



ENTERED
09/24/2014

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

In re:	§	
	§	Chapter 11
	§	
BUCCANEER RESOURCES, LLC, <i>et al.</i> ,	§	Case No. 14-60041 (DRJ)
	§	
Debtors.	§	Jointly Administered
	§	

**FINAL ORDER AUTHORIZING USE OF CASH COLLATERAL AND GRANTING
ADEQUATE PROTECTION TO AIX ENERGY, LLC**
[RELATES TO DKT. NOS. 26, 42, 119, 222, 290, 315, 331, 356 & 382]

The Court has considered the Debtors' Emergency Motion for Entry of Interim and Final Orders (A) Authorizing Use of Cash Collateral and Granting Adequate Protection to Prepetition Lender, and (B) Scheduling a Final Hearing (the "Motion") and the agreement between the Debtors and AIX Energy, LLC ("AIX" or "Lender"), pursuant to sections 105(a), 361, 363(e), and 507(b) of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.*, as amended (the "Bankruptcy Code"), to use Cash Collateral on the terms set forth herein. Based upon all of the pleadings filed with the Court, the stipulations of the parties, the evidence presented and the arguments of counsel, the Court finds that the Motion should be **GRANTED** to the extent set forth herein on a final basis. Accordingly, it is hereby **ORDERED**¹ that:

1. Disposition. The Debtors' request to use Cash Collateral is granted on a final basis on the terms of this order (the "Final Order"). Any objections to the relief sought herein that have not previously been resolved or withdrawn are hereby overruled on their merits. This Final Order shall be a valid, binding obligation on all parties-in-interest and fully effective immediately upon its entry.

2. Cause Shown. Good cause has been shown for the entry of this Final Order. Among other things, entry of this Final Order is intended to maximize value of the Debtors' assets and to avoid immediate and irreparable harm to, and is in the best interests of, the Debtors, their estates and their creditors.

3. Jurisdiction; Core Proceeding. This is a "core proceeding" as defined in 28 U.S.C. §157(b)(2)(A), (D) and (M). This Court has jurisdiction over this proceeding and the parties and property affected hereby pursuant to 28 U.S.C. §§157(b)(1) and 1334(b). The Court may enter a final order consistent with Article III of the United States Constitution.

¹ Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact, pursuant to Bankruptcy Rule 7052.

4. Prepetition Loans. On January 25, 2013, the Debtors entered into a credit facility totaling \$100 million with Chicago-based Victory Park Capital (“Victory Park”). The credit facilities were broken into a Delayed Draw Senior Secured Term Note (the “Term Note”) with a maximum issue amount of \$75 million, and a Senior Secured Revolver (the “Revolver,” and collectively, the “Victory Park Facility”) with a maximum limit of \$25 million.

5. In early 2014, the Debtors executed an Amended and Restated Financing Agreement with Meridian Capital CIS Fund, an affiliate of Meridian Capital International Fund (collectively, “Meridian”), dated as of January 24, 2014, under which Meridian took assignment of the Victory Park Facility on amended terms (the “Meridian Facility”). The Meridian Facility was on similar commercial terms to the prior Victory Park Facility and encompassed, among other things, (a) the existing Term Note that was held by Victory Park, drawn to \$43.5 million; (b) the existing Revolver that was held by Victory Park drawn to \$6.3 million; (c) funds provided to the Debtors to enable a \$3.0 million purchase of an existing Production Payment Agreement with respect to a 3% overriding royalty interest on Kenai Loop production and subject to a put option under the Victory Park Facility which was exercised by Victory Park; and (d) funds provided to the Debtors to pay \$3.8 million for costs and expenses associated with the assignment from Victory Park. The total principal amount initially owed under the Meridian Facility was \$56.6 million, with no further amounts available for draw down.

6. On April 30, 2014, AIX, a Delaware limited liability company, took assignment of the Meridian Facility (the “AIX Facility”) pursuant to, among other documents, that certain Assignment of Financing Agreement, Notes, Liens, and Security Interests, and Other Rights and that certain Assignment of Overriding Royalty Interests and Production Payments. As under the Meridian Facility, Buccaneer Alaska, LLC, Buccaneer Resources, LLC, Buccaneer Alaska Operations, LLC, Kenai Drilling, LLC, Buccaneer Alaska Drilling, LLC, and Kenai Land Ventures, LLC are Borrowers under the AIX Facility, which continues to be guaranteed by Buccaneer Energy Holdings, Inc. and Buccaneer Energy Limited. As of May 31, 2014, the aggregate unpaid principal balance of the AIX Facility, including all accrued, unpaid interest, fees, expenses and other amounts owing under the financing agreement, assignments, and credit documents (collectively, the “Credit Documents”) was \$58,226,264.71 (the “Prepetition Indebtedness”). The AIX Facility matured on June 30, 2014. The Debtors’ obligations under the AIX Facility are secured by liens on substantially all of the Debtors’ assets, including the Cash Collateral and credits under Alaska’s Clear and Equitable Share program (the “Prepetition Collateral”).

7. On September 2, 2014, the Court entered an Order Approving Joint Emergency Motion to Compromise Controversy under Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Compromise Order”) [Dkt. No. 346], the terms of which are fully incorporated, as appropriate, herein by reference. Pursuant to the terms of the Compromise Order, the Debtors, the Official Committee of Unsecured Creditors (the “Committee”), and AIX agreed to, among other things, a \$10 million cash payment (the “Settlement Payment”) to be paid out of Available Cash Collateral (as defined in the Compromise Order) to fund a trust for the benefit of holders of allowed unsecured claims (the “Creditors Trust”), and up to an additional \$2.3 million to be paid from the Available Cash Collateral to fund the Committee’s allowed professional fees (the “Committee Professional Fund”). Any remaining Available Cash Collateral, as provided by the

Compromise Order and after payment of the Settlement Payment and Committee Professional Fund, will be returned to AIX. If the Available Cash Collateral is insufficient to make the Settlement Payment and Committee Professional Fund payment, then the Committee may receive the balance of the Settlement Payment and/or Committee Professional Fund payment from the proceeds of a sale of the Debtors' assets or from AIX directly if AIX credit bids. In exchange for the Settlement Payment and agreement to fund the Committee Professional Fund, the Committee agreed to not contest AIX's right to credit bid or the validity, priority or extent of AIX's liens on the Prepetition Collateral. The Compromise Order sets forth certain conditions precedent to the closing of the settlement. Pursuant to the Compromise Order, if the conditions precedent set forth therein are not met, nothing in this Order shall be binding on the Committee. For the avoidance of doubt, and in the event that any term or provision of this Order contradicts any term or provision of the Compromise Order, the terms and provisions of the Compromise Order shall govern and control.

8. Validity of Liens. As of the Petition Date, the Debtors (and, as described above, the Committee – subject to the terms of the Compromise Order) stipulate and agree, and the Court hereby finds, that (a) the Credit Documents are valid and binding agreements and obligations of the Debtors, and are ratified, affirmed and enforceable against the Debtors and the Prepetition Collateral in accordance with their respective terms, (b) the Debtors' Prepetition Indebtedness to AIX is (except as otherwise provided herein or specifically permitted under the Credit Documents and specifically subject to any rights or interests Macquarie Bank Limited (“MBL”) may have in or to the funds on deposit in the MBL cash cover account ending in XXX-3425 and any interest earned thereon (the “MBL Cash Cover Account”)) secured by perfected first priority liens and security interests in and to the Prepetition Collateral, which liens and security are valid, perfected, enforceable and non-avoidable, (c) pursuant to the Credit Documents, AIX has legal, valid and enforceable, allowable first priority secured claims against the Debtors secured by the Prepetition Collateral, (d) AIX's secured claim is in the amount of \$63,842,290.61 (the “Secured Claim”), (e) the Debtors' obligations under the Credit Documents constitute allowable claims against the Debtors and are not subject to subordination pursuant to section 510(c) of the Bankruptcy Code and (f) the Debtors (or any party acting by, through or on behalf of the Debtors) and the Committee shall not assert any claims, counterclaims, setoffs, surcharge claims, recharacterization claims or defenses of any kind or nature which would in any way affect the validity, enforceability and non-avoidability of the Prepetition Indebtedness, Secured Claim or AIX's security interests in and liens on the Prepetition Collateral or reduce or affect the Debtors' obligation to pay the Prepetition Indebtedness and any such claims regarding the extent, validity, avoidability, or priority of the Prepetition Indebtedness, Secured Claim or AIX's security interests in and liens on the Prepetition Collateral which otherwise could have been asserted by any party in interest, with the exception of any claims timely asserted by Cook Inlet Region, Inc. in Adversary No. 14-6002 and, if the conditions precedent set forth in the Compromise Order are not met, any claims, counterclaims, setoffs, or causes of action asserted by the Committee against AIX (whether in an adversary proceeding or the main case), are hereby deemed waived, released and forever barred; provided, however, that AIX's recovery on the Secured Claim shall be limited as set forth in the Compromise Order.

9. Cash Collateral. “Cash Collateral” shall consist of all of the Debtors’ property that constitutes cash collateral in which AIX has an interest as provided in section 363(a) of the Bankruptcy Code and shall include, without limitation:

(a) All cash proceeds arising from the collection, sale, lease or other disposition, use or conversion of any property upon which AIX holds a lien or a replacement lien, whether as part of the Prepetition Collateral or pursuant to an order of the Court or applicable law or otherwise, and whether such property has been converted to cash, existed as of the Petition Date, or arose or was generated thereafter; and

(b) All of the respective deposits and/or refund claims (or residual rights in any retainers) of the Debtors upon which AIX holds a lien or replacement lien, including but not limited to proceeds of credits under Alaska’s Clear and Equitable Share program, whether as part of the Prepetition Collateral or pursuant to an order of the Court or applicable law or otherwise. The Debtors’ cash on hand and cash flow from operations consist of proceeds of Prepetition Collateral, and all such cash is Cash Collateral.

10. Authorization to Use Cash Collateral. Subject to the terms and conditions of this Final Order, the Debtors may use Cash Collateral solely in accordance with the budget attached hereto as **Exhibit 1**, as may be modified either by the Court or in writing with the prior written consent of AIX, with a copy of any such modified budget to be filed promptly with this Court (the “Budget”). The Debtors shall not use or make any expenditures of Cash Collateral except as specifically authorized by the terms contained herein or as may be provided for in any Budget. The Debtors may adjust the budgeted amounts for the individual categories identified in the Budget in an amount not exceeding fifteen (15%) percent of the budgeted amount for that individual category without obtaining Court approval provided that the total sum set forth on the budget annexed hereto as **Exhibit 1** does not increase. All professional fees and expenses for estate professionals set forth in the Budget shall be subject to final approval by the Bankruptcy Court pursuant to 11 U.S.C. § 330 and AIX fully reserves the right to review and object to the allowance and payment of any professional fees of estate professionals (except as otherwise agreed to in the Compromise Order).

11. Adequate Protection. As adequate protection with respect to the Debtors’ use of Cash Collateral and/or any diminution in the value of the Prepetition Collateral, in accordance with sections 361(2), 363(e) and 507(b) of the Bankruptcy Code, the Debtors hereby grant to AIX, in each case and solely to the extent such security interests and liens were properly perfected prior to the Petition Date, (a) valid, perfected, and enforceable replacement liens on and first priority postpetition security interests (the “Replacement Liens”) in all assets (subject to MBL’s interests and rights in and to the MBL Cash Cover Account) of any of the Debtors of any kind or nature whatsoever, whether real or personal, tangible or intangible, wherever located, including, without limitation, all accounts, cash (including the Cash Collateral), chattel paper, contract rights, deposit accounts, documents, general intangibles, fixtures, goods, instruments, inventory, investment property, leases, letters of credit, letter of credit rights, machinery and equipment, payment intangibles, real property, supporting obligations, all commercial tort claims

and all causes of action (provided that such causes of action shall not include any claims or causes of action that were agreed to be transferred pursuant to the Compromise Order, including but not limited to, causes of action and recoveries realized pursuant to chapter 5 of the Bankruptcy Code), and all proceeds thereof (except those attributable to claims, if any, against AIX), all of the stock of each direct and indirect subsidiary of the Debtors, and all other property of the Debtors' estates (as defined in section 541(a) of the Bankruptcy Code) and all proceeds, products, offspring, rents and profits of all of the foregoing, acquired by the Debtors after the Petition Date (collectively, the "Postpetition Collateral"), which shall at all times be senior to (i) the rights of the Debtors and any successor trustee or estate representatives in the Chapter 11 Cases or any subsequent proceedings under the Bankruptcy Code, (ii) any intercompany claim of any domestic or foreign subsidiary or affiliate of the Debtors, and (iii) any security interest or lien of any creditor or other party in interest in the Chapter 11 Cases other than pre-existing liens senior to those of AIX as of the Petition Date or as set forth in this Final Order, provided, however, that any existing retainers held by estate professionals on the Petition Date shall only be subject to the Replacement Liens to the extent they are not fully utilized by such estate professionals for payment of fees and costs approved by the Bankruptcy Court pursuant to 11 U.S.C. § 330; and (b) allowed administrative superpriority expense claim (as defined in and provided for in paragraph 15 below). Notwithstanding the foregoing and for purposes of clarification, no Replacement Lien shall prime or be senior to any lien or security interest that would, under applicable law, be senior to or outrank AIX's pre-petition liens and security interests in the Prepetition Collateral. Additionally, nothing in this Order shall prejudice All American Oilfield Associates, LLC's ("AAOA") or AIMM Technologies, Inc.'s ("AIMM") rights, if any, with respect to (x) proceeds received by the Debtors based on their August 11, 2014 Tax Credit Summary and Certificate Request for Oil and Gas Production Tax Credits filed with the State of Alaska pursuant to Alaska's Clear and Equitable Share Act, Alaska Statutes § 43.55 et seq. ("ACES"), to the extent such proceeds are derived from unpaid AAOA or AIMM invoices; or (y) any future requests or applications by the Debtors, or otherwise, for ACES credits, reimbursements or rebates derived from unpaid AAOA or AIMM invoices. Any obligations arising under this paragraph are referred to herein as "Adequate Protection Obligations."

12. The Replacement Liens granted hereby (a) shall be in addition to all security interests and liens now existing in favor of AIX and not in substitution therefore or limitation thereof; and (b) shall be effective as of the Petition Date.

13. Validity, Perfection, and Priority of the Replacement Liens. This Final Order shall be conclusive evidence of the validity, perfection, and priority of the Replacement Liens on the Postpetition Collateral to secure the Adequate Protection Obligations, if any, without the necessity of filing or recording any financing statement or other instrument or document or notification (and, with respect to cash, without having possession of, or dominion and control over, such cash) which may otherwise be required under the law of any jurisdiction or the taking of any other action to validate or perfect the Replacement Liens in the Postpetition Collateral or to entitle AIX to the priorities granted herein, provided that the Debtors may execute and AIX may file or record financing statements or other instruments or provide notice to evidence and perfect the Replacement Liens authorized hereby.

14. Filing of Financing Statements Not Required. AIX may, but shall not be required to, file a copy of this Final Order as a financing statement with any recording officer designated to file financing statements or with any registry of deeds or similar office in any jurisdiction in which the Debtors have real or personal property. This Final Order, once approved by the Bankruptcy Court, shall evidence the valid and binding obligations of the Debtors, which obligations shall be enforceable against the Debtors in accordance with their terms.

15. Superpriority Claim. Subject to the terms of the Compromise Order, to the extent that the Replacement Liens prove insufficient to provide AIX with adequate protection, AIX shall hereby be afforded an allowed administrative superpriority expense claim (the “Superpriority Claim”) pursuant to section 507(b) of the Bankruptcy Code in the full amount of the Adequate Protection Obligations, if any, with priority over any and all administrative expenses of the kinds specified in or arising or ordered under sections 105(a), 326, 328, 330, 331, 503(b), 506(c), 507, 546(c), and to the extent permitted by law, 726 and 1114 of the Bankruptcy Code, provided, however, that such Superpriority Claim shall (i) not take priority over the rights of estate professionals in existing retainers held on the Petition Date, subject to Bankruptcy Court approval of such estate professionals’ fees and costs in accordance with 11 U.S.C. § 330; (ii) be subordinate in priority to the allowed and unpaid (if any) administrative claims, as budgeted, of the estates’ professional fees and expenses, including the Committee Professional Fund; and (iii) not take priority over the fees assessed against the estate under chapter 123 of title 28 of the United States Code.

16. Insurance. Debtors shall maintain insurance with respect to all of the Pre-Petition Collateral and Post-Petition Collateral for all the purposes and in the amounts maintained by the Debtors in accordance with the requirements of the Credit Documents or as may be otherwise agreed by the Debtors and AIX. Such insurance shall name AIX as loss payee.

17. Termination of Cash Collateral Usage. Without effect on any other provision of this Final Order, the Debtors’ authorization to use Cash Collateral (subject to and on the terms and conditions of this Final Order), shall immediately and automatically terminate upon any Termination Event (as defined below). Upon the occurrence of a Termination Event, AIX shall have no obligation to agree to an extension of this Final Order under any circumstances and may elect or not elect to agree to such an extension as it determines in its sole and absolute discretion.

18. Termination Events. The Debtors’ right to use Cash Collateral under this Final Order shall immediately and automatically terminate, upon the earliest to occur of the following (each, a “Termination Event”):

(a) five (5) business days after the date on which any of the Debtors receive written notice from AIX that the Debtors have failed to comply with any of the terms of this Final Order, provided that the Debtors have not obtained a Court order extending the use of Cash Collateral;

(b) entry of an order, without the prior written consent of AIX, (i) converting any of the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code; (ii) dismissing the Chapter 11 Cases; (iii) appointing a trustee

under Chapter 7 or Chapter 11 of the Bankruptcy Code or appointing an examiner with expanded powers (powers beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code); or (iv) reversing, vacating or otherwise amending, supplementing or modifying this Final Order;

(c) any application by the Debtors for entry of an order approving use of Cash Collateral (other than any application related to this Final Order), or any financing or loans secured by liens which are senior, pari passu or junior to AIX's liens on the Prepetition Collateral, without the prior written approval of AIX;

(d) the filing of a motion by the Debtors in these Chapter 11 Cases without AIX's prior written consent: (i) to grant any lien or offering any Collateral; or (ii) to recover from any portion of the Collateral any costs or expenses of preserving or disposing of Collateral under section 506(c) of the Bankruptcy Code;

(e) the Debtors have not obtained Bankruptcy Court approval of a sale of the Debtors' assets sufficient to satisfy the Prepetition Indebtedness in full (or as otherwise agreed by the Debtor and AIX) by October 15, 2014;

(f) the Debtors have not confirmed a plan under chapter 11 of the Bankruptcy Code by October 31, 2014.

19. Enforcement. Upon (a) the occurrence and continuation of a Termination Event, and (b) five (5) business days' written notice (which may be delivered by electronic mail) (an "Enforcement Notice") to the Debtors, their counsel, the U.S. Trustee, and counsel for the Committee, the use of Cash Collateral under this Final Order shall terminate.

20. Miscellaneous Provisions.

(a) By the Tuesday of the following week, the Debtors shall provide to AIX a written accounting of all cash collected during the preceding week and all expenditures of Cash Collateral and a comparison of the preceding week's actual expenditures to the line items contained in the Budget and a cumulative comparison of all expenditures from the Petition Date to the line items contained in the Budget. Upon request, the Debtors shall immediately make available to AIX or any of their agents (including professionals) supporting documentation for all receipts and expenditures, including, but not limited to, bank statements, contracts, invoices, copies of checks and general ledgers.

(b) The Debtors shall provide, and shall continue to provide, to AIX and any professional retained by AIX, access (on reasonable notice and during normal business hours) to (i) the Debtors' premises and (ii) any and all books, records, documents and information relevant to the Debtors' business operations.

(c) Nothing included herein shall prejudice, impair, or otherwise affect AIX's rights to seek any other or supplemental relief in respect of the Debtors' estates, including, without limitation, any right of AIX to seek entry of an order, upon motion, after notice and a hearing, to contest the granting of any liens on or security interests in all or any part of the Prepetition Collateral or to appear and be heard in respect of any other matter arising in or related to these Chapter 11 Cases.

(d) Nothing included herein shall prejudice, impair or otherwise affect the Debtors' rights to seek the use of Cash Collateral in the event of a Termination Event, provided, however, that the provisions of this Order shall be binding and enforceable in connection therewith.

(e) Nothing contained in this Final Order or otherwise shall constitute nor be deemed to constitute, directly or indirectly, by implication or otherwise, a waiver by AIX of its right to assert that the Debtors are obligated under the Credit Documents to pay (i) the default interest rates specified therein, (ii) interest on interest, or (iii) its fees, costs and other charges specified therein.

(f) As a result of this Final Order, AIX shall not (i) have liability to any third party nor shall it be deemed to be in control of the operations of the Debtors or to be acting as a "controlling person", "responsible person" or "owner or operator" with respect to the operation or management of the Debtors (as such terms, or any similar terms, are used in the Internal Revenue Code, the United States Comprehensive, Environmental Response, Compensation and Liability Act as amended, or any similar Federal or state statute), or owe any fiduciary duty to the Debtors, their creditors or their estates, and (ii) AIX's relationship with the Debtors shall not constitute nor be deemed to constitute a joint venture or partnership with the Debtors.

(g) The provisions of this Final Order shall be binding upon and inure to the benefit of AIX and the Debtors and each of their respective successors and assigns, including any trustee or other fiduciary hereafter appointed in these Chapter 11 Cases or any chapter 7 case as a legal representative of the Debtors or any of the Debtors' estates.

(h) The failure of AIX to seek relief or otherwise exercise its rights and remedies under the Credit Documents or this Final Order shall not constitute a waiver of any of its rights thereunder, hereunder, or otherwise.

(i) Except as otherwise provided for herein, this Final Order shall be binding on the parties hereto and all other parties in interest, including the Committee and any ad hoc committee formed in this case.

(j) Subject to the Compromise Order, unless and until the Prepetition Indebtedness has been indefeasibly repaid in full, in cash, the protections afforded

to AIX under this Final Order, and any actions taken pursuant thereto shall survive the entry of an order dismissing the Chapter 11 Cases or converting the Chapter 11 Cases into a case pursuant to chapter 7 of the Bankruptcy Code, and the Replacement Liens in and to the Postpetition Collateral and the Superpriority Claim shall continue in these proceedings and in any such successor case, and the Replacement Liens and Superpriority Claim shall maintain their priority as provided by this Final Order until the Prepetition Indebtedness has been indefeasibly paid in full in cash.

(k) The notice given by the Debtors of the Final Hearing was given in accordance with Bankruptcy Rules 2002 and 4001(c)(2) and the local rules of this Court.

(l) This Order shall take effect immediately upon execution hereof, notwithstanding the possible application of Fed. R. Bankr. P. 6004(g), 7062, 9014, or otherwise, and the Clerk of the Court is hereby directed to enter this Final Order on the Court's docket in these Chapter 11 Cases.

(m) Notwithstanding anything herein to the contrary, this Order is not intended to and does not make any findings or conclusions relating to (i) the rights and interests of the Debtors, AIX, Cook Inlet Region, Inc. ("CIRI"), or any other person or entity with respect to production either prepetition or postpetition from the KL 1-1 and KL 1 3 wells or the proceeds of such production ("Kenai Loop Gas and Proceeds"); (ii) the rights or obligations of the Debtors, AIX, CIRI, the Alaska Department of Natural Resources, the Alaska Department of Revenue or any other person or entity under or with respect to Alaska Oil and Gas Conservation Commission ("AOGCC") Conservation Order 691 dated May 22, 2014 (the "Escrow Order"); (iii) the Debtors' compliance or noncompliance with the terms of the Escrow Order or the consequences of any noncompliance with the terms of the Escrow Order; (iv) whether any or all of the Kenai Loop Gas and Proceeds constitute Prepetition Collateral or Cash Collateral; or (v) the adequacy of the amounts in the Budget to be deposited into an escrow account pursuant to the Escrow Order. Consistent with the foregoing, Replacement Liens shall only attach to the Kenai Loop Gas and Proceeds pursuant to the terms of this Order if and to the extent such Kenai Loop Gas and Proceeds are later determined to be property of the Debtors' estates. The Debtors, AIX, and CIRI reserve all of their respective rights and claims relating to the matters addressed in this paragraph.

(n) Nothing in this Final Order shall affect the rights or interests of MBL to and in the MBL Cash Cover Account, which account shall be maintained by the Debtors. The Debtors shall not use any funds in the MBL Cash Cover Account absent further order from the Court.

Signed: September 24, 2014.


DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

Cash Collateral Budget - Final

Actual/Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	6 Wk Total
Start Date	9/20/14	9/27/14	10/4/14	10/11/14	10/18/14	10/25/14	9/20/14
End Date	9/26/14	10/3/14	10/10/14	10/17/14	10/24/14	10/31/14	10/31/14
Cash Receipts							
Production Revenue	\$ 1,589,463	\$ 4,360	\$ -	\$ 415,959	\$ 1,589,463	\$ -	\$ 3,599,245
ACES	-	-	21,252,543	-	-	-	21,252,543
Other	-	-	-	37,800	-	25,000	62,800
Asset Sales	-	-	-	-	-	-	-
Total Receipts	\$ 1,589,463	\$ 4,360	\$ 21,252,543	\$ 453,759	\$ 1,589,463	\$ 25,000	\$ 24,914,588
Operating Disbursements							
Payroll (including taxes)	\$ -	\$ (56,070)	\$ -	\$ (56,070)	\$ -	\$ (76,070)	\$ (188,209)
Benefits	-	(6,500)	-	-	-	-	(6,500)
Lease Operating Expense	(25,000)	(25,000)	-	-	(25,000)	(25,000)	(100,000)
Environmental Compliance	(3,006)	(102,642)	(2,500)	(2,500)	(2,500)	(2,500)	(115,648)
Rent	-	(17,218)	-	-	-	-	(17,218)
Insurance	-	-	-	(42,329)	-	(77,600)	(119,929)
Professional Fees (Ordinary Course)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(45,000)
General & Administrative	(139,018)	(205,697)	(137,950)	(7,950)	(7,950)	(83,050)	(581,614)
Property Tax	-	-	-	-	-	-	-
Contingency/Other	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(30,000)
Total Operating Disbursements	\$ (179,524)	\$ (425,626)	\$ (152,950)	\$ (121,349)	\$ (47,950)	\$ (276,719)	\$ (1,204,118)
Operating Cash Flow	\$ 1,409,939	\$ (421,266)	\$ 21,099,593	\$ 332,410	\$ 1,541,513	\$ (251,719)	\$ 23,710,470
Non-Operating Disbursements							
Restructuring Fees	\$ (332,256)	\$ -	\$ (1,241,899)	\$ -	\$ -	\$ (557,151)	\$ (2,131,305)
U.S. Trustee Fees	-	(13,000)	-	-	-	-	(13,000)
Total Non-Operating Disbursements	\$ (332,256)	\$ (13,000)	\$ (1,241,899)	\$ -	\$ -	\$ (557,151)	\$ (2,144,305)
Net Cash Flow	\$ 1,077,683	\$ (434,266)	\$ 19,857,694	\$ 332,410	\$ 1,541,513	\$ (808,870)	\$ 21,566,165
Cash Position:							
Beginning Cash Balance	\$ 1,362,400	\$ 2,440,083	\$ 2,005,817	\$ 18,479,272	\$ 18,811,683	\$ 20,353,196	\$ 1,362,400
Plus Receipts	1,589,463	4,360	21,252,543	453,759	1,589,463	25,000	24,914,588
Less Disbursements	(511,780)	(438,626)	(1,394,849)	(121,349)	(47,950)	(833,870)	(3,348,423)
Transfer to Restricted Account	-	-	(1,511,995)	-	-	(1,589,463)	(3,101,458)
Segregated - AIDEA	-	-	(1,872,244)	-	-	-	(1,872,244)
Unrestricted Cash Balance	\$ 2,440,083	\$ 2,005,817	\$ 18,479,272	\$ 18,811,683	\$ 20,353,196	\$ 17,954,862	\$ 17,954,862
Restricted Cash - AOGCC/CIRI	4,861,929	4,861,929	6,373,924	6,373,924	6,373,924	7,963,387	\$ 7,963,387
Segregated - AIDEA	-	-	1,872,244	1,872,244	1,872,244	1,872,244	\$ 1,872,244
Total Cash	\$ 7,302,012	\$ 6,867,746	\$ 26,725,440	\$ 27,057,851	\$ 28,599,364	\$ 27,790,493	\$ 27,790,493