

**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 Nos. 9, 92, 106 & 176

**FINAL ORDER AUTHORIZING, BUT NOT DIRECTING,
THE DEBTORS TO (A) CONTINUE PRE-PETITION INSURANCE
COVERAGE AND (B) MAINTAIN FUNDING FOR THE INSURANCE BROKERS**

Upon the Motion² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for entry of this Final Order pursuant to Bankruptcy Code sections 105(a) and 363(c) and Bankruptcy Rule 6003 authorizing, but not directing, the Debtors to (a) continue their pre-petition insurance policies described herein covering, *inter alia*, workers’ compensation and employer’s liability, automobile liability, commercial general liability, non-owned aviation liability, umbrella and excess liability, property damage, well control liability, care, custody and control liability, site pollution liability, director and officer liability, fiduciary liability, and employed lawyers liability; (b) make annual and monthly premium payments in the ordinary course of business; (c) maintain funding for the Insurance Broker; and (d) scheduling a Final Hearing to consider entry of the Final Order to the extent a Final Hearing is necessary, all as further described in the Motion; and the Court having entered the Interim Order captioned

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

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

Interim Order Authorizing, But Not Directing, the Debtors to (a) Continue Pre-Petition Insurance Coverage and (b) Maintain Funding for the Insurance Broker [Docket No. 92]; and the Court having jurisdiction to consider this Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding in accordance with 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion being adequate and appropriate under the particular circumstances; and a Final Hearing having been held to consider the relief requested in the Motion; and upon the First Day Declaration, the record of the hearing and all proceedings had before the Court; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors' estates, their creditors and other parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and any objections to the requested relief having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The Motion is granted on a final basis to the extent provided herein.
2. The Debtors are authorized to continue the Insurance Policies uninterrupted, including, in their sole discretion, making payments to maintain certain Insurance Policies, *provided, however*, that prior to entering into any new insurance policies that are not part of the Debtors' current insurance program or renewing any of the current Insurance Policies on substantially different terms than currently in effect, the Debtors shall provide counsel to each of the Global Administrative Agent, the Second Lien Agent, the Ad Hoc Group of Second Lienholders and the Official Committee of Unsecured Creditors written notice of such new policies or renewals (which may be given by email) not less than ten business days prior to

entering into or renewing any such policies. The Debtors shall provide the same detail regarding their Insurance Policies to the Official Committee of Unsecured Creditors as is required to be provided to each of the Global Administrative Agent, the Second Lien Agent and the Ad Hoc Group of Second Lienholders under the *Interim Order Under 11 U.S.C. §§ 105, 361, 362, 363 and 507, and Bankruptcy Rules 2002, 4001 and 9014 (I) Authorizing Debtors to Use Cash Collateral, (II) Granting Adequate Protection to Prepetition Secured Parties and (III) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(b)*.

3. The Debtors are authorized, in their sole discretion, subject to the terms of any cash collateral or financing order entered by the Court, to pay any pre-petition amounts due in connection with the Insurance Policies.

4. The Debtors are authorized, in their sole discretion, subject to the terms of any cash collateral or financing order entered by the Court, to pay the Insurance Brokers any pre-petition amounts due.

5. The Debtors are authorized, in their sole discretion, subject to the terms of any cash collateral or financing order entered by the Court, to pay any deductibles on claims covered by the Insurance Policies.

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

7. The Debtors are authorized, but not directed, to issue post-petition checks or to effect post-petition fund transfer requests in replacement of any checks or fund transfer requests that are dishonored as a consequence of the chapter 11 cases with respect to pre-petition amounts authorized to be paid herein.

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

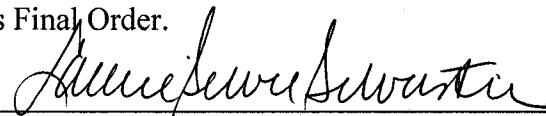
9. Any payment made pursuant to this Final Order is not intended and should not be construed as an admission as to the validity or priority of any claim or a waiver of the Debtors' rights to subsequently dispute such claim, and any such payment is not intended and should not be construed as an assumption of any executory contract or obligation of the Debtors.

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

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

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

Wilmington, Delaware
Date: April 14, 2015



THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE