



ENTERED
06/25/2018

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

In re:

COBALT INTERNATIONAL ENERGY, INC., *et al.*,¹

Reorganized Debtors.

Chapter 11

Case No. 17-36709 (MI)

(Jointly Administered)

**ORDER AUTHORIZING PLAN ADMINISTRATOR
TO SELL REMAINING INVENTORY**

[Refers to Docket No. 894]

Upon the Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334, and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the Court having found that proper notice of the June 18, 2018 hearing has been given and that no other or further notice is necessary; and the Court having found that good and sufficient cause exists for the granting of the relief set forth herein after having given due deliberation upon all of the proceedings had before the Court and the agreement of the parties,

ACCORDINGLY, it is hereby FOUND, DETERMINED AND ORDERED that:

1. Nader Tavakoli, solely in his capacity as the Lead Member and Chairman of the Plan Administrator Committee of Cobalt International Energy, Inc., *et al.* (the "Plan Administrator"), is hereby authorized and has full authority to sell any and all Remaining Inventory.², free and clear of any and all liens, claims, interests, and/or encumbrances. Any

¹ The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Cobalt International Energy, Inc. (1169); Cobalt International Energy GP, LLC (7374); Cobalt International Energy, L.P. (2411); Cobalt GOM LLC (7188); Cobalt GOM # 1 LLC (7262); and Cobalt GOM # 2 LLC (7316). The Debtors' service address is: 920 Memorial City Way, Suite 100, Houston, Texas 77024.

² Capitalized but undefined terms here shall have the same meaning as ascribed to them in the *Plan Administrator's Emergency Motion to Implement the Plan in Facilitation of Asset Sales* [Docket No. 894].



purchaser receiving title to any or all Remaining Inventory will receive good and indefeasible title, free of any and all liens, claims, interests or other encumbrances.

2. Total E&P USA, Inc. reserves and preserves all of its alleged rights and claims to, and interests in, the proceeds of such sales based upon any alleged ownership interest.

3. All proceeds from any sale(s) of the Remaining Inventory shall be paid into a segregated account held by the Plan Administrator. Any accrued interest on the escrowed funds shall itself be escrowed and treated as sale proceeds subject to distribution consistent with the ultimate disposition thereof.

4. TOTAL E&P USA, INC. ("Total E&P") shall and hereby does waive any and all claims with respect to the Remaining Inventory under the North Platte Asset Purchase Agreement, including without limitation, ownership of the Remaining Inventory under the North Platte Asset Purchase Agreement and any claims to payment from the proceeds of any sale(s) of Remaining Inventory arising under the North Platte Asset Purchase Agreement, and all such claims are forever barred under any theory of recovery arising under the North Platte Asset Purchase Agreement. Total E&P hereby does reserve and preserve all other arguments and claims with respect to its alleged ownership of the Remaining Inventory.

5. Statoil Gulf of Mexico LLC n/k/a Equinor Gulf of Mexico, LLC ("Equinor") shall and hereby does waive any and all claims with respect to the Remaining Inventory, including without limitation, ownership of the Remaining Inventory under the North Platte Asset Purchase Agreement or otherwise and any claims to payment from the proceeds of any sale(s) of the Remaining Inventory, and all such claims are forever barred under any theory of recovery. Equinor shall be released from any pending discovery relating to the Remaining Inventory under the North Platte Asset Purchase Agreement and the Plan Administrator shall not seek any

additional discovery from Equinor related to the Plan Administrator's or Total's rights to the Remaining Inventory and the proceeds thereof unless such discovery is reasonably related to and necessary in connection with the evaluation, defense, or prosecution of the dispute between the Plan Administrator and Total regarding the ownership or proceeds of the Remaining Inventory. Nothing contained herein shall limit Equinor's right to object to and/or move to quash any such discovery requests from the Plan Administrator, Total or any other person, and Equinor's right to object and/or move to quash such discovery is expressly reserved.

6. Total E&P and Equinor's rights, if any, against the Plan Administrator or the Cobalt Committee are preserved and not affected by this Order, including their rights, if any, to assert inadequacy of price or breach of duty in the sale; provided, no such rights shall be asserted against any purchaser of the Remaining Inventory.

7. To the extent Total E&P asserts an ownership interest in the Remaining Inventory or the proceeds thereof, as the case may be (other than under the North Platte Asset Purchase Agreement), Total E&P shall file a statement with the Court on or before July 9, 2018 disclosing such ownership theories under which Total E&P claims such an ownership interest in the Remaining Inventory. The foregoing shall not prejudice the right of Total E&P to obtain discovery pertaining to such theories.

8. The Plan Administrator and Reorganized Debtors preserve and reserve all rights and defenses related to any claims that Total E&P may assert with respect to the Remaining Inventory, including without limitation all rights to contest any theories under which Total E&P claims an ownership interest in the Remaining Inventory, and all such rights and defenses are hereby expressly preserved and reserved.

9. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

10. The Plan Administrator is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

11. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation, implementation and enforcement of this Order.

Signed: 6-25, 2018



HONORABLE MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE