

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

**ORIGINAL**

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In re	:	Chapter 11
	:	
SWIFT ENERGY COMPANY, <i>et al.</i> , <sup>1</sup>	:	Case No. 15-12670 (MFW)
	:	
Debtors.	:	(Jointly Administered)
	:	
	:	Re: Docket Nos. 7 & 62

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**FINAL ORDER (I) AUTHORIZING THE DEBTORS  
TO PAY ROYALTIES, WITHHOLDING TAXES SEVERANCE  
TAXES AND DELAY RENTALS AND (II) GRANTING RELATED RELIEF**

This matter coming before the Court on the Motion for an Order (I) Authorizing the Debtors to Pay Royalties, Withholding Taxes, Severance Taxes and Delay Rentals and (II) Granting Related Relief (the "Motion");<sup>2</sup> 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. § 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, (v) the payment of the Obligations on the terms and conditions set forth herein is necessary and appropriate to prevent serious disruptions to the Debtors' business operations that would potentially cause immediate and irreparable harm to the Debtors and to preserve the going

<sup>1</sup> 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.

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



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concern value of the Debtors' businesses and the Debtors' estates for the benefit of all stakeholders and (vi) good cause exists to waive the 14-day stay imposed by Bankruptcy Rule 6004(h) to the extent it is applicable; after due deliberation the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates and their creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The Debtors are authorized, but not directed, in a reasonable exercise of their business judgment, to: (a) satisfy all prepetition Obligations and (b) continue to satisfy such Obligations postpetition, in the ordinary course of business, provided that payments on account of prepetition Obligations shall not exceed \$25 million during these cases pursuant to this Order, which amount may be increased only with the consent of the Official Committee of Unsecured Creditors (the "Committee"), the ad hoc committee of senior noteholders and the secured lenders.
3. The Debtors shall provide weekly reports evidencing payments made pursuant to this Order with a listing of the Obligations payments made in the prior week (the "Royalty Obligations Report") to counsel to each of the Committee, the ad hoc committee of senior noteholders and the secured lenders and separately to the financial advisors to each of the Committee, the ad hoc committee of senior noteholders and the secured lenders on Thursday of each week. Each Royalty Obligations Report delivered during a particular period shall relate to the prior week (e.g., the summary list delivered on Thursday, February 11, 2016 shall report the payments made on account of the Obligations during the week of Monday, February 1, 2016). The Royalty Obligations Report shall contain the name of the creditor and the amount paid to

such creditor during the reporting period. Such Royalty Obligations Reports shall be kept strictly confidential.

4. The Debtors are authorized, but not directed, to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

5. The Banks are authorized, when requested by the Debtors in the Debtors' sole discretion, to receive, process, honor and pay all checks presented for payment of, and to honor all fund transfer requests made by the Debtors related to Obligations whether such checks were presented or fund 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 fund transfers. The Banks are authorized to rely on the Debtors' designation of any particular check or funds transfer as approved by this Order.

6. Nothing in the Motion or this Order, nor the Debtors' payment of claims pursuant to this Order, shall be deemed or construed as: (i) an admission as to the validity of any claim against the Debtors; (ii) a waiver of the Debtors' rights to dispute any claim on any grounds; (iii) a promise to pay any claim; (iv) an implication or admission that any particular claim against the Debtors is a claim from any of the Obligations; or (v) a request to assume any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code.

7. 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.

8. Notwithstanding the applicability of Bankruptcy Rules 6004(h), 7062, 9014, or otherwise, this Order shall be immediately effective and enforceable upon its entry.

Dated: Feb. 1, 2016  
Wilmington, Delaware

  
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THE HONORABLE MARY F. WALRATH  
UNITED STATES BANKRUPTCY JUDGE