

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

In re:

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

Debtors.¹

Chapter 11

Case No. 24-12609 (CTG)

(Jointly Administered)

Re: Docket Nos. 169 and 192

**ORDER (I) AUTHORIZING THE PRIVATE SALE OF CERTAIN *DE MINIMIS* OIL
AND GAS ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES
AND OTHER INTERESTS, (II) AUTHORIZING THE DEBTORS TO DESIGNATE
ONE OR MORE PURCHASERS, AND (III) GRANTING OTHER RELATED RELIEF**

Upon the motion [Docket No. 169] (the “Motion”)² filed by the above-captioned debtors and debtors in possession (the “Debtors”) for entry of an order (this “Order”) pursuant to sections 105(a) and 363 of title 11 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, and 9014, and Local Rule 6004-1, (i) authorizing the Debtors to sell certain *de minimis* Oil and Gas Assets to one or more Purchasers, pursuant to a private sale, (ii) authorizing the Debtors to designate Purchaser(s) in accordance with the Purchaser Designation and Sale Procedures, and (iii) granting related relief; and it appearing that the Court has jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and it appearing that this Motion is a core proceeding within the meaning of 28 U.S.C. § 157; and it appearing that venue of this proceeding and this Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of this Motion having been given; and it appearing that the relief requested in the Motion is in the best interests

¹ 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 Debtors’ corporate headquarters is 400 E. Kaliste Saloom Road, Suite 5200, Lafayette, LA 70508.

² Capitalized terms used but not otherwise defined in this Order shall have the meanings given to them in the Motion.

of the Debtors and their estates and creditors; and after due deliberation and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The Debtors are authorized, but not required, under section 363(b) of the Bankruptcy Code, to sell the *de minimis* Oil and Gas Assets pursuant to a private sale in accordance with the following procedures (the “Purchaser Designation and Sale Procedures”):
 - a. Upon selection of a Purchaser, in consultation with the Consultation Parties, and execution of a Purchase Agreement, the Debtors will file and serve a notice of sale (the “Sale Notice”) by first class mail and e-mail (where available) on the following parties or their counsel, if known: (i) the U.S. Trustee; (ii) counsel to the Debtors’ prepetition and DIP 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 Internal Revenue Service; (vi) the attorneys general for the states in which the Debtors operate; (vii) any parties known or reasonably believed to have expressed an interest in the Debtors’ Oil and Gas Assets; (viii) all entities known or reasonably believed to have asserted a lien, encumbrance, claim, or other interest in any of the Debtors’ Oil and Gas Assets; and (ix) any party that has requested notice pursuant to Bankruptcy Rule 2002.
 - b. The Sale Notice will include the following information with respect to the Sale:
 - i. a description of the Oil and Gas Assets that are the subject of the Sale;
 - ii. the identity of the non-debtor party or parties to the Sale and any relationship of the non-debtor party or parties with the Debtors;
 - iii. the identity of any parties known to the Debtors to hold liens on or other interests in the assets and a statement indicating that all such liens or interests are capable of monetary satisfaction;
 - iv. the principal economic terms and conditions of the Sale;
 - v. a copy of the purchase and sale agreement; and

- vi. instructions consistent with the terms described below regarding the procedures to assert objections to the Sale.
- c. The deadline for filing objections to the Sale (a “Sale Objection”) shall be five (5) business days after service of the Sale Notice at 4:00 p.m. (prevailing Eastern Time) (the “Sale Objection Deadline”). A Sale Objection will be considered timely only if it is filed with the Court and received by the following parties (collectively, the “Objection Notice Parties”) on or before the Sale Objection Deadline: (i) counsel to the Debtors, Cole Schotz P.C., 1325 Avenue of the Americas, 19th Floor, New York, NY 10019, Attn: Daniel F.X. Geoghan (dgeoghan@coleschotz.com), Jacob S. Frumkin (jfrumkin@coleschotz.com), and Daniel J. Harris (dharris@coleschotz.com); (ii) counsel to the Debtors’ prepetition and DIP Lenders, Faegre Drinker Biddle & Reath LLP, 1177 Avenue of the Americas, 41st Floor, New York, New York 10036, Attn: James H. Millar (james.millar@faegredrinker.com) and Laura E. Appleby (laura.appleby@faegredrinker.com); (iii) counsel to the Committee (if any); and (iv) the Office of The United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Benjamin Hackman (benjamin.a.hackman@usdoj.gov).
- d. To the extent a competing bid is received for the purchase of the Oil and Gas Assets after service of the Sale Notice that, in the Debtors’ business judgment and discretion, materially exceeds the value of the consideration described in the Sale Notice, then the Debtors may file and serve an amended Sale Notice for the Sale of the Oil and Gas Assets to the subsequent bidder. If an amended or revised Sale Notice is required (an “Amended Sale Notice”), the Sale Objection Deadline will be extended for an additional five (5) business days, the specific date of which will be set forth in the Amended Sale Notice (the “Extended Sale Objection Deadline”).
- e. If no Sale Objection is received prior to the expiration of the Sale Objection Deadline or, if applicable, the Extended Sale Objection Deadline, the Debtors shall submit a proposed order approving the Sale under certification of counsel (the “Proposed Sale Order”), a form of which is attached hereto as **Exhibit 1**. The Sale will be deemed final and fully authorized by the Court upon the entry of the Proposed Sale Order without further notice or a hearing. Upon entry of the Proposed Sale Order, the Debtors may immediately consummate the sale of the Oil and Gas Assets identified in the Sale Notice and take any actions that are reasonable and necessary to close the transaction and obtain the sale proceeds.
- f. If a Sale Objection is timely filed and cannot be resolved consensually, then the Oil and Gas Assets will not be sold or transferred except upon order of the Court, after notice and a hearing, or resolution of the Sale Objection.

- g. The Sale of the Oil and Gas Assets shall be free and clear of all liens, claims, and encumbrances (collectively, the “Interests”) pursuant to Bankruptcy Code section 363(f), with any such interests attaching to the net sale proceeds (to the extent the underlying security agreement provides for the continuation of such Interests and the holder of the Interest has not agreed otherwise) with the same force, validity, priority, perfection, and effect as such Interests had on the asset immediately prior to the Sale. If a holder of an Interest receives a Sale Notice and does not object within the prescribed time period, such holder will be deemed to have consented to the Sale.

3. Any sale of the Oil and Gas Assets pursuant to the Purchaser Designation and Sale Procedures and in accordance with this Order shall be free and clear of all Interests pursuant to section 363(f) of the Bankruptcy Code, with any such Interests attaching to the net sale proceeds (to the extent the underlying security agreement provides for the continuation of such Interests and the holder of the Interest has not agreed otherwise) with the same force, validity, priority, perfection, and effect as such Interests had on the asset immediately prior to the sale. If a holder of an Interest in the Oil and Gas Assets did not timely object to the relief requested in the Motion, and, as applicable, does not object to the proposed Sale of the Oil and Gas Assets in accordance with the Purchaser Designation and Sale Procedures, such holder shall be deemed to have consented to any sale of the Oil and Gas Assets pursuant to the Procedures.

4. The Purchaser shall take the Oil and Gas Assets sold by the Debtors pursuant to the authority granted in this Order “as is” and “where is” without any representations or warranties from the Debtors as to quality or fitness for either their intended purpose or any particular purpose.

5. Nothing in this Order shall prevent the Debtors, in their discretion, from seeking Court approval of the Sale upon notice and a hearing or, if necessary to comply with a condition on a sale or transfer imposed by a purchaser, to submit a separate order to the Court under certification of counsel to be entered without need for a hearing on the matter.

6. The fourteen (14) day stay imposed by Bankruptcy Rule 6004(h) is hereby waived with respect to the relief granted pursuant to this Order and the Sale conducted in accordance with this Order, and the Debtors may close the Sale as set forth herein without reference to such stay.

7. The Debtors and their respective officers, employees, and agents are authorized and empowered to perform all obligations, take all actions, and execute such documents as may be necessary to carry out the relief granted herein or to effectuate the disposition of the Oil and Gas Assets.

8. This Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

A handwritten signature in black ink, appearing to read "Craig Goldblatt", is positioned above the printed name of the judge.

