

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:

TEMPLAR ENERGY LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-11441 (BLS)

(Jointly Administered)

Ref. Docket Nos. 10 & 58

**FINAL ORDER (I) AUTHORIZING
TEMPLAR ENERGY LLC TO PERFORM UNDER
PREPETITION HEDGING ARRANGEMENTS, (II) AUTHORIZING TEMPLAR
ENERGY LLC TO ENTER INTO, AND PERFORM UNDER, POSTPETITION
HEDGING ARRANGEMENTS, AND (III) GRANTING RELATED RELIEF**

Upon the *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing Templar Energy LLC to Perform Under Prepetition Hedging Arrangements, (II) Authorizing Templar Energy LLC to Enter into, and Perform Under, Postpetition Hedging Arrangements, and (III) Granting 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(a), 362, 363, and 364 of the Bankruptcy Code, and Bankruptcy Rules 6003 and 6004, authorizing Debtor Templar Energy LLC ("Templar") (a) to perform under prepetition hedging arrangements, including paying any prepetition amounts owed thereunder, as necessary in the ordinary course of business, (b) upon entry of the Final Order, to enter into, and perform under, postpetition hedging arrangements, and grant liens and administrative claims thereupon, with the Hedge Counterparties consistent with Templar's prepetition practices, and (c) granting related

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.



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 this Court; and this Court having previously entered that certain *Interim Order (I) Authorizing Templar Energy LLC to Perform Under Prepetition Hedging Arrangements, (II) Authorizing Templar Energy LLC to Enter Into, and Perform Under, Postpetition Hedging Arrangements, and (III) Granting Related Relief* [D.I. 58]; 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 a final basis to the extent set forth herein.
2. The Debtors are hereby authorized, but not directed, to perform under Prepetition Hedging Arrangements, including paying any prepetition amounts owed thereunder, and to enter into, and perform under, Postpetition Hedging Arrangements consistent with

Templar's prepetition practices, including to grant liens and administrative claims on account of such Postpetition Hedging Arrangements, with a Hedge Counterparty.

3. Each Hedge Counterparty is entitled from time to time to unconditionally (but, for the avoidance of doubt, subject to any grace or cure periods under, and other provisions of, the documents governing the applicable Hedging Arrangement or the RBL Credit Agreement) exercise and enforce any and all rights and remedies provided for in the applicable Prepetition Hedging Arrangement, including but not limited to rights and remedies relating to the suspension of performance thereunder, the termination, liquidation, or acceleration thereof, withholding of performance thereof, and setoff, netting, and application of any payment, settlement payment, termination value, termination payment, and any other amounts that the counterparty would be entitled to receive from or otherwise be obligated to pay to Templar under a Prepetition Hedging Arrangement in accordance with the terms of such Prepetition Hedging Arrangement without the need for any further Court order, and the exercise of any such rights and remedies by the Hedge Counterparty shall not be stayed, avoided, or otherwise limited by order of this Court or any court proceeding under the Bankruptcy Code including as a result of the pendency of these Chapter 11 Cases.

4. Except as provided herein, the relief and protections provided by this Final Order shall survive any order of this Court that may be entered (a) confirming any chapter 11 plan in any of these Chapter 11 Cases, (b) converting any of these Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or (c) dismissing any of these Chapter 11 Cases, and shall be in addition to any and all rights, powers or privileges provided for by the Prepetition Hedging Arrangements.

5. The Prepetition Hedging Arrangements shall remain in place until the earlier to occur of (a) such Prepetition Hedging Arrangement being satisfied in full in cash either pursuant to a consensual termination or upon its scheduled expiration, or (b) written notice by the Hedge Counterparty to the Debtors of its election to terminate a Prepetition Hedging Arrangement in accordance with terms of the applicable Prepetition Hedging Arrangement (the notice described in clause (b), the “Termination Notice”), and in the case of (b), such Termination Notice shall be delivered to the Debtors, who in turn shall immediately deliver such notice to the Office of the United States Trustee for the District of Delaware, the RBL Agent, and any statutory committee, if any.

6. Notwithstanding anything in this Final Order to the contrary, this Final Order shall not grant any greater rights to any Hedge Counterparty in connection with any terminated Hedging Arrangements than such Hedge Counterparty may have under the Bankruptcy Code, including but not limited to sections 362, 553, and 561 of the Bankruptcy Code.

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, automated clearing house transfers, and other payment orders drawn or issued by the Debtors under this Final 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 Final Order without any duty of further inquiry and without liability for following the Debtors’ instructions.

8. The Debtors are authorized to issue postpetition checks, or to effect 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 Prepetition Hedging Arrangements.

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

10. 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.

11. 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.

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

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

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

Dated: June 29th, 2020 Wilmington,
Delaware



BRENDAN L. SHANNON UNITED STATES BANKRUPTCY
JUDGE