

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

In re:

TEMPLAR ENERGY LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-11441 (BLS)

(Jointly Administered)

Ref. Docket No. 5

**INTERIM ORDER, PURSUANT TO SECTIONS 105(a) AND 366
OF THE BANKRUPTCY CODE, (I) PROHIBITING UTILITY COMPANIES
FROM ALTERING, REFUSING, OR DISCONTINUING UTILITY SERVICES,
(II) DEEMING UTILITY COMPANIES ADEQUATELY ASSURED OF FUTURE
PAYMENT, (III) ESTABLISHING PROCEDURES FOR DETERMINING
ADDITIONAL ADEQUATE ASSURANCE OF PAYMENT, AND (IV) GRANTING
RELATED RELIEF, INCLUDING SETTING A FINAL
HEARING RELATED THERETO**

Upon the *Debtors' Motion for Interim and Final Orders, Pursuant to Sections 105(a) and 366 of the Bankruptcy Code, (I) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Utility Services, (II) Deeming Utility Companies Adequately Assured of Future Payment, (III) Establishing Procedures for Determining Additional Adequate Assurance of Payment, and (IV) Granting Related Relief, Including Setting a Final Hearing Related Thereto* (the "Motion")² filed by the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") for the entry of interim and final orders, pursuant to sections 105(a) and 366(b) of the Bankruptcy Code, (a) prohibiting the Utility Companies from altering, refusing, or discontinuing Utility Services on account of prepetition invoices, (b) deeming the Utility Companies adequately assured of future payment, (c) establishing Assurance Procedures for determining additional

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Templar Energy LLC (4719), TE Holdcorp, LLC (6730), TE Holdings, LLC (3115), TE Holdings II, LLC (N/A), Templar Operating LLC (0810), Templar Midstream LLC (3275), and TE Holdings Management LLC (7467). The address of the Debtors' corporate headquarters is 4700 Gaillardia Parkway, Suite 200, Oklahoma City, Oklahoma 73142.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.



adequate assurance of future payment and authorizing the Debtors to provide additional adequate assurance of future payment to the Utility Companies, and (d) granting related relief, including setting a final hearing related thereto; and it appearing that this Court has jurisdiction to consider the Motion in accordance with 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated as of February 29, 2012; and it appearing that venue of the Debtors' Chapter 11 Cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that proper and adequate notice of the Motion has been given under the circumstances and that no other or further notice is necessary; and this Court having determined that it may enter a final order consistent with Article III of the United States Constitution; and a hearing having been held to consider the relief requested in the Motion; and upon consideration of the First Day Declaration; and upon the record of the hearing and all of the proceedings had before this Court; and this Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, their creditors, and all other parties-in-interest; and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; 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 to pay on a timely basis, in accordance with their prepetition practices, all undisputed invoices for Utility Services rendered by the Utility Companies to the Debtors after the Petition Date.

3. Subject to the Assurance Procedures set forth below, no Utility Company may (a) alter, refuse, terminate, or discontinue Utility Services to, or discriminate against, the Debtors on the basis of the commencement of these Chapter 11 Cases or on account of outstanding prepetition invoices or (b) require additional assurance of payment, other than the Utility Deposit, as a condition to the Debtors receiving such Utility Services.

4. The Debtors shall deposit, as adequate assurance for the Utility Companies, \$55,000 in the aggregate (the "Utility Deposit") into a segregated account within 20 days of the Petition Date to be maintained during the pendency of these Chapter 11 Cases as provided for herein.

5. Subject to the Assurance Procedures set forth below, the Utility Deposit constitutes adequate assurance of future payment to the Utility Companies under section 366 of the Bankruptcy Code (the "Adequate Assurance").

6. The following Assurance Procedures are approved in all respects:

- (a) Within 48 hours of the date this Interim Order is docketed, the Debtors will serve a copy of the Motion and this Interim Order on the Utility Companies on the Utility Service List;
- (b) If a Utility Company is not satisfied with the proposed Adequate Assurance and seeks additional assurance of payment in the form of a deposit, letter of credit, prepayment, or otherwise, it must serve an Additional Assurance Request upon (i) the Debtors, 4700 Gaillardia Parkway, Suite 200, Oklahoma City, Oklahoma 73142 (Attn: Benjamin Harris (email: benjamin.harris@templar.energy)); (ii) proposed co-counsel to the Debtors (1) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019 (Attn: Sarah Harnett and Teresa Lii (emails: sharnett@paulweiss.com and tlii@paulweiss.com)) and (2) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, DE 19801 (Attn: Tara C. Pakrouh (email: tpakrouh@ycst.com)); (iii) counsel to the DIP Agent and RBL Agent (1) Morgan, Lewis & Bockius LLP, One Federal Street, Boston, MA 02110 (Attn: Amy L. Kyle and Andrew J. Gallo (emails: amy.kyle@morganlewis.com and andrew.gallo@morganlewis.com)) and (2) Richards, Layton &

Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801 (Attn: Mark D. Collins (email: collins@rlf.com)); and (iv) counsel to any statutory committee appointed in these Chapter 11 Cases (collectively, the “Notice Parties”);

- (c) Each Additional Assurance Request must (i) be made in writing; (ii) set forth all location(s) for which Utility Services are provided and the relevant account number(s); (iii) include a summary of the Debtors’ payment history relevant to the affected account(s); (iv) describe any deposits or other security currently held by the requesting Utility Company; and (v) identify and explain the basis of the Utility Company’s proposed adequate assurance requirement under section 366(c)(2) of the Bankruptcy Code;
- (d) Upon the Notice Parties’ receipt of an Additional Assurance Request at the addresses set forth in subparagraph (b) above, the Debtors shall promptly negotiate with such Utility Company to resolve such Utility Company’s Additional Assurance Request;
- (e) If the Debtors determine that a timely received Additional Assurance Request is not reasonable and are unable to reach an alternative resolution with the applicable Utility Company (each, an “Adequate Assurance Dispute”), the Debtors shall, upon reasonable notice, schedule the matter for the next regularly scheduled omnibus hearing to determine the adequacy of assurance of payment pursuant to section 366(c)(3) of the Bankruptcy Code;
- (f) Pending resolution of any such Adequate Assurance Dispute, any such Utility Company shall be prohibited from altering, refusing, or discontinuing service to the Debtors on account of unpaid charges for prepetition services, the filing of the Chapter 11 Cases, or any objection to the adequacy of the proposed Adequate Assurance;
- (g) The Debtors may, in their discretion, after consultation with the DIP Agent, resolve any Adequate Assurance Dispute by mutual agreement with the requesting Utility Company without further notice to this Court or any other party-in-interest and may, in connection with any such agreement, provide a Utility Company with additional adequate assurance of future payment, including, but not limited to, a cash deposit, prepayment, letter of credit, and/or other forms of security, without further order of this Court to the extent the Debtors believe that such additional assurance is reasonable in the exercise of their business judgment and the Debtors may, by mutual agreement with the objecting Utility Company and without further order of this Court, reduce the Adequate Assurance Deposit by an amount not exceeding the

requesting Utility Company's estimated two-week utility expense;
and

- (h) The portion of the Utility Deposit attributable to each Utility Company may be returned to the Debtors, without further order of this Court, on the earlier of (i) the reconciliation and payment by the Debtors of the Utility Company's final invoice following the Debtors' termination of Utility Services from such Utility Company, provided that such Utility Company does not dispute that it has been paid in full for post-petition services and (ii) the effective date of any chapter 11 plan confirmed in these Chapter 11 Cases.

7. The Utility Deposit shall be deemed Adequate Assurance of payment for any Utility Company that fails to make an Additional Assurance Request.

8. The Debtors are authorized, as necessary, to supplement the Utility Service List with any Utility Company not currently listed on the Utility Service List (each, an "Additional Utility Company"). Any supplement to the Utility Service List shall be filed with this Court and served, along with the Motion and a copy of this Interim Order, on any Additional Utility Company and, as soon as practicable thereafter, the Debtors shall increase the Utility Deposit by an amount equal to two weeks of the Debtors' estimated aggregate utility expense for such Additional Utility Company. This Interim Order, including the Assurance Procedures, shall apply to any such Additional Utility Company, *provided, however*, that any Additional Utility Company shall not be subject to the terms of this Interim Order until the Utility Deposit is increased as set forth herein on account of such Additional Utility Company.

9. A final hearing on the relief sought in the Motion shall be conducted on June 30, 2020 at 11:30 a.m. (ET) (the "Final Hearing"). Any party-in-interest objecting to the relief sought at the Final Hearing or the Final Order shall file and serve a written objection, which objection shall be served upon (a) proposed co-counsel for the Debtors (i) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019 (Attn: Paul M. Basta; Robert A. Britton; Sarah Harnett; and Teresa Lii (emails: pbasta@paulweiss.com;

rbritton@paulweiss.com; sharnett@paulweiss.com; and tlii@paulweiss.com)) and (ii) Young Conaway Stargatt & Taylor, LLP, 1000 N. King Street, Wilmington, Delaware 19801 (Attn: Pauline K. Morgan and Jaime Luton Chapman (emails: pmorgan@ycst.com and jchapman@ycst.com)); (b) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Wilmington, Delaware, 19801 (Attn: Jane Leamy (email: jane.m.leafy@usdoj.gov)); (c) counsel to the DIP Agent and RBL Agent (i) Morgan, Lewis & Bockius LLP, One Federal Street, Boston, MA 02110 (Attn: Amy L. Kyle and Andrew J. Gallo (emails: amy.kyle@morganlewis.com and andrew.gallo@morganlewis.com)) and (ii) Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, DE 19801 (Attn: Mark D. Collins (email: collins@rlf.com)); and (d) counsel to any statutory committee appointed in these Chapter 11 Cases, in each case so as to be received no later than June 23, 2020 at 4:00 p.m. (ET). If no objections to the entry of the Final Order are timely filed, this Court may enter the Final Order without further notice or a hearing.

10. Nothing in this Interim Order (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates, (b) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority, or amount of any claim against the Debtors and their estates, (c) shall impair, prejudice, waive, or otherwise affect the rights of the Debtors and their estates with respect to any and all claims or causes of action against any Utility Company, (d) shall impair any Utility Company's rights with regard to any claims, or (e) shall be construed as a promise to pay a claim.

11. Notwithstanding anything in the contrary contained herein, any payments made or to be made by the Debtors under this Interim Order, any authorization contained in this

Interim Order, shall be in compliance with, and shall be subject to, any applicable budget and/or cash collateral authorization requirements set forth in any order approving the Debtors' postpetition financing facilities and/or use of cash collateral.

12. 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, automated clearing house transfers, and other payment orders drawn or issued by the Debtors under this Interim Order, whether presented or issued before or after the Petition Date to the extent the Debtors have good funds standing to their credit with such bank or other financial institution. Such banks and financial institutions are authorized to rely on representations of the Debtors as to which checks, electronic funds transfer requests, and payment orders are authorized to be paid pursuant to this Interim Order without any duty of further inquiry and without liability for following the Debtors' instructions.

13. Nothing in this Interim Order is intended or shall be deemed to constitute a finding that any entity is or is not a Utility Company hereunder or under section 366 of the Bankruptcy Code, whether or not such entity is listed on the Utility Service List or is served with a copy of this Interim Order, the Motion, or the Final Order.

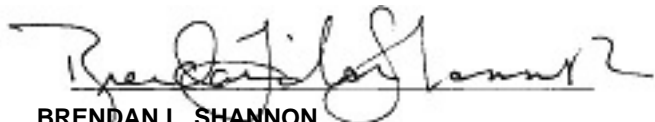
14. Notice of the Motion as provided therein is hereby deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

15. The Debtors are authorized to take any and all actions necessary to effectuate the relief granted herein.

16. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied because the relief requested in the Motion, as granted herein, is necessary to avoid immediate and irreparable harm to the Debtors.

17. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order shall be effective and enforceable immediately upon its entry.

18. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Interim Order.



BRENDAN L. SHANNON
UNITED STATES BANKRUPTCY JUDGE