



ENTERED
02/01/2017

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	Chapter 11
	§	
AZURE MIDSTREAM PARTNERS, LP, et al.,	§	Case No. 17-30461 (DRJ)
	§	
	§	(Jointly Administered)
	§	
Debtors.¹	§	Re: Docket No. 8

INTERIM ORDER (I) AUTHORIZING DEBTORS TO PAY PREPETITION CLAIMS IN THE ORDINARY COURSE OF BUSINESS AND (II) DIRECTING FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND TRANSFERS PURSUANT TO SECTIONS 105(a), 362(d), 363(b) AND 503(b) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULES 6003 AND 6004

Upon the motion, dated January 30, 2017 (the "Motion"),² of Azure Midstream Partners, LP, its subsidiaries, and certain affiliates in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the "Debtors"), for interim and final (i) authority to pay all undisputed, liquidated amounts owing with respect to the Trade Claims and (ii) direction of financial institutions to receive, honor, process, and pay all checks and wire transfers drawn on the Debtors' accounts related thereto, as more fully set forth in the Motion; and upon consideration of the Mosley Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue is allowed before this Court pursuant to 28

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Azure Midstream Partners, LP (7595), Azure ETG, LLC. (3388), Azure Holdings GP, LLC (0537), Azure Midstream Partners GP, LLC (8089), Azure TGG, LLC (6233), Marlin G&P I, LLC (6073), Marlin Logistics, LLC (8460), Marlin Midstream Finance Corp. (0130), Marlin Midstream, LLC (2587), Murvaul Gas Gathering, LLC (0826), Talco Midstream Assets, Ltd. (7004), and Turkey Creek Pipeline, LLC (1161).

² All capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to such terms in the Motion.



U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is in the best interests of the Debtors and their respective estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis as set forth herein.
2. The Debtors are authorized, but not directed, pursuant to sections 105(a), 363(b), and 503(b) of the Bankruptcy Code, to pay and satisfy the Trade Claims, whether relating to the period before or after the Petition Date, in an interim amount not to exceed \$910,300; *provided that* any Trade Creditor receiving payment on its Trade Claim must agree to maintain or reinstate trade terms during the pendency of these chapter 11 cases that are at least as favorable as the most favorable trade terms existing in the six (6) months before the Petition Date or such other trade terms acceptable to the Debtors (the “**Customary Trade Terms**”).
3. If a Trade Creditor, after receiving payment on account of a Trade Claim, ceases to provide Customary Trade Terms or otherwise fails to perform under a contract with a Debtor, the Debtors, in their sole discretion, may then take any and all appropriate steps to cause such Trade Creditor to repay payments made to it on account of its prepetition Trade Claim to the extent that such payments exceed the postpetition amounts then owing to such Trade Creditor.
4. No Trade Claims shall include amounts owed to AME on account of advances made to the Debtors pursuant to the Omnibus Agreement.

5. All banks and other financial institutions are authorized, but not directed, to receive, process, honor, and pay all checks presented for payment by the Debtors and to honor all fund transfer requests related to such obligations. Such banks and other financial institutions shall not be liable to any party on account of: (i) following the Debtors' representations, instructions, or presentations as to any order of this Court (without any duty of further inquiry); (ii) the honoring of any prepetition checks, drafts, wires, or ACH payments in a good-faith believe or upon a representation by the Debtors that this Court has authorized such prepetition check, draft, wire, or ACH payment; or (iii) an innocent mistake made despite implementation of reasonable handling procedures.

6. The Debtors are further authorized to issue postpetition checks, or to effect postpetition 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 any prepetition amounts that are authorized to be paid pursuant to this Interim Order.

7. Nothing contained in this Interim Order or in the Motion is intended to be, or shall be, construed as (i) an admission as to the validity of any claim against the Debtors, (ii) a waiver of the Debtors' or any appropriate party in interest's rights to dispute any claim, or (iii) an approval or assumption of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code. Likewise any payment made pursuant to this Interim Order is not intended to be, and shall not be, construed as an admission to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

8. Notwithstanding entry of this Interim Order, nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by any party.

9. Notwithstanding anything in this Interim Order to the contrary, the Debtors' authority to use or transfer cash hereunder shall be subject to the limitations and restrictions as are provided for with respect to the use or transfer of cash in any order approving the Debtors' cash collateral motion.

10. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

11. The requirements of Bankruptcy Rule 6004(a) are waived.

12. Notwithstanding the provisions of Bankruptcy Rule 6004(h), this Interim Order shall be immediately effective and enforceable upon its entry.

13. The Debtors are authorized to take all steps necessary or appropriate to carry out this Interim Order.

14. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

15. A final hearing to consider the relief requested in the Motion shall be held on February 23, 2017 at 1:30 P.M. (prevailing Central Time) and any objections or responses to the Motion shall be filed and served so as to be actually received on or prior to February 17, 2017 at 5:00 p.m. (prevailing Central Time).

SIGNED: February 1, 2017.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE