inc.  
Makarios Resources International Inc.  
Quicksilver Production Partners GP LLC  
Quicksilver Production Partners LP

**Professionals Representing Debtor**

KPMG LLP  
Bennett Jones LLP  
Blackstone Advisory Partners LP  
Davis Polk & Wardwell LLP  
Deloitte Transactions and Business Analytics LLP  
Ernst & Young  
Fried, Frank, Harris, Shriver & Jacobson LLP  
FTI Consulting Canada Inc.  
Fulbright & Jaworski LLP  
Garden City Group, Inc.  
Houlihan Lokey  
Kelly Hart & Hallman  
Latham & Watkins LP  
Milbank Tweed Hadley & McCloy LLP  
Moelis & Company  
Potter Anderson Corroon LLP  
Richards Layton & Finger  
Simpson Thacher & Bartlett LLC

**Current and Former Officers, Directors and Senior Management of the Debtors**

Glenn M. Darden  
Vanessa Gomez  
Wiley Yandell Rodgers III  
Thomas F. Darden  
Anne D. Self  
Mark J. Warner  
Steven M. Morris  
Byron W. Dunn  
Michael Y. McGovern  
Scott M. Pinsonnault  
Scott M. Morris

**Non-debtor affiliated entities**

0942065 B.C. Ltd.  
0942069 B.C. Ltd.  
1622834 Alberta Inc.  
Cowntown Drilling, Inc.  
Fortune Creek Gathering and Processing Partnership  
Makarios Midstream Inc.  
Makarios Resources International Holdings LLC  
Makarios Resources International Inc.  
Quicksilver Production Partners GP LLC  
Quicksilver Production Partners LP  
Quicksilver Production Partners Operating Ltd.  
Quicksilver Resources Canada Inc.







**Prepetition & Proposed Postpetition Lenders**

Allegheny Technologies Incorporated Master Pension Trust  
Allied World Assurance Company, Ltd  
Ameriprise Enterprise  
Apex Clearing Corporation  
Arch Investment Holdings IV Ltd  
Ares Capital  
Asip (Holdco) IV S.A.R.L.  
Avenue Advisors  
Bank of America  
Barclays Bank Plc  
BB&T Securities  
BBVA Compass  
Black Diamond Offshore Ltd  
Blackrock Financial Management  
BMO Nesbitt Burns Inc  
BNP Paribas  
BNY Mellon Asset Servicing  
BP Corporation North America, Inc.  
Brown Brothers Harriman & Co  
California State Teachers Retirement System  
Canadian Imperial Bank of Commerce  
Candlewood Financial Opportunities Fund, LLC  
Carlson Capital, L.P.  
Catlin Re Switzerland Ltd  
Catlin Underwriting Agencies Ltd  
Caylon  
Cerberus Institutional Partners V LP  
Charles Schwab & Co, Inc  
CIBC  
Citibank  
Comerica  
COR Clearing LLC  
Credit Agricole  
Credit Suisse Ag  
Crescent Capital Group  
DA Davidson & Co  
David Lerner Associates, Inc  
Davidson Kempner Capital Management  
Deutsche Bank  
Double Black Diamond Offshore Ltd  
Dunham Floating Rate Bond Fund  
E\*Trade Clearing LLC  
EDC  
Edward D Jones & Co  
EF Corporate Holdings LLC  
Ellington Credit Opportunities Ltd

Ellington Management Group  
Employees' Retirement System Of The State Of Rhode Island  
Fifth Third Bank  
First Clearing, LLC  
First Southwest Company  
Flatiron CLO 2014-1 Ltd  
Franklin Advisors  
Future Fund Board of Guardians  
GLG Ore Hill LLC  
Goldman, Sachs & Co.  
HSBC Bank USA, NA  
Hutchin Hill Capital Management  
Illinois State Board Of Investment  
Industrial And Commercial Bank Of China Financial  
ING Franklin Income Portfolio  
Ingalls & Snyder, LLC  
Interactive Brokers Retail  
Inveshare C/O The Colbent Corp  
J.P. Morgan  
Janney Montgomery Scott LLC  
Jefferies  
JFIN CLO 2013 Ltd.  
JNL Series Trust-Jnl/Franklin Templeton Income Fund  
JNL/PPM America Floating Rate Income Fund  
John Hancock Fund II Floating Rate Income Fund  
Key Bank  
Kinney Hill Credit Opportunities Fd Ltd  
KLS Diversified Asset Management Lp- Fm  
Legg Mason Western Asset Senior Loans Fund  
LMP Corporate Loan Fund Inc  
LPL Financial Corporation  
Mac Capital Ltd  
Mainstay Floating Rate Fund, A Series Of Mainstay Funds Trust  
Manufacturers And Traders Trust Company  
Manulife Asset Management  
Merrill Lynch, Pierce, Fenner & Smith Inc  
Midtown Acquisitions LP  
Missouri Education Pension Trust  
Mitsubishi UFJ Trust & Banking Corp  
Momentum Capital Fund, Ltd  
Monarch Alternative Capital  
Morgan Stanley & Co Inc  
Multimix Wholesale Diversified Fixed Interest Trust  
National Financial Services LLC  
NBCN Inc.  
New York Life Insurance Co  
Newfleet . Hartford  
Northern Trust Company  
Oaktree Capital Management  
Ontario Public Service Employees Union Pension Plan Trust Fund  
Oppenheimer & Co Inc  
Pershing LLC Securities Corporation

PNC Bank, NA  
 PPF Nominee 1 BV  
 PPM America, Inc.  
 Qtrade Securities Inc  
 Quadrangle Group LLC  
 Raymond James & Associates, Inc  
 RBC Capital Markets, LLC  
 RBS  
 Regions Bank  
 Renaissance Floating Rate Income Fund  
 Rivernorth/Oaktree High Income Fund  
 Royal Bank of Canada  
 RSUI Indemnity Company  
 Sandalwood Opportunity Fund  
 Scottrade Inc  
 SEI Private Trust Company  
 Societe Generale  
 Southwest Securities, Inc  
 State Street Bank and Trust Company  
 Sterne, Agee & Leach, Inc  
 Stifel, Nicolaus & Company, Incorporated  
 Stockcross Financial Services, Inc  
 Stockton Funding Ulc  
 TCW Senior Secured Loan Fund Lp  
 TD Ameritrade Clearing, Inc  
 TD Waterhouse Canada Inc  
 Toronto Dominion  
 Transatlantic Reinsurance Company  
 UBS Securities LLC  
 Union Bank of California, NA  
 Unisuper Limited  
 US Bank NA  
 USAA High Income Fund  
 Vanguard Marketing Corporation  
 Virtus High Yield Fund  
 Wedbush Securities Inc  
 Wellpoint Inc-2  
 Wells Fargo  
 Western Asset Management Company  
 Whippoorwill Associates, Inc.

**>5% Equity Holders**

Charles Schwab & Co, Inc  
 Credit Suisse Securities  
 E\*Trade Clearing LLC  
 Merrill Lynch, Pierce, Fenner & Smith Inc  
 Mount Kellett Capital Management LP  
 National Financial Services LLC  
 Quicksilver Energy, L.C.  
 Scottrade Inc  
 TD Ameritrade Clearing, Inc

**Accounts Payable Party**

5J Oilfield Services LLC

Acme Truck Line Inc  
 Advanced Construction  
 Affirm Oilfield Services LLC  
 Alexander Open Systems Inc  
 All U Need Garbage Service Inc  
 Aly Centrifuge Inc  
 American Safety Services Inc  
 Arc Pressure Data Inc  
 Axiom Technologies LLC  
 Baker Hughes Business Support  
 Bank Of America Merrill Lynch  
 Basic Energy Services LP  
 Bassler Energy Services  
 Behringer Harvard Burnett Plaza Lb  
 Bridgeport Tank Trucks LLC  
 Buckley Oil Company  
 Byrd Oilfield Services LLC  
 C & D Production Specialist Co Inc  
 Carson Pest Control Inc  
 CE DFW  
 Central Parking System  
 Ceridian  
 Chico Limestone Inc  
 Childs Corporation  
 Christopher Torres  
 Cintas Corporation 492  
 City Vending Company Inc  
 Coastal Chemical Co LLC  
 Cogent Communications Inc  
 Culberson Construction Inc  
 D & B  
 Databank Holdings Ltd  
 DBA Napa Auto Parts  
 DBA Nasdaq Omx Corporate Solution LLC  
 DBA Select Environmental  
 DBA Vaughn Energy Services A Gti Co  
 DBA Vinson Process Controls  
 Derrick Corporation  
 Devon Energy Production Co LP  
 Dnow L P  
 Down Hole Inspection Inc  
 Drilling Fluids Technology Inc  
 DSI Oilfield Services LLC  
 Dugger Brothers Inc  
 DXP Enterprises Inc  
 Eagle Eye Commercial Janitorial Serv  
 Encore Oilfield Services LLC  
 Energy Service Company Of Bowie  
 Epic Lift Systems  
 Ernst & Young LLP  
 Esc Lab Sciences  
 Express Energy Services Operating LP  
 F2 Oilfield Services LLC  
 Flowco Production Solutions, LLC  
 FMC Technologies Inc  
 Fort Worth Water Department

Gate Guard Services LP  
 Global Services  
 Globenewswire  
 Gordo Vacuum Service LLC  
 Halliburton Energy Services  
 Hodges Welding  
 Industrial Distribution Group Inc  
 J & J Oilfield Electric Co Inc  
 J & N Excavating LLC  
 Jones Day  
 Keeton Services Inc  
 Kelly Hart & Hallman LLP  
 Key Energy Services Inc  
 Knox Oil Field Supply Inc  
 Legacy Measurement Solutions  
 Level 3 Communications LLC  
 Lightning Oilfield Services Inc  
 Lone Star Hydrostatic LLC  
 Lotus LLC  
 Martin Decker Totco  
 Mathena Inc  
 Matheson Tri Gas Inc  
 Mellina & Larson  
 Mobile Thrones LLC  
 Monahans Nipple  
 National Inspection Services LLC  
 Neopost Inc  
 Neuralog  
 New Tech Global Ventures LLC  
 Nomac Drilling LLC  
 Nov Tuboscope  
 Olsson Associates  
 Opis  
 Patriot Compressor Parts LLC  
 Pcs Ferguson Inc  
 Peak Oilfield Services  
 Peloton Computer Enterprises Inc  
 Pinnergy Ltd  
 Pradon Construction & Trucking Ltd  
 Precision Energy Services Inc  
 Progressive Waste Solutions Of Tx, Inc  
 R & R Bottled Water Co  
 Rockwater South Texas LLC  
 Roto Versal Compression Services LLC  
 Saul Rodriquez Welding And Trucking LLC  
 Schlumberger Technology Corp  
 SES Holdings LLC  
 Shareholder.Com  
 Shi International Corp  
 Simpson Thacher & Bartlett LLP  
 Slater Controls  
 Sni Financial  
 Stabil Drill  
 Summit International Trading Co  
 Tech Plan Inc  
 Texas Equipment Rental LLC

Texas Excavation Safety System Inc  
 Teks Outdoor Services, LLC  
 Thomas Darden  
 Thomas Rubber Stamp Co Inc  
 Thomson Reuters (Markets) LLC  
 Trunkline Gas Company LLC  
 Trupoint Well Services LP  
 V Z Environmental  
 Versacor Enterprises LLC  
 Weatherford Artificial Lift Systems Inc  
 Weatherford Laboratories Inc  
 Weatherford US LP  
 Weatherford Us LP Gemeco  
 Western Marketing Inc  
 Western Welding Inc