Dated: January 2nd, 2025
Wilmington, Delaware

CRAIG T. GOLDBLATT
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

PROPOSED SALE ORDER

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

In re:

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

Debtors.¹

Chapter 11

Case No. 24-12609 (CTG)

(Jointly Administered)

Re: Docket Nos. 169 and 192

**ORDER (I) APPROVING THE PRIVATE SALE OF CERTAIN *DE MINIMIS* OIL AND
GAS ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES AND
OTHER INTERESTS, (II) APPROVING THE PURCHASE AGREEMENT,
AND (III) GRANTING OTHER RELATED RELIEF**

Upon consideration of the *Notice of Sale of De Minimis Oil and Gas Assets* [Docket No. [●]] (the “Sale Notice”), and the *Certification of Counsel* (the “COC”) with respect to the sale of certain Oil and Gas Assets; and the Court having found, based on the statements made in the COC, that the sale of the Oil and Gas Assets was conducted in conformity with the procedures set forth in the *Order (I) Authorizing the Private Sale of Certain De Minimis Oil and Gas Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (II) Authorizing the Debtors to Designate One or More Purchasers, and (III) Granting Other Related Relief* (the “Private Sale Authorization Order”);² and it appearing that due and sufficient notice of the Sale having been provided to all parties in interest; and it further appearing that no other or further notice or hearing is required; and this Court having reviewed and considered the COC, the Sale Notice, the Purchase Agreement, and any objections thereto; and it appearing that the relief requested in the COC is in the best interest of the

¹ 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 Debtors’ corporate headquarters is 400 E. Kaliste Saloom Road, Suite 5200, Lafayette, LA 70508.

² Capitalized terms used but not otherwise defined in this Order shall have the meanings given to them in the Motion and the Private Sale Authorization Order, as applicable.

Debtors' estates, their creditors, and other parties in interest; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

THE COURT HEREBY FINDS THAT:³

I. Jurisdiction, Final Order, and Statutory Predicates

A. This Court has jurisdiction over this matter 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. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief granted herein are sections 105(a) and 363(b) of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, and 9014, and Local Rule 6004-1.

B. To maximize the value of the Oil and Gas Assets while avoiding unnecessary delay and potential decay in the value of the Oil and Gas Assets, it is essential that the Sale of the Oil and Gas Assets occur within the time constraints set forth in the Purchase Agreement. Time is of the essence in consummating the sale. Therefore, notwithstanding Bankruptcy Rule 6004(h), this Court finds that there is no just reason for delay in the implementation of this Order, and that waiver of any applicable waiting period is appropriate.

C. The Oil and Gas Assets constitute property of the estates and title thereto is vested in the Debtors' estates within the meaning of section 541(a) of the Bankruptcy Code.

D. On [●], 2025, this Court entered the *Order (I) Authorizing the Private Sale of Certain Oil and Gas Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (II) Authorizing the Debtors to Designate One or More Purchasers, and (III) Granting Other Related*

³ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate pursuant to Bankruptcy Rule 7052.

Relief [Docket No. [●]] authorizing the Sale of the Oil and Gas Assets via the Purchaser Designation and Sale Procedures set forth therein.

II. Notice of Hearing

E. As evidenced by the affidavits of service previously filed with this Court and the record herein, and based on the representations of counsel, due, proper, timely, adequate, and sufficient notice of the Sale Notice and the Sale were provided as set forth in the Purchaser Designation and Sale Procedures. Such notice constitutes good and sufficient notice of the Sale Notice and the Sale, and no other or further notice of the Sale is required.

F. Notice has been provided to, and a reasonable opportunity to object or to be heard regarding the Sale has been afforded to all interested persons and entities, including, among others: (i) the U.S. Trustee; (ii) counsel to the Debtors' prepetition and DIP 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 Internal Revenue Service; (vi) the attorneys general for the states in which the Debtors operate; (vii) any parties known or reasonably believed to have expressed an interest in the Debtors' Oil and Gas Assets; (viii) all entities known or reasonably believed to have asserted a lien, encumbrance, claim, or other interest in any of the Debtors' Oil and Gas Assets; and (ix) any party that has requested notice pursuant to Bankruptcy Rule 2002.

III. Sound Business Judgment

G. The Debtors have articulated good and sufficient reasons for this Court to grant the relief requested in the COC and the Motion regarding the Sale, the approval of the Purchase Agreement, and all other matters related to the Sale. Such business reasons include, but are not limited to, the facts that (i) given the Debtors' and the Purchaser's limited ability to negotiate the terms of the

Purchase Agreement, the Purchaser has provided the highest consideration for the Oil and Gas Assets, (ii) no other person or entity or group of persons or entities has offered to purchase the Oil and Gas Assets for greater economic value to the Debtors' estates than the Purchaser, and (iii) the Sale pursuant to the terms of the Purchase Agreement presents the best opportunity to realize the value of the Oil and Gas Assets. For these reasons, the relief provided for herein is within the reasonable business judgment of the Debtors, and is in the best interests of the Debtors, their estates and creditors, and other parties in interest.

H. The Debtors have demonstrated a good, sufficient, and sound business purpose, and justification and compelling circumstances, for entry into the Purchase Agreement and the consummation of the sale pursuant to section 363(b) of the Bankruptcy Code, in that the consummation of the sale to the Purchaser as of the Closing Date (as defined herein) is necessary and appropriate to maximize the value to the Debtors' estates and, thereby, is in the best interests of the Debtors, their estates, their creditors, and other parties in interest.

IV. Sound Business Judgment

I. The Purchaser is not an "insider" of any of the Debtors, as that term is defined in section 101(31) of the Bankruptcy Code. The Purchase Agreement has been negotiated, proposed, and entered into by the Seller and the Purchaser without collusion, in good faith, and from arm's length bargaining positions, and is substantively and procedurally fair to all parties. The Purchaser is, therefore, a good faith purchaser within the meaning of section 363(m) of the Bankruptcy Code and, therefore, entitled to the protections and immunities afforded thereby. Neither the Debtors nor the Purchaser has engaged in any conduct that would prevent the application of section 363(m) of the Bankruptcy Code or cause the application of, or implicate, section 363(n) of the Bankruptcy Code to the Purchase Agreement, or to otherwise prevent the consummation of the Sale. In the

absence of a stay pending appeal, the Purchaser is acting in good faith within the meaning of section 363(m) of the Bankruptcy Code in closing the transactions set forth in the Purchase Agreement at any time after entry of this Order.

V. Sound Business Judgment

J. The offer of the Purchaser, upon the terms and conditions set forth in the Purchase Agreement: (i) is the highest or otherwise best offer received by the Debtors with respect to the Oil and Gas Assets; (ii) is fair and reasonable; (iii) is in the best interest of the Debtors, their estates, and their creditors; and (iv) constitutes full, fair, and adequate consideration and reasonably equivalent value for the Oil and Gas Assets under the Bankruptcy Code and under the laws of the United States, any state, territory, or possession.

VI. No Fraudulent Transfer

K. Except as expressly set forth in the Purchase Agreement, the Purchaser shall not have any liability or obligations for any lien, claim, encumbrance, or interest, or other obligation of, or against the Debtors, related to the Oil and Gas Assets by reason of the transfer of the Oil and Gas Assets to the Purchaser. The Purchaser shall not be deemed, as a result of any action taken in connection with the purchase of the Oil and Gas Assets, to: (i) be a successor (or other such similarly situated party) to the Debtors; or (ii) have, *de facto* or otherwise, merged with or into the Debtors. The Purchaser is not acquiring or assuming any liability, warranty, or other obligation of the Debtors, except as expressly provided for under the Purchase Agreement.

VII. Validity and Free and Clear Nature of Transfers

L. The transfer of the Oil and Gas Assets to the Purchaser pursuant to the Purchase Agreement will be, as of the Closing (as defined herein), a legal, valid, and effective transfer of good and marketable title of the Oil and Gas Assets, and will vest the Purchaser with all right, title, and

interest of the Seller to the Oil and Gas Assets, free and clear of all liens, claims, encumbrances, and interests of any kind or nature, on an “as is, where is” basis, as set forth in the Purchase Agreement, arising or relating thereto at any time prior to the Closing, except as otherwise provided for under the Purchase Agreement, because one or more of the standards set forth in section 363(f) of the Bankruptcy Code have been satisfied.

M. The Seller may sell the Oil and Gas Assets free and clear of all liens, claims, encumbrances, and interests, except as otherwise provided for under the Purchase Agreement, because, in each case, one or more of the standards set forth in section 363(f)(1)–(5) of the Bankruptcy Code has been satisfied. Those non-Debtor parties with interests in the Oil and Gas Assets which did not object, or which withdrew their objections, to the Sale or the Motion are deemed to have consented to the Sale pursuant to sections 363(f)(2) of the Bankruptcy Code. Those non-Debtor parties with interests in the Oil and Gas Assets which did object fall within one or more of the other subsections of sections 363(f) of the Bankruptcy Code, and such objections are expressly overruled. Accordingly, all persons having such liens, claims, encumbrances, and interests of any kind or nature whatsoever against or in any of the Oil and Gas Assets, except as otherwise provided for under the Purchase Agreement, shall be forever barred, estopped, and permanently enjoined from pursuing or asserting such liens, claims, encumbrances, and interests against the Purchaser or any of its respective assets, property, successors, or assigns.

N. Except as otherwise provided for under the Purchase Agreement, the transfer of the Oil and Gas Assets to the Purchaser will not subject the Purchaser to any liability for claims against the Debtors by reason of such transfers under the laws of the United States, any state, territory, or possession thereof.

O. The Debtors have demonstrated (i) good, sufficient, and sound business purposes and justifications and (ii) compelling circumstances for the Sale pursuant to section 363(b) of the Bankruptcy Code in that, among other things, absent the Sale, the value of the Debtors' estates would be harmed.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is GRANTED as set forth herein.

2. Any and all objections to the proposed Sale of the Oil and Gas Assets pursuant to the terms of the Purchase Agreement that have not been withdrawn, waived, or settled, and all reservations of rights included therein, are hereby overruled on the merits.

I. Approval of the Purchase Agreement

3. The Purchase Agreement and the transactions contemplated thereby shall be, and hereby are, approved.

4. The consideration to be provided by the Purchaser for the Oil and Gas Assets under the Purchase Agreement is fair and reasonable and shall be deemed for all purposes to constitute value under the Bankruptcy Code or any other applicable law.

5. Pursuant to sections 363(b) and (f) of the Bankruptcy Code, the Debtors are authorized and empowered to take any and all actions necessary or appropriate to: (a) consummate the Sale of the Oil and Gas Assets to the Purchaser pursuant to, and in accordance with, the terms and conditions of the Purchase Agreement; (b) close the Sale as contemplated in the Purchase Agreement and this Order; and (c) execute and deliver, perform under, consummate, implement, and close fully the Purchase Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Purchase Agreement and the sale, all without further order of this Court.

II. Transfer of the Oil and Gas Assets

6. The Debtors are authorized to sell the Oil and Gas Assets to the Purchaser upon the terms and conditions set forth in the Purchase Agreement and, upon consummation of the transaction contemplated by the Purchase Agreement, the Oil and Gas Assets shall be transferred to the Purchaser as provided for under the Purchase Agreement and free and clear of any liens, claims, encumbrances, and interests (collectively, the “Interests”) on the Oil and Gas Assets other than any permitted exceptions provided for in the Purchase Agreement; provided, that any such Interests on the Oil and Gas Assets shall attach to the proceeds of the Sale with the same priority, validity, force and effect as they attached to the Oil and Gas Assets immediately before the closing date of the sale (such closing, the “Closing” and such date, the “Closing Date”).

7. The Purchaser shall close on the Sale of the Oil and Gas Assets on or before the Closing Date, in accordance with the terms and conditions of the Purchase Agreement.

8. The transfer of the Oil and Gas Assets to the Purchaser pursuant to the Purchase Agreement constitutes a legal, valid, and effective transfer of good and marketable title of the Oil and Gas Assets, and vests, or will vest, the Purchaser with all right, title, and interest to the Oil and Gas Assets, free and clear of all interests, except as otherwise expressly stated as obligations of the Purchaser under the Purchase Agreement. All entities holding interests or claims of any kind or nature whatsoever against the Debtors or the Oil and Gas Assets are hereby and forever barred and estopped from asserting against the Purchaser, its successors or assigns, its property, or the Oil and Gas Assets any claim, interest or liability existing, accrued, or arising prior to the Closing.

9. On the Closing Date, and subject to the terms and conditions of the Purchase Agreement, this Order shall be construed and shall constitute for any and all purposes a full and complete assignment, conveyance, and transfer of the Oil and Gas Assets or a bill of sale

transferring good and marketable title of the Oil and Gas Assets to Purchaser. This Order is and shall be effective as a determination that, on the Closing Date, all Interests of any kind or nature whatsoever existing as to the Oil and Gas Assets, prior to the Closing Date, other than any permitted exceptions provided for in the Purchase Agreement, or as otherwise provided in this Order, shall have been unconditionally released, discharged, and terminated, and that the conveyances described herein have been affected. This Order is and shall be binding upon and govern the acts of all persons, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal and local officials, and all other persons who may be required by operation of law, the duties of their office, or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease; and each of the foregoing persons is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Purchase Agreement. Each and every federal, state, and local governmental agency or department is hereby authorized to accept any and all documents and instruments necessary and appropriate to consummate the transactions contemplated by the Purchase Agreement. A certified copy of this Order may be: (a) filed with the appropriate clerk; (b) recorded with the recorder; or (c) filed or recorded with any other governmental agency to act to cancel any Interests against the Oil and Gas Assets, other than any permitted exceptions provided for in the Purchase Agreement.

10. If any person or entity which has filed statements or other documents or agreements evidencing Interests on or in all or any portion of the Oil and Gas Assets (other than with respect to any permitted exceptions provided for in the Purchase Agreement) has not delivered to the Debtors

prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of liens and easements, and any other documents necessary for the purpose of documenting the release of all Interests which such person or entity has or may assert with respect to all or a portion of the Oil and Gas Assets (the “Release Documents”), the Debtors and the Purchaser are authorized to execute and file such statements, instruments, releases and other documents on behalf of such person or entity with respect to the Oil and Gas Assets; provided that, notwithstanding the foregoing, the provisions of this Order authorizing the transfer of the Oil and Gas Assets free and clear of all Interests (except only for any permitted exceptions provided for in the Purchase Agreement) shall be self-executing, and it shall not be, or be deemed, necessary for any person or entity to execute or file releases, termination statements, assignments, consents, or other instruments in order for the provisions of this Order to be implemented.

11. Except with respect to any permitted exceptions set forth in the Purchase Agreement, or as otherwise permitted by the Purchase Agreement or this Order, all persons and entities, including, without limitation, all debt security holders, equity security holders, governmental, tax, and regulatory authorities, lenders, trade creditors, litigation claimants, and other creditors, holding interests of any kind or nature whatsoever against, or in, all or any portion of the Oil and Gas Assets, arising under, out of, in connection with, or in any way relating to, the Debtors, the Oil and Gas Assets, the operation of the Debtors’ business prior to the Closing Date, or the transfer of the Oil and Gas Assets to Purchaser, are hereby forever barred, estopped, and permanently enjoined from asserting against Purchaser, or any of its affiliates, successors, or assigns, or their property or the Oil and Gas Assets, such persons’ or entities’ interests in and to the Oil and Gas Assets, including, without limitation, the following actions against the Purchaser or its affiliates, or their successors, assets, or properties: (a) commencing or continuing in any

manner any action or other proceeding; (b) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree, or other order; (c) creating, perfecting, or enforcing any lien or other claim; (d) asserting any set off to the extent not taken pre-petition or right of subrogation; or (e) commencing or continuing any action, in any manner or place, that does not comply or is inconsistent with the provisions of this Order or any other order of this Court, or the agreements or actions contemplated or taken in respect thereof. For the avoidance of doubt, nothing in this Order shall excuse compliance with any legal requirements for plugging and abandoning the Oklahoma Well.

III. Additional Provisions

12. Pursuant to section 363(m) of the Bankruptcy Code, upon the Closing Date, the Purchaser shall be deemed to have purchased the Oil and Gas Assets in “good faith.”

13. The Debtors are authorized to take such actions as are necessary to implement the terms of this Order.

14. Notwithstanding the provisions of Bankruptcy Rule 6004 or otherwise, this Order shall be effective and enforceable immediately upon entry, and the 14-day stay provided in such rules is hereby expressly waived and shall not apply.

15. The terms and provisions of this Order shall be binding in all respects upon the Debtors, their estates, all creditors, officers, directors, advisors, members, managers, and all holders of equity in the Debtors, all holders of any claim(s) (whether known or unknown) against the Debtors, any holders of liens, claims, encumbrances, or interests against or on all or any portion of the Oil and Gas Assets, the Purchaser, and all successors and assigns of the Purchaser, and any trustees, if any, subsequently appointed in the Chapter 11 Cases or upon a conversion to chapter 7 under the Bankruptcy Code of the Chapter 11 Cases.

16. The Purchase Agreement and any related agreements, documents, or other instruments may be modified, amended, or supplemented by the parties thereto, in a writing signed by such parties, and in accordance with the terms thereof, without further order of the Court, provided that such modification, amendment, or supplement does not have a material adverse effect on the Debtors' estates.

17. This Court shall retain jurisdiction over the parties for the purpose of enforcing the terms and provisions of this Order.