

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

In re:

PetroQuest Energy, Inc., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 24-12609 (CTG)

(Jointly Administered)

**Obj. Deadline: August 21, 2025 at 4:00 p.m. (ET)**

**Hrg. Date: September 10, 2025 at 10:00 a.m. (ET)**

**DEBTORS' MOTION FOR ENTRY OF ORDERS (I) DISMISSING THE CHAPTER 11  
CASES; (II) ESTABLISHING PROCEDURES WITH RESPECT TO FINAL FEE  
APPLICATIONS; (III) EXCULPATING CERTAIN PARTIES FROM LIABILITY IN  
CONNECTION WITH THE CHAPTER 11 CASES; (IV) TERMINATING  
ENGAGEMENT OF CLAIMS AGENT; (V) AUTHORIZING THE DEBTOR  
ENTITIES TO BE DISSOLVED; AND (VI) GRANTING RELATED RELIEF**

The debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”) hereby submit this motion (this “Motion”) for entry of orders, substantially in the forms attached hereto as **Exhibit A** and **Exhibit B** (the “Initial Order,” and the “Dismissal Order,” respectively, and together, the “Proposed Orders”): (i) dismissing the Debtors’ chapter 11 cases (collectively, these “Chapter 11 Cases”); (ii) authorizing, but not directing, the Debtors to abandon and destroy any and all remaining books and records; (iii) approving procedures for the filing and approval of final fee applications by professionals retained in these Chapter 11 Cases (collectively, the “Professionals”), and providing for payment of fees and expenses incurred by the Professionals in these Chapter 11 Cases (the “Professional Fees and Expenses”); (iv) exculpating certain parties in connection with the Chapter 11 Cases; (v) terminating the services of Stretto, Inc., as claims and noticing agent (the “Claims Agent”) in these Chapter 11 Cases; (vi) authorizing the Debtors to be

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PetroQuest Energy, Inc. (0714), PetroQuest Energy, L.L.C. (2439), PetroQuest Oil & Gas, L.L.C. (1170), and PQ Holdings LLC, (7576). The location of the Debtors’ corporate headquarters and the Debtors’ service address in these chapter 11 cases is 400 E. Kaliste Saloom Road, Suite 5200, Lafayette, LA 70508.

dissolved on the terms provided for in the Initial Order and Dismissal Order, respectively; and (vii) providing such other related relief as is just and necessary. In support of this Motion, the Debtors respectfully represent as follows:

**Preliminary Statement**

The Debtors filed these Chapter 11 Cases to effectuate a sale of all or substantially all of their assets to maximize value for all stakeholders. On April 11, 2025 and June 23, 2025, respectfully, the Debtors successfully consummated sales of certain of their assets. Thereafter, the Debtors obtained approval to reject their various outstanding executory contracts and leases and to abandon their remaining burdensome operating asserts. Although the Debtors have explored alternatives to bring these Chapter 11 Cases to a conclusion, the Debtors believe that dismissal is the most expeditious and cost-effective mechanism to do so. All of the Debtors' cash constitutes encumbered "cash collateral" of their Prepetition Lenders (as defined herein). There are no assets of any value available for distribution to unsecured creditors or to support the administrative costs of pursuing anything other than the prompt exit from bankruptcy. Accordingly, dismissal is not worse for creditors than conversion to chapter 7. Moreover, a conversion to chapter 7 would not serve a purpose if there is no unencumbered cash to administer the chapter 7 cases, as the Debtors anticipate would be the case in this instance. To facilitate the relief requested herein, the Debtors' Prepetition Lenders have consented to the use of their cash collateral to fund a reserve to pay costs and expenses of an orderly wind-down process (the "Wind-Down Reserve"), all as set forth in, in accordance with, and as limited by, a budget approved by the Prepetition Lenders (the "Wind-Down Budget"). In light of the foregoing, the Debtors submit that the relief requested in this Motion is appropriate under the circumstances.

### **Jurisdiction**

1. This Court has jurisdiction to consider this Motion under 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. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and, under Rule 9013-l(f) of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution. Venue of these Chapter 11 Cases and this Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

2. The statutory and legal predicates for the relief requested herein are sections 105(a), 305, 349, 363(b)(1), 554(a), 726, and 1112(b) of title 11 of the United States Code (the “Bankruptcy Code”), Rules 1017, 2002, and 6007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rule 1017-2.

### **Background**

#### **A. The Chapter 11 Cases**

3. On November 13, 2024 (the “Petition Date”), the Debtors filed voluntary petitions for relief in this Court, commencing the Chapter 11 Cases under chapter 11 of the Bankruptcy Code. The Debtors continue to manage and operate their businesses as debtors in possession under sections 1107 and 1108 of the Bankruptcy Code. On November 15, 2024, the Court entered an order authorizing the procedural consolidation and joint administration of these Chapter 11 Cases pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1. *See* Docket No. 41. No trustee or examiner has been requested in the Chapter 11 Cases, and no committee has been appointed.

4. The factual background regarding the Debtors, including their business operations, their capital and debt structures, and the events leading to the filing of these Chapter 11 Cases, is set forth in detail the Declaration of Angelle Perret in Support of Chapter 11 Petitions and First Day Pleadings [Docket No. 16] filed on the Petition Date.

5. On November 15, 2024, the Court entered the *Order Authorizing Retention and Appointment of Stretto as Claims and Noticing Agent* [Docket No. 52] (the “Stretto Retention Order”).

6. On December 10, 2024, the Court entered the *Final Order Pursuant to Sections 105, 361, 362, 363, and 364 of the Bankruptcy Code and Rules 2002, 4001, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (I) Authorizing the Debtors to (A) Use Cash Collateral, (B) Obtain Senior Secured Superpriority Postpetition Financing and Granting Liens and Superpriority Administrative Claims, and (C) Provide Adequate Protection, and (II) Granting Related Relief* [Docket No. 145] (the “Final DIP Order”). Pursuant to Section F(vii) of the Final DIP Order, all of the Debtors’ cash constitutes cash collateral of the Debtors’ Prepetition Lenders (as defined in the Final DIP Order). See Final DIP Order, § F(vii). Accordingly, although the debtor-in-possession financing facility has been paid off, see Docket No. 435, the Debtors remain subject to a strict cash collateral budget subject to the review and approval of the Debtors’ Prepetition Lenders (as defined in the Final DIP Order). Indeed, pursuant to Section 5(b) of the Final DIP Order, the Debtors have no authority to use their cash, other than in accordance with the budget. See *id.*, § 5(b).

## **B. The Sale Processes**

7. During these Chapter 11 Cases the Debtors have implemented numerous sales processes to maximize the value of their assets for the benefit of creditors (as described below, the “Sale Processes”).

8. First, on November 21, 2024, following a robust prepetition marketing process, the Debtors filed a motion [Docket No. 74] to establish bidding and auction procedures for the sale of their oil and gas leasehold interests, producing properties, and related assets located in Panola County, Texas (the “East Texas Assets”). Following an active auction in January 2025, after which the successful bidder failed to close, on April 11, 2025, AGIS Energy, LLC (“AGIS”) purchased substantially all of the East Texas Assets. *See* Docket Nos. 273, 293, and 393. Following the sale of the East Texas Assets, the Debtors and AGIS worked closely with one another pursuant to a transition services agreement (the “TSA”) and in connection with various post-closing matters. The TSA was terminated effective July 1, 2025. In connection with the AGIS sale, the Debtors’ servers are being temporarily maintained by AGIS, at a cost to the Debtors.

9. Second, on December 17, 2024, the Debtors filed a motion [Docket No. 169] seeking authority to market and sell an overriding royalty interest in the Gulf of Mexico and a well in Oklahoma (together, the “De Minimis Assets”) through a private sale process. Although the Court granted the motion, *see* Docket No. 193, and the Debtors engaged in good faith efforts to market and sell the *De Minimis Assets*, the Debtors have not been able to find a purchaser for the *De Minimis Assets*.

10. Third, on March 11, 2025, the Debtors filed a motion [Docket No. 355] to establish bidding and auction procedures for the sale of certain of their litigation claims. Following an auction conducted on June 4, 2025, *see* Docket No. 451, and entry of an order approving the sale, *see* Docket No. 463, the sale of the Debtors’ litigation assets closed on June 23, 2025.

#### **B. The Rejection and Abandonment Motions, and Operatorship Transition**

11. In addition to selling various assets during these Chapter 11 Cases, the Debtors also have sought and obtained Court approval to reject various executory contracts and to abandon certain burdensome assets (the “Rejection/Abandonment Process” and together with the Sale

Processes, the “Disposition Processes”). See Docket Nos. 299, 300, 380, 428, 483-87, 495-97, 502, and 519. The Debtors also were successful in transitioning operatorship of certain properties located in Vermilion and Iberia Parish, Louisiana to Talos Resources LLC (“Talos”). See Docket No. 419 (the “Talos Stipulation”).

12. As a result of the Disposition Processes, the Debtors’ operations are *de minimis* and they do not have sufficient funding to propose a plan of liquidation.

**D. The Debtors’ Books and Records**

13. As of the Petition Date, the Debtors maintained voluminous books and records (collectively, the “Books and Records”), including, without limitation, hard copy and electronic (i) accounting documents; (ii) bank documents; (iii) corporate governance documents; (iv) documents related to contracts, leases and other contractual agreements of the Debtors; (v) insurance documents; (vi) human resources and other related employment documents; (vii) documents related to these Chapter 11 Cases; and (viii) electronic documents. Pursuant to section 11.3 of the Debtors’ purchase and sale agreement with AGIS and the Talos Stipulation, substantially all such Books and Records pertaining to the Debtors have been transferred out of the bankruptcy estates. To the extent certain Books and Records have not been transferred to AGIS or Talos (collectively, the “Retained Books and Records”), however, the continued preservation of such Retained Books and Records would be a cost and burden to the Debtors’ estates, and the destruction or abandonment of such Retained Books and Records is necessary for the resolution of the Chapter 11 Cases. Because the Debtors have limited ongoing operations and there will not be any claims reconciliation, the Debtors do not believe that abandonment and destruction of the Retained Books and Records would be prejudicial to the Debtors’ stakeholders. Although the Debtors’ servers are being maintained by AGIS, the Debtors do not have the financial wherewithal to continuing paying AGIS to maintain the Debtors’ servers, nor would the Debtors

expect AGIS to maintain records related to assets that AGIS did not purchase. Accordingly, the Debtors seek approval of the abandonment and destruction of the Retained Books and Records in their possession pursuant to this Motion.

**E. Other Administrative Matters**

14. On December 10, 2024, the Court entered that certain *Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals and (II) Granting Related Relief* [Docket No. 143] (the “Interim Compensation Order”), pursuant to which the Court approved procedures governing applications for and payments of fees and expenses requested by the Professionals.

**Relief Requested**

15. By this Motion, the Debtors request entry of: (i) the Initial Order (a) establishing procedures for the payment of Professional Fees and Expenses; and (b) authorizing the abandonment and destruction of the Retained Books and Records; and (ii) the Dismissal Order (upon filing of a certification of counsel stating that the conditions precedent to dismissal have been met) dismissing these Chapter 11 Cases pursuant to section 1112(b) of the Bankruptcy Code. For the avoidance of doubt, the steps taken pursuant to the Initial Order shall be made after the Debtors pay all fees owed to the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) pursuant to 28 U.S.C. § 1930 (the “U.S. Trustee Fees”), establish the Wind-Down Reserve (as defined herein), and pay approved Professional Fees and Expenses.

**Basis For Relief Requested**

**A. These Chapter 11 Cases Must be Dismissed if the Elements for “Cause” Are Shown Under Section 1112(b)(4) of the Bankruptcy Code**

16. Upon the request of a party in interest, section 1112(b)(1) of the Bankruptcy Code provides that, absent unusual circumstances, a court “shall” dismiss a chapter 11 bankruptcy case

(or convert such case to a case under chapter 7) “for cause.” *See* 11 U.S.C. § 1112(b)(1). The Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (“BAPCPA”) changed the statutory language with respect to conversion or dismissal from permissive to mandatory.<sup>2</sup> *See* H.R. Rep. No. 109-31(I), at 442, *reprinted in* 2005 U.S.C.C.A.N. 88, 94 (stating that BAPCPA “mandate[s] that the court convert or dismiss a chapter 11 case, whichever is in the best interests of creditors and the estate, if the movant establishes cause, absent unusual circumstances”); *see also Nester v. Gateway Access Sols., Inc. (In re Gateway Access Sols., Inc.)*, 374 B.R. 556 (Bankr. M.D. Pa. 2007) (stating that the amendments to section 1112 limit the court’s discretion to refuse to dismiss or convert a chapter 11 case upon a finding of cause); *accord In re TCR of Denver, LLC*, 338 B.R. 494, 498 (Bankr. D. Colo. 2006) (“Congress has purposefully limited the role of this Court in deciding issues of conversion or dismissal, such that this Court has no choice, and no discretion, in that it ‘shall’ dismiss or convert a case under Chapter 11 if the elements for ‘cause’ are shown under 11 U.S.C. § 1112(b)(4).”).

17. The amendments to section 1112 thus limit the Court’s discretion to refuse to dismiss or convert a chapter 11 case upon a finding of cause. *In re 3 Ram, Inc.*, 343 B.R. 113, 119 (Bankr. E.D. Pa. 2006) (“Under new § 1112 when cause is found, the court shall dismiss or convert unless special circumstances exist that establish that the requested conversion or dismissal is not in the best interests of creditors and the estate.”); *see also In re Broad Creek Edgewater, LP*, 371 B.R. 752, 759 (Bankr. D.S.C. 2007). For reasons more fully explained below, the Debtors submit that the Court should dismiss these Chapter 11 Cases because cause exists. Further, dismissal (and

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<sup>2</sup> Prior to the enactment of BAPCPA, a bankruptcy court had the discretion, pursuant to its broad equitable powers, to dispose of a debtor’s case, including by means of dismissal. However, a court was not mandated to dismiss a case upon the showing of cause. H.R. Rep. No. 95-595, at 405 (1977), *reprinted in* 1978 U.S.C.C.A.N. 5963; S. Rep. No. 95-989, at 117 (1978), *reprinted in* 1978 U.S.C.C.

not conversion to a case under Chapter 7) is in the best interests of the Debtors, their creditors, and their estates.

**B. Cause Exists to Dismiss these Chapter 11 Cases Because the Debtors Ceased Business Operations and Have Insufficient Unencumbered Assets to Confirm a Plan**

18. Section 1112(b)(4) of the Bankruptcy Code provides a non-exhaustive list of sixteen grounds for dismissal. 11 U.S.C. § 1112(b)(4)(A)-(P). *See Gateway Access Sols.*, 374 B.R. at 561 (“Generally, such lists are viewed as illustrative rather than exhaustive, and the Court should ‘consider other factors as they arise.’”) (quoting *First Jersey Nat’l Bank v. Brown (In re Brown)*, 951 F.2d 564, 572 (3d Cir. 1991)); *3 Ram, Inc.*, 343 B.R. at 117 (“While the enumerated examples of ‘cause’ to convert or dismiss a chapter 11 case now listed in § 1112(b)(4) have changed under BAPCPA, the fact that they are illustrative, [and] not exhaustive has not.”) (citation omitted); *accord Frieouf v. United States (In re Frieouf)*, 938 F.2d 1099, 1102 (10th Cir. 1991) (stating that section 1112(b)’s list is non-exhaustive).<sup>3</sup>

19. One statutory basis to dismiss a case is where a party in interest shows that the debtor does not have a “reasonable likelihood of rehabilitation.” *See* 11 U.S.C. § 1112(b)(4)(A); *see also In re Photo Promotion Assocs., Inc.*, 47 B.R. 454, 458 (Bankr. S.D.N.Y. 1985); *Clarkson v. Cooke Sales & Serv. Co. (In re Clarkson)*, 767 F.2d 417, 420 (8th Cir. 1985) (stating that dismissal is warranted where “the absence of financial data and certain sources of income for the [debtors] indicate[d] the absence of a reasonable likelihood of rehabilitation”). Further, the dismissal of a chapter 11 case has been found appropriate where “a feasible plan is not possible.”

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<sup>3</sup> In *In re TCR of Denver*, the court recognized the apparent typographical error in section 1112(b)(4) of the Bankruptcy Code. The sixteen illustrative examples of “cause” set forth in that section are linked by the word “and” after subsection (O). Accordingly, strict construction of the statute would require that a debtor establish all of the items constituting “cause” before a case can be dismissed by the court. The *TCR* court held that Congress could not have intended to require a “perfect storm” of all sixteen circumstances listed before a case may be dismissed. *See In re TCR of Denver*, 338 B.R. at 498.

3 *Ram*, 343 B.R. at 117-18. “If [a] chapter 11 [debtor] cannot achieve . . . reorganization within the statutory requirements of the Bankruptcy Code, then there is no point in expending estate assets on administrative expenses[.]” *Id.* at 118 (citing, *inter alia*, *In re Brown*, 951 F.2d at 572).

20. The Debtors initially were hopeful that they could bring these Chapter 11 Cases to a conclusion through a chapter 11 plan. However, after engaging in discussions with the Prepetition Lenders, the Debtors determined that a chapter 11 plan would not be feasible in light of the limited assets available to the Debtors to wind down the Chapter 11 Cases. The Debtors have liquidated substantially all of their assets in connection with the Disposition Processes and no longer conduct any meaningful business activities. Following these key cases events, the Debtors’ estates have existed solely to monetize claims and to effectuate an orderly exit from these Chapter 11 Cases, subject to and in accordance with the Final DIP Order. Although the Debtors have monetized some of these claims, the collectability and timing of the remaining claims is unknown. While engaging in these efforts, the estates continue to accrue Professional Fees and Expenses and U.S. Trustee Fees, which have been paid as they become due and owing. There is no longer a business to reorganize or assets to distribute, and thus no reason (or funds available) to pursue a plan of reorganization or liquidation. Accordingly, the Debtors submit that cause exists to dismiss the Chapter 11 Cases pursuant to section 1112(b)(4) of the Bankruptcy Code and related relevant case law.

### **C. Dismissal is in the Best Interest of the Debtors’ Creditors and Their Estates**

21. Once a court determines that cause exists to dismiss a debtor’s chapter 11 case, the court must then evaluate whether dismissal is in the best interests of the debtor’s creditors and of the estate. *See, e.g., Rollex Corp. v. Associated Materials, Inc. (In re Superior Siding & Window, Inc.)*, 14 F.3d 240, 242 (4th Cir. 1994) (“Once ‘cause’ is established, a court is required to consider

this second question of whether to dismiss or convert.”). A variety of factors demonstrate that it is in the best interest of the Debtors’ estates and their creditors to dismiss these Chapter 11 Cases.

22. *First*, a dismissal of a chapter 11 bankruptcy case meets the “best interests of creditors” test where a debtor has nothing to reorganize and the debtor’s assets are fixed and liquidated. *See Camden Ordinance Mfg. Co. of Ark., Inc. v. U.S. Trustee (In re Camden Ordinance Mfg. Co. of Ark., Inc.)*, 245 B.R. 794, 799 (E.D. Pa. 2000) (reorganization to salvage business which ceased operations was unfeasible); *Royal Trust Bank, N.A. v. Brogdon Inv. Co. (In re Brogdon Inv. Co.)*, 22 B.R. 546, 549 (Bankr. N.D. Ga. 1982) (court dismissed chapter 11 proceeding in part where there was “simply nothing to reorganize” and no reason to continue the reorganization). The Debtors have nothing left to reorganize because substantially all of their assets were transferred pursuant to the Sale Processes or removed from the estates pursuant to the Rejection/Abandonment Process. Moreover, the Prepetition Lenders hold blanket liens and DIP liens over substantially all of the assets of the estates. Consequently, the Debtors have insufficient unencumbered cash to make distributions to creditors pursuant to a chapter 11 plan or upon conversion of the Chapter 11 Cases to chapter 7.

23. *Second*, courts have found that dismissal is in the “best interests of creditors” where an interested party, other than the debtor, supports the dismissal of the debtor’s chapter 11 case. *See Camden Ordinance*, 245 B.R. at 798; *In re Mazzocone*, 183 B.R. 402, 414 (Bankr. ED. Pa. 1995), *aff’d*, 200 B.R. 568 (E.D. Pa. 1996) (factors weighed more heavily in favor of dismissal of chapter 11 case rather than conversion to chapter 7 where debtor and U.S. Trustee both favored dismissal). Here, the Prepetition Lenders support dismissal of these Chapter 11 Cases rather than conversion to chapter 7.

24. *Third*, a court may find dismissal to be in the “best interests of the creditors” where a debtor demonstrates the ability to oversee its own liquidation. *See Camden Ordinance*, 245 B.R. at 798 (upholding bankruptcy court’s ruling that conversion was in the best interests of creditors, rather than dismissal, where the debtor did not have the ability to oversee its own liquidation). Here, to the extent this factor is applicable to the facts and circumstances of these proceedings, the Debtors have already liquidated their assets in advance of dismissal, and the Debtors, by this Motion, are seeking authority to complete their own liquidation with the continued financial support of the Prepetition Lenders.

25. *Fourth*, and finally, dismissal is appropriate where, as here, the dismissal of the chapter 11 cases will maximize the value of the Debtors’ estates because the alternative—conversion to a chapter 7 liquidation and appointment of a trustee—is (i) unnecessary and would provide no benefit to creditors and (ii) would impose significant additional administrative costs upon the Debtors’ estates without any meaningful source of funds to satisfy such costs.

26. Under the circumstances, a chapter 7 trustee would have no funds to investigate, pursue, or liquidate, much less satisfy, additional claims arising after conversion to cases under chapter 7 of the Bankruptcy Code. As noted earlier, substantially all of the Debtors’ assets were sold or abandoned during the course of these Chapter 11 Cases. The Debtors have further determined that there are no remaining assets of any material value. Indeed, collection of any such remaining assets would not be sufficient to cover the amount that remains outstanding and owing to the Prepetition Lenders or that would warrant keeping these cases open or the appointment of a chapter 7 trustee. As a result, creditors would not receive greater recoveries in a chapter 7 liquidation.

27. For these reasons, the Debtors submit that a dismissal pursuant to section 1112 of the Bankruptcy Code is in the best interest of the Debtors' creditors and their estates.

**D. Dismissal of these Chapter 11 Cases is Warranted Under Section 305(a) of the Bankruptcy Code**

28. Cause also exists to dismiss these Chapter 11 Cases pursuant to section 305(a) of the Bankruptcy Code, which provides that the "court, after notice and a hearing, may dismiss a case under this title . . . at any time if—(1) the interests of creditors and the debtor would be better served by such dismissal or suspension . . ." *See* 11 U.S.C. § 305(a); *see also In re AMC Invs., LLC*, 406 B.R. 478, 487-88 (Bankr. D. Del. 2009).

29. Whether dismissal is appropriate under this provision is determined on a case-by-case basis and rests in the sound discretion of the bankruptcy court. *See In re Sky Grp. Int'l, Inc.*, 108 B.R. 86, 91 (Bankr. W.D. Pa. 1989). Many factors are considered when determining the best interests of creditors and the debtor, including (i) the economy and efficiency of administration, (ii) whether federal proceedings are necessary to reach a just and equitable solution, (iii) whether there is an alternative means of achieving an equitable distribution of assets, and (iv) whether the debtor and the creditors are able to work out a less expensive out-of-court arrangement that better serves all interests in the case. *See AMC Invs.*, 406 B.R. at 488.

30. Here, as described above, cause exists for dismissal under section 305 of the Bankruptcy Code. The Debtors have divested substantially all of their assets pursuant to the Sale Processes and Rejection/Abandonment Process and do not believe that there are any additional potential recoveries which would warrant keeping these Chapter 11 Cases open for further administration. Under the circumstances, conversion to chapter 7 would impose additional administrative costs with no corresponding benefit to the Debtors' creditors or their estates. Dismissal of these Chapter 11 Cases, as set forth in this Motion, among other things, provides the

most efficient, cost-effective method of effectuating the wind-down of the Debtors' estates, and ensures payment of all U.S. Trustee Fees.

**E. The Proposed Dismissal Complies with Applicable Law Governing Distributions**

31. The proposed dismissal complies with applicable law governing distributions of estate property. Specifically, a final disposition "in connection with the dismissal of a Chapter 11 case cannot, without the consent of the affected parties, deviate from the basic priority rules" contained within the Bankruptcy Code. *Czyzewski v. Jevic Holding Corp.*, 137 S. Ct. 973, 978 (2017). In other words, a debtor may not use a dismissal as a means to distribute assets to a favored class of "low-priority general unsecured creditors" while "skipping" a disfavored class that would otherwise be entitled to priority of payment under a plan of liquidation. *See id.* The Proposed Orders do not contemplate the Debtors making any distributions, since all distributions have been made in the ordinary course in accordance with the Final DIP Order. Accordingly, the Debtors submit that the relief requested herein does not run afoul of *Jevic*.

32. Further, upon entry of the Proposed Interim Order, the Debtors will promptly disburse any excess funds (outside of the Wind-Down Reserve) at the Prepetition Lenders' direction.

**F. The Court Should Authorize the Debtors to Abandon and Destroy the Retained Books and Records**

33. Section 554(a) of the Bankruptcy Code and Bankruptcy Rule 6007 authorize a debtor-in-possession, upon notice and a hearing, to abandon estate property that is of little value to the estate or is otherwise burdensome to maintain. *See* 11 U.S.C. § 554(a); Fed. R. Bankr. P. 6007. As one bankruptcy court has noted, if a debtor "feels an asset is of inconsequential value and benefit to the estate *or* that it is 'burdensome to the estate,' [the debtor] may abandon it." *Reich v. Burke (In re Reich)*, 54 B.R. 995, 1004 (Bankr. E.D. Mich. 1985).

34. Here, the Debtors request that the Court authorize, but not direct, the Debtors to abandon and destroy the Retained Books and Records pursuant to sections 105(a) and 554 of the Bankruptcy Code and Bankruptcy Rule 6007, and to make all payments necessary to effectuate such destruction. As previously discussed, the Debtors have sold or abandoned substantially all of their assets, no longer have a material operating business, and have largely wound down their affairs. The Debtors believe that substantially all of their Books and Records were transferred to AGIS or Talos, and their remaining electronic records are located on servers maintained by AGIS. To the extent the Debtors continue to possess any Books and Records, they will be of no value to the Debtors after dismissal of the Chapter 11 Cases. Accordingly, the Debtors submit that they should not be required to incur the costs associated with maintaining and storing the Retained Books and Records that have no value to their estates, and they should be authorized to abandon and destroy, as applicable, the Retained Books and Records.

**G. The Limited Exculpation Provisions in the Dismissal Order are Appropriate and Should Be Approved**

35. The limited exculpation sought by the Debtors in the Dismissal Order is appropriate because it is fair, necessary, and supported by the factual record and applies to parties that played significant roles in these Chapter 11 Cases. *See, e.g., In re Great Atl. & Pac. Tea Co., Inc., et al.*, No. 15-23007 (RDD) 2021 WL 5863393, at \*12 (Bankr. S.D.N.Y. May 13, 2021) (approving exculpation of the debtors, creditors' committee and secured lender, among others, in dismissal order). The Debtors, their directors, managers, members, officers, and employees of the Debtors who served during any portion of these Chapter 11 Cases, the Debtors' professionals retained in these Chapter 11 Cases, and the Debtors' Prepetition Lenders and DIP Lenders and their professionals retained in these Chapter 11 Cases (collectively, the "Exculpated Parties") worked diligently and cooperatively throughout the Chapter 11 Cases to consummate successful sales of

the Debtors' assets and to accomplish an efficient and value-maximizing wind-down of the Debtors' estates. In consideration of those efforts, the Debtors seek limited exculpation for the Exculpated Parties.

