

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

In re:)	
	)	Chapter 11
Quicksilver Resources Inc., <u>et al.</u> , ¹	)	Case No. 15-10585 (LSS)
)	
Debtors.	)	Jointly Administered
	)	Re: Docket No. 1525

**NOTICE OF FILING OF PROPOSED ORDER CONFIRMING
FIRST AMENDED JOINT CHAPTER 11 PLAN OF LIQUIDATION FOR
QUICKSILVER RESOURCES INC. AND ITS AFFILIATED DEBTORS**

PLEASE TAKE NOTICE that, in connection with the *First Amended Joint Chapter 11 Plan of Liquidation for Quicksilver Resources Inc. and its Affiliated Debtors*, dated July 5, 2016 [Docket No. 1525] (the “Amended Plan”) proposed by Quicksilver Resources Inc. and its affiliated debtors and debtors in possession (the “Debtors”), the Debtors hereby file a copy of the proposed *Order Confirming First Amended Joint Chapter 11 Plan of Liquidation for Quicksilver Resources Inc. and its Affiliated Debtors* (the “Proposed Confirmation Order”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”). A copy of the Proposed Confirmation Order is attached hereto as Exhibit A.

PLEASE TAKE FURTHER NOTICE that the Debtors intend to present the Proposed Confirmation Order, substantially in the form attached hereto, to the Bankruptcy Court at the hearing on confirmation of the Amended Plan currently scheduled for August 15, 2016 at 10:00 a.m. (ET) (the “Confirmation Hearing”) before The Honorable Laurie Selber Silverstein, at the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Quicksilver Resources Inc. (“Quicksilver”) [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 4000, Fort Worth, Texas 76102.

Bankruptcy Court, 824 North Market Street, 6th Floor, Courtroom 2, Wilmington, Delaware 19801. To the extent that the Debtors make further revisions to the Proposed Confirmation Order, the Debtors intend to present a blacklined copy of such revised documents to the Bankruptcy Court at or prior to the Confirmation Hearing.

Wilmington, Delaware
Date: August 11, 2016

/s/ Rachel L. Biblo

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**COUNSEL FOR DEBTORS AND DEBTORS IN
POSSESSION**

Exhibit A

Proposed Confirmation Order

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

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

**ORDER CONFIRMING FIRST AMENDED JOINT CHAPTER
11 PLAN OF LIQUIDATION FOR QUICKSILVER
RESOURCES INC. AND ITS AFFILIATED DEBTORS**

A HEARING HAVING BEEN HELD BY THE COURT on August 15, 2016 (the “Confirmation Hearing”), to consider confirmation of the *First Amended Joint Chapter 11 Plan of Liquidation for Quicksilver Resources Inc. and its Affiliated Debtors*, the solicitation version of which was dated July 5, 2016 [Docket No. 1525],² and a final version of which is attached hereto as Exhibit A (the “Amended Plan”), proposed by Quicksilver Resources Inc. and its affiliated debtors and debtors in possession (collectively, the “Debtors”);

THE COURT NOTING that the *Disclosure Statement for First Amended Joint Chapter 11 Plan of Liquidation for Quicksilver Resources Inc. and its Affiliated Debtors*, the solicitation version of which is dated July 5, 2016 [Docket No. 1526] (the “Disclosure Statement”), has been previously approved by the Court, pursuant to the *Order Approving the Disclosure Statement, Voting Procedures, and Confirmation Procedures* [Docket No. 1505], entered on June 29, 2016 (the “Disclosure Statement Order”);

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Quicksilver Resources Inc. [6163]; Barnett Shale Operating LLC [0257]; Cowtown Drilling, Inc. [8899]; Cowtown Gas Processing L.P. [1404]; Cowtown Pipeline Funding, Inc. [9774]; Cowtown Pipeline L.P. [9769]; Cowtown Pipeline Management, Inc. [9771]; Makarios Resources International Holdings LLC [1765]; Makarios Resources International Inc. [7612]; QPP Holdings LLC [0057]; QPP Parent LLC [8748]; Quicksilver Production Partners GP LLC [2701]; Quicksilver Production Partners LP [9129]; and Silver Stream Pipeline Company LLC [9384]. The Debtors’ address is 801 Cherry Street, Suite 4000, Fort Worth, Texas 76102.

² All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Disclosure Statement or the Plan, as applicable.

IT APPEARING TO THE COURT that the Court-approved solicitation and noticing procedures have been followed as set forth in the *Declaration of Craig E. Johnson of Garden City Group, LLC, Certifying the Methodology for the Tabulation of Votes and Results of Voting with Respect to the First Amended Joint Chapter 11 Plan of Liquidation of Quicksilver Resources Inc. and Its Affiliated Debtors*, dated August 9, 2016 [Docket No. 1602] (the “Voting Certification”); an affidavit of service having been executed by Garden City Group, LLC with respect to the mailing of notice of the Confirmation Hearing and solicitation materials in accordance with the Disclosure Statement Order (the “Affidavit of Service”) and having been filed with the Court on July 11, 2016 [Docket No. 1541]; and the affidavits of publication of the *Confirmation Hearing Notice* (the “Affidavits of Publication”) in *The New York Times* and *Star-Telegram* in accordance with the Disclosure Statement Order having been filed with the Court on July 12, 2016 [Docket Nos. 1549 & 1550];

IT FURTHER APPEARING TO THE COURT that the Debtors have filed with the Court the Plan Supplement dated July 26, 2016 [Docket No. 1580] (as amended or modified from time to time, the “Plan Supplement”) containing the (i) the Liquidation Trust Agreement; (ii) the Schedule of Assumed Contracts and Leases; (iii) the Schedule of Contracts and Leases Neither Assumed Nor Rejected; and (iv) Identification of the Liquidation Trustee;

IT FURTHER APPEARING TO THE COURT that the deadline for casting ballots to accept or reject the Amended Plan has passed and that the results of voting have been certified by Garden City Group, LLC, acting as balloting and solicitation agent, as set forth in the Voting Certification;

IT FURTHER APPEARING TO THE COURT that (i) the Debtors have filed the *Declaration of Vanessa Gomez LaGatta in Support of the Debtors’ Memorandum of Law in Support of Confirmation and Omnibus Reply to Objections to Confirmation of the First Amended*

Joint Chapter 11 Plan for Quicksilver Resources Inc. and Its Affiliated Debtors, dated August 9, 2016 [Docket No. 1603] (the “LaGatta Declaration”), (ii) the Debtors have filed the *Declaration of Adam Dunayer in Support of Debtors’ Memorandum of Law in Support of Confirmation and Omnibus Reply to Objections to Confirmation of the First Amended Joint Chapter 11 Plan for Quicksilver Resources Inc. and its Affiliated Debtors*, dated August 9, 2016 [Docket No. 1604] (the “Dunayer Declaration”), (iii) the Debtors have presented testimony, evidence and argument of counsel in support of confirmation of the Amended Plan, and (iv) other parties in interest have had the opportunity to present additional testimony, evidence or argument of counsel;

NOW, THEREFORE, based upon the Court’s review of (i) the Disclosure Statement, (ii) the Amended Plan, (iii) the Plan Supplement, (iv) the LaGatta Declaration, (v) the Dunayer Declaration, (vi) the Voting Certification, (vii) the Affidavits of Publication, and (viii) all of the evidence proffered or adduced at, filings in connection with, and arguments of counsel made at, the Confirmation Hearing; and after due deliberation thereon and good cause appearing therefor, and all objections to the Amended Plan having been overruled or withdrawn, and for the reasons set forth on the record at the Confirmation Hearing,

IT IS HEREBY FOUND AND DETERMINED THAT:³

A. *Jurisdiction; Venue; Core Proceeding.* The Court has jurisdiction over these chapter 11 cases pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. Confirmation of the Amended Plan is a core proceeding pursuant to 28 U.S.C. § 157(b) upon which this Court may issue a final order, and confirmation of a plan by this Court is a constitutional exercise of the jurisdiction conferred by Congress on this Court.

