

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

In re:)	
)	Chapter 11
Quicksilver Resources Inc., <u>et al.</u> , ¹)	Case No. 15-10585 (LSS)
)	
Debtors.)	Jointly Administered
)	Re: Docket No. 245

**CERTIFICATION OF COUNSEL REGARDING
ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF
KPMG LLP AS TAX CONSULTANT NUNC PRO TUNC TO THE PETITION DATE**

The undersigned hereby certifies as follows:

1. On April 21, 2015, Quicksilver Resources Inc. and its affiliated debtors and debtors in possession (collectively, the “Debtors”) filed the *Debtors’ Application for Entry of an Order Authorizing the Employment and Retention of KPMG LLP as Tax Consultant Nunc Pro Tunc to the Petition Date* [Docket No. 245] (the “Application”) with the United States Bankruptcy Court for the District of Delaware (the “Court”).

2. The Debtors received informal comments to the Application from the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) and the Official Committee of Unsecured Creditors (the “Committee”). The Debtors received no other objections or responses to the Application, and no other responsive pleading to the Application has appeared on the Court’s docket in the above-captioned chapter 11 cases.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Quicksilver Resources Inc. [6163]; Barnett Shale Operating LLC [0257]; Cowtown Drilling, Inc. [8899]; Cowtown Gas Processing L.P. [1404]; Cowtown Pipeline Funding, Inc. [9774]; Cowtown Pipeline L.P. [9769]; Cowtown Pipeline Management, Inc. [9771]; Makarios Resources International Holdings LLC [1765]; Makarios Resources International Inc. [7612]; QPP Holdings LLC [0057]; QPP Parent LLC [8748]; Quicksilver Production Partners GP LLC [2701]; Quicksilver Production Partners LP [9129]; and Silver Stream Pipeline Company LLC [9384]. The Debtors’ address is 801 Cherry Street, Suite 3700, Unit 19, Fort Worth, Texas 76102.

3. The Debtors have resolved the informal comments of the U.S. Trustee and the Committee and have attached hereto as Exhibit A a revised form of order granting the relief requested in the Application (the “Revised Order”). The Revised Order has been circulated, and is acceptable, to the U.S. Trustee and the Committee. For the convenience of the Court and all parties in interest, a blackline of the Revised Order against the proposed form of order attached to the Application is attached hereto as Exhibit B.

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WHEREFORE, the Debtors respectfully request that the Revised Order, substantially in the form attached hereto as Exhibit A, be entered at the earliest convenience of the Court.

Date: May 5, 2015

/s/ Rachel L. Biblo

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**COUNSEL FOR DEBTORS AND DEBTORS IN
POSSESSION**

Exhibit A

Revised Order

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

In re: Quicksilver Resources Inc., <u>et al.</u> , ¹ Debtors.)))))))	Chapter 11 Case No. 15-10585 (LSS) Jointly Administered
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**ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF
KPMG LLP AS TAX CONSULTANT *NUNC PRO TUNC* TO THE PETITION DATE**

Upon the application (the "Application") of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), for the entry of an order pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the "Bankruptcy Code"), Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), authorizing them to retain and employ KPMG LLP ("KPMG") as tax consultant to the Debtors in the above-captioned chapter 11 cases *nunc pro tunc* to the Petition Date;² and upon the Declaration of Chuck Thompson, a principal at KPMG (the "Declaration") in support thereof; and the Court being satisfied based on KPMG's agreement to waive any pre-petition claim it has against the Debtors and on the representations made in the Application and in the Declaration that KPMG represents no interest adverse to the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Quicksilver Resources Inc. [6163]; Barnett Shale Operating LLC [0257]; Cowtown Drilling, Inc. [8899]; Cowtown Gas Processing L.P. [1404]; Cowtown Pipeline Funding, Inc. [9774]; Cowtown Pipeline L.P. [9769]; Cowtown Pipeline Management, Inc. [9771]; Makarios Resources International Holdings LLC [1765]; Makarios Resources International Inc. [7612]; QPP Holdings LLC [0057]; QPP Parent LLC [8748]; Quicksilver Production Partners GP LLC [2701]; Quicksilver Production Partners LP [9129]; and Silver Stream Pipeline Company LLC [9384]. The Debtors' address is 801 Cherry Street, Suite 3700, Unit 19, Fort Worth, Texas 76102.

² Capitalized terms not otherwise defined herein shall have the definitions ascribed to them in the Application.

