

**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 Nos. 9 & 51

**FINAL ORDER AUTHORIZING (I) CONTINUED USE OF
CASH MANAGEMENT SYSTEM, (II) MAINTENANCE OF EXISTING
BANK ACCOUNTS, (III) CONTINUED USE OF EXISTING CHECK STOCK,
(IV) CONTINUED PERFORMANCE OF INTERCOMPANY TRANSACTIONS
IN THE ORDINARY COURSE OF BUSINESS, (V) WAIVER OF SECTION 345(b)
DEPOSIT AND INVESTMENT REQUIREMENTS; AND (VI) RELATED RELIEF**

Upon the *Debtors' Motion for Entry of Interim and Final Orders Authorizing (I) Continued Use of Cash Management System, (II) Maintenance of Existing Bank Accounts, (III) Continued Use of Existing Check Stock, (IV) Continued Performance of Intercompany Transactions in the Ordinary Course of Business, (V) Waiver of Section 345(b) Deposit and Investment Requirements, and (VI) Related Relief* (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, 345, 363, 364(b), and 503(b) of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure, and Local Rule 2015-2, (a) authorizing the Debtors to continue (i) using the Cash Management System and Check Stock, (ii) maintaining the Bank Accounts, and (iii) performing Intercompany Transactions; (b) waiving

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.



certain operating guidelines related to the Bank Accounts; (c) waiving the deposit and investment requirements of section 345(b) of the Bankruptcy Code; and (d) granting related relief; 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 this Court having determined that it may enter a final order consistent with Article III of the United States Constitution; 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 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 the Court; and this Court having previously entered that certain *Interim Order Authorizing (I) Continued Use of Cash Management System, (II) Maintenance of Existing Bank Accounts, (III) Continued Use of Existing Check Stock, (IV) Continued Performance of Intercompany Transactions in the Ordinary Course of Business, (V) Interim Waiver of Section 345(b) Deposit and Investment Requirements, and (VI) Related Relief* [D.I. 51]; 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 as set forth herein on a final basis.

2. The Debtors are authorized, but not directed, to: (a) continue operating the Cash Management System, substantially as identified on Exhibit C attached to the Motion and as described in the Motion, in each case consistent with prepetition practice; (b) honor their prepetition obligations related thereto, including any Bank Fees; (c) maintain existing Check Stock; and (d) continue to perform Intercompany Transactions consistent with historical practice.

3. The Debtors are further authorized, but not directed, to (a) continue to use and maintain, with the same account numbers, the Bank Accounts, the Letters of Credit, the CDs, and the Debtors' payment processing systems in existence on the Petition Date, including, without limitation, those accounts identified in Exhibit C to the Motion; (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors-in-possession; (c) use, in their present form, all preprinted Check Stock, without reference to their status as debtors-in-possession, except as otherwise provided in this Final Order; (d) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, wire transfers, and other debits; (e) pay any ordinary course Bank Fees incurred in connection with the Bank Accounts, and otherwise perform their obligations under the documents governing the Bank Accounts; and (f) pay any outstanding prepetition Letters of Credit Fees.

4. The requirements of the U.S. Trustee guidelines that the Debtors close all bank accounts and open new debtor-in-possession accounts are hereby waived. In addition, the requirements of the U.S. Trustee guidelines that the Debtors establish specific bank accounts are hereby waived.

5. The Debtors may, without further order of this Court but with the consent of the DIP Agent (as defined in any order granting postpetition financing to the Debtors), not to be unreasonably withheld, implement changes to the Cash Management System in the ordinary

course of business, including, without limitation, the opening and closing of bank accounts; *provided*, that the Debtors will provide notice of the same to the U.S. Trustee and counsel to any official committee appointed in these cases within 14 days after such change is made; *provided*, *further*, that the Debtors shall only open any such new bank accounts at banks that have executed a UDA with the U.S. Trustee.

6. The Bank is authorized to: (a) honor the Debtors' directions with respect to the opening and closing of any Bank Account; and (b) accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions; *provided* that the Bank shall not have any liability to any party for relying on such representations to the extent such reliance otherwise complies with applicable law.

7. The Debtors are authorized to enter into any ancillary agreements, including, without limitation, new deposit account control agreements related to any new bank account operated by the Debtors.

8. The deposit and investment guidelines of section 345(b) are hereby waived.

9. The Bank is hereby authorized to continue to service and administer the Bank Accounts as accounts of the Debtors as debtors-in-possession without interruption and in the usual and ordinary course, to receive, process, honor, and pay any and all checks and drafts drawn on, or electronic transfer requests made on, the Bank Accounts after the Petition Date by the holders or makers thereof, as the case may be, and to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order; *provided*, however, that any check drawn or issued by the Debtors before the Petition Date may be honored by the Bank if specifically authorized by order of this Court. The Debtors are authorized to issue

replacement checks or transfers to the extent any checks or transfers that are issued and authorized to be paid in accordance with this Final Order are dishonored or rejected by the Bank.

10. The Bank shall not honor or pay any bank payments drawn on the listed 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 Bank Accounts.

11. Notwithstanding any other provision of this Final Order, the Bank shall not, if it honors a prepetition check or other item drawn on any account that is the subject of this Final Order (a) at the direction of the Debtors, (b) in good faith belief that the Court has authorized such prepetition check or item to be honored, or (c) as the result of an innocent mistake made despite implementation of reasonable item handling procedures, be deemed to be liable to the Debtors, their estates, or any other party on account of such prepetition check or other item being honored postpetition, or otherwise deemed to be in violation of this Final Order.

12. The Bank is authorized to debit the Debtors' accounts in the ordinary course of business without need for further order of this Court for: (a) all checks, items, and other payment orders drawn on the Debtors' accounts that are cashed at the Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Bank's receipt of notice of filing of the Chapter 11 Cases; (b) all checks, automated clearing house entries, and other items deposited or credited to one of Debtors' accounts with the Bank prior to filing of the Chapter 11 Cases that have been dishonored, reversed, or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtors were responsible for such items prior to filing of the Chapter 11 Cases; and (c) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to the Bank as service charges for the maintenance of the Cash Management System.

13. The Bank is authorized to continue to charge, and the Debtors are authorized to pay, honor, or allow the deduction from the appropriate account, the Bank Fees in the ordinary course of business, whether such items are dated prior to, on, or subsequent to the Petition Date.

14. The Debtors and the Bank are hereby authorized to continue to perform pursuant to the terms of any unexpired prepetition cash management agreements that may exist between them, except and to the extent set forth in this Final Order and except as amended, modified, or supplemented by agreement between the Debtors and the Bank in the ordinary course of business.

15. The relief granted in this Final Order is extended to any new bank account opened by the Debtors after the date hereof, which account shall be deemed a Bank Account, and to the bank at which such account is opened, which bank shall be deemed a Bank.

16. The Debtors are authorized to use their existing Check Stock substantially in the forms existing prior to the Petition Date, without reference to their status as debtors in possession; *provided*, in the event that the Debtors need to purchase new Check Stock during the pendency of these Chapter 11 Cases, such Check Stock will include a legend referring to the Debtors as “Debtors in Possession” or “DIP” and the corresponding jointly administered bankruptcy case number; *provided, further*, any electronically produced checks or checks the Debtors print themselves shall reflect the Debtors’ status as “Debtors in Possession” or “DIP” and the corresponding jointly administered bankruptcy case number.

17. The Debtors are authorized to enter into and engage in postpetition Intercompany Transactions in the ordinary course of business and to honor obligations in connection with the Intercompany Transactions; *provided, however*, there shall be no cash payments on account of prepetition Intercompany Claims absent further Court order; *provided*,

further, that the Debtors shall not be authorized by this Order to undertake any Intercompany Transactions that are not on the same terms as, or materially consistent with, the Debtors' operation of their business in the ordinary course during the prepetition period; *provided, further*, that the Debtors shall not transfer funds to any non-Debtor affiliates during these Chapter 11 Cases without further order of this Court.

18. All postpetition payments from a Debtor to another Debtor in connection with any postpetition Intercompany Transactions are hereby accorded administrative expense status under section 503(b)(1) of the Bankruptcy Code.

19. The Debtors shall continue to maintain current records with respect to all transfers, including Intercompany Transactions, so that all transactions may be readily ascertained, traced, recorded properly, and distinguished between prepetition and postpetition transactions.

20. Notwithstanding the Debtors' use of a consolidated cash management system, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity pays those disbursements.

21. Within five business days from the date of the entry of this Final Order, the Debtors shall (a) serve a copy of this Final Order on the Bank and (b) request that the Bank internally code each of the Bank Accounts held at the Bank as "debtor in possession" accounts, to the extent not already done.

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

23. The Debtors are authorized to issue postpetition checks, or to effectuate postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these Chapter 11 Cases with respect to prepetition amounts owed in connection with any cash management.

24. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing contained in the Motion or this Final Order or any payment made pursuant to this Final Order shall constitute, nor is it intended to constitute: (a) an admission as to the validity or priority of any claim or lien (or the priority thereof) against the Debtors; (b) a waiver of the Debtors' or any party-in-interest's rights to subsequently dispute or contest such claim or lien on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion; (e) a request or authorization to assume or adopt any agreement, contract, or lease under section 365 of the Bankruptcy Code; or (f) a waiver of the Debtors' or any other party-in-interest's rights under the Bankruptcy Code or applicable law.

25. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Final Order in accordance with the Motion.

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

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

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

