

**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	§	
	§	

NOTICE OF AUCTION AND SALE HEARING

TO PARTIES IN INTEREST IN THE CHAPTER 11 CASES OF AZURE MIDSTREAM PARTNERS, LP AND ITS AFFILIATED DEBTORS:

PLEASE TAKE NOTICE that:

1. **Approval of Bid Procedures.** By Order dated February 23, 2017 (Docket No. 116) (the “**Order**”), the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”) authorized the Debtors to market, solicit bids, conduct an auction (the “**Auction**”), and select the highest or otherwise best bidder at the Auction for the sale and transfer (the “**Sale Transaction**”) of all or substantially all of the Debtors’ assets (the “**Assets**”). The terms of the solicitation of bids, conduct of the Auction, and selection of the highest or otherwise best bid for the Assets shall be governed by the Court-approved bidding procedures (the “**Bid Procedures**”). Copies of the Bid Procedures and the Order can be accessed free of cost on the website established by the Debtors’ claims and noticing agent, Kurtzman Carson Consultants (“**KCC**”) at <http://www.kccllc.net/azuremlp>. The Order also approved the Debtors’ selection of M5 Midstream LLC (the “**Stalking Horse Purchaser**”) to serve as a stalking horse purchaser and the provision of bid protections thereto (the “**Bid Protections**”).

2. **Auction.** Pursuant to the Order and the Bid Procedures, if the Debtors receive one or more timely and acceptable Qualified Bids (as defined in the Bid Procedures), in addition to the Stalking Horse Purchaser’s bid, for the Assets, an Auction shall take place on **March 10, 2017 at 9:00 a.m. (prevailing Central Time)**, at the offices of Weil, Gotshal & Manges LLP, 700 Louisiana Street, Suite 1700, Houston, Texas 77002. Only parties that have submitted a Qualified Bid, as set forth in the Bid Procedures, by no later than **March 6, 2017 at 5:00 p.m. (prevailing Central Time)** (the “**Bid Deadline**”) may bid at the Auction. Any party

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). The Debtors’ principal offices are located at 12377 Merit Drive, Suite 300, Dallas, Texas 75251.



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that wishes to take part in this process and submit a bid for the Assets must submit their bid prior to the Bid Deadline and in accordance with the Bid Procedures. Only representatives of the Debtors, Qualified Bidders, and the Administrative Agent shall be entitled to be present at the Auction. Any and all other creditors interested in attending the Auction must provide the Debtors with notice of their intent to attend the Auction by sending a fax or e-mail to counsel for the Debtors, Weil, Gotshal & Manges LLP (Attn: Gary T. Holtzer, Esq., Robert J. Lemons, Esq., and Charles M. Persons, Esq.) (gary.holtzer@weil.com; robert.lemons@weil.com; charles.persons@weil.com); Fax: 212-310-8007.

3. **Objections to Assumption and Assignment.** No later than February 24, 2017, the Debtors shall file with the Court a notice of assumption, assignment and sale (the “**Notice of Assumption and Assignment**”) listing all of the Contracts proposed to be assumed, assigned, and sold in connection with the Sale Transaction (an “**Assumed Contract**”). Any counterparty to an Assumed Contract shall file any objection to the proposed assumption, assignment, and sale of the Assumed Contracts (and must state in its objection, with specificity, the legal and factual basis thereof) no later than **March 13, 2017 at 4:00 p.m. (prevailing Central Time)**.

4. **Sale Hearing.** A hearing (the “**Sale Hearing**”) to consider the sale of the Assets to the Successful Bidder(s) will be held at **10:30 a.m. (prevailing Central Time) on March 15, 2017**, before the Honorable David R. Jones, United States Bankruptcy Judge, United States Bankruptcy Court for the Southern District of Texas, 515 Rusk Street, Houston, Texas 77002. The Sale Hearing may be continued from time to time without further notice other than the announcement by the Debtors of the adjourned date(s) at the Sale Hearing or any continued hearing or as indicated in any notice of agenda of matters scheduled for hearing filed by the Debtors with the Bankruptcy Court.

