

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
TARONIS FUELS, INC., <i>et al.</i> , ¹	)	Case No. 22-11121 (BLS)
Debtors.	)	(Jointly Administered)
	)	Re: Docket Nos. 13, 37, & 136

**ORDER AMENDING FINAL ORDER (I) AUTHORIZING THE DEBTORS TO
OBTAIN POSTPETITION FINANCING, (II) GRANTING LIENS AND
PROVIDING SUPERPRIORITY EXPENSE STATUS, (III) AUTHORIZING USE OF
CASH COLLATERAL, (IV) GRANTING ADEQUATE PROTECTION, (V)
MODIFYING AUTOMATIC STAY, AND (VI) GRANTING RELATED RELIEF**

WHEREAS, this Court having entered an *Interim Order (A) Authorizing the Debtors to (I) Obtain Postpetition Financing, (II) Granting Liens and Providing Superpriority Expense Status, (III) Authorizing Use of Cash Collateral, (IV) Granting Adequate Protection, (V) Modifying Automatic Stay, and (VI) Granting Related Relief and (B) Scheduling a Final Hearing* [Docket No. 37] (the “Interim Order”), which is incorporated herein by reference as if fully set forth herein;

WHEREAS, this Court having entered a *Final Order (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Granting Liens and Providing Superpriority Expense Status, (III) Authorizing Use of Cash Collateral, (IV) Granting Adequate Protection, (V) Modifying*

¹ The Debtors in these chapter 11 cases, along with the last four digits (if any) of each Debtor’s federal tax identification number include: Taronis Fuels, Inc. (7454), MagneGas Welding Supply – West, LLC (6662), Taronis Sub III LLC (5826), MagneGas Welding Supply – South, LLC (8686), MagneGas Real Estate Holdings, LLC (7412), MagneGas IP, LLC (0988), MagneGas Production, LLC (7727), Taronis Sub I LLC (4205), Taronis-TAS, LLC (2356), Taronis-TAH, LLC (3542), and Taronis Sub II LLC (9673). The location of the Debtors’ service address in these chapter 11 cases is 24980 N. 83rd Avenue, Suite 100, Peoria, Arizona 85383.

Automatic Stay, and (VI) Granting Related Relief [Docket No. 136] (the “Final Order”),² which is incorporated herein by reference as if fully set forth herein;

WHEREAS, the Debtors and Lender wish to extend the Debtors’ right to use Cash Collateral and obtain postpetition indebtedness according to the terms and limitations set forth in the Final Order, and further subject to the terms of this Order and revised budget (through week ending March 3, 2023 attached hereto as Exhibit A (the “Revised Budget”); and

WHEREAS, this Order is submitted in furtherance of the Debtors’ designation of Airgas USA, LLC as the stalking horse bidder as contemplated by the *Debtors’ Motion for Entry of an Order (A) Authorizing Stalking Horse Designation, (B) Approving Stalking Horse Bid Protections, and (C) Granting Related Relief* [Docket No. 214] which was granted at a hearing held before the Court on January 12, 2023.

THEREFORE, IN CONSIDERATION OF THE FOREGOING, IT IS HEREBY ORDERED THAT:

1. The Final Order shall remain in full force and effect with no modifications or additions thereto except as expressly set forth in this Order.
2. The Final Order is hereby amended as follows:
 - a. All references to the Budget in the Final Order shall *hereafter* mean the Revised Budget appended hereto as Exhibit A and as same may be updated from time to time with the prior written consent of the DIP Lender. Any further updated budget, once approved by the DIP Lender, shall be delivered by the Debtors to the U.S. Trustee.

² All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms in the Final Order.

b. Paragraph 3(b) of the Final Order is hereby amended by deleting the words “fifteen (15) week period from the Petition Date” contained therein and replacing those words with the following: “seventeen (17) week period from the Petition Date or such other extended period as provided for in any updated Budget,”.

3. This Order shall be effective and enforceable immediately upon entry.

4. This Court retains jurisdiction to interpret, implement, and enforce the provisions of this Order.

5. Except as modified hereby, the Final Order shall remain in full force and effect. Following entry of this Order, all references *hereafter* to the Final Order shall be to the Final Order as *amended* by this Order.

Dated: January 19th, 2023
Wilmington, Delaware


BRENDAN L. SHANNON
UNITED STATES BANKRUPTCY JUDGE

Taronis Fuels, Inc.
Cash Flow Forecast

Actual / Forecast -->	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	TSA End
Week Number -->	7	8	9	10	11	12	13	14	15	16	17		
Week Start Date -->	12/17/2022	12/24/2022	12/31/2022	1/7/2023	1/14/2023	1/21/2023	1/28/2023	2/4/2023	2/11/2023	2/18/2023	2/25/2023	11/1/22	
Week End Date -->	12/23/2022	12/30/2022	1/6/2023	1/13/2023	1/20/2023	1/27/2023	2/3/2023	2/10/2023	2/17/2023	2/24/2023	3/3/2023	03/03/23	
Operating Cash Receipts	337,502	163,210	213,961	233,000	244,000	245,000	229,260	237,815	239,019	119,509	59,755	3,977,351	
Operating Disbursements													
Gas Purchases	(28,609)	(624)	(18,633)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(30,000)	-	-	(505,279)	
Other Material Purchases	(144,645)	(92,571)	(128,714)	(97,000)	(97,000)	(97,000)	(97,000)	(97,000)	(97,000)	-	-	(1,306,040)	
Store Overhead	(12,131)	-	(12,131)	(3,000)	(3,000)	(3,000)	(3,000)	(3,000)	(70,100)	(70,000)	(10,000)	(1,398,418)	
Payroll & Benefits	(132,048)	(55,069)	(63,882)	(70,000)	(65,100)	(61,500)	(70,100)	(70,000)	(65,100)	(10,000)	(10,000)	(245,297)	
Store and Equipment Rent	-	(3,513)	(36,063)	-	-	-	(58,000)	-	-	-	-	(3,563,202)	
Total Operating Disbursements	(305,302)	(151,777)	(259,423)	(230,000)	(225,100)	(221,500)	(288,100)	(230,000)	(195,100)	(10,000)	(10,000)		
Operating Cash Flow (Deficit)	\$ 32,200	\$ 11,433	\$ (45,462)	\$ 3,000	\$ 18,900	\$ 23,500	\$ (58,840)	\$ 7,815	\$ 43,919	\$ 109,509	\$ 49,755	\$ 414,149	
Corporate Disbursements													
Payroll, Contract Labor & Benefits	(254,004)	(36,368)	(3,105)	(93,000)	(58,000)	(108,000)	(53,000)	(68,000)	(43,000)	(35,000)	(30,000)	(950,829)	
Rent, Mortgage, Other Debt Service	-	-	(12,516)	(4,000)	-	-	(53,000)	(4,000)	-	-	-	(73,516)	
Business Insurance	(152,666)	(36,310)	(36,310)	(33,354)	-	(42,029)	-	(69,664)	(25,000)	(50,000)	(166,338)	(501,753)	
Other Corporate	(7,619)	(4,331)	(3,293)	(78,179)	(29,326)	(55,887)	-	-	(25,000)	(220,117)	(750,406)	(226,737)	
Taxes	-	(40,000)	(100,572)	-	-	(205,916)	(131,000)	(191,664)	(93,000)	(255,117)	(196,338)	(2,503,242)	
Total Corporate Disbursements:	(414,290)	(117,009)	(155,797)	(208,533)	(87,326)	(205,916)	(131,000)	(191,664)	(93,000)	(255,117)	(196,338)	(2,089,093)	
Cash Flow (Deficit) Before Other	\$ (382,089)	\$ (105,575)	\$ (201,259)	\$ (205,533)	\$ (68,426)	\$ (182,416)	\$ (189,840)	\$ (183,849)	\$ (49,081)	\$ (145,608)	\$ (146,583)	\$ (2,089,093)	
Other (Disbursement) Receipts													
DIP Loan Draws (Repayments)	966,000	284,000	443,664	227,000	-	600,000	360,000	(5,578,660)	-	-	-	(5,841,003)	
DIP Loan Interest	-	-	-	-	-	-	(44,000)	-	-	-	-	(44,000)	
Debtor Professional Fees	(175,000)	(227,000)	(160,000)	(277,000)	(200,000)	(291,000)	(225,000)	(750,000)	(225,000)	(175,000)	(175,000)	(3,690,000)	
UST Fees	-	-	-	-	-	(72,570)	-	-	-	-	-	(72,570)	
KERP	-	-	-	-	-	-	-	(100,000)	-	-	-	(100,000)	
Critical Vendor Payments	(40,000)	-	-	(200,000)	(75,000)	(77,422)	-	-	-	-	-	(780,171)	
Asset Sales (Net)	-	-	-	-	-	-	102,704	9,050,000	-	-	-	13,666,945	
Misc. Cash Receipts	-	-	-	-	-	26,500	-	-	-	-	35,500	70,961	
Total Other (Disbursement) Receipts	751,000	57,000	283,664	(250,000)	(275,000)	185,508	193,704	2,621,340	(225,000)	(175,000)	(139,500)	3,210,161	
Net Cash Flow	\$ 368,911	\$ (48,575)	\$ 82,405	\$ (455,533)	\$ (343,426)	\$ 3,092	\$ 3,864	\$ 2,437,491	\$ (274,081)	\$ (320,608)	\$ (286,083)	\$ 1,121,068	
Liquidity Summary													
Beginning Cash	647,317	1,016,227	967,652	1,050,057	594,524	251,098	254,190	258,054	2,695,545	2,421,464	2,100,856	693,705	
Net Cash Flow	368,911	(48,575)	82,405	(455,533)	(343,426)	3,092	3,864	2,437,491	(274,081)	(320,608)	(286,083)	1,121,068	
Ending Cash	\$ 1,016,227	\$ 967,652	\$ 1,050,057	\$ 594,524	\$ 251,098	\$ 254,190	\$ 258,054	\$ 2,695,545	\$ 2,421,464	\$ 2,100,856	\$ 1,814,773	\$ 1,814,773	