



ENTERED
02/22/2011

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

| | | |
|-----------------------------|---|-------------------|
| IN RE: | § | |
| | § | |
| REVEILLE RESOURCES (TEXAS), | § | CASE NO. 11-31317 |
| INC., | § | |
| | § | |
| Debtor. | § | CHAPTER 11 |

**INTERIM ORDER (A) AUTHORIZING USE OF CASH
COLLATERAL, (B) GRANTING ADEQUATE PROTECTION,
AND (C) SCHEDULING A FINAL HEARING**

Having considered the Debtor's Emergency Motion for Interim and Final Orders (a) Authorizing Use of Cash Collateral, (b) Granting Adequate Protection, and (c) Scheduling a Final Hearing (the "Motion"),¹ and the evidence and arguments presented at the hearing (the "Interim Hearing"), the Court finds that: (a) jurisdiction over the matters in the Motion is proper pursuant to 28 U.S.C. §§ 1334 and 157; (b) venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409; (c) proper and adequate notice of the Motion is provided and no further notice is needed; (d) the relief sought in the Motion is in the best interest of the Debtor's estate, its creditors and all parties-in-interest; and (e) good and sufficient cause exists for granting the relief requested in the Motion.

UPON THE EARLIER OF ENTRY OF THE COURT'S FINAL ORDER OR TEN (10) DAYS AFTER THE EXPIRATION OF THE INTERIM PERIOD, THE DEBTOR HAS AGREED TO STIPULATE AS FOLLOWS:

A. Reveille Resources (Texas), Inc. (the "Debtor"), as Borrower, entered into that certain Credit Agreement (the "Original Credit Agreement"), dated September 7, 2007, with Guggenheim Corporate Funding, LLC ("GCF"), as Administrative Agent for the lenders thereto (the "Lenders"), which subsequently was amended and restated by that certain Amended and

¹ All otherwise undefined terms have the meaning set forth in the Motion.

Restated Credit Agreement, dated December 10, 2009 (the "Amended Credit Agreement" and collectively with the Original Credit Agreement, and as supplemented, amended, or modified further, the "Credit Agreement"). Reveille, in connection with the Credit Agreement, began and maintained a hedging program pursuant to a form 2002 Master ISDA Agreement and entered into related agreements (as supplemented, amended, or modified further, the "Hedge Agreements") with GCF to hedge oil and gas commodities.

B. In connection with the Credit Agreement and Hedge Agreements, Reveille also executed advancing term promissory notes, security agreements, certain deeds of trust, and other miscellaneous loan and security documents (collectively with the Credit Agreement and Hedge Agreements, the "Loan Documents").

C. The Debtor acknowledges that as of February 15, 2011 (the "Petition Date"), the Debtor was justly and lawfully indebted and liable, without defense, ~~or offset of any kind~~, under the Loan Documents in the aggregate amount, excluding costs and attorneys' fees, of \$46,912,772.61 (the "Prepetition Obligations"). The Debtor acknowledges that, as of the Petition Date, the Prepetition Obligations constitute the legal, valid and binding secured obligations of the Debtor, enforceable in accordance with their respective terms, and that no portion of the Prepetition Obligations or any amounts paid to the Lenders or applied to the obligations owing under the Loan Documents before the Petition Date is subject to avoidance, subordination, recharacterization, recovery, attack, offset, defense or Claim (as such term is defined in the Bankruptcy Code) of any kind pursuant to the Bankruptcy Code or applicable non-bankruptcy law.

D. The Debtor acknowledges that, pursuant to the Loan Documents, the Prepetition Obligations are collateralized by (a) first priority liens and security interests in all or substantially

all of the Debtor's property and assets, including the cash and cash equivalents held by the Debtor, as more fully described in the Loan Documents, and (b) Deeds of Trust covering 100% of the assets of the Debtor described in the exhibits attached thereto (collectively, the "Prepetition Collateral"). The Debtor further acknowledges that the prepetition liens upon and security interests in the Prepetition Collateral are not subject to avoidance, subordination, recharacterization, recovery, attack, ~~offset, counterclaim,~~ defense or Claim (as such term is defined in the Bankruptcy Code) of any kind pursuant to the Bankruptcy Code or applicable non-bankruptcy law.

E. The Debtor further acknowledges that all of the cash of the Debtor in existence on the Petition Date, other than cash due to royalty owners, and all of the cash that is acquired by the Debtor thereafter, other than cash due to royalty owners (whether as proceeds of the Prepetition Collateral or otherwise), constitutes cash collateral (the "Cash Collateral") within the meaning of section 363(a) of the Bankruptcy Code for the benefit of GCF and the Lenders.

F. The Debtor further acknowledges that all of the Cash Collateral in existence on the Petition Date is held by GCF, for the benefit of the Lenders, pursuant to that certain Cash Collateral Account Agreement between the Debtor and GCF dated as of June 29, 2007.