Debtors' estates, that they are disinterested persons as that term is defined under Bankruptcy Code section 101(14), as modified by Bankruptcy Code section 1107(b), and that their employment is necessary and in the best interests of the Debtors' estates; the terms of the Engagement Letter are reasonable terms for the purposes of Bankruptcy Code section 328(a); and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided; and it appearing that no other or further notice need be provided; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The Application is granted as modified herein.
2. Any pre-petition claim that KPMG may have against the Debtors is deemed waived.
3. In accordance with Bankruptcy Code sections 327(a) and 328(a), Bankruptcy Rule 2014, and Local Rule 2014, the Debtors are authorized to employ and retain KPMG as tax consultant to the Debtors on the terms set forth in the Application and the Engagement Letter, as modified by this Order.
4. KPMG shall be compensated in accordance with Bankruptcy Code sections 330 and 331, the Bankruptcy Rules, the Local Rules, this Order and any other applicable orders of this Court.
5. KPMG shall comply with the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* dated April 14, 2015 [D.I. 195].
6. The terms and conditions of the Engagement Letter, as modified by this Order, are approved.

7. To the extent the Debtors and KPMG enter into any additional engagement letter(s), the Debtors will file such engagement letter(s) with the Bankruptcy Court and serve such engagement letter(s) upon the United States Trustee, counsel to the agents for the Debtors' post-petition secured lenders, and counsel to the Official Committee of Unsecured Creditors. To the extent any of such parties object, within 10 days of such new engagement letter(s) being served, to the additional services to be provided by KPMG, the Debtors will promptly schedule a hearing before the Court. All additional services will be subject to the provisions of this Order.

8. The following terms apply during the pendency of the Debtors' chapter 11 cases:

- (a) KPMG shall not be entitled to indemnification, contribution or reimbursement for services other than those described in the Engagement Letter and the Application, unless such services and indemnification therefor are approved by the Court; *provided*, that to the extent additional engagement letter(s) are filed with the Court and no parties object to such engagement letter(s) in accordance with the procedures described in the immediately preceding Ordered paragraph, such engagement letter(s) shall be deemed approved by the Court;
- (b) The Debtors shall have no obligation to indemnify KPMG, or provide contribution or reimbursement to KPMG, for any claim or expense that is either: (i) judicially determined (the determination having become final) to have arisen from KPMG's bad faith, self-dealing, breach of fiduciary duty (if any such duty exists), gross negligence or willful misconduct; or (ii) judicially determined (the determination having become final), based on a breach of KPMG's contractual obligations to the Debtor; or (iii) settled prior to a judicial determination as to the exclusions set forth in clauses (i) and (ii) immediately above, but determined by the Court, after notice and a hearing to be a claim or expense for which KPMG should not receive indemnity, contribution or reimbursement under the terms of KPMG's retention by the Debtors pursuant to the terms of the Engagement Letter and Application, as modified by this Order; and
- (c) If, before the earlier of: (i) the entry of an order confirming a chapter 11 plan in this case (that order having become a final order no longer subject to appeal); and (ii) the entry of an order closing these chapter 11 cases, KPMG believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Engagement Letter (as modified by this Order) and Application, including without limitation the advancement

of defense costs, KPMG must file an application therefor in this Court, and the Debtors may not pay any such amounts to KPMG before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by KPMG for indemnification, contribution or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify KPMG. All parties in interest shall retain the right to object to any demand by KPMG for indemnification, contribution or reimbursement; and it is further

9. The Debtors shall comply with the notice requirement set forth in paragraph 4(c) of KPMG's Standard Terms and Conditions for Advisory and Tax Services (the “Standard Terms and Conditions”), a copy of which is attached to the Engagement Letter, including providing the written notice required prior to disseminating or advancing any of KPMG's advice, recommendations, information, or work product to third parties.

10. During the pendency of these chapter 11 cases, paragraph 6 of the Standard Terms and Conditions is deleted.

11. The Debtors will work with their professionals to ensure avoidance of duplication of efforts.

12. Notwithstanding anything in the Application or the Engagement Letter to the contrary, during the pendency of these chapter 11 cases, this Court retains exclusive jurisdiction over all matters arising out of, or pertaining to, KPMG's engagement until such jurisdiction is relinquished.

13. During the pendency 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 of this Order.

Dated: _____, 2015
Wilmington, Delaware

THE HONORABLE LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

Blackline

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

In re: Quicksilver Resources Inc., <u>et al.</u> , ¹ Debtors.)))))))	Chapter 11 Case No. 15-10585 (LSS) Jointly Administered
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**ORDER AUTHORIZING THE EMPLOYMENT AND RETENTION OF
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Upon the application (the "Application") of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), for the entry of an order pursuant to sections 327(a) and 328(a) of title 11 of the United States Code (the "Bankruptcy Code"), Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), authorizing them to retain and employ KPMG LLP ("KPMG") as tax consultant to the Debtors in the above-captioned chapter 11 cases *nunc pro tunc* to the Petition Date;² and upon the Declaration of Chuck Thompson, a principal at KPMG (the "Declaration") in support thereof; and the Court being satisfied based on [KPMG's agreement to waive any pre-petition claim it has against the Debtors and on](#) the representations

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² Capitalized terms not otherwise defined herein shall have the definitions ascribed to them in the Application.

made in the Application and in the Declaration that KPMG represents no interest adverse to the Debtors' estates ~~with respect to the matters upon which they are to be engaged~~, that they are disinterested persons as that term is defined under Bankruptcy Code section 101(14), as modified by Bankruptcy Code section 1107(b), and that their employment is necessary and in the best interests of the Debtors' estates; the terms of the Engagement Letter are reasonable terms for the purposes of Bankruptcy Code section 328(a); and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided; and it appearing that no other or further notice need be provided; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The Application is granted as modified herein.