36. The exculpation provisions included in the Dismissal Order will protect the Exculpated Parties from liability for any actions taken (or omitted to be taken) in good faith, relating to or in connection with these Chapter 11 Cases, including the formulation and implementation of this Motion and the Proposed Orders. Courts in this District have approved similar relief where, like here, it is warranted. *See, e.g., In re RP Co. Liquidating, LLC*, Case No. 23-10774 (BLS) (Bankr. D. Del. Mar. 27, 2024) [Docket No. 700]; *In re Makeup Liquidating Holdings, LLC (f/b/a BHCosmetics Holdings, LLC)*, Case No. 22-10050 (JKS) (Bankr. D. Del. September 23, 2022) [Docket No. 415]; *In re Destination Maternity Corp.*, No. 19-12256 (BLS) (Bankr. D. Del. Dec. 29, 2021) [Docket No. 1229] (approving release provision in dismissal order that relieved estate fiduciaries of liability related to actions taken in good faith in connection with the chapter 11 proceedings); *In re Real Industry, Inc.*, No. 17-12464 (KJC) (Bankr. D. Del. Dec. 18, 2018) [Docket No. 1165] (approving exculpation of estate fiduciaries in dismissal order); *In re City Sports, Inc.*, No. 15-12054 (KG) (Bankr. D. Del. Mar. 4, 2016) [Docket No. 647] (approving broad release provision); *In re Coach Am Grp. Holdings Corp.*, No. 12-10010 (KG) (Bankr. D. Del. May 31, 2013) [Docket No. 1568] (approving consensual releases and broad exculpation). Further, the proposed exculpation provisions expressly exclude liability for any acts of gross negligence or willful misconduct on the part of the Exculpated Parties. The Debtors, therefore, submit that the limited exculpation provisions in the Dismissal Order are appropriate and request that they be approved.

**H. Debtors' Authority to Terminate Engagement of Claims Agent**

37. In connection with the closure of the Chapter 11 Cases, the Debtors request the claims and noticing services provided by the Claims Agent pursuant to the Stretto Retention Order be terminated. Upon termination of the Claims Agent's services, except as otherwise provided in the Local Rules, the Debtors request that the Claims Agent shall have no further obligations under the Stretto Retention Order to the Debtors or to any other party in interest with respect to the Claims Agent's services. Pursuant to Local Rule 2002-1(e)(ix), within fourteen (14) days after entry of the Proposed Order, the Claims Agent shall (a) forward to the Clerk of the Court an electronic version of all imaged claims, (b) upload the creditor mailing list into CM/ECF, and (c) docket a final claims register.

**I. The Court Should Establish a Procedure to Approve Professional Fees and Expenses and Establish the Wind-Down Reserve**

38. In connection with winding down the Debtors' estates and the dismissal of these Chapter 11 Cases, and notwithstanding any provisions to the contrary in the Interim Compensation Order, the Debtors seek the Court's approval of procedures for the final payment of Professional Fees and Expenses incurred by Professionals on behalf of the Debtors' estates throughout these Chapter 11 Cases until such time as they are dismissed.

39. Specifically, the Debtors request that the Court schedule a final omnibus fee hearing (the "Final Fee Hearing") in the Initial Order. The Debtors further request that the Court require all Professionals retained in these Chapter 11 Cases to file final requests for allowance and payment of all fees and expenses incurred during these Chapter 11 Cases (collectively, the "Final Fee Applications"), to the extent not already done, no later than fourteen (14) days after entry of the Initial Order and that any objections to the Final Fee Applications be filed and served on

counsel for the Debtors and such applicable Professional by 4:00 p.m. (prevailing Eastern Time) no later than twenty-one (21) days after each Final Fee Application is filed.

40. In addition, the Debtors request authority to establish a reserve account (the “Wind-Down Reserve”) to fund, subject to a budget approved by the Prepetition Lenders, any reasonable fees and expenses, including attorneys’ fees, necessary to wind down the Debtors’ estates after the dismissal of these Chapter 11 Cases, which may include, for the avoidance of doubt, filing final tax returns and dissolving the corporate entities. The Wind-Down Reserve shall be maintained by Debtors’ counsel, Cole Schotz P.C., and to the extent that any funds remain in the Wind-Down Reserve after paying such post-dismissal fees and expenses (which, for the avoidance of doubt, may include final fees and expenses incurred by Stretto), such funds shall be remitted to the Prepetition Lenders. The Debtors shall provide counsel to the Prepetition Lenders, Faegre Drinker Biddle & Reath LLP, with at least three (3) business days’ notice of any distribution from the Wind-Down Reserve.

41. Courts in this jurisdiction have granted similar relief in the context of dismissals. *See, e.g., In re Makeup Liquidating Holdings, LLC*, No. 22-10050 (JKS) (Bankr. D. Del. July 5, 2022) [Docket No. 367]; *In re NPE Winddown Holdings, Inc.*, No. 21-10570 (MFW) (Bankr. D. Del Feb 18, 2022) [Docket No. 861]; *In re TSAWD Holdings, Inc.*, No. 16-10527(MFW) (Bankr. D. Del. Dec. 15, 2020) [Docket No. 4773].

#### **J. The Court Should Authorize Dissolution of the Debtors**

42. Because the Debtors have sold or abandoned substantially all of their assets and effectively ceased operations, the Court is empowered by sections 105 and 363(b)(1) of the Bankruptcy Code and its general equitable powers to authorize the dissolution of the Debtors. *See, e.g., Weir v. JMACK, Inc.*, No. 3263-CC, 2008 WL 4379592 at \*2 (Del. Ch. Sept. 14, 2008) (granting dissolution of corporation by court order and stating that “[i]t is well settled that this

Court, as a court of equity, has the power to order the dissolution” of a corporation). Further, courts in this jurisdiction have previously authorized the dissolution of debtors by court order in connection with the dismissal of a chapter 11 case. *See, e.g., In re CR Holding Liquidating, Inc.*, No. 19-10210 (LSS) (Bankr. D. Del. Aug. 18, 2023) [Docket No. 1866]; *In re Makeup Liquidating Holdings, LLC*, No. 22-10050 (JKS) (Bankr. D. Del. Sept. 23, 2022) [Docket No. 415]; *In re CP Holdings LLC*, No. 21-10950 (LSS) (Bankr. D. Del. Mar. 10, 2022) [Docket No. 233]; *In re NPE Winddown Holdings, Inc.*, No. 21-10570 (MFW) (Bankr. D. Del. June 30, 2022) [Docket No. 920].

43. Here, the Debtors respectfully submit that it is appropriate and necessary for the Court to authorize the dissolution of the Debtors. The Debtors have no further business to conduct or other purpose to remain active corporate entities, and absent their prompt dissolution, the Debtors may incur additional taxes and statutory fees owing to their continued corporate existence. Accordingly, the Debtors submit that it is in the best interests of their estates for the Debtors to dissolve as soon as practicable. Following entry of the Dismissal Order, counsel to the Debtors will file all documents necessary to evidence such dissolution in accordance with applicable state law.

**K. All Prior Releases, Stipulations, Settlements, Rulings, Orders and Judgments Should Remain Binding and Should Continue to Have Full Force and Effect**

44. The dismissal of a chapter 11 case ordinarily vacates all orders previously entered by the bankruptcy court and restores all parties to the prepetition status quo. *See* 11 U.S.C. § 349(b). A bankruptcy court may, however, “for cause, order[] otherwise . . . .” *Id.* Courts in this jurisdiction have regularly allowed orders, including those approving releases and settlements, to be given continued effect after a dismissal, notwithstanding section 349 of the Bankruptcy Code. *See, e.g., In re CR Holding Liquidating, Inc.*, No. 19-10210 (LSS) (Bankr. D. Del. Aug. 18, 2023) [Docket No. 1866]; *In re Forever 21 Inc.*, No. 19-12122 (MFW) (Bankr. D. Del. Feb. 17, 2023)

[Docket No. 2457] (giving continued effect to all orders entered throughout the chapter 11 cases, including the sale order). Given the circumstances and posture of these Chapter 11 Cases, the Debtors submit that ample cause exists to allow all prior orders, releases, stipulations, settlements, rulings, and judgments entered by the Court in connection with these Chapter 11 Cases to be given continued effect, notwithstanding the requested dismissal.

**L. The Certification of Counsel Process and the Request for Entry of the Dismissal Order is Reasonable Under the Circumstances**

45. As soon as reasonably practicable following the filing of a certification of counsel stating that the conditions precedent to dismissal have been met (the “Certification of Counsel”), the Debtors request that the Court enter the Dismissal Order dismissing these Chapter 11 Cases. Among other things, the Certification of Counsel will verify that: (i) all U.S. Trustee Fees owed in connection with these Chapter 11 Cases have been paid in full; (ii) Professional Fees and Expenses incurred in these Chapter 11 Cases have been approved on a final basis (to the extent applicable) and paid in full; and (iii) the Wind-Down Reserve has been established. The Dismissal Order will dismiss these Chapter 11 Cases immediately upon entry.

46. The Debtors will serve the Certification of Counsel on the U.S. Trustee and all entities that have requested notice pursuant to Bankruptcy Rule 2002 (the “Notice Parties”), but will not send the Certification of Counsel to the Debtors’ entire matrix of creditors and parties in interest, as such parties will receive reasonable notice of the proposed dismissal through notice of this Motion.

**Notice**

47. The Debtors will provide notice of this Motion to the following parties or their respective counsel (if known): (i) the U.S. Trustee; (ii) the Debtors’ prepetition lenders; (iii) the holders of the thirty (30) largest unsecured claims against the Debtors on a consolidated basis;

(iv) the United States Attorney's Office for the District of Delaware; (v) the United States Department of Justice; (vi) the attorneys general for all the states in which the Debtors conduct business; (vii) the Internal Revenue Service; (viii) counsel to AGIS; and (ix) all other parties entitled to notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

48. In addition, the Debtors will serve notice of this Motion (the "Dismissal Notice") by first-class mail to all creditors, as provided in Bankruptcy Rule 2002(a)(4). The Dismissal Notice includes specific information regarding how to obtain a copy of this Motion free of charge and the procedures for filing objections to this Motion. The Debtors submit that, under the circumstances, no other or further notice is necessary.

*[Remainder of Page Intentionally Left Blank]*

**Conclusion**

**WHEREFORE** the Debtors respectfully request entry of (i) the Initial Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein, (ii) the Dismissal Order, substantially in the form attached hereto as **Exhibit B**, upon filing of the Certification of Counsel, and (iii) such other and further relief as is just and proper.

Dated: July 31, 2025  
Wilmington, Delaware

**COLE SCHOTZ P.C.**

/s/ Melissa M. Hartlipp

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*Counsel for Debtors and Debtors-in-Possession*

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

In re:

PetroQuest Energy, Inc., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 24-12609 (CTG)

(Jointly Administered)

**Obj. Deadline: August 21, 2025 at 4:00 p.m. (ET)**

**Hrg. Date: September 10, 2025 at 10:00 a.m. (ET)**

**NOTICE OF DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) DISMISSING THE  
CHAPTER 11 CASES; (II) ESTABLISHING PROCEDURES WITH RESPECT TO  
FINAL FEE APPLICATIONS; (III) EXCULPATING CERTAIN PARTIES  
FROM LIABILITY IN CONNECTION WITH THE CHAPTER 11 CASES;  
(IV) TERMINATING ENGAGEMENT OF CLAIMS AGENT; (V) AUTHORIZING THE  
DEBTOR ENTITIES TO BE DISSOLVED; AND (VI) GRANTING RELATED RELIEF**

**PLEASE TAKE NOTICE** that on July 31, 2025, the above-captioned debtors and debtors in possession (the “Debtors”) filed the *Debtors’ Motion (I) Dismissing the Chapter 11 Cases; (II) Establishing Procedures With Respect to Final Fee Applications; (III) Exculpating Certain Parties from Liability in Connection With the Chapter 11 Cases; (IV) Terminating Engagement of Claims Agent; (V) Authorizing the Debtor Entities to Be Dissolved; and (VI) Granting Related Relief* (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Court”). A copy of the Motion also is available (i) on the Court’s website: [www.deb.uscourts.gov](http://www.deb.uscourts.gov) and (ii) free of charge on the website maintained by the Debtors’ claims and noticing agent, Stretto, Inc.: <https://cases.stretto.com/PetroQuest>.

**PLEASE TAKE FURTHER NOTICE** that a hearing on the Motion will be held on **September 10, 2025 at 10:00 a.m. (prevailing Eastern Time)** before the Honorable Craig T. Goldblatt, United States Bankruptcy Judge for the District of Delaware, at the Court, 824 North Market Street, 3rd Floor, Courtroom No. 7, Wilmington, Delaware 19801.

**PLEASE TAKE FURTHER NOTICE** that objections, if any, to the entry of an order granting the relief sought in the Motion must be made in writing and filed with the Court on or before **August 21, 2025 at 4:00 p.m. (prevailing Eastern Time)** (the “Objection Deadline”). At the same time, you must serve a copy of the response or objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PetroQuest Energy, Inc. (0714), PetroQuest Energy, L.L.C. (2439), PetroQuest Oil & Gas, L.L.C. (1170), and PQ Holdings LLC, (7576). The location of the Debtors’ corporate headquarters and the Debtors’ service address in these chapter 11 cases is 400 E. Kaliste Saloom Road, Suite 5200, Lafayette, LA 70508.

**PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO PROPERLY FILE AND SERVE A RESPONSE ON OR BEFORE THE OBJECTION DEADLINE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.**

Dated: July 31, 2025  
Wilmington, Delaware

**COLE SCHOTZ P.C.**

/s/ Melissa M. Hartlipp

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*Counsel for Debtors and Debtors-in-Possession*

**Exhibit A**

**Proposed Initial Order**

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

In re:

PetroQuest Energy, Inc., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 24-12609 (CTG)

(Jointly Administered)

Re: Docket No. \_\_

**INITIAL ORDER (I) APPROVING THE DISMISSAL OF THE CHAPTER  
11 CASES; (II) ESTABLISHING PROCEDURES WITH RESPECT TO  
FINAL FEE APPLICATIONS; AND (III) GRANTING RELATED RELIEF**

Upon the motion (the “Motion”)<sup>2</sup> of the above-captioned debtors and debtors in possession (the “Debtors”), pursuant to 105(a), 305, 349, 363(b)(1), 554(a), and 1112(b) of the Bankruptcy Code, Bankruptcy Rules 1017, 2002, and 6007, and Local Rule 1017-2, dismissing these Chapter 11 Cases and granting related relief; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 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 February 29, 2012; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice is necessary; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PetroQuest Energy, Inc. (0714), PetroQuest Energy, L.L.C. (2439), PetroQuest Oil & Gas, L.L.C. (1170), and PQ Holdings LLC, (7576). The location of the Debtors’ corporate headquarters and the Debtors’ service address in these chapter 11 cases is 400 E. Kaliste Saloom Road, Suite 5200, Lafayette, LA 70508.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings given to such terms in the Motion.

for the relief granted herein; and upon all the proceedings had before this Court; and after due deliberation thereon; and good and sufficient cause appearing therefor;

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED as set forth herein.
2. The Debtors are authorized to establish the Wind-Down Reserve to fund any reasonable fees and expenses (including attorneys' fees) necessary to wind down the Debtors' estates after the dismissal of these Chapter 11 Cases and dissolve the corporate entities. To the extent that any funds remain in the Wind-Down Reserve after paying the wind-down obligations, the Debtors will promptly return such funds to the Prepetition Lenders, along with any unused retainers. The Debtors shall provide counsel to the Prepetition Lenders with at least three (3) business days' notice of any distribution from the Wind-Down Reserve.
3. All of the Debtors' executory contracts and leases, to the extent not rejected by prior Court order or having expired by their own terms, shall be deemed rejected as of the date of entry of this Initial Order.
4. Notwithstanding any provisions of the Interim Compensation Order to the contrary, all Professionals that have not obtained entry of a final order approving their fees shall file Final Fee Applications for Professional Fees and Expenses no later than fourteen (14) days after entry of this Initial Order. Any objections to the Final Fee Applications shall be filed, and served on counsel for the Debtors and the Professional submitting the application to which an objection is being filed, no later than twenty-one (21) days after such Final Fee Application is filed at 4:00 p.m. (Eastern Time). The Court will hold a hearing, if necessary, on October 16, 2025, at 10:00 a.m. (ET) to resolve any disputes related to Final Fee Applications.

5. Pursuant to sections 105(a) and 554 of the Bankruptcy Code and Bankruptcy Rule 6007, the Debtors are authorized, but not directed, to abandon or destroy, or cause to be abandoned and destroyed, any and all Retained Books and Records that remain with the Debtors' estates as of the date hereof; *provided, however*, that any hard copy documents containing personally identifiable information must be shredded and any electronic documents containing personally identifiable information must be destroyed; *provided, further*, that, in the Debtors' discretion, the electronic Retained Books and Records may be abandoned to AGIS to be maintained and destroyed, as applicable, pursuant to AGIS's document retention policy.

6. As soon as reasonably practicable following the completion of the payment of U.S. Trustee Fees, payment of Professional Fees and Expenses, and establishment of the Wind-Down Reserve, the Debtors shall file a certification of counsel (the "Certification of Counsel") requesting entry of the Dismissal Order, a copy of which is attached hereto as **Exhibit 1**. Among other things, the Certification of Counsel should verify that: (i) all U.S. Trustee Fees have been paid in full; (ii) Professional Fees and Expenses incurred in these Chapter 11 Cases have been approved on a final basis (to the extent applicable) and paid in full; and (iii) the Wind-Down Reserve has been established.

7. The Certification of Counsel shall be served only on the Notice Parties and no further notice regarding the dismissal of these Chapter 11 Cases shall be required because all of the Debtors' creditors have received reasonable notice of the proposed dismissal through the Dismissal Notice.

8. Notwithstanding any provision of this Initial Order to the contrary, the obligation of each Debtor to file a monthly operating report and to pay U.S. Trustee Fees shall continue until such Debtor's case is dismissed pursuant to the provisions of this Initial Order.

9. To the extent applicable, Bankruptcy Rules 6004(h) and 6006(d) are waived and this Order shall be effective and enforceable immediately upon entry.

10. The Debtors are authorized to take any and all actions necessary to effectuate the relief granted pursuant to this Initial Order.

11. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation, or enforcement of this Initial Order.

**Exhibit 1**

**Certification of Counsel**

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

In re:

PetroQuest Energy, Inc., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 24-12609 (CTG)

(Jointly Administered)

Re: Docket No. \_\_

**CERTIFICATION OF COUNSEL AND REQUEST FOR  
ENTRY OF AN ORDER DISMISSING CHAPTER 11 CASES**

The undersigned hereby certifies as follows:

On July 31, 2025, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed the *Debtors’ Motion for Entry of an Order (I) Dismissing the Chapter 11 Cases; (II) Authorizing the Debtors to Abandon or Destroy Certain Books and Records, (III) Establishing Procedures with Respect to Final Fee Applications and Payment of Lenders’ Professional Fees; (IV) Authorizing the Debtors to Dissolve; (V) Exculpating Certain Parties for Liability in Connection with the Chapter 11 Cases; and (VI) Granting Related Relief* [Docket No. \_\_] (the “Dismissal Motion”).

On \_\_\_\_, 2025, the Court entered an initial order approving the relief requested in the Dismissal Motion [Docket No. \_\_] (the “Initial Dismissal Order”).

Pursuant to the Initial Dismissal Order, the Debtors were authorized to take certain actions which would allow the Debtors to dismiss their chapter 11 cases and, in connection therewith, the

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: PetroQuest Energy, Inc. (0714), PetroQuest Energy, L.L.C. (2439), PetroQuest Oil & Gas, L.L.C. (1170), and PQ Holdings LLC, (7576). The location of the Debtors’ corporate headquarters and the Debtors’ service address in these chapter 11 cases is 400 E. Kaliste Saloom Road, Suite 5200, Lafayette, LA 70508.

Debtors were directed to file a certification of counsel (this “Certification of Counsel”) upon the completion of certain tasks.

Specifically, “[a]s soon as reasonably practicable following the completion of the payment of U.S. Trustee Fees, payment of Professional Fees and Expenses and establishment of the Wind-Down Reserve,” the Debtors were authorized to seek entry of a final dismissal order (the “Final Dismissal Order”), a copy of which was attached to the Dismissal Motion as Exhibit B, by filing this Certification of Counsel. *See* Initial Dismissal Order, ¶ 6.

In compliance with the Initial Dismissal Order, the Debtors hereby certify that (i) all quarterly fees of the U.S. Trustee have been paid in full as of the date hereof; (ii) Professional Fees incurred in these Chapter 11 Cases that have been approved by the Court on a final basis; and (iii) the Wind-Down Reserve has been established to satisfy fees and expenses incurred in connection with dissolving the Debtors’ corporate entities and abandoning or destroying books and records, as applicable.

WHEREFORE, as (i) the Debtors have satisfied the requirements set forth in the Initial Dismissal Order, and (ii) the Court authorized the Debtors to file this Certification of Counsel seeking entry of the Final Dismissal Order upon satisfaction of the tasks listed above, the Debtors respectfully request entry of the Final Dismissal Order without further notice or hearing at the Court’s earliest convenience.

*[Remainder of Page Intentionally Left Blank]*

Dated: [•] [•], 2025  
Wilmington, Delaware

**COLE SCHOTZ P.C.**

/s/ DRAFT

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*Counsel for Debtors and Debtors-in-Possession*

**Exhibit B**

**Proposed Dismissal Order**

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

In re:

PetroQuest Energy, Inc., *et al.*,

Debtors.<sup>1</sup>

Chapter 11

Case No. 24-12609 (CTG)

(Jointly Administered)

Re: Docket No. \_\_

**ORDER DISMISSING THE DEBTORS' CHAPTER 11 CASES**

Pursuant to the *Debtors' Motion for Entry of an Order (I) Dismissing the Chapter 11 Cases; (II) Authorizing the Debtors to Abandon or Destroy Certain Books and Records, (III) Establishing Procedures with Respect to Final Fee Applications and Payment of Lenders' Professional Fees; (IV) Authorizing the Debtors to Dissolve; (V) Exculpating Certain Parties for Liability in Connection with the Chapter 11 Cases; and (VI) Granting Related Relief* [Docket No. \_\_] (the "Motion"),<sup>2</sup> filed on July 31, 2025, (ii) the Order granting the Motion, entered on \_\_\_\_, 2025 [Docket No. \_\_], and (iii) the Certification of Counsel and Request for Entry of an Order Dismissing the Chapter 11 Cases, filed on \_\_\_\_, 2025 [Docket No. \_\_], and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that all of the and this Court having found that the

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: PetroQuest Energy, Inc. (0714), PetroQuest Energy, L.L.C. (2439), PetroQuest Oil & Gas, L.L.C. (1170), and PQ Holdings LLC, (7576). The location of the Debtors' corporate headquarters and the Debtors' service address in these chapter 11 cases is 400 E. Kaliste Saloom Road, Suite 5200, Lafayette, LA 70508.

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

relief requested in the Motion is in the best interests of the Debtor's estate, its creditors, and other parties in interest; and this Court having found that the notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED as set forth herein.
2. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are overruled on the merits and denied with prejudice.
3. Pursuant to sections 1112(b) and 305(a) of the Bankruptcy Code, each remaining open Chapter 11 Case is dismissed effective as of the entry of this Dismissal Order.
4. Notwithstanding anything to the contrary, including, without limitation, section 349 of the Bankruptcy Code, all prior orders, releases, stipulations, settlements, rulings, orders and judgments of this Court made during the course of the Chapter 11 Cases, including, without limitation, the Final DIP Order and any sale order, shall remain final and in full force and effect, shall be unaffected by the dismissal of the Chapter 11 Cases, and are specifically preserved for all preclusive purposes, including, without limitation, collateral estoppel and *res judicata*.
5. Each of the Professional's retentions by the Debtors' estates is terminated, effective immediately, without the need for further action on the part of this Court, the Debtors, or such firms. Further, all remaining officers, managers and directors of the Debtors are terminated as of

the date hereof without the need for further action on the part of this Court, the Debtors, or such individual. Notwithstanding the foregoing, the Debtors' Professionals, managers, officers, and directors, as applicable, are authorized to effectuate the dissolution of each Debtor entity as contemplated in this Dismissal Order and to execute documents on behalf of each Debtor in connection with the dissolution process.

6. To the extent not previously done, the Debtors are authorized, but not directed, to destroy, abandon, or otherwise dispose of any remaining Retained Books and Records in their discretion, and to make all payments necessary to effectuate such destruction from the Wind-Down Reserve; *provided, however*, that any hard copy documents containing personally identifiable information must be shredded and any electronic documents containing personally identifiable information must be destroyed.

7. From and after the date of entry of this Dismissal Order, the Debtors, their directors, managers, officers, and employees of the Debtors who served during any portion of these Chapter 11 Cases, the Debtors' professionals retained in these Chapter 11 Cases, and the Debtors' Prepetition Lenders and DIP Lenders and their professionals retained in these Chapter 11 Cases (each an "Exculpated Party"), shall be exculpated from any liability for any act taken or omitted to be taken in good faith from the Petition Date through the date of entry of this Order in connection with or related to the Chapter 11 Cases, including but not limited to, the implementation of this Dismissal Order (other than an act in contravention of this Order), except for any claim or cause of action arising from the fraud, gross negligence, or wilful misconduct of such Exculpated Party.

8. Entry of this Order is without prejudice to (i) the rights of the Debtors or any other party in interest to seek to reopen the Chapter 11 Cases for cause pursuant to section 350(b) of the

Bankruptcy Code, and (ii) the right of the Debtors or any other parties in interest to dispute, object to or resolve all claims that were filed against the Debtors in the Chapter 11 Cases.

9. Upon entry of this Dismissal Order, Stretto, Inc. ("Stretto"), as the Debtors' claims and noticing agent, is relieved of its responsibilities as the Debtors' claims and noticing agent in these Chapter 11 Cases; *provided, however*, that Stretto shall provide the services described in this paragraph and shall be entitled to payment and reimbursement of its fees and costs from and against any prepetition retainer provided to Stretto in connection with these Chapter 11 Cases or, to the extent such retainer has been exhausted, the Wind-Down Reserve, as appropriate. In accordance with Local Rule 2002-1(e)(ix), within fourteen (14) days of the entry of this Dismissal Order, Stretto shall (i) forward to the Clerk of the Court an electronic version of all imaged claims, (ii) upload the creditor mailing list into CM/ECF, and (iii) docket a combined final claims register containing claims against each Debtor.

10. As soon as reasonably practicable after entry of this Dismissal Order, without the need for further action on the part of this Court and without the need for further corporate action or action of the board of directors or managers of any of the Debtors, to the extent not previously dissolved, the Debtors shall be authorized, but not directed, to dissolve pursuant to applicable state law, and the Debtors shall not be required to pay any taxes or fees to cause such dissolution. Any officer, manager, director, or other authorized representative of the Debtors is authorized, but not directed, to execute and file on behalf of the Debtors all documents necessary and proper to effectuate and consummate the dissolution of the Debtors in accordance with applicable law.

11. The Debtors are hereby authorized and empowered to take any and all steps necessary and appropriate to effectuate the terms of this Dismissal Order.

12. From and after the entry of this Dismissal Order, the Debtors, and any of their respective directors, manager, officers, employees, attorneys, consultants and advisors shall neither have nor incur any liability to any person for any act taken or omitted, or to be taken, in connection with the preparation, filing, or prosecution of the Chapter 11 Cases including, but not limited to, seeking and effectuating the dismissal of the Chapter 11 Cases and implementation or consummation of this Dismissal Order.

13. To the extent applicable, the 14-day stay to effectiveness of this Dismissal Order provided by Bankruptcy Rule 6004(h) is waived and this Order shall be effective and enforceable immediately upon entry.

14. Notwithstanding the dismissal of these Chapter 11 Cases, this Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the implementation, interpretation, or enforcement of this or any other Order of this Court entered in these Chapter 11 Cases or any related proceeding, including the Final DIP Order and any sale order.