

**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. 13, 89, 111, 160 & <u>202</u>

**FINAL ORDER AUTHORIZING THE DEBTORS TO PAY OR HONOR
PRE-PETITION AND POST-PETITION ROYALTY
OBLIGATIONS, WORKING INTEREST OBLIGATIONS
AND OTHER OBLIGATIONS UNDER THE OIL AND GAS LEASES**

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, 363 and 541 and Bankruptcy Rules 6003 and 6004 authorizing (a) the Debtors in their business judgment to (i) deliver the funds owed to the holders of Mineral and Other Interests and amounts due under the Marketing Obligations as required by the applicable leases and other agreements; and (ii) continue to satisfy and honor their Lease Expenses in the ordinary course of business, and (b) all financial institutions to honor pre-petition checks and electronic payment requests for payment of the Obligations; and the Court having entered the *Interim Order Authorizing the Debtors To Pay or Honor Pre-petition and Post-petition Royalty Obligations, Working Interest Obligations and Other Obligations Under the Oil and Gas Leases* [Docket No. 89]; and the Court having jurisdiction to consider this Motion and the relief requested therein in accordance with 28 U.S.C.

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.

§§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding in accordance with 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion being adequate and appropriate under the particular circumstances; and the Court having held the Final Hearing to consider the relief requested in the Motion; and upon the First Day Declaration, the record of the Final Hearing, and all proceedings had before the Court; and 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 relief provided in the Interim Order² is approved on a final basis.
3. The Debtors are authorized, but not directed, in a reasonable exercise of their business judgment, in consultation with 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, to satisfy the Obligations in the ordinary course of business, *provided that* payments on account of pre-petition Obligations shall not exceed \$39.3 million during these chapter 11 cases pursuant to this Final Order and such payments attributable to the Mineral and Other Interests and Marketing Obligations shall be made from Third Party Funds as that term is defined in paragraph 6(b) of 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)*

² To the extent that the Debtors paid Lease Expenses (as defined in the Motion) from funds that are not Third Party Funds (as defined above) and such payment occurred before entry of this Final Order but after entry of the Interim Order, such payments are authorized. For the avoidance of doubt, to the extent that the Interim Order can be construed not to authorize such payment, the Interim Order is hereby modified to authorize such payment.

Granting Adequate Protection to Prepetition Secured Parties and (III) Scheduling a Final Hearing Pursuant to Bankruptcy Rule 4001(b).

4. The Debtors shall maintain a summary list of all payments on account of pre-petition Obligations and the Debtors shall provide an updated copy of such list on a confidential basis to the U.S. Trustee, 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 and separately to the financial advisors to each of each of the Global Administrative Agent, the Second Lien Agent, the Ad Hoc Group of Second Lienholders and the Official Committee of Unsecured Creditors on Thursday of the first full week of each month. Each summary list delivered during a particular period shall relate to the prior calendar month (*e.g.*, the summary list delivered during the first full week of May shall report the payments made on account of pre-petition Obligations during April).

5. The Debtors are authorized, subject to the terms of any cash collateral or financing order entered by the Court, to take all actions necessary to effectuate the relief granted pursuant to this Final Order in accordance with the Motion.

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

7. The Debtors are authorized, but not directed, to issue post-petition checks or to affect post-petition fund transfer requests in replacement of any checks or fund transfer requests

that are dishonored as a consequence of these chapter 11 cases with respect to pre-petition amounts authorized to be paid herein.

8. 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.

9. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the contents of the Motion or are otherwise deemed waived.

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

11. 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