5. **Objection to Sale Transaction.** Objections to the Sale Transaction, if any, must be filed and served so as to actually be received by (i) the Debtors; (ii) the attorneys for the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153 (Attn: Gary T. Holtzer, Esq., Robert J. Lemons, Esq., and Charles M. Persons, Esq.); (iii) corporate counsel to the Debtors, Vinson & Elkins LLP, 2001 Ross Avenue, Suite 3700, Dallas, TX 75201; (iv) the attorneys for the Administrative Agent, Baker & McKenzie LLP, 452 Fifth Avenue, New York, NY 10018 (Attn: James Donnell, Esq., Peter Goodman, Esq. and Frank Grese, Esq.); and (v) the Office of the United States Trustee for the Southern District of Texas, 515 Rusk Street, Suite 3516, Houston, TX 77002 (Attn: Hector Duran, Esq.) (the “**Notice Parties**”); no later than **March 13, 2017 at 4:00 p.m. (prevailing Central Time)**.

6. Unless an objection is timely served and filed in accordance with this notice, it may not be considered by the Bankruptcy Court and the Bankruptcy Court may grant the relief requested in the Sale Motion without further hearing and notice.

7. **Rights Notice.** If any person asserts that any property or right (including an Assumed Contract) cannot be transferred, sold, assumed, and/or assigned free and clear of all liens, encumbrances, claims, and other interests on account of the alleged termination of the Debtors’ rights in such property or under such agreement or one or more alleged approval rights, consent

rights, preferential purchase rights, rights of purchase, rights of first refusal, rights of first offer, tag-along rights, or similar rights, then such person shall file with the Court and serve a notice on the Notice Parties with all supporting documentation (a “**Rights Notice**”) on or before **March 6, 2017 at 4:00 p.m. (prevailing Central Time)** (the “**Rights Notice Deadline**”). Each Rights Notice must identify the properties or rights that are subject to such alleged right, identify the type of right(s) claimed by such party, identify the agreement, document, or statute giving rise to such right, and identify the portion of the agreement, document, or statute giving rise to such right. The assertion of a Rights Notice shall not require an exercise of the underlying right asserted. Any person failing to timely file and serve a Rights Notice shall be (i) forever barred from objecting to the transfer, sale, assumption, and/or assignment of the Debtors’ right, title and interest in, to and under the properties to be sold, assumed and/or assigned pursuant to the Stalking Horse Agreement or a definitive agreement for any alternative transaction (as applicable), including, without limitation, any alleged termination, approval rights, consent rights, preferential purchase rights, rights of purchase, rights of first refusal, rights of first offer, tag-along rights, or similar rights with respect to the Debtors’ transfer, sale, assumption, and/or assignment of the Debtors’ right, title, and interest in, to, and under such property or agreement, as set forth in the Stalking Horse Agreement or such other definitive agreement for any alternative transaction (if applicable), and (ii) deemed to consent to and approve of the transfer, sale, assumption, and/or assignment of such right, title and interest in, to and under such property or agreement, free and clear of all liens, encumbrances, claims and other interests (regardless of whether such consent must be in writing). If any person timely files and serves a Rights Notice in accordance with this Order, the Debtors shall have the opportunity to object to any alleged approval rights, consent rights, preferential purchase rights, rights of purchase, rights of first refusal, rights of first offer, tag-along rights, or similar rights asserted by such Person by filing an objection to such Rights Notice at any time prior to the Sale Hearing. Upon the filing of such objection to the Rights Notice, any rights asserted shall be deemed to be disputed and the Debtors and other parties in interest shall be entitled to assert that a bona fide dispute exists as to such rights asserted. Nothing herein shall be deemed to be a waiver of any rights of the Debtors to contest any rights asserted by any Person in Rights Notices; all such rights of the Debtors are expressly preserved.

8. This Notice of Auction and Sale Hearing is subject to the fuller terms and conditions of the Order and the Bid Procedures, with such Order controlling in the event of any conflict, and the Debtors encourage parties in interest to review such documents in their entirety. Parties interested in receiving more information regarding the sale of the Assets and/or copies of any related document, including the Sale Motion, the Stalking Horse Agreement, or the Order, may make a written request to: counsel for the Debtors, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, NY 10153 (Attn: Gary T. Holtzer, Esq., Robert J. Lemons, Esq., and Charles M. Persons, Esq.). In addition, copies of the Sale Motion, the Order, and this Notice may be examined by interested parties (i) free of charge at the website established for these chapter 11 cases by the Debtors' court appointed claims agent, Kurtzman Carson Consultants LLC, at <http://kccllc.net/azuremlp> or (ii) on the Court's electronic docket for the Debtors chapter 11 cases, which is posted on the internet at www.txs.uscourts.gov/bankruptcy (a PACER login and password are required and can be obtained through the PACER Service Center at www.pacer.psc.uscourts.gov).

Dated: February 23, 2017
Houston, Texas

/s/ Christopher López

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-and-

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*Proposed Attorneys for the Debtors
and Debtors in Possession*