**Accounts Receivable Party**

Agave Petroleum LLC  
 Arp Barnett LLC  
 Black Mountain Exploratio  
 Boggus Motor Company  
 Boggus Motor Sales  
 Breitburn Operating LP  
 Brent Lee  
 BS Horak Tr  
 Burnett Oil Company  
 Chesapeake Exploration LP  
 Cortez Resources LLC  
 Crestwood Midstream Partners  
 Cuthbertson Oil & Gas LLC  
 Devon Energy Production  
 DTE Gas Resources Inc  
 Eagle Development Corp  
 Enervest Energy Inst.  
 Eni Petroleum  
 Environmental Alternative  
 EV Properties LP  
 FIP Energy B LP  
 Four Sevens Oil Co Ltd  
 Frank Boggus  
 Globenewswire  
 Gordo Vacuum Service LLC  
 Halliburton Energy Services  
 Hillwood Oil & Gas LP -  
 Hobo Investment Corp  
 Hodges Welding  
 Industrial Distribution Group Inc  
 J & J Oilfield Electric Co Inc  
 J & N Excavating LLC  
 James L Youngblood  
 Jones Day  
 J-W Operating Company  
 Keeton Services Inc  
 Kelly Hart & Hallman LLP  
 Key Energy Services Inc

Kfn Nr Mineral Holdings L  
 KKR Mineral Holdings  
 KKR  
 Knox Oil Field Supply Inc  
 Legacy Measurement Solutions  
 Legacy Reserves Operating  
 Legend Natural Gas Iv LP  
 Level 3 Communications LLC  
 Lightning Oilfield Services Inc  
 Linda Thompson Gordon  
 Little Hoss Production Co  
 Lone Star Hydrostatic LLC  
 Lotus LLC  
 Lynn Ayres  
 Martin Decker Totco  
 Mathena Inc  
 Matheson Tri Gas Inc  
 MCG Drilling & Completion  
 Mellina & Larson  
 Mercury Exploration Compa  
 Mobile Thrones LLC  
 Modano Oil & Gas LP  
 Monahans Nipple  
 National Inspection Services LLC  
 Neopost Inc  
 Neuralog  
 New Tech Global Ventures LLC  
 Noel Family LP  
 Nomac Drilling LLC  
 Nov Tuboscope  
 Olsson Associates  
 Opis  
 Patriot Compressor Parts LLC  
 Pcs Ferguson Inc  
 Peak Oilfield Services  
 Peloton Computer Enterprises Inc  
 Pinnergy Ltd  
 Pradon Construction & Trucking Ltd  
 Precision Energy Services Inc  
 Premier Natural Resources  
 Progressive Waste Solutions Of Tx, Inc  
 R & R Bottled Water Co  
 Richard Lee Clampitt  
 Robert Boggus  
 Rockwater South Texas LLC  
 Ron Investments Ltd  
 Roto Versal Compression Services LLC  
 Saul Rodriquez Welding And Trucking LLC  
 Schlumberger Technology Corp  
 Sema Construction Inc  
 SES Holdings LLC  
 Shareholder.Com  
 Shi International Corp  
 Silver Lake Industries In  
 Simpson Thacher & Bartlett LLP  
 Slater Controls

Sni Financial  
 Stabil Drill  
 Strong Oil & Gas Ltd  
 Summit International Trading Co  
 Sunterra Oil & Gas LP  
 Tech Plan Inc  
 Tejas Western Minerals Lt  
 Texas Equipment Rental LLC  
 Texas Excavation Safety System Inc  
 Texs Outdoor Services, LLC  
 TG Barnett Resources LP  
 Thomas Darden  
 Thomas Rubber Stamp Co Inc  
 Thomson Reuters (Markets) LLC  
 Total E & P Usa Inc  
 Trunkline Gas Company LLC  
 Trupoint Well Services LP  
 TSC Oil & Gas Inc  
 V Z Environmental  
 Vantage Fort Worth Energy  
 Versacor Enterprises LLC  
 Weatherford Artificial Lift Systems Inc  
 Weatherford Laboratories Inc  
 Weatherford Us LP  
 Weatherford Us LP Gemeco  
 Western Marketing Inc  
 Western Welding Inc  
 WPM Minerals LLC  
 XNP Resources LLC  
 XTO Energy Inc

**Counterparties to executory contracts and unexpired leases**

Kohlberg Kravis Roberts & Co. L.P.  
 Eni Petroleum Us LLC  
 Eni Us Operating Co. Inc.  
 Eni Spa  
 TG Barnett Resources LP  
 Tokyo Gas Co., Ltd.  
 Southwestern Energy Company  
 Synergy Offshore LLC  
 Spectra  
 Crestwood  
 Eog Resources  
 Midcontinent Express (Mep)  
 BP PLC  
 Enlink  
 Targa  
 Trunkline  
 Adexco Product Company  
 Aem Production Co.  
 Anthony Lynn Peterson  
 Berry Barnett, L.P.  
 Black Mountain Exploration, L.P.  
 Bradley Don Judge

Brazos Electric Power Cooperative, Inc.  
BSLH Production Co., L.P.  
Burlington Resources Oil & Gas Company LP  
Burnett Oil Company  
Burtex Minerals, L.P.  
Carrizo Oil & Gas Inc.  
Chesapeake Exploration, L.L.C.  
Chief Holdings, LLC  
Chief Oil & Gas LLC  
Chief Resources LLC  
Cohort Energy Company  
Collins And Young, L.L.C.  
Cornerstone E&P Company, LP  
Cortez Resources, L.L.C.  
Devon Energy  
Doris J. Fenner  
DTE Gas Resources, Inc.  
Encana Oil & Gas (Usa) Inc.  
Eni Petroleum Us LLC  
EOG Resources Inc  
Erik Andrew Peterson  
Ernest D. Fenner Estate  
Four Sevens Oil Company  
Glencrest Resources, L.L.C.  
Gulf Oil Corporation  
Hillwood Oil & Gas, L.P.  
James Maxwell Judge  
Jeffrey Brian Judge  
Kathryn M. Hollingsworth  
Kevin Anthony Peterson  
Linda Thompson Gordon  
Little Hoss Production Co., L.P.  
Marshall R Young Oil Co.  
Nortex Minerals Operating Company, L.P.  
Nortex Minerals, L.P.  
Omas Lewayne Peterson  
Perot Investment Partners, Ltd.  
Petrus Development, L.P.  
Petrus Investment, L.P.  
Premier Natural Resources Ii, LLC  
Questar Exploration And Production Company  
Reichmann Petroleum Corp.  
Republic Energy Inc.  
Ron Investments, Ltd.  
Rosemarie Peterson  
Samson Resources Company  
Savant Resources LLC  
Stewart & Durant Cattle Company  
Stroud Energy, Ltd.  
Swepi LP  
Tejas Western Minerals, Ltd.  
Texaco Inc.  
Texas Midstream Gas Services, L.L.C.  
TG Barnett Resources LP  
The Speck and Doris Fenner Living Trust Dated May  
30, 2000

Total E&P Usa, Inc.  
Vantage Fort Worth Energy, L.L.C.  
XTO Energy Inc.

**Debtor Professionals**

Sarah Link Schultz  
Ashleigh Blaylock  
John Little

**Indenture Trustee**

The Bank of New York Mellon Trust Company, N.A.

**Landlord**

Behringer Harvard Bunett Plaza LP

**Trustee**

US Trustee

**US Trustee Employee**

Andy Vara  
Benjamin Hackman  
Christine Green  
David Buchbinder  
Diane Giordana  
Dion Wynn  
James R. O'Malley  
Jane Leamy  
Jeffery Heck  
Juliet Sarkessian  
Lauren Attix  
Mark Kenney  
Michael Panacio  
Michael West  
Ramona Vinson  
Richard Schepacarter  
Shakima L. Dortch  
T. Patrick Tinker  
Tiiara Patton  
Timothy J. Fox  
Tony Murray

**Utility Provider**

Accudata Systems Inc  
American Millennium Corporation Inc  
Arlington Utilities  
AT & T  
AT&T Mobility  
AT&T Teleconference Services  
Atmos Energy  
Behringer Harvard Burnett Plaza Lb  
Centurylink  
Charter Communications Holding Co. LLC  
Cisco Webex LLC  
City Of Glen Rose

City Of Craig  
City Of Haslet  
Cogent Communications Inc  
Coserv  
Dba Dish Network  
Directv Inc  
First Choice Power  
Fort Worth Water Department  
Green Mountain Energy Company  
Hilco Electric Cooperative Inc  
Intercall  
Level 3 Communications LLC  
North Texas Groundwater  
Texas Excavation Safety System Inc  
Tri County Electric Cooperative Inc  
Txu Energy  
Tyco Integrated Security  
United Cooperative Services  
Verizon Wireless  
Windstream Corporation  
Yampa Valley Electric Assn Inc

**Litigation Counterparties**

All Saint's Church (Weatherford)  
All Saint's Church (Wichita Falls)  
Anne T. Bass  
Breitburn Energy Partners L.P.  
Chad Bates  
Cherie Shipp  
Christ The King Church (Fort Worth)  
Church Of Our Lady Of The Lake (Laguna Park)  
Church Of St. Barnabas The Apostle (Fort Worth)  
Church Of St. Francis Of Assisi (Willow Park)  
Church Of St. John The Divine (Burkburnett)  
Church Of St. Peter And St. Paul (Arlington)  
Church Of St. Peter By The Lake (Graford)  
Church Of St. Philip The Apostle (Arlington)  
Church Of St. Simon Of Cyrene (Fort Worth)  
Church Of St. Thomas The Apostle (Jacksboro)  
Church Of The Ascension & St. Mark (Bridgeport)  
Church Of The Good Shepherd (Wichita Falls)  
Church Of The Holy Spirit (Graham)  
City Of Arlington, Texas (Qri Not A Party)  
David Skelton,  
DHS Drilling Company  
Dr. Trace Worrell  
Enerfex, Inc.  
Floyd Mckneely,  
Franklin Salazar  
Good Shepherd Church (Brownwood)  
Good Shepherd Church (Granbury)  
Greene's Energy Group, Llc  
Holy Apostles Church (Fort Worth)  
Holy Comforter Church (Cleburne)  
Holy Trinity Church (Eastland)

Iglesia San Juan Apostol (Fort Worth)  
Iglesia San Miguel (Fort Worth)  
Jimmy Richardson  
Jo Ann Patton  
Judy Mayo  
Julia Smead  
Kathleen Wells  
Kelly Pogue  
Lar Mhp, LLC (Qri Interpleader)  
Lar Mhp Holdings, LP  
Margaret Mieuli  
Oh Mhp Subsurface Investors LLC  
Railroad Commission of Texas  
Robert Hicks,  
Robert M. Bass  
Rod Barber  
Royalty Owners Association  
Sara Rossi  
Shannon Shipp  
St. Alban's Church (Arlington)  
St. Alban's Church (Hubbard)  
St. Andrew's Church (Breckenridge)  
St. Andrew's Church (Grand Prairie)  
St. Anne's Church (Fort Worth)  
St. Anthony Of Padua Church (Alvarado)  
St. Gregory's Church (Mansfield)  
St. John's Church (Brownwood)  
St. John's Church (Fort Worth)  
St. Joseph's Church (Grand Prairie)  
St. Laurence's Church (Southlake)  
St. Luke's Church (Mineral Wells)  
St. Mark's Church (Arlington)  
St. Mary's Church (Hamilton)  
St. Mary's Church (Hillsboro)  
St. Matthew's Church (Comanche)  
St. Michael's Church (Richland Hills)  
St. Patrick's Church (Bowie),  
St. Paul's Church (Gainesville)  
St. Stephen's Church (Hurst)  
St. Timothy's Church (Fort Worth)  
St. Vincent's Cathedral (Bedford)  
Texas Independent Producers  
Texas Oil & Gas Association  
The Anglican Province Of The Southern Cone's  
"Corporation Of The Episcopal Diocese Of Fort  
Worth"  
The Anglican Province Of The Southern Cone's  
"Diocese Of Fort Worth"  
The Episcopal Church  
The Episcopal Churchwhit Smith  
The Rev. Christopher Cantrell  
The Rev. Christopher Jambor  
The Rev. David Madison  
The Rev. Frederick Barber  
The Rev. James Hazel  
The Rev. John Stanley

The Rev. Ryan Reed  
The Rev. Timothy Perkins  
The Rt. Rev. C. Wallis Ohl  
The Rt. Rev. Edwin F. Gulick, Jr.  
The Rt. Rev. Jack Leo Iker  
Trinity Church (Dublin)  
Trinity Church (Henrietta)  
UOP LLC  
Us Department Of Homeland Security  
Walt Cabe  
Walter Virden, III

**Annex B to Schedule 2: Detail of Relationship Check****Board Membership**

David Calfee

**Houlihan Lokey Corporate Finance– Active Engagements**

Goldman Sachs & Co.  
 BNY Mellon  
 Credit Suisse

**Houlihan Lokey Corporate Finance – Closed Engagements**

Ares Management, LLC  
 Blackrock, Inc.  
 BP PLC  
 Cerberus Capital Management, L.P.  
 Ceridian Corporation  
 Credit Suisse  
 Cogent Communications Group, Inc.  
 Goldman Sachs & Co.  
 J.P. Morgan Chase  
 Janney Montgomery Scott LLC  
 Jefferies LLC  
 Kelso & Company, Inc.  
 Level 3 Communications, LLC  
 Monarch Alternative Capital  
 Northern Trust Company  
 Oaktree Capital Management, L.P.  
 State Street Bank & Trust Company  
 Wells Fargo

**Houlihan Lokey Financial Advisory Services – Active Engagements**

Baker Hughes Business Support  
 BNP Paribas  
 Citibank, NA  
 Credit Suisse  
 Davidson Kempner Capital Management LLC  
 Deutsche Bank  
 Ellington Management Group LLC  
 Goldman, Sachs & Co.  
 Halliburton Energy Services  
 Key Bank  
 Moelis & Company  
 Monarch Alternative Capital LP  
 Morgan Stanley & Co. Inc.  
 Oaktree Capital Management, L.P.  
 Pershing Square Capital Management, L.P.  
 RBS  
 United Services Automobile Association (USAA)  
 Whipoorwill Associates, Incorporated

**Houlihan Lokey Financial Advisory Services – Closed Engagements**

AT&T  
 Ares Capital Corporation  
 Baker Hughes Business Support  
 Bank of America Merrill Lynch  
 Black Diamond Offshore Ltd  
 BNP Paribas  
 California State Teachers Retirement System  
 Cerberus Capital Management LP  
 Ceridian Corporation  
 Charles Schwab & Co, Inc  
 Charter Communications Holding Co. LLC  
 Chesapeake Energy Corporation  
 Cisco Webex Llc  
 Citigroup Global Markets Inc  
 Cogent Communications Inc  
 Credit Suisse  
 Crescent Capital Group  
 Davidson Kempner Capital Management  
 Deutsche Bank  
 Deutsche Bank Securities Inc  
 E\*Trade Clearing LLC  
 EDCI Holdings, Inc.  
 Ellington Management Group LLC  
 EOS Partners  
 Fifth Third Bank  
 Flatiron CLO 2014-1 Ltd  
 Fmc Technologies Inc  
 Fried, Frank, Harris, Shriver & Jacobson LLP  
 Fulbright & Jaworski LLP  
 Goldman Sachs & Co.  
 Green Mountain Energy Company  
 HSBC Bank USA, NA  
 Industrial Distribution Group Inc  
 J.P. Morgan Chase  
 Jefferies LLC  
 Jones Day  
 Kelso & Company, Inc.  
 KPMG LLP  
 Latham & Watkins LP  
 Level 3 Communications LLC  
 LPL Financial Corporation  
 Mark J. Warner  
 Milbank Tweed Hadley & McCloy LLP  
 Mitsubishi UFJ Trust & Banking Corp.  
 Moelis & Company  
 Morgan Stanley & Co Inc  
 Northern Trust Company  
 Oaktree Capital Management L.P.  
 Pershing Square Capital Management  
 Potter Anderson Corroon LLP



PPM America, Inc.  
QuickSilver Resources, Inc.  
RBS  
Richards Layton & Finger  
Schlumberger Technology Corp  
Shareholder.Com  
Simpson Thacher & Bartlett  
Societe Generale  
Sojitz Corporation  
State Street Bank And Trust Company  
Stifel, Nicolaus & Company, Incorporated  
Synergy Offshore LLC  
TD Ameritrade Clearing, Inc  
Texaco Inc.  
Tyco Integrated Security  
UBS AG  
USAA High Income Fund  
USG (NextEra)  
Warburg Pincus  
Weatherford Laboratories Inc  
Wells Fargo  
Whippoorwill Associates, Inc.  
Windstream Corporation

**Houlihan Lokey Financial Restructuring Group –  
Active Engagements**

AT&T  
Bank of America  
Blackrock Financial Management  
BNP Paribas  
Candlewood Investment Group  
Davidson Kempner Capital Management  
Franklin Templeton  
Goldman Sachs & Co.  
J.P. Morgan  
Milbank Tweed Hadley & McCloy LLP  
Oaktree Capital Management L.P.  
Oppenheimer Funds  
PPM America, Inc.  
RBS  
Societe Generale  
UBS  
US Bank NA  
Western Asset Management Company

**Houlihan Lokey Financial Restructuring Group –  
Closed Engagements**

Ares Management  
AT&T  
Bank Of America Merrill Lynch  
Barclays Capital Inc  
Bennett Jones LLP  
Black Diamond Offshore Ltd  
Blackrock Financial Management  
BNP Paribas  
Carlson Capital LP  
Cerberus Capital Management  
Charter Communications Holding Co. LLC  
Chesapeake Corporation  
Citigroup Global Markets Inc  
Credit Agricole  
Credit Suisse  
Davidson Kempner Capital Management  
Deutsche Bank Securities Inc  
Fifth Third Bank  
Franklin Mutual Advisers  
Goldman Sachs & Co.  
HSBC Bank USA, NA  
J.P. Morgan Chase  
Jefferies LLC  
Jones Day  
Latham & Watkins LP  
Level 3 Communications LLC  
Milbank Tweed Hadley & McCloy LLP  
Monarch Alternative Capital  
Oaktree Capital Management L.P.  
RBC Capital Markets, LLC  
RBS  
Simpson Thacher & Bartlett LLP  
Societe Generale  
State Street Bank and Trust Company  
The Bank of New York Mellon  
UBS Bank NA  
US Bank NA  
USG (NextEra)  
Warburg Pincus  
Wells Fargo  
Western Asset Management Company