³ The findings of fact and the conclusions of law stated in this Confirmation Order shall constitute findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to the proceeding by Bankruptcy Rule 9014. To the extent any finding of fact shall be determined to be a conclusion of law, it shall be so deemed, and to the extent any conclusion of law shall be determined to be a finding of fact, it shall be so deemed.

This Court has exclusive jurisdiction to determine whether the Amended Plan complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

B. Transmittal and Mailing of Solicitation Materials and Notices. The solicitation materials and notices prescribed by the Disclosure Statement Order were served in compliance with the Disclosure Statement Order, and such service was appropriate and sufficient. Appropriate and sufficient notice of the Confirmation Hearing and the other deadlines and matters required to be noticed pursuant to the Disclosure Statement Order was given in compliance with the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order, and no other or further notice is or shall be required.

C. Adequacy of Solicitation Procedures. All procedures used to distribute the solicitation materials to the appropriate creditors entitled to vote on the Amended Plan and to tabulate the ballots returned by creditors were fair and were conducted in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order. Votes for acceptance or rejection of the Amended Plan were solicited and cast in good faith, and only after transmittal of the approved Disclosure Statement, and otherwise in compliance with Bankruptcy Code sections 1125 and 1126 and Bankruptcy Rules 3017 and 3018.

D. Good Faith Solicitation -- 11 U.S.C. § 1125(e). The Debtors and their Professional Persons have acted in good faith within the meaning of Bankruptcy Code sections 1125(e) and 1129(a)(3), and in compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Disclosure Statement Order in connection with all of their respective activities relating to the solicitation of acceptances of the Amended Plan and their participation in the activities described in Bankruptcy Code section 1125, and are entitled to the protections afforded by Bankruptcy Code section 1125(e) and, to the extent applicable, the

release, exculpation and injunctive provisions set forth in Sections 11.3, 11.4, 11.5 and 11.6 of the Amended Plan.

E. Impaired Class that Has Voted to Accept or Reject the Plan. Classes 4, 5 and 6 are Impaired under and entitled to vote on the Amended Plan. As evidenced by the Voting Certification, which certified both the method and results of the voting, Classes 4 and 5 have voted to accept the Amended Plan pursuant to the requirements of Bankruptcy Code section 1124 and 1126. Further, as evidenced by the Voting Certification, Class 6 has voted to reject the Amended Plan.

F. Classes Deemed to Accept Plan. Classes 1, 2 and 3 are Unimpaired under the Amended Plan. Pursuant to Bankruptcy Code section 1126(f), holders of such Unimpaired Claims are conclusively presumed to have accepted the Amended Plan.

G. Releases, Exculpation and Injunction. The release, exculpation and injunction provisions set forth in Sections 11.3, 11.4, 11.5 and 11.6 of the Amended Plan: (i) are within the jurisdiction of the Court under 28 U.S.C. §§ 1334(a), 1334(b) and 1334(d); (ii) are an essential means of implementing the Amended Plan pursuant to Bankruptcy Code section 1123(a)(5); (iii) are an integral element of the transactions incorporated into the Amended Plan; (iv) confer material benefits on, and are in the best interests of, the Debtors, their Estates and their creditors; (v) are important to the overall objectives of the Amended Plan to finally resolve all Claims among or against the key parties in interest in these chapter 11 cases with respect to the Debtors; and (vi) are consistent with Bankruptcy Code sections 105, 1123 and 1129, and other applicable provisions of the Bankruptcy Code. With respect to the releases provided by the Debtors in Sections 11.3 and 11.4 of the Amended Plan, pursuant to Bankruptcy Rule 9019 and the applicable provisions of the Bankruptcy Code, such releases are approved after due notice and opportunity for hearing. The record of the Confirmation Hearing and these chapter 11 cases is

sufficient to support the release, exculpation and injunction provisions contained in the Amended Plan.

H. Plan Compliance with Bankruptcy Code -- 11 U.S.C. § 1129(a)(1). The Amended Plan complies with the applicable provisions of the Bankruptcy Code, thereby satisfying Bankruptcy Code section 1129(a)(1).

(i) Proper Classification -- 11 U.S.C. §§ 1122, 1123(a)(1). Aside from Administrative Expense Claims, Adequate Protection Claims, Fee Claims, Priority Tax Claims and U.S. Trustee Fees, which need not be classified, the Amended Plan designates nine Classes of Claims and Interests. The Claims and Interests placed in each Class are substantially similar to other Claims and Interests, as the case may be, in each such Class. Valid factual and legal reasons exist for separately classifying the various Classes of Claims and Interests created under the Amended Plan, and such Classes do not unfairly discriminate among holders of Claims and Interests. Thus, the Amended Plan satisfies Bankruptcy Code sections 1122 and 1123(a)(1).

(ii) Specify Unimpaired Classes -- 11 U.S.C. § 1123(a)(2). Article III of the Amended Plan specifies that Classes 1, 2 and 3 are Unimpaired under the Amended Plan, thereby satisfying Bankruptcy Code section 1123(a)(2).

(iii) Specify Treatment of Impaired Classes -- 11 U.S.C. § 1123(a)(3). Article III of the Amended Plan specifies that Classes 4, 5, 6, 7, 8 and 9 are Impaired and the treatment of such Claims and Interests in those Classes, thereby satisfying Bankruptcy Code section 1123(a)(3).

(iv) No Discrimination -- 11 U.S.C. § 1123(a)(4). The Amended Plan provides for the same treatment by the Debtors for each Claim or Interest in each respective Class unless the holder of a particular Claim or Interest has agreed to a less

favorable treatment of such Claim or Equity Interest, thereby satisfying Bankruptcy Code section 1123(a)(4).

(v) Implementation of Plan -- 11 U.S.C. § 1123(a)(5). The Amended Plan provides adequate and proper means for its implementation, thereby satisfying Bankruptcy Code section 1123(a)(5).

(vi) Additional Plan Provisions -- 11 U.S.C. § 1123(b). The Amended Plan's additional provisions are appropriate and not inconsistent with the applicable provisions of the Bankruptcy Code.

(1) Impairment of Claims and Interests and Assumption and Assignment or Rejection of Executory Contracts or Unexpired Leases - 11 U.S.C. § 1123(b)(1) - (2). Article III of the Amended Plan impairs or leaves unimpaired, as the case may be, each Class of Claims and Interests. Article VIII of the Amended Plan provides for the assumption of only the Executory Contracts and Unexpired Leases listed on the Schedule of Assumed Contracts and Leases. Article VIII of the Amended Plan provides for the rejection of all Executory Contracts and Unexpired Leases of the Debtors unless any such Executory Contract and Unexpired Lease: (a) is listed on the Schedule of Assumed Contracts or Leases, (b) is listed on the Schedule of Contracts and Leases Neither Assumed or Rejected, or (c) is otherwise assumed pursuant to the terms of the Amended Plan; *provided, however*, that any Executory Contracts or Unexpired Leases that are subject of a separate motion to assume or reject under Bankruptcy Code section 365 pending on the Effective Date shall be treated as provided in the Final Order resolving such motion; *provided further, however*, to the fullest extent permitted by applicable law, all indemnification provisions in existence prior to the date on which these chapter 11 cases were filed (whether in the by-laws, certificates of incorporation or formation, limited liability company agreements, other organizational documents, board resolutions, indemnification agreements, employment contracts, or otherwise) for any current or former directors, officers, managers, employees, direct and indirect sponsors, shareholders, direct and indirect affiliates, attorneys, accountants, investment bankers, or other professionals of the Debtors, as applicable, shall be reinstated, assumed, and remain intact and irrevocable and shall survive the Effective Date.

(2) Retention, Enforcement, and Settlement of Claims - 11 U.S.C. § 1123(b)(3). The Amended Plan incorporates a settlement and

compromise of all Claims and controversies by and among the Committee, the Indenture Trustees, the Second Lien Agent, the Second Lien Lenders, and the Second Lien Noteholders. The settlement was negotiated in good faith and at arm's length and is an essential element of the Amended Plan. It is fair, equitable, and in the best interests of the Debtors, the Debtors' Estates, the Debtors' creditors, and all parties in interest, and satisfies the standards for approval under Bankruptcy Rule 9019.

Except as otherwise provided in the Amended Plan, this Confirmation Order, or the Liquidation Trust Agreement after the transfer of the Liquidation Trust Assets, pursuant to Section 9.6.2 of the Amended Plan, the Liquidation Trustee may object to, seek to estimate, seek to subordinate, compromise, or settle any and all Claims against the Debtors and Causes of Action of the Debtors that have not already been deemed Allowed Claims as of the Effective Date. Subject to the terms of the Liquidation Trust Agreement, the Liquidation Trustee will have the absolute right to pursue or not to pursue any and all Liquidation Trust Assets as it determines in the best interests of the Liquidation Trust Beneficiaries. Subject to the terms of the Liquidation Trust Agreement, the Liquidation Trustee may object to, seek to estimate, seek to subordinate, compromise, or settle any and all Claims against the Debtors and Causes of Action of the Debtors that have not already been deemed Allowed Claims as of the Effective Date. Liquidation Trust Causes of Action may only be prosecuted or settled by the Liquidation Trustee, in its sole discretion, subject to the terms of the Liquidation Trust Agreement.

- (3) Sale of All or Substantially All of the Property of the Estate - 11 U.S.C. § 1123(b)(4). The Amended Plan effectuates the distribution of the Sale Proceeds.
- (4) Modification of Rights of Holders of Claims - 11 U.S.C. § 1123(b)(5). Article III of the Amended Plan modifies or leaves unaffected, as the case may be, the rights of holders of each Class of Claims.
- (5) Other Provisions Not Inconsistent with Applicable Provisions of the Bankruptcy Code; Deemed Consolidated - 11 U.S.C. § 1123(b)(6). The other discretionary provisions of the Amended Plan are appropriate and consistent with the applicable provisions of the Bankruptcy Code.

(vii) Compliance with Fed. R. Bankr. P. 3016. The Amended Plan is dated and identifies the entities submitting it, thereby satisfying Bankruptcy Rule 3016(a). The filing of the Disclosure Statement with the Court satisfies Bankruptcy Rule 3016(b).

Further, the Amended Plan and Disclosure Statement describe in specific and conspicuous language all acts to be enjoined and identify the entities that are subject to the injunction, satisfying Bankruptcy Rule 3016(c) to the extent applicable.

(viii) Compliance with Fed. R. Bankr. P. 3017. The Debtors have given notice of the Confirmation Hearing as required by Bankruptcy Rule 3017(d) and the Disclosure Statement Order. The solicitation materials prescribed by the Disclosure Statement Order were transmitted to the holders of Claims entitled to vote on the Amended Plan in accordance with Bankruptcy Rule 3017(d).

(ix) Compliance with Fed. R. Bankr. P. 3018. The solicitation of votes to accept or reject the Amended Plan satisfies Bankruptcy Rule 3018. The Amended Plan was transmitted to all holders of Claims entitled to vote on the Amended Plan, sufficient time was prescribed for such holders to accept or reject the Amended Plan, and the solicitation materials used and solicitation procedures followed comply with Bankruptcy Code sections 1125 and 1126, thereby satisfying the requirements of Bankruptcy Rule 3018.

I. Compliance with Bankruptcy Code -- 11 U.S.C. § 1129(a)(2). The Amended Plan Proponents have complied with the applicable provisions of the Bankruptcy Code, thereby satisfying Bankruptcy Code section 1129(a)(2).

J. Plan Proposed in Good Faith -- 11 U.S.C. § 1129(a)(3). The Debtors have proposed the Amended Plan in good faith and not by any means forbidden by law, thereby satisfying Bankruptcy Code section 1129(a)(3). In determining that the Amended Plan has been proposed in good faith, the Court has examined the totality of the circumstances surrounding the formulation of the Amended Plan. The Debtors filed their chapter 11 cases, and the Amended Plan was proposed, with legitimate and honest purposes including, among other things,

maximization of the recovery to creditors under the circumstances of the cases. Furthermore, the Amended Plan reflects and is the result of arm's-length and good-faith negotiations among the Debtors, the Committee and other parties in interest in these chapter 11 cases and is consistent with the best interests of the Debtors' Estates and creditors.

K. Payments for Services or Costs and Expenses -- 11 U.S.C. § 1129(a)(4). To the extent applicable, all payments made or to be made by the Debtors or by a person acquiring property under the Amended Plan, for services or for costs and expenses in or in connection with these chapter 11 cases, or in connection with the Amended Plan and incident to these chapter 11 cases, have been approved by, or are subject to the approval of, the Court as reasonable, thereby satisfying Bankruptcy Code section 1129(a)(4).

L. Director, Officers and Insiders -- 11 U.S.C. § 1129(a)(5). On the Effective Date, the authority, power and incumbency of the persons then acting as directors, officers, managers and other authorized persons of the Debtors shall be terminated and such persons shall be deemed to have resigned. On the Effective Date and in compliance with the provisions of the Amended Plan and the Liquidation Trust Agreement, the Debtors shall appoint a person or firm as Liquidation Trustee that is reasonably acceptable to the Consultation Parties. In the Plan Supplement, the Debtors identified the person that will serve as the initial Liquidation Trustee. This individual is not an insider of the Debtors. At or prior to the Confirming Hearing, the Debtors identified any insider whom the Debtors have or who will be engaged to assist the Liquidation Trustee. The Debtors further believe that the appointment to such office of such individuals is consistent with the interests of creditors and equity security holders and with public policy. Therefore, the Amended Plan satisfies Bankruptcy Code section 1129(a)(5).

M. No Rate Changes -- 11 U.S.C. § 1129(a)(6). There is no regulatory commission having jurisdiction after confirmation of the Amended Plan over the rates of the Debtors and no

rate change provided for in the Amended Plan requiring approval of any such commission. Therefore, Bankruptcy Code section 1129(a)(6) is not applicable.

N. Best Interests of Creditors -- 11 U.S.C. § 1129(a)(7). The Amended Plan satisfies Bankruptcy Code section 1129(a)(7). The liquidation analysis included in the Disclosure Statement and any other evidence proffered or adduced at the Confirmation Hearing (i) are persuasive and credible, (ii) have not been controverted by other evidence, and (iii) establish that each holder of an Impaired Claim or Interest either has accepted the Amended Plan or will receive or retain under the Amended Plan, on account of such Claim or Interest, property of a value, as of the Effective Date, that is not less than the amount that such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

O. Acceptance or Rejection by Certain Classes -- 11 U.S.C. § 1129(a)(8). Classes 1, 2, and 3 are Classes of Unimpaired Claims that are conclusively presumed to have accepted the Amended Plan under Bankruptcy Code section 1126(f). Classes 4 and 5 are Impaired and, as set forth in the Voting Certification, the holders of such Claims have voted to accept the Amended Plan. Class 6 is Impaired and, as set forth in the Voting Certification, the holders of such Claims have voted to reject the Amended Plan. Classes 7, 8 and 9 are Classes of Impaired Claims and that are conclusively presumed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g). Notwithstanding that Bankruptcy Code section 1129(a)(8) has not been satisfied with respect to all Classes, pursuant to Bankruptcy Code section 1129(b), the Plan may be confirmed over the nonacceptance of Classes, 6, 7, 8 and 9.

P. Treatment of Administrative and Priority Tax Claims -- 11 U.S.C. § 1129(a)(9). The treatment of Administrative Expense Claims, Fee Claims and Priority Tax Claims pursuant to Article II of the Amended Plan satisfies the requirements of Bankruptcy Code section 1129(a)(9)(A), (B) and (C).

Q. Acceptance by Impaired Class -- 11 U.S.C. § 1129(a)(10). Classes 4 and 5, each entitled to vote on the Amended Plan, have voted to accept the Amended Plan in accordance with Bankruptcy Code section 1126(c). The accepting Classes, Classes 4 and 5, have accepted the Amended Plan pursuant to Bankruptcy Code section 1126(c) without the votes of insiders with Allowed Claims. Therefore, the requirement of Bankruptcy Code section 1129(a)(10), that at least one Class of Claims against or Interests in the Debtors that is Impaired under the Amended Plan has accepted the Amended Plan, determined without including any acceptance of the Amended Plan by any insider, has been satisfied.

R. Feasibility -- 11 U.S.C. § 1129(a)(11). The Amended Plan calls for liquidation of the Debtors. Therefore, confirmation of the Amended Plan is not likely to be followed by the need for further financial reorganization of the Debtors, thereby satisfying (or eliminating the need to consider) Bankruptcy Code section 1129(a)(11).

S. Payment of Fees -- 11 U.S.C. § 1129(a)(12). All fees due and payable under 28 U.S.C. § 1930 on or before the Effective Date, as determined by the Court, have been paid or will be paid on the Effective Date pursuant to Section 2.5 of the Amended Plan, thus satisfying the requirements of Bankruptcy Code section 1129(a)(12).

T. Continuation of Retiree Benefits -- 11 U.S.C. § 1129(a)(13). The Debtors have no retiree benefit obligations and, thus, Bankruptcy Code section 1129(a)(13) is inapplicable.

U. Postpetition Domestic Support Obligations and Disposable Income -- 11 U.S.C. § 1129(a)(14) and (15). Bankruptcy Code section 1129(a)(14) and (15) impose certain requirements on individual chapter 11 debtors. None of the Debtors are individuals. Accordingly, such sections are not implicated by the Amended Plan.

V. No Applicable Nonbankruptcy Law Regarding Transfers -- 11 U.S.C. § 1129(a)(16). The Debtors are moneyed, business, and/or commercial corporations and, therefore, Bankruptcy Code section 1129(a)(16) is not applicable.

W. Fair and Equitable; No Unfair Discrimination as to Rejecting Class -- 11 U.S.C. § 1129(b). Holders of Claims in Class 6 are Impaired and have voted to reject the Amended Plan. Holders of Interests in Classes 7, 8 and 9 are Impaired and deemed to have rejected the Amended Plan. Based upon the evidence proffered, adduced, and presented by the Debtors at the Confirmation Hearing, the Amended Plan does not discriminate unfairly and is fair and equitable with respect to the aforementioned Classes, as required by Bankruptcy Code section 1129(b)(1) and (b)(2), because no holder of any Claim or Interest of the Debtors that is junior to the Claims or Interests of Classes 6, 7, 8 or 9 is receiving or retaining any property under the Amended Plan on account of such junior Claims or Interests against the Debtors. Accordingly, the requirements of Bankruptcy Code section 1129(b)(1) and (b)(2) are satisfied with respect to Classes 6, 7, 8 and 9, and the Plan does not violate the absolute priority rule, does not discriminate unfairly, and is fair and equitable with respect to Classes 6, 7, 8 and 9. Thus, the Amended Plan may be confirmed notwithstanding the deemed rejection of Classes 6, 7, 8 and 9.

X. Only One Plan -- 11 U.S.C. § 1129(c). Other than the Amended Plan (including previous versions thereof), no other plan has been filed in these chapter 11 cases. Accordingly, the requirements of Bankruptcy Code section 1129(c) have been satisfied.

Y. Principal Purpose -- 11 U.S.C. § 1129(d). The principal purpose of the Amended Plan is neither the avoidance of taxes nor the avoidance of the application of Section 5 of the Securities Act of 1933, and no governmental unit has objected to the confirmation of the Amended Plan on any such grounds. The Amended Plan, therefore, satisfies the requirements of Bankruptcy Code section 1129(d).

Z. No Objection to Disposition of Contracts and Leases. No party to an Executory Contract or Unexpired Lease to be rejected by the Debtors pursuant to the Amended Plan has objected to the rejection thereof.

AA. Burden of Proof. The Debtors have met their burden of proving the elements of Bankruptcy Code section 1129(a) and (b) by a preponderance of the evidence.

BB. Satisfaction of Confirmation Requirements. The Amended Plan satisfies the requirements for confirmation set forth in Bankruptcy Code section 1129.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Confirmation of Amended Plan. The Amended Plan including the Plan Supplement is approved and confirmed under Bankruptcy Code section 1129.

2. Binding Effect. Effective on the Effective Date, and except as expressly provided in this Confirmation Order, the Amended Plan and its provisions shall be binding upon the Debtors, the Liquidation Trust, the Liquidation Trustee, the Creditors' Committee, any individual or entity acquiring or receiving property or a distribution under the Amended Plan and any holder of a Claim against or Interest in the Debtors, including all governmental entities, whether or not the Claim or Interest of such holder is Impaired under the Amended Plan and whether or not such holder has accepted the Amended Plan. Pursuant to Bankruptcy Code sections 1123(a) and 1142(a) and the provisions of this Confirmation Order, from and after the Effective Date, the Debtors, the Liquidation Trust and the Liquidation Trustee shall comply with the Amended Plan, the Plan Supplement and all other Amended Plan-related documents, and the Amended Plan, the Plan Supplement and all other Amended Plan-related documents shall be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

3. Application of Absolute Priority Rule. The Amended Plan satisfies the requirements of Bankruptcy Code section 1129(b) with respect to Classes 6, 7, 8 and 9 (*i.e.* the rejecting Classes). Therefore, the treatment of Classes 6, 7, 8 and 9 is approved.

4. Releases. The release provisions of Sections 11.3 and 11.4 of the Amended Plan, as modified by this Confirmation Order, are approved, are incorporated by reference into and are an integral part of this Confirmation Order. Such provisions shall be effective in accordance with their terms.

5. Exculpation. The exculpation provisions of Section 11.5 of the Amended Plan are approved, are incorporated by reference into and are an integral part of this Confirmation Order. Such provisions shall be effective in accordance with their terms.

6. Injunction. The injunction provisions of Section 11.6 of the Amended Plan are approved, incorporated by reference into and an integral part of this Confirmation Order. Such provisions shall be effective in accordance with their terms.

7. Cancellation of Interests.⁴ Pursuant to Section 5.9 of the Amended Plan, on the Effective Date, except for the purpose of evidencing a right to distribution under the Amended Plan and except as otherwise set forth in the Amended Plan, all notes, stock, agreements, instruments, certificates, and other documents evidencing any Claim against or Interest in the Debtors shall be cancelled and the obligations of the Debtors thereunder or in any way related thereto shall be fully released. Notwithstanding the foregoing, each of the Indentures shall continue in effect solely for the purposes of, as applicable: (a) allowing holders of Allowed Class 4 and Class 5 Claims to receive distributions under the Amended Plan; (b) allowing holders of Allowed Class 5 Claims to enforce the subordination provisions in the Subordinated Notes Indenture against holders of Allowed Class 6 Claims; and (c) allowing and preserving the rights of the Indenture Trustees to (i) make distributions in satisfaction of Allowed Class 4 and 5

⁴ [NTD – To be reviewed by the Indenture Trustee]

Claims, (ii) maintain and exercise their respective Charging Liens against holders of Allowed Senior Notes Claims and Allowed Subordinated Notes Claims, as applicable, and distributions thereto, (iii) seek compensation and reimbursement for any reasonable and documented fees and expenses incurred in making such distributions, (iv) maintain and enforce any right to indemnification, expense reimbursement, contribution, or subrogation or any other claim or entitlement that the Indenture Trustees may have under the applicable Indentures, (v) exercise their rights and obligations relating to the interests of their holders pursuant to the applicable Indentures, and (vi) appear in these chapter 11 cases. For the avoidance of doubt, all indemnification obligations and expense reimbursement obligations of the Debtors arising under the Indentures in favor of the Indenture Trustees, and each of their respective directors, officers, employees, agents, affiliates, controlling persons, and legal and financial advisors, shall survive, remain in full force and effect, and be enforceable against the Liquidation Trustee on and after the Effective Date and solely enforceable through the exercise of the applicable Charging Lien against the holders of Allowed Senior Notes Claims, Second Lien Secured Claims, and Allowed Subordinated Notes Claims, as applicable, and distributions thereto.

8. Amended Plan Implementation Authorization. In accordance with Bankruptcy Code section 1142, upon the entry of this Confirmation Order, the Debtors, the Liquidation Trust and the Liquidation Trustee each acting by and through their respective officers and agents, hereby are authorized to take any and all actions necessary or appropriate to implement the Amended Plan, including, without limitation, forming the Liquidation Trust and entering into the Liquidation Trust Agreement (substantially in the form included in the Plan Supplement), without any further order of the Court. The Liquidation Trust shall be deemed for all purposes to have been created in connection with the Amended Plan and this Confirmation Order. Any officer of the Debtors and/or the Liquidation Trustee, as applicable, shall be authorized to take

any action as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Amended Plan, whether or not specifically referred to in the Amended Plan or any exhibit thereto, without further order of the Court or further action by the Liquidation Trust or any other person.

9. Approval of the Global Settlement. The provisions of the Amended Plan, as discussed in detail in the Disclosure Statement, constitute a good-faith compromise and settlement pursuant to Bankruptcy Rule 9019 and Bankruptcy Code section 1123 of all of the outstanding issues between the Committee, the Second Lien Agent, the Indenture Trustees, the Second Lien Lenders, and the Second Lien Noteholders in these chapter 11 cases, including, without limitation, the calculation of the Adequate Protection Claims, the Second Lien Diminution Claims, the allocation of proceeds from all sales of the Debtors' assets, and all remaining counts asserted by the Committee in its adversary proceeding. The entry of this Confirmation Order constitutes the Court's approval of all the foregoing compromises and settlements embodied in the Amended Plan, and the Court's findings shall constitute its determination that such compromises and settlements are in the best interest of the Debtors, the Estates, the creditors and other parties in interest, and are fair, equitable, and within the range of reasonableness. On the Effective Date, all matters among the Committee, the Second Lien Agent, the Indenture Trustees, the Second Lien Lenders, and the Second Lien Noteholders in these chapter 11 cases shall be fully and finally resolved and all litigation related thereto shall be dismissed with prejudice.

10. Governmental Approvals Not Required. This Confirmation Order shall constitute all approvals and consents required, if any, by the laws, rules or regulations of any state or any other governmental authority with respect to the implementation or consummation of the Amended Plan and any documents, instruments or agreements, and any amendments or

modifications thereto, and any other acts referred to in or contemplated by the Amended Plan, the Disclosure Statement and any documents, instruments or agreements, and any amendments or modifications thereto.

11. Exemption from Certain Transfer Taxes. To the extent permitted by Bankruptcy Code section 1146(a), any post-Confirmation Date transfer from a Debtor to any Person pursuant to, in contemplation of, or in connection with the Amended Plan or pursuant to: (a) the issuance, distribution, transfer or exchange of any debt, equity security or other interest in the Debtors; (b) the creation, modification, consolidation or recording of any mortgage, deed of trust or other security interest; (c) the making, assignment or recording of any lease or sublease; or (d) the making, delivery or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Amended Plan, including any deeds, bills of sale, assignments or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Amended Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, sales or use tax, Uniform Commercial Code filing or recording fee or other similar tax or governmental assessment, in each case to the extent permitted by applicable law, and the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

12. Applicable Non-Bankruptcy Law. Pursuant to Bankruptcy Code sections 1123(a) and 1142(a), the provisions of this Confirmation Order, the Amended Plan, or any other amendments or modifications thereto shall apply and be enforceable notwithstanding any otherwise applicable non-bankruptcy law.

13. Approval of Liquidation Trust and Appointment of the Liquidation Trustee. The Court finds that formation of the Liquidation Trust is an essential element of the Amended Plan, and entry into the Liquidation Trust Agreement provided in the Plan Supplement is in the reasonable exercise of the Debtors' business judgment. The entry by the Debtors into the Liquidation Trust Agreement is approved and shall not be in conflict with any federal or state law. Further, the appointment of Eugene I. Davis as Liquidation Trustee is approved.

14. Transfers by Debtor; Vesting and Revesting of Assets. All transfers of property of the Estates, including, without limitation, the vesting of the Liquidation Trust Assets in the Liquidation Trust to make distributions to the Liquidation Trust Beneficiaries to be made pursuant to Section 9.6.4 of the Amended Plan, (i) are legal, valid and effective transfers of property, (ii) vest the transferees with good title to such property free and clear of all Claims, interests, Liens, charges or other encumbrances, except as expressly provided in the Amended Plan or this Confirmation Order, (iii) do not and will not constitute avoidable transfers under the Bankruptcy Code or under applicable law, (iv) do not and will not subject the Debtors, the Liquidation Trust or the Liquidation Trustee to any liability by reason of such transfer under the Bankruptcy Code or under applicable nonbankruptcy law, including, without limitation, any laws affecting successor, transferee or stamp or recording tax liability, and (v) are for good consideration and value. Pursuant to Bankruptcy Code sections 1141(b) and (c), all Liquidation Trust Assets shall vest in the Liquidation Trust free and clear of all Claims, interests, Liens, charges and other encumbrances. Such vesting does not constitute a voidable transfer under the Bankruptcy Code or applicable non-bankruptcy law.

15. Effect of Conflict Between Amended Plan and Confirmation Order. The provisions of the Amended Plan and of this Confirmation Order shall be construed in a manner consistent with each other so as to effect the purposes of each; *provided, however*, that if there is

determined to be any inconsistency between any Amended Plan provision and any provision of this Confirmation Order that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of this Confirmation Order shall govern and any such provision of this Confirmation Order shall be deemed a modification of the Amended Plan and shall control and take precedence.

16. Authorization to Consummate Amended Plan. Notwithstanding Bankruptcy Rule 3020(e), this Confirmation Order shall take effect immediately upon its entry and the Debtor is authorized to consummate the Amended Plan immediately after entry of this Confirmation Order and the satisfaction or waiver of all other conditions to the Effective Date of the Amended Plan, in accordance with the terms of the Amended Plan. The Amended Plan shall become effective on the Effective Date.

17. Payment of Statutory Fees. All fees due and payable pursuant to 28 U.S.C. § 1930 shall be paid as soon as reasonably practicable following the Initial Distribution Date by the Liquidation Trustee. After the Effective Date, the Liquidation Trustee shall pay any and all such fees when due and payable.

18. Notice of Effective Date. On or within two (2) Business Days of the Effective Date, the Debtors shall file and serve a notice of occurrence of the Effective Date in substantially the form attached hereto as **Exhibit B**.

19. Operations Between the Confirmation Date and the Effective Date. During the period from the Confirmation Date through and until the Effective Date, the Debtors shall continue to as debtors-in-possession, subject to the Bankruptcy Code, the Bankruptcy Rules, and all orders of the Bankruptcy Court that are then in full force and effect. All actions taken by the Debtors during the period from the Confirmation Date through the Effective Date shall be, and

shall be taken in a manner, consistent in all material respects with the Confirmation Order, this Amended Plan and the Liquidation Trust Agreement.

20. Creation and Implementation of the Liquidation Trust. Pursuant to the Amended Plan and the Liquidation Trust Agreement, on the Effective Date, the Liquidation Trust shall be established and become effective for the benefit of the Liquidation Trust Beneficiaries. The Liquidation Trust is authorized and empowered, pursuant to the Amended Plan, including, without limitation, Section 9.2 and the Liquidation Trust Agreement, to liquidate and administer the Liquidation Trust Assets and make distributions on account thereof as provided for under the Amended Plan.

21. Post-Effective Date Fees and Expenses. From and after the Effective Date, the Liquidation Trustee is authorized, in accordance with the Liquidation Trust Agreement, but without the necessity for any approval by the Court, to incur any reasonable and necessary expenses in connection with the performance of its duties under the Amended Plan, including in connection with retaining professionals and/or entering into agreements pursuant to Sections 9.6.3 and 9.6.9 of the Amended Plan.

22. Provisions Governing Distributions. The Debtors or Liquidation Trustee shall make all Distributions required under the Amended Plan and the distribution provisions of Article VII of the Amended Plan shall be, and hereby are, approved in their entirety.

23. Settlement of Indenture Trustees' Fees. On the Effective Date, the fees, costs, and expenses incurred by the Indenture Trustees (other than the Second Lien Indenture Trustee) shall be paid in accordance with Section 5.14 of the Amended Plan.

24. Satisfaction of Claims. Except as otherwise provided in the Amended Plan or this Confirmation Order, any Plan Distributions and deliveries to be made on account of Allowed

Claims under the Amended Plan shall be in complete satisfaction, settlement, and release of such Allowed Claims.

25. Setoff Rights. In the event that the value of the Debtor's claim, right or Cause of Action against a particular claimant is undisputed, resolved by settlement, or has been adjudicated by Final Order of any court, the Liquidation Trustee may set off such undisputed, resolved, or adjudicated amount against any Plan Distributions that would otherwise become due to such claimant. Neither the failure to effectuate such a setoff nor the allowance of any Claim under the Amended Plan shall constitute a waiver or release by the Debtors or the Liquidation Trustee of any claims, rights or Causes of Action that the Debtors or the Liquidation Trust may possess against such claimant.

26. Authorization to Consummate. The Debtors are authorized to consummate the Amended Plan after entry of this Confirmation Order subject to satisfaction of the conditions precedent to the occurrence of the Effective Date set forth in Section 10.1 of the Amended Plan, or waiver of such conditions pursuant to Section 10.2 of the Amended Plan. The Debtors and the Liquidation Trustee, as applicable, are authorized and directed to execute, acknowledge and deliver such deeds, assignments, conveyances, and other assurances, documents, instruments of transfer, uniform commercial code financing statements, trust agreements, mortgages, indentures, security agreements and bills of sale and to take such other actions as may be reasonably necessary to perform the terms and provisions of the Amended Plan, all transactions contemplated by the Amended Plan, the Plan Supplement and all other agreements and/or documents related thereto.

27. Assumption of Executory Contract and Unexpired Leases. On the Effective Date, the Debtors shall assume only the Executory Contracts and Unexpired Leases listed on the Schedule of Assumed Contracts and Leases. The parties to such Executory Contracts and

Unexpired Leases to be assumed pursuant to the Amended Plan were afforded with good and sufficient notice of such assumption and an opportunity to object and be heard. Except as otherwise provided in this Confirmation Order, any and all objections or reservations of rights in connection with the assumption or an Executory Contract or Unexpired Lease under the Amended Plan, if any, are overruled on their merits.

28. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases. Any monetary defaults under each Executory Contract and Unexpired Lease to be assumed pursuant to the Amended Plan shall be satisfied, pursuant to Bankruptcy Code section 365(b)(1), by payment of the default amount in Cash on the Effective Date or on such other terms as the parties to such Executory Contract or Unexpired Lease may agree. In the event of a dispute regarding (i) the amount of any payments to cure such a default, (ii) the ability of the Liquidation Trustee or any assignee to provide “adequate assurance of future performance” within the meaning of Bankruptcy Code section 365 under the Executory Contract or Unexpired Lease to be assumed, or (iii) any other matter pertaining to the proposed assumption, the cure payments required by Bankruptcy Code section 365(b)(1) shall be made following the entry of a Final Order resolving the dispute and approving the assumption. Any counterparty to an Executory Contract or Unexpired Lease that failed to timely object to the proposed assumption or cure amount shall be deemed to have consented to such assumption and agreed to the specified cure amount.

29. Rejection of Executory Contracts and Unexpired Leases. On the Effective Date, each Executory Contract and Unexpired Lease shall be deemed rejected unless such Executory Contract or Unexpired Lease: (a) is listed on the Schedule of Assumed Contracts and Leases, (b) is listed on the Schedule of Contracts and Leases Neither Assumed Nor Rejected, or (c) is otherwise assumed pursuant to the terms of the Amended Plan, *provided, however*, that any Executory Contracts or Unexpired Leases that are the subject of a separate motion to assume or

reject under Bankruptcy Code section 365 pending on the Effective Date shall be treated as provided in the Final Order resolving such motion; *provided further, however*, to the fullest extent permitted by applicable law, all indemnification provisions in existence prior to the date on which these chapter 11 cases were filed (whether in the by-laws, certificates of incorporation or formation, limited liability company agreements, other organizational documents, board resolutions, indemnification agreements, employment contracts, or otherwise) for any current or former directors, officers, managers, employees, direct and indirect sponsors, shareholders, direct and indirect affiliates, attorneys, accountants, investment bankers, or other professionals of the Debtors, as applicable, shall be reinstated, assumed, and remain intact and irrevocable and shall survive the Effective Date.

30. Claims Based on Rejection of Executory Contracts or Unexpired Leases. All Claims arising from the rejection of Executory Contracts or Unexpired Leases pursuant to the Amended Plan or this Confirmation Order must be filed with the Claims Agent according to the procedures established for the filing of proof of claim or before thirty (30) days after notice of entry of this Confirmation Order.

31. Dissolution of the Debtors. The Liquidation Trustee is authorized to dissolve or terminate the existence of wholly owned non-Debtor subsidiaries following the Effective Date as well as any remaining health, welfare or benefit plans, if any. For the avoidance of doubt, subject to making any Plan Distributions to holders of Allowed General Unsecured Claims on the Initial Distribution Date, once all assets of a Debtor have been transferred to the Liquidation Trust or the Liquidation Trustee, as applicable, the Liquidation Trustee is authorized to take all necessary steps to dissolve such Debtor.

32. Dissolution of Committee. The Committee shall be automatically dissolved on the Effective Date and, on the Effective Date, each member of the Committee (including each

officer, director, employee, agent, consultant, or representative thereof) and each Professional Person retained by the Committee shall be released and discharged from all further authority, duties, responsibilities, and obligations relating to the Debtors and these chapter 11 cases; *provided, however*, that the foregoing shall not apply to any matters concerning any Fee Claims held or asserted by any Professional Persons retained by the Committee.

33. Securities Matters. Notwithstanding any language to the contrary contained in the Disclosure Statement, the Amended Plan, and/or this Confirmation Order, no provision of the Disclosure Statement, Amended Plan, or Confirmation Order shall (a) preclude the Securities and Exchange Commission from enforcing its police or regulatory powers or (b) release any non-debtor from liability in connection with any legal or equitable action or claim brought by the Securities and Exchange Commission.

34. Environmental Protection Agency. Nothing in this Order or the Plan releases, discharges, precludes, or enjoins: (i) any liability under environmental law to any governmental unit as defined in 11 U.S.C. § 101(27) (“Governmental Unit”) that is not a “claim” as defined in 11 U.S.C. § 101(5); (ii) any environmental Claim of a Governmental Unit arising on or after the Confirmation Date; (iii) any environmental liability to a Governmental Unit that any entity is subject to as the owner or operator of property after the Confirmation Date; provided, however, that nothing in this clause (iii) shall be construed to deny a discharge, release, or preclusion of any Claim with respect to such real property for any costs incurred, expended, or paid by a Governmental Unit before the Effective Date or any penalties or fines owing for any days of alleged violations of environmental laws or regulations before the Effective Date; or (iv) any liability to a Governmental Unit on the part of any Person other than the Debtors, or Liquidation Trust. Nor shall anything in this Order or the Plan enjoin or otherwise bar a Governmental Unit from asserting or enforcing, outside this Court, any liability described in the preceding

sentence. Nothing in this Order or the Plan shall (i) affect any setoff or recoupment rights of any Governmental Unit, or (ii) limit, diminish, or otherwise alter the Debtors' (or any successor in interest's) defenses, claims, causes of action, or other rights under applicable non-bankruptcy law with respect to any environmental liability to Governmental Units at owned or operated sites.

35. Texas Comptroller of Public Accounts. Notwithstanding anything else to the contrary in the Plan or this Confirmation Order, these provisions will govern the treatment of the claims of the Texas Comptroller of Public Accounts (the "Texas Comptroller"): (1) nothing provided in the Plan or this Confirmation Order shall affect or impair any statutory or common law setoff rights of the Texas Comptroller in accordance with 11 U.S.C. § 553; (2) nothing provided in the Plan or this Confirmation Order shall affect or impair any rights of the Texas Comptroller under applicable non-bankruptcy law to pursue any non-debtor third parties for tax debts or claims; (3) nothing provided in the Plan or this Confirmation Order shall be construed to preclude the payment of interest on the Texas Comptroller's administrative expense or priority tax claims; provided that nothing shall prohibit the Debtors or any successor in interest (including the Liquidation Trustee) from contesting any claim asserted by the Texas Comptroller, including without limitation, the validity, amount, classification and/or priority of the claim and whether payment of interest is appropriate; and (4) to the extent that interest is payable with respect to any administrative expense or priority tax claim of the Texas Comptroller, the interest rate shall be 4.5% per annum.

36. Internal Revenue Service. Notwithstanding any provision to the contrary in this Order or in any Plan Documents, nothing shall: (a) affect the ability of the Internal Revenue Service (the "IRS") to pursue any non-debtors to the extent allowed by non-bankruptcy law for any liabilities that may be related to any federal tax liabilities owed by the Debtors or the Estates;

(b) affect the rights of the United States to assert setoff and recoupment and such rights are expressly preserved; (c) cause IRS penalties to be automatically disallowed and such penalties shall be treated, assessed and collected in accordance with applicable federal law; or (d) require the IRS to file an administrative claim in order to receive payment for any liability described in sections 503(b)(1)(B) and (C). To the extent that Allowed Priority Tax Claims held by the IRS (including any penalties, interest or additions to tax entitled to priority under the Bankruptcy Code), if any, are not paid in full in cash on the Effective Date, such Allowed Priority Tax Claims shall accrue interest commencing on the Effective Date at the rate and method set forth in 26 U.S.C. Sections 6621 and 6622. IRS Administrative Expense Claims that are Allowed pursuant to section 503 of the Bankruptcy Code shall accrue interest and penalties as provided by non-bankruptcy law until paid in full. Moreover, nothing in this Order or the Plan Documents shall: (a) effect a release, discharge or otherwise preclude any Claim whatsoever against any Debtor by or on behalf of the IRS relating to any liability arising out of any unfiled pre-petition tax return or any pending audit or audit which may be performed with respect to any pre-petition tax return; and (b) nothing shall enjoin the IRS from amending any claim against any Debtor with respect to any tax liability arising as a result of the filing of an unfiled return or a pending audit or audit that may be performed with respect to any pre-petition or administrative tax return. Further, any liability arising as a result of an unfiled return or final resolution of a pending audit or audit that may be performed with respect to any pre-petition tax return shall be paid in accordance with sections 1129(a)(9)(A) and (C) to the extent required thereunder.

37. Retention of Jurisdiction. Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall, after the Effective Date, retain the maximum legally permissible jurisdiction over all matters arising out of, and related to

these chapter 11 cases or the Amended Plan pursuant to, and for purposes of, Bankruptcy Code sections 105(a) and 1142, including, without limitation, jurisdiction to:

(a) allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim, including, without limitation, the resolution of any request for payment of any Administrative Expense Claim, the resolution of any and all objections to the allowance or priority of any Claims and the resolution of any and all issues related to the release of Liens upon payment of a secured Claim;

(b) grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or the Amended Plan, for periods ending on or before the Effective Date;

(c) determine any and all disputes among creditors with respect to the priority, amount or secured or unsecured status of their Claims;

(d) resolve any matters related to: (i) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is a party or with respect to which a Debtor may be liable in any manner and to adjudicate and, if necessary, liquidate any Claims arising therefrom; (ii) any potential contractual obligation under any assumed Executory Contract or Unexpired Lease; and (iii) any dispute regarding whether a contract or lease is or was an Executory Contract or Unexpired Lease, as applicable;

(e) ensure that distributions to holders of Allowed Claims are accomplished pursuant to the provisions of the Amended Plan;

(f) adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters and any other matters and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

(g) enter such orders as may be necessary or appropriate to implement or consummate the provisions of the Amended Plan and all other contracts, instruments, releases, indentures and other agreements or documents adopted in connection with the Amended Plan or Disclosure Statement;

(h) resolve any cases, Claims, controversies, suits, disputes, or causes of action that may arise in connection with the occurrence of the Effective Date, confirmation, interpretation, implementation or enforcement of the Amended Plan or the extent of any entity's obligations incurred in connection with or released under the Amended Plan;

(i) hear and determine all Causes of Action that are pending as of the date hereof or that may be commenced in the future, including, but not limited to, the Liquidation Trust Causes of Action;

(j) issue and enforce injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with the Effective Date or the consummation, implementation or enforcement of the Amended Plan, except as otherwise provided in the Amended Plan;

(k) resolve any ambiguities between the Liquidation Trust Agreement and the Amended Plan;

(l) enforce the terms of the Liquidation Trust Agreement and to decide any claims or disputes that may arise or result from, or be connected with, the Liquidation Trust Agreement, any breach or default under the Liquidation Trust Agreement or the transactions contemplated by the Liquidation Trust Agreement;

(m) resolve any matters related to the Liquidation Trust;

(n) resolve any Disputed Claims;

(o) resolve any cases, controversies, suits, or disputes with respect to the releases, exculpations, and other provisions contained in Article 11 of the Amended Plan and enter such orders as may be necessary or appropriate to implement or enforce all such releases, exculpations, and other provisions;

(p) recover all assets of the Debtors and property of the Debtors' Estates wherever located;

(q) hear and determine matters concerning state, local, and federal taxes in accordance with Bankruptcy Code sections 346, 505, and 1146;

(r) consider any modifications of the Amended Plan, to cure any defect or omission, or reconcile any inconsistency in any Bankruptcy Court order, including, without limitation, the Confirmation Order;

(s) enter and implement such orders or take such other actions as may be necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

(t) resolve any other matters that may arise in connection with or relating to the Amended Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Amended Plan or the Disclosure Statement;

(u) adjudicate any and all disputes arising from or relating to Amended Plan Distributions;

(v) determine requests for the payment of Claims entitled to priority pursuant to Bankruptcy Code section 507, including requests by Professional Persons for payment of accrued professional compensation;

(w) enforce all orders previously entered by the Bankruptcy Court;

- (x) hear any other matter not inconsistent with the Bankruptcy Code or related statutory provisions setting forth the jurisdiction of the Bankruptcy Court; and
- (y) enter a final decree closing these chapter 11 cases.

Dated: August _____, 2016
Wilmington, Delaware

THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Exhibit A

Exhibit B

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

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

NOTICE OF (I) ENTRY OF CONFIRMATION ORDER AND (II) EFFECTIVE DATE

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. An order (the “Confirmation Order”) of the Honorable Laurie Selber Silverstein, United States Bankruptcy Judge for the District of Delaware, confirming and approving the *First Amended Joint Chapter 11 Plan of Liquidation for Quicksilver Resources Inc. and its Affiliated Debtors* [Docket No. 1525] (including all exhibits thereto and as the same may be amended, modified or supplemented from time to time, the “Plan”)² was entered on August __, 2016 [Docket No. __].

2. All conditions precedent to the Effective Date pursuant to Article 10 of the Plan have been satisfied or waived. Therefore, today, __, 2016, is the Effective Date of the Plan.

3. The Plan and its provisions are binding on, among others, the Debtors, all holders of Claims and Interests (irrespective of whether such Claims or Interests are impaired under the Plan or whether the holders of such Claims or Interests have accepted the Plan), and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors, as provided in the Plan.

4. Any holder of a Claim arising from the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan must file a proof of Claim with the Bankruptcy Court and serve such proof of Claim on the Debtors no later than __, 2016. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease pursuant to Section 8.2 of the Plan for which proofs of Claim are not timely filed within that time period will be forever barred from assertion against the Debtors, the Estates, their successors and assigns, and their assets and properties, unless otherwise ordered by the Bankruptcy Court or as otherwise provided in the Plan.**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Quicksilver Resources Inc. [6163]; Barnett Shale Operating LLC [0257]; Cowtown Drilling, Inc. [8899]; Cowtown Gas Processing L.P. [1404]; Cowtown Pipeline Funding, Inc. [9774]; Cowtown Pipeline L.P. [9769]; Cowtown Pipeline Management, Inc. [9771]; Makarios Resources International Holdings LLC [1765]; Makarios Resources International Inc. [7612]; QPP Holdings LLC [0057]; QPP Parent LLC [8748]; Quicksilver Production Partners GP LLC [2701]; Quicksilver Production Partners LP [9129]; and Silver Stream Pipeline Company LLC [9384]. The Debtors’ address is 801 Cherry Street, Suite 4000, Fort Worth, Texas 76102.

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

5. The Administrative Bar Date is ____, 2016. Except as otherwise provided in the Plan or the Confirmation Order, each holder of an Administrative Expense Claim (to the extent such holder has not previously been paid and other than those Claims specifically provided for in Section 2.1.2 of the Plan) must file with the Bankruptcy Court a request for payment of such Administrative Expense Claim no later than the Administrative Bar Date. **Any holder of an Administrative Expense Claim that is required to file a request for payment of such Administrative Expense Claim that does not file such request with the Bankruptcy Court by the Administrative Bar Date, shall be forever barred, estopped, and enjoined from asserting such Administrative Expense Claim against the Debtors, and such Administrative Expense Claim shall be deemed released and discharged as of the Effective Date.**

6. Any Professional Person seeking allowance of a Fee Claim must file and serve on the Liquidation Trustee and such other entities as are designated by the Bankruptcy Rules, the Confirmation Order, or other order of the Bankruptcy Court, an application for final allowance of compensation for services rendered and reimbursement of expenses incurred prior to the Effective Date no later than ____, 2016 (the "Fee Claim Bar Date"). Subject to the provisions of Bankruptcy Code sections 328, 330(a), and 331, the Liquidation Trust shall pay each holder of an Allowed Fee Claim the full unpaid amount of such Allowed Fee Claim in Cash no later than fourteen (14) days after the date that such Claim is Allowed by order entered by the Bankruptcy Court. **Any Fee Claim not filed by the Fee Claim Bar Date (or such later date as may be agreed upon by the Liquidation Trustee) in accordance with Section 2.3 shall be deemed disallowed under the Plan and shall be forever barred against the Estates, the Liquidation Trust, or any of the Liquidation Trust Assets or property, and the holder thereof shall be enjoined from commencing or continuing any action, employment of process or act to collect, offset, recoup or recover such Claim.**

7. Copies of the Confirmation Order, the Plan and the Plan Supplement shall be available for inspection (i) at the Office of the Clerk of the Bankruptcy Court, (ii) at <http://www.pacer.gov>, or (iii) from the Claims Agent's website at <http://cases.gcginc.com/kwk>.

Wilmington, Delaware
Date: _____, 2016

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