2. Any pre-petition claim that KPMG may have against the Debtors is deemed waived.

23. In accordance with Bankruptcy Code sections 327(a) and 328(a), Bankruptcy Rule 2014, and Local Rule 2014, the Debtors are authorized to employ and retain KPMG as tax consultant to the Debtors on the terms set forth in the Application and the Engagement Letter, as modified by this Order.

34. KPMG shall be compensated in accordance with Bankruptcy Code sections 330 and 331, the Bankruptcy Rules, the Local Rules, this Order and any other applicable orders of this Court.

5. KPMG shall comply with the Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals dated April 14, 2015 [D.I.

195].

46. The terms and conditions of the Engagement Letter, as modified by this Order, are approved.

57. To the extent the Debtors and KPMG enter into any additional engagement letter(s), the Debtors will file such engagement letter(s) with the Bankruptcy Court and serve such engagement letter(s) upon the United States Trustee, counsel to the agents for the Debtors' post-petition secured lenders, and counsel to the Official Committee of Unsecured Creditors. To the extent any of such parties object, within 10 days of such new engagement letter(s) being served, to the additional services to be provided by KPMG, the Debtors will promptly schedule a hearing before the Court. All additional services will be subject to the provisions of this Order.

68. The following terms apply during the pendency of the Debtors' chapter 11 cases:

- (a) KPMG shall not be entitled to indemnification, contribution or reimbursement for services other than those described in the Engagement Letter and the Application, unless such services and indemnification therefor are approved by the Court; *provided*, that to the extent additional engagement letter(s) are filed with the Court and no parties object to such engagement letter(s) in accordance with the procedures described in the immediately preceding Ordered paragraph, such engagement letter(s) shall be deemed approved by the Court;
- (b) The Debtors shall have no obligation to indemnify KPMG, or provide contribution or reimbursement to KPMG, for any claim or expense that is either: (i) judicially determined (the determination having become final) to have arisen from KPMG's bad faith, self-dealing, breach of fiduciary duty (if any such duty exists), gross negligence or willful misconduct; or (ii) judicially determined (the determination having become final), based on a breach of KPMG's contractual obligations to the Debtor; or (iii) settled prior to a judicial determination as to the exclusions set forth in clauses (i) and (ii) immediately above, but determined by the Court, after notice and a hearing to be a claim or expense for which KPMG should not receive indemnity, contribution or

reimbursement under the terms of KPMG's retention by the Debtors pursuant to the terms of the Engagement Letter and Application, as modified by this Order; and

- (c) If, before the earlier of: (i) the entry of an order confirming a chapter 11 plan in this case (that order having become a final order no longer subject to appeal); and (ii) the entry of an order closing these chapter 11 cases, KPMG believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Engagement Letter (as modified by this Order) and Application, including without limitation the advancement of defense costs, KPMG must file an application therefor in this Court, and the Debtors may not pay any such amounts to KPMG before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time under which the Court shall have jurisdiction over any request for fees and expenses by KPMG for indemnification, contribution or reimbursement, and not a provision limiting the duration of the Debtors' obligation to indemnify KPMG. All parties in interest shall retain the right to object to any demand by KPMG for indemnification, contribution or reimbursement; and it is further

~~7~~9. The Debtors shall comply with the notice requirement set forth in paragraph 4(c) of KPMG's Standard Terms and Conditions for Advisory and Tax Services (the "Standard Terms and Conditions"), a copy of which is attached to the Engagement Letter, including providing the written notice required prior to disseminating or advancing any of KPMG's advice, recommendations, information, or work product to third parties.

~~8~~10. During the pendency of these chapter 11 cases, paragraph 6 of the Standard Terms and Conditions is deleted.

11. The Debtors will work with their professionals to ensure avoidance of duplication of efforts.

~~9~~12. Notwithstanding anything in the Application or the Engagement Letter to the contrary, during the pendency of these chapter 11 cases, this Court retains exclusive

jurisdiction over all matters arising out of, or pertaining to, KPMG's engagement until such jurisdiction is relinquished.

1013. During the pendency 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 of this Order.

Dated: _____, 2015
Wilmington, Delaware

THE HONORABLE LAURIE S. SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE