

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

ORIGINAL

In re	:	Chapter 11
	:	
SWIFT ENERGY COMPANY, <i>et al.</i> , ¹	:	Case No. 15-12670 (MFW)
	:	
Debtors.	:	(Jointly Administered)
	:	
	:	Re: Docket No. 8

**INTERIM ORDER AUTHORIZING THE DEBTORS TO PAY
PREPETITION EMPLOYEE WAGES, BENEFITS AND RELATED ITEMS**

This matter coming before the Court on the Motion For An Order Authorizing the Debtors to Pay Prepetition Employee Wages, Benefits And Related Items (the "Motion");² the Court having reviewed the Motion and the First Day Declaration and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court (the "Hearing"); the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (iv) notice of the Motion and the Hearing was sufficient under the circumstances and (v) there is good cause to waive the fourteen-day stay imposed by Bankruptcy Rule 6004(h) to the extent it is applicable; and after due deliberation the Court having determined that the relief requested in the Motion is (i) in the best interests of the Debtors, their estates and their creditors and

¹ The Debtors are the following nine entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Swift Energy Company (0661); Swift Energy International, Inc. (6721); Swift Energy Group, Inc. (8150); Swift Energy USA, Inc. (8212); Swift Energy Alaska, Inc. (6493); Swift Energy Operating, LLC (2961); GASRS LLC (4381); SWENCO-Western, LLC (0449); and Swift Energy Exploration Services, Inc. (2199). The address of each of the Debtors is 17001 Northchase Drive, Suite 100, Houston, Texas 77060.

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.



(ii) necessary to prevent immediate and irreparable harm to the Debtors, their estates and their employees; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.

2. On Feb. 1, 2016, at 11:30 A.m. (ET),

a hearing will be held before this Court to consider the relief sought in the Motion on a final basis. All objections, if any, to the Motion shall be in writing and filed with this Court and served on counsel for the Debtors, any duly appointed committee, and the Office of the United States Trustee for the District of Delaware, so as to be received on or before

Jan. 25, 2016 at 4:00 p.m. (ET).

3. The Debtors are authorized, in the Debtors' sole discretion, to pay the Prepetition Compensation, Prepetition Deductions, Prepetition Benefits and Prepetition Processing Costs that were accrued and unpaid as of the Petition Date in an aggregate amount not to exceed \$1,936,000 million; provided, however, that the Debtors will only be authorized to make payments under the 401(k) Match and the Cash Bonus Plan upon the entry of a final order.

4. The Debtors are authorized, in the Debtors' sole discretion, to pay the Prepetition Expenses, including amounts incurred under the P- Card, that were accrued and unpaid as of the Petition Date.

5. The Debtors are authorized to continue utilizing the P-Card and are authorized to pay any fees and expenses associated therewith, whether related to prepetition or postpetition time periods. The Debtors are further authorized to make any payments in respect of the Debtors' continued use of the P-Card, including, without limitation, those related to Prepetition Expenses, whether such payments are based upon prepetition or postpetition obligations, as necessary to continue the use of the P-Card.

6. Without further order of this Court, WEX is authorized to: (a) charge, and the Debtors are authorized to pay or honor, both prepetition and postpetition service and other fees, costs, charges and expenses to which WEX is entitled under the terms and in accordance with that certain Enterprise Business Charge Card Agreement with the Debtors, and (b) WEX is authorized, but not directed, to charge back returned items to the Debtors in the normal course of business; and the automatic stay imposed by section 362 of the Bankruptcy Code is hereby modified to the extent necessary to implement and effectuate the terms and provisions of this Order and to enable WEX to charge the Debtors' account(s) for payment and/or reimbursement of charges attributable to the P-Card at such times and in such amounts as shall be determined by WEX in its discretion and as otherwise provided under the underlying agreements governing the Debtors' use of the P-Card.

7. The Debtors are authorized to pay the Supplemental Workforce Obligations in the ordinary course of business.

8. The Debtors are authorized to continue the General Severance Program in an aggregate amount not to exceed that provided for in any debtor in possession financing, cash collateral or other budget. Any payments in connection with the General Severance Program will be in compliance with section 503(c) of the Bankruptcy Court, and no insider of the Debtors will be paid under the General Severance Program absent a further order of the Court.

9. Nothing in this Interim Order is authorizing or approving any payment in violation of section 503(c) of the Bankruptcy Code.

10. Notwithstanding any other provision of this Interim Order, pending entry of a final order, nothing in this Order shall authorize the Debtors to make any payment to or on

behalf of any employee on account of wages and other compensation obligations in excess of the statutory caps set forth in section 507(a)(4) and (5) of the Bankruptcy Code.

11. The Banks are authorized, when requested by the Debtors, to receive, process, honor and pay all checks presented for payment of, and to honor all funds transfer requests made by the Debtors related to Prepetition Compensation, Prepetition Expenses, Prepetition Benefits, Prepetition Deductions, Prepetition Processing Costs and payments, if any, under the General Severance Program, whether such checks were presented or funds transfer requests were submitted prior to or after the Petition Date, provided that funds are available in the Debtors' accounts to cover such checks and funds transfers. The Banks are authorized to rely on the Debtors' designation of any particular check or funds transfer as approved by this Order.

12. Any Bank that honors a prepetition check or other item drawn on any account that is the subject of this Order either: (a) at the direction of the Debtors, (b) in a good-faith belief that the Court has authorized such prepetition check or item to be honored, or (c) as a result of an innocent mistake made despite the above-described protective measures, shall not be liable to the Debtors or their estates on account of such prepetition check or other item being honored postpetition.

13. Nothing in the Motion or this Order, nor the Debtors' payment of claims pursuant to this Order, shall be deemed or construed as: (a) an admission as to the validity of any claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any claim on any grounds; (c) a promise to pay any claim; (d) an implication or admission that any particular claim against the Debtors would constitute a Supplemental Workforce Obligation or a claim for Prepetition Compensation, Prepetition Expenses, Prepetition Benefits, Prepetition Deductions, or Prepetition Processing Costs; or (e) the assumption of any contract.

14. Notwithstanding anything to the contrary contained herein, the relief granted in this Order and any payment to be made hereunder shall be subject to the terms of any orders authorizing debtor in possession financing and/or granting the use of cash collateral approved by this Court in these chapter 11 cases (including with respect to any budgets governing or relating to such use), and to the extent there is any inconsistency between the terms of such financing and/or cash collateral orders and any action taken or proposed to be taken hereunder, the terms of such financing and/or cash collateral orders shall control.

15. The requirements of Bankruptcy Rule 6003(b) have been satisfied with respect to the payments authorized by this Order.

16. This Order shall be immediately effective and enforceable upon its entry. To the extent that it may be applicable, the fourteen-day stay imposed by Bankruptcy Rule 6004(h) is hereby waived.

Dated: January 5, 2016
Wilmington, Delaware



THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE