

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

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In re: )  
 ) Chapter 11  
 )  
CHAPARRAL ENERGY, INC., *et al.*,<sup>1</sup> ) Case No. 20-11947 (MFW)  
 )  
Debtors. ) (Jointly Administered)  
 )  
 ) Re: Docket No. 4  
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**INTERIM ORDER (I) AUTHORIZING DEBTORS TO (A) PAY THEIR PREPETITION  
INSURANCE OBLIGATIONS, (B) PAY THEIR PREPETITION BONDING  
OBLIGATIONS, AND (C) MAINTAIN THEIR POSTPETITION INSURANCE  
COVERAGE, (D) MAINTAIN THEIR BONDING PROGRAM, (II) AUTHORIZING  
FINANCIAL INSTITUTIONS TO HONOR AND PROCESS RELATED CHECKS AND  
TRANSFERS, AND (III) GRANTING RELATED RELIEF**

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Upon the motion (the “**Motion**”) of Chaparral Energy, Inc. and its subsidiaries that are debtors and debtors in possession (collectively, the “**Debtors**”) in the Chapter 11 Cases for entry of an Interim Order and Final Order, pursuant to sections 105 and 363 of the Bankruptcy Code and Bankruptcy Rule 6003, (I) authorizing the Debtors to (a) continue to administer the Insurance Policies and pay all Prepetition Insurance Obligations and pay all Prepetition Bonding Obligations, to the extent the Debtors determine in their absolute discretion that such payments are necessary or appropriate; (b) in the ordinary course of business, pay all Postpetition Insurance Obligations and Postpetition Bonding Obligations, as such payments become due; and (c) revise, extend, supplement, or change the Debtors’ insurance coverage or the Bonding Program as needed in the

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<sup>1</sup> The Debtors in these cases, along with the last four digits (or five digits, in cases in which multiple Debtors have the same last four digits) of each Debtor’s federal tax identification number, are: CEI Acquisition, L.L.C. (1817); CEI Pipeline, L.L.C. (6877); Chaparral Biofuels, L.L.C. (1066); Chaparral CO2, L.L.C. (1656); Chaparral Energy, Inc. (90941); Chaparral Energy, L.L.C. (20941); Chaparral Exploration, L.L.C. (1968); Chaparral Real Estate, L.L.C. (1655); Chaparral Resources, L.L.C. (1710); Charles Energy, L.L.C. (3750); Chestnut Energy, L.L.C. (9730); Green Country Supply, Inc. (2723); Roadrunner Drilling, L.L.C. (2399); and Trabajo Energy, L.L.C. (9753). The Debtors’ address is 701 Cedar Lake Boulevard, Oklahoma City, OK 73114.



ordinary course of business; (II) authorizing financial institutions to honor and process related checks and transfers; and (III) granting related relief; and the Court having jurisdiction to consider the matters raised in the Motion pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having authority to hear the matters raised in the Motion pursuant to 28 U.S.C. § 157; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Motion and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Motion and opportunity for a hearing on the Motion having been given to the Notice Parties, under the circumstances, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Motion and the First Day Declaration; and the Court having held a hearing on the Motion (the “**Hearing**”); and the Court having found that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and the Court having determined that the relief requested in the Motion being in the best interests of the Debtors, their creditors, their estates, and all other parties in interest; and the Court having determined that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor, it is hereby

**ORDERED, ADJUDGED AND DECREED THAT:**

1. The Motion is GRANTED on an interim basis as set forth herein.
2. The final hearing to consider the relief requested in the Motion shall be held on September 14, 2020, at 2:00 p.m. prevailing Eastern Time. Any objections or responses to entry

of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Eastern Time, on September 8, 2020. In the event no objections to entry of the Final Order on the Motion are timely received, this Court may enter such Final Order without need for the final hearing.

3. The Debtors are authorized, but not directed, in their sole discretion to continue their Insurance Policies and Bonding Program, and to pay any Insurance Obligations and Bonding Obligations, whether arising prepetition or postpetition; *provided* that the Debtors shall not exceed \$11,250 in payments for Insurance Obligations and Bonding Obligations arising prepetition prior to entry of the Final Order.

4. The Debtors are authorized, but not directed, in their sole discretion, to revise, extend, supplement, or change their Insurance Policies and their Bonding Program as needed and to renew or enter into new insurance policies and surety bonds, or other agreements in connection with their Insurance Policies and Bonding Programs, including, without limitation, upon termination of an Insurance Policy or a Bonding Program. Nothing contained in this Interim Order or the Motion is intended to allow or authorize any of the Debtors to renew, amend, supplement, modify, or extend any surety bond without the consent of the Surety Insurer.

5. Nothing in this Interim Order or the Motion shall preclude the Surety Insurer from (a) seeking relief from the automatic stay or from taking any other action to cancel any surety bond or similar instrument, (b) declining to renew or increase the amount of any existing surety bond or similar instrument, (c) declining to extend any existing surety bond or similar instrument beyond its term, (d) declining to provide consent to, or otherwise exercise any rights in response to, the proposed assumption and/or assignment (pursuant to a sale, plan, or other process) of: (i) any existing surety bond or similar instrument; (ii) any indemnity agreement, note, letter of direction, or the like between, among, or involving the Surety Insurer and any Debtor, and/or (iii) any

underlying bonded contract, agreement, or the like; (e) exercising any other or further rights that the Surety Insurer may have with respect to a sale, plan, or similar process; or (f) declining to execute any new or additional surety bonds or similar instruments on behalf of any of the Debtors.

6. The Debtors are authorized to pay the fees, costs, and commissions of Lockton in connection with the Insurance Policies and the Bonding Program in the ordinary course of business.

7. All applicable banks and other financial institutions are hereby authorized to receive, process, honor, and pay any and all checks, drafts, wires, check transfer requests, or automated clearing house transfers evidencing amounts paid by the Debtors under this Order whether presented prior to, on, or after the Petition Date. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this interim Order without any duty of further inquiry and without liability for following the Debtors' instructions.

8. The Debtors are hereby authorized, but not directed, to issue postpetition checks or to effect postpetition fund transfer requests in replacement of any checks or fund transfer requests with respect to Prepetition Insurance Obligations and Prepetition Bonding Obligations dishonored or rejected, and to reimburse any expenses that holders of claims in connection with the Prepetition Insurance Obligations and Prepetition Bonding Obligations may incur as a result of any bank's failure to honor a prepetition check.

9. Nothing in this Interim Order or any action taken by the Debtors in furtherance of the implementation hereof shall be deemed to constitute an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code, and all of the Debtors' rights with respect to such matters are expressly reserved.

10. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained herein shall (a) create, nor is it intended to create, any rights in favor of, or enhance the status of any claim held by, any person or entity or (b) be deemed to convert the priority of any claim from a prepetition claim into an administrative expense claim.

11. Nothing in this Interim Order nor the Debtors' payment of claims pursuant to this Interim Order shall be construed as or deemed to constitute (a) an agreement or admission by the Debtors as to the validity of any claim against the Debtors on any ground; (b) a grant of third party beneficiary status or bestowal of any additional rights on any third party; (c) a waiver or impairment of any rights, claims, or defenses of the Debtors' rights to dispute any claim on any grounds; (d) a promise by the Debtors to pay any claim; or (e) an implication or admission by the Debtors that such claim is payable pursuant to this Order.

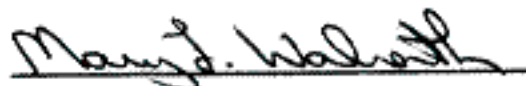
12. The requirements of Bankruptcy Rules 6003 and 6004(a) are satisfied by the contents of the Motion.

13. Any Bankruptcy Rule (including, but not limited to, Bankruptcy Rule 6004(h)) or Local Rule that might otherwise delay the effectiveness of this Interim Order is hereby waived, and the terms and conditions of this Interim Order shall be effective and enforceable immediately upon its entry.

14. The Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this Interim Order.

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

**Dated: August 18th, 2020**  
**Wilmington, Delaware**

A handwritten signature in black ink, appearing to read "Mary F. Walrath", written over a horizontal line.

**MARY F. WALRATH**  
**UNITED STATES BANKRUPTCY JUDGE**