United States Bankruptcy Court
Southern District of Texas
ENTERED
January 30, 2026
Nathan Ochsner, Clerk

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 11
SANCHEZ ENERGY CORPORATION, *et al.*,[1]	)	Case No. 19-34508 (MI)
Debtors.	)	(Jointly Administered)

ORDER RESOLVING LIEN-RELATED LITIGATION

This Court has considered the Motion for Entry of Final Judgment in the Lien-Related Litigation[2] (the "Motion") filed by the Ad Hoc Group of Senior Secured Noteholders and DIP Lenders (the "Ad Hoc Group"), the responses and objections thereto, the opinion and mandate issued by the United States Court of Appeals for the Fifth Circuit on appeal from the Court's *Final Order Resolving Lien-Related Litigation*, ECF No. 2809,[3] the *Notice of Proposed Order Resolving Lien-Related Litigation* (the "Notice"), and the proposed settlement between the Ad Hoc Group and the Lien-Related Litigation Creditor Representative (the "Creditor Representative") as stated on the record at the January 9, 2026, hearing in the above-captioned case and as reflected in the terms of this Order. The findings and conclusions set forth herein and on the record at the hearing on the Motion constitute the Bankruptcy Court's findings of fact and conclusions of law pursuant

[1] The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, include: Mesquite Energy, Inc. f/k/a Sanchez Energy Corporation (0102); SN Palmetto, LLC (3696); SN Marquis LLC (0102); SN Cotulla Assets, LLC (0102); SN Operating, LLC (2143); SN TMS, LLC (0102); SN Catarina, LLC (0102); Rockin L Ranch Company, LLC (0102); SN EF Maverick, LLC (0102); SN Payables, LLC (0102); and SN UR Holdings, LLC (0102). The Reorganized Debtors' service address is Opportune LLP, Attn: Raychel Walker, 711 Louisiana Street, Suite 3100, Houston, Texas 77002.

[2] Capitalized terms not otherwise defined herein have the meaning ascribed to them in the *Order Approving Disclosure Statement and Confirming Second Amended Joint Chapter 11 Plan of Reorganization of Sanchez Energy Corporation and Its Debtor Affiliates*, ECF No. 1212, or in the Notice.

[3] *Sr. Secured Noteholders v. DE Trust Co.*, Case No. 23-20557, ECF No. 145 (the "Mandate").

to Rule 52 of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy rules 7052 and 9014. To the extent any of the findings of fact constitute conclusions of law they are adopted as such, and to the extent any conclusions of law constitute findings of fact, they are adopted as such. Having considered the Fifth Circuit's Mandate and the parties' agreement, as well as all other arguments in support thereof and in opposition thereto, the Court is of the opinion that the following relief should be GRANTED.

IT IS HEREBY FOUND, DETERMINED, ORDERED, AND ADJUDGED that:

1. The Lien-Related Litigation under the Plan is fully and finally resolved and concluded.

2. Pursuant to the Mandate issued by the Fifth Circuit with respect to the Lien-Related Litigation, the Holders of Allowed Claims in Class 3 (including their permitted successors and assigns) are allocated 100% of the 10,000,000 Authorized Plan Distribution Shares on account of their Class 3 Claims. Because the Holders of Allowed Claims in Class 3 previously received 2,000,000 of the Authorized Plan Distribution Shares pursuant to the DIP Equity Distribution on the Effective Date of the Plan, the Holders of Allowed Claims in Class 3 shall receive the entire remaining 8,000,000 Authorized Plan Distribution Shares in the Post-Effective Date Equity Distribution. The Post-Effective Date Equity Distribution shall be distributed *pro rata* to the Holders of Allowed Claims in Class 3 in accordance with the Plan. No shares are allocated to Class 4 or Class 5 Claims.

3. All parties to the Lien-Related Litigation, including but not limited to the Ad Hoc Group, the DIP Lenders, the DIP Agent, and the Creditor Representative, have voluntarily and knowingly agreed to and consented to the entry of this Order on a final basis, with prejudice and

without a right to appeal, resolving all claims raised or asserted or that could be raised or asserted in the Lien-Related Litigation.

4. Upon the entry of this Order, the parties to the adversary proceedings captioned *Delaware Trust Company v. Mesquite Energy, Inc., et al.*, Adv. No. 21-3862 (Bankr. S.D. Tex.) (the "Convertible Notes Action"), and *Fidelity Management and Research Company, et al v. Delaware Trust Company, et al.*, Adv. No. 22-3145 (Bankr. S.D. Tex.) (the "Litigation Funding Action"), have agreed and consent to the entry of the attached stipulations and agreed orders (together, the "Stipulations and Orders") dismissing such adversary proceedings with prejudice. The applicable Stipulation and Order shall be entered on the docket of each such proceeding.

5. Nothing in this Order modifies or affects the ability of the Reorganized Debtors to pay any fees and expenses of the DIP Agent, the Ad Hoc Group, or the DIP Lenders pursuant to the Plan, the Final DIP Order, any contractual commitments, or otherwise.

6. In consideration of the releases provided for herein, the Reorganized Debtors have agreed, subject to the entry of this Order, the filing of the Stipulations and Orders, and the Post-Effective Date Equity Distribution having occurred, to pay the Creditor Representative $8.5 million in cash to be used in reimbursement of certain fees and expenses and to wind-down the Creditor Representative's existence (the "Settlement Payment").

7. The Reorganized Debtors shall make the Post Effective Date Equity Distribution to the Holders of Allowed Claims in Class 3, and immediately thereafter pay the Settlement Payment to the Creditor Representative, as soon as practicable after the fourteenth day following entry of this Order.

8. Upon receipt of the Settlement Payment to the Creditor Representative, the members of the Ad Hoc Group and the Reorganized Debtors, on the one hand, and the Creditor

Representative and the Litigation Funders, on the other hand, for themselves and on behalf of each of their affiliates, irrevocably and unconditionally release and forever discharge any and all claims, demands, liabilities, obligations, debts, causes of action, damages, costs, expenses, and rights of any kind or nature whatsoever, whether known or unknown, suspected or unsuspected, accrued or unaccrued, fixed or contingent, in law, equity, or otherwise, that are based on, arise out of, relate to, or could have been asserted in connection with the Lien-Related Litigation, the above-captioned chapter 11 cases, the post-confirmation conduct of the Reorganized Debtors (including with respect to any management incentive programs), the Convertible Notes Action, and the Litigation Funding Action (the "Release"), that such parties may have against each other existing as of the date hereof. The Parties agree between and among themselves that this Release shall be final, binding, and irrevocable upon payment of the Settlement Payment and shall remain in full force and effect notwithstanding disturbance of this Order under any putative appeal.

9. The Court recognizes the existence of a Reservation of Rights filed by Carnero G&P, LLC at ECF No. 3020, but makes no comments on the merit or lack of merit of the reservations contained within that document.

10. This Order is a final order. It is a final judgment with respect to the Lien-Related Litigation under Fed. R. Civ. P. 54 as made applicable by Fed. R. Bankr. P. 7054.

Signed: January 30, 2026

Marvin Isgur
United States Bankruptcy Judge