**BASED UPON THE RECORD PRESENTED AT THE INTERIM HEARING,
THE COURT FINDS AS FOLLOWS:**

G. The Debtor has requested immediate entry of this Order pursuant to Bankruptcy Rule 4001(b)(2), and the Debtor has an immediate need to obtain use of the Cash Collateral in order to permit, among other things, the preservation of the Debtor's business and assets and the orderly administration of its estate. Without such funds, the Debtor will be unable to pay necessary expenses. The ability of the Debtor to obtain liquidity through the use of the Cash Collateral is vital to the Debtor and the Debtor's efforts to maximize the value of the Debtor's

assets and to the confirmation of a plan of reorganization. Absent entry of this Order, the Debtor's estate will be immediately and irreparably harmed.

H. The terms of this Order and the emergency use by the Debtor of the Cash Collateral, as set forth herein, have been negotiated in good faith and at arm's length among the Debtor, GCF, and the Lenders, within the meaning of section 363(m) of the Bankruptcy Code.

Based upon the foregoing findings and conclusions, upon the Motion and other pleadings filed in this chapter 11 case, and upon the record made before this Court at the Interim Hearing, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. **Approval.** The Motion is GRANTED, subject to the terms and conditions set forth in this Order. Any objections to the Motion with respect to the entry of this Order that have not been withdrawn, waived or settled, and all reservations of rights included therein, hereby are denied and overruled.

2. **Authorization.** Subject to the terms of this Order, the Debtor is immediately authorized to use Cash Collateral from the date of entry of this Order through the Termination Date (as defined below). Cash Collateral may be used during the period from the date of entry of this Order through the Termination Date (the "Interim Period") on an emergency basis to pay those costs and expenses contained in the cash budget (the "Cash Collateral Budget") attached as Exhibit A and solely up to the amounts, at the times and for the purposes identified in the Cash Collateral Budget. The Debtor shall not, without the prior written consent of GCF and the Lenders, use Cash Collateral with respect to any single week in the Cash Collateral Budget in an amount in excess of the aggregate amount budgeted for that week, subject to a permitted variance of 10%. The expenditures authorized in the Cash Collateral Budget shall be adhered to

on a line-by-line basis, but may carry forward to successive weeks (i.e., any unused amounts in a line-item in a given week may carry over to that line-item to a subsequent week or weeks).

3. **Adequate Protection.** As of the date of this Order, GCF, for the ratable benefit of the Lenders, shall receive adequate protection for any diminution in value resulting from (i) the use by the Debtor or other decline in value of Cash Collateral and any other Prepetition Collateral and (ii) the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code, as follows:

(i) **Adequate Protection Liens.** Pursuant to sections 361 and 363(e) of the Bankruptcy Code, GCF, for the ratable benefit of the Lenders, is hereby granted continuing, valid, binding, enforceable, non-avoidable and automatically and properly perfected first priority security interests in and liens (collectively, the "Adequate Protection Liens") on all Prepetition Collateral, except for causes of action under chapter 5 of the Bankruptcy Code (all such actions, the "Avoidance Actions"), which Adequate Protection Liens, subject to entry of a Final Order, shall have recourse to any and all hereafter acquired assets and real and personal property of the Debtor, together with any proceeds thereof (the "Collateral"). The Adequate Protection Liens shall be senior and prior to all other interests or liens whatsoever in or on the Collateral, and shall be subject and subordinate only to the Carve-Out (as defined below) and valid, perfected and unavoidable liens or security interests on the Petition Date or liens perfected after the Petition Date the priority and perfection of which relates back to a date prior to the Petition Date as permitted by section 546(b) of the Bankruptcy Code; and

(ii) **Superpriority Claim.** GCF, for the ratable benefit of the Lenders, shall be allowed a superpriority administrative expense claim (the "Superpriority Claim"), which shall have priority in this chapter 11 case under sections 503(b) and 507(b) of the Bankruptcy Code and otherwise over all administrative expense claims and unsecured claims whether in existence on or arising after the Petition Date against the Debtor and its estate of any kind or nature whatsoever, and shall be subordinate only to the Carve-Out (as defined below).

4. **Adequate Protection to Other Secured Creditors.** As adequate protection to any other secured creditor of the estate that may exist (including any secured creditor asserting mechanics', materialman's, or other statutory liens) for any diminution in value that may result from the Debtor's use of its Cash Collateral (and only to the extent such secured creditor holds a valid and perfected, non-avoidable lien and security interest in Cash Collateral as of the Petition

Date), such secured creditor is hereby granted (effective upon the Petition Date and without the necessity of the execution or filing of mortgages, security agreements, pledge agreements, financing statements, or otherwise), a replacement security interest and lien in the Debtor's postpetition assets that are subject to its existing prepetition liