

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

In re:)	
)	Chapter 11
)	
CHAPARRAL ENERGY, INC., <i>et al.</i> , ¹)	Case No. 20-11947 (MFW)
)	
Debtors.)	(Jointly Administered)
)	
)	Re: Docket No. 7
)	

INTERIM ORDER (I) AUTHORIZING CONTINUED USE OF EXISTING CASH MANAGEMENT SYSTEM, INCLUDING MAINTENANCE OF EXISTING BANK ACCOUNTS, CHECKS, AND BUSINESS FORMS, (II) AUTHORIZING CONTINUATION OF EXISTING DEPOSIT PRACTICES, (III) AUTHORIZING CONTINUATION OF INTERCOMPANY TRANSACTIONS, AND (IV) AUTHORIZING CONTINUED USE OF CREDIT CARDS

Upon the motion (the “**Motion**”)² 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(a), 345, 362(d) 363, 364, and 503(b) of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004, and Local Rule 2015-2, (i) authorizing, but not directing, the Debtors to continue to maintain and use their existing cash management system, including maintenance of existing bank accounts, checks, and business forms; (ii) granting the Debtors a waiver of certain bank account and related requirements of the U.S. Trustee to the extent that such requirements are inconsistent with the Debtors’ practices under their existing cash

¹ 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.

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



management system or other actions described in the Motion or this Interim Order; (iii) authorizing, but not directing, the Debtors to continue to maintain and use their existing deposit practices notwithstanding the provisions of section 345(b) of the Bankruptcy Code; (iv) authorizing, but not directing, the Debtors to continue certain ordinary course intercompany transactions; and (v) authorizing the continued use of credit cards; 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, to maintain and continue to use their existing Cash Management System under the terms and conditions provided for by the existing agreements with the Banks and other institutions participating in the Cash Management System, except as modified by this Interim Order. In connection with the ongoing utilization of the Cash Management System, the Debtors shall maintain detailed records with respect to all transfers of funds so that all transactions may be readily ascertained, traced, and recorded properly.
4. All existing deposit agreements between the Debtors and the Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Banks, and all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect unless otherwise ordered by the Court.
5. The Debtors are authorized, but not directed, to (i) continue to use any and all of the Debtor Bank Accounts, including, but not limited to, the Debtor Bank Accounts identified on **Attachment 2** to the Motion, in the same manner and with the same account numbers, styles, and document forms as are currently employed; (ii) deposit funds in and withdraw funds from the Debtor Bank Accounts in the ordinary course by all usual means, including checks, wire transfers, ACH transfers, drafts, electronic fund transfers, centralized lockbox or other items presented,

issued, or drawn on the Debtor Bank Accounts; (iii) pay the Bank Fees and Expenses in connection with the Debtor Bank Accounts, including any Bank Fees and Expenses arising prior to the Petition Date; (iv) perform their obligations under the documents and agreements governing the Debtor Bank Accounts; and (v) for all purposes, treat the Debtor Bank Accounts as accounts of the Debtors in their capacities as debtors in possession.

6. Subject to the terms of this Interim Order, the Banks and all other applicable financial institutions are authorized, but not directed, to (i) continue to administer, service, and maintain the Debtor Bank Accounts as such accounts were administered, serviced, and maintained prepetition, without interruption and in the ordinary course; (ii) receive, process, honor, and pay all checks presented for payment of, and to honor all fund transfer requests made by the Debtors related to, any claim that the Court has granted the Debtors approval to pay, regardless of whether the checks were presented or fund transfer requests were submitted before, on, or after the Petition Date; *provided* that the applicable Debtor Bank Accounts contain sufficient funds; (iii) when requested by the Debtors in their sole discretion, receive, process, honor, and pay all checks presented for payment of, and to honor all fund transfer requests made by the Debtors related to, any claim against the Debtors arising after the Petition Date; and (iv) rely on the Debtors' designation of any particular check as approved for payment by the Court.

7. Notwithstanding any other provision of this Interim Order, the Banks and applicable financial institutions shall not be liable to any party on account of (x) following the Debtors' instructions or representations as to any order of the Court, (y) the honoring of any prepetition check or item in a good faith belief that the Court has authorized such prepetition check or item to be honored, or (z) an innocent mistake made despite implementation of reasonable item handling procedures.

8. The Banks are authorized to deduct from the appropriate Debtor Bank Account the Bank Fees and Expenses owed to it as set forth in any deposit agreement between the Debtors and the Banks. No liens on any Debtor Bank Accounts shall take priority over the Bank Fees and Expenses except as set forth in any deposit agreement between the Debtors and the Banks.

9. For banks at which the Debtors hold Debtor Bank Accounts that are party to a Uniform Depository Agreement with the U.S. Trustee, within fifteen (15) days of entry of this Interim Order, the Debtors shall (a) contact each bank, (b) provide the bank with each of the Debtors' employer identification numbers, and (c) identify each of their bank accounts held at such banks as being held by a debtor in possession in a bankruptcy case. For banks at which the Debtors hold Debtor Bank Accounts that are not party to a Uniform Depository Agreement with the U.S. Trustee, the Debtors shall use their good faith efforts to cause such banks to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee within forty-five (45) days of the date of this Interim Order. The U.S. Trustee's rights to seek further relief from this Court on notice in the event that the aforementioned banks are unwilling to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee are fully reserved.

10. Pursuant to Local Rule 2015-2(a), the Debtors are authorized to continue to use their existing checks, correspondence, and other business forms without alteration or change and without the designation "Debtor in Possession" or a bankruptcy case number imprinted upon them. Notwithstanding the foregoing, once the Debtors' existing checks have been used, the Debtors shall, when reordering checks, require the designation "Debtor in Possession" and the corresponding bankruptcy case number on all checks; *provided* that, with respect to checks that the Debtors or their agents print themselves, the Debtors shall begin printing the "Debtor in Possession" legend on such items within ten (10) days of the date of entry of this Interim Order.

11. Subject to the terms of this Interim Order, the Debtors are authorized, but not directed to, (i) obtain credit on a secured basis through their and their employees' use of the Credit Cards on an uninterrupted and ongoing basis pursuant to section 364 of the Bankruptcy Code and (ii) continue to use (and allow the use by their employees of) the Credit Cards subject to the terms and conditions thereof, and all charges (whether prepetition or postpetition) in connection with the Credit Cards are authorized to be paid by the Debtors as and when due and payable.

12. JPMorgan is authorized to extend credit secured by a lien or security interest on cash in the Credit Card Account and make advances from time to time on behalf of the Debtors, and the Debtors are authorized to obtain such credit, under the Credit Cards. JPMorgan is authorized to exercise any of its remedies under, and no relief shall be requested or granted that would in any way interfere with the right of JPMorgan to exercise remedies under, the terms of any applicable agreements with the Debtors governing the Credit Card Account.

13. All Banks provided with notice of this Interim Order maintaining any of the Debtor Bank Accounts shall not honor or pay any bank payments drawn on such Debtor Bank Accounts or otherwise issued before the Petition Date for which the Debtors specifically issue stop payment orders in accordance with the documents governing such Debtor Bank Accounts.

14. The Debtors are authorized to implement such reasonable changes, consistent with this Interim Order, to the Cash Management System as the Debtors may deem necessary or appropriate, including, without limitation, closing any of the Debtor Bank Accounts and opening any additional bank accounts following the Petition Date (each a "**New Account**" and, collectively, the "**New Accounts**") wherever the Debtors deem that such accounts are needed or appropriate. Notwithstanding the foregoing, any New Accounts that the Debtors open shall be

(i) at banks that have executed a Uniform Depository Agreement with the U.S. Trustee or at such banks that are willing to immediately execute a Uniform Depository Agreement, (ii) with a bank that is organized under the laws of the United States of America or any state therein and that is insured by the FDIC or the Federal Savings and Loan Insurance Corporation, and (iii) designated a “Debtor in Possession” account by the relevant bank. The New Accounts are deemed to be Debtor Bank Accounts and the banks at which the New Accounts are opened are deemed to be Banks, and both are subject to the rights, obligations, and relief granted in this Interim Order. The Debtors shall provide the U.S. Trustee with notice within fifteen (15) days of any Debtor Bank Accounts that they close or New Accounts that they open. The Banks are authorized to honor the Debtors’ requests to (i) open or close (as the case may be) any such Debtor Bank Accounts or New Accounts and (ii) accept and hold, or invest, the Debtors’ funds in accordance with the Debtors’ instructions; *provided* that the Banks shall not have any liability to any party for relying upon such instructions. In the event that the Debtors open or close any Debtor Bank Accounts or New Accounts, such opening or closing shall be timely indicated on the Debtors’ monthly operating reports and notice of such opening or closing shall be provided to the U.S. Trustee.

15. The Debtors are authorized to deposit funds in accordance with existing practices under the Cash Management System as in effect as of the Petition Date, subject to any reasonable changes, consistent with this Interim Order, to the Cash Management System that the Debtors may implement, and, to the extent such practices are inconsistent with the requirements of Bankruptcy Code Section 345(b), such requirements are waived on an interim basis.

16. The Debtors shall have forty-five (45) days (or such additional time as the U.S. Trustee may agree to) from the Petition Date (the “**Extension Period**”) within which to either come into compliance with Bankruptcy Code Section 345(b) or to make such other arrangements

as agreed with the U.S. Trustee. Such extension is without prejudice to the Debtors' right to request a further extension of the Extension Period or a final waiver of the requirements under section 345(b) of the Bankruptcy Code.

17. The Debtors are authorized, but not directed, to (i) pay for or otherwise reconcile prepetition Intercompany Transactions if the Debtors, in their sole discretion, deem such payment or reconciliation necessary and in the best interests of the Debtors' estates and other parties in interest, (ii) set off prepetition obligations arising out of the Intercompany Transactions, and (iii) continue to engage, in their sole discretion, in Intercompany Transactions postpetition in the ordinary course of business.

18. Pursuant to section 364(b) and 503(b)(1) of the Bankruptcy Code, all valid postpetition Intercompany Claims made in the ordinary course between Debtors shall be accorded administrative expense status, subject and junior in all respects to any superpriority claims, including adequate protections claims, granted pursuant to any order of the Court authorizing use of cash collateral.

19. The requirement of the UST Guidelines to establish separate accounts for cash collateral and/or tax payments is hereby waived except as otherwise required by any applicable agreements between the Debtors and the Banks.

20. Nothing contained in the Motion or this Interim Order shall be construed to (a) create or perfect, in favor of any person or entity, any interest in cash of a Debtor that did not exist as of the Petition Date, or (b) alter or impair any security interest or perfection thereof, in favor of any person or entity, that existed as of the Petition Date.

21. Despite the Debtors' use of a consolidated Cash Management System, the Debtors shall calculate any quarterly fees due under 28 U.S.C. § 1930(a)(6) based on the individual disbursements of each Debtor, regardless of which Debtor is responsible for payment of such fees.

22. 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.

23. 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.

24. 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 Interim Order.

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

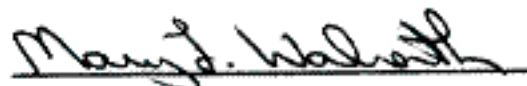
26. Any Bankruptcy Rule (including, but not limited to, Bankruptcy Rule 6004(h)) or Local Rule that might otherwise delay the effectiveness of this Interim Order is hereby

waived, and the terms and conditions of this Interim Order shall be effective and enforceable immediately upon its entry.

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

28. 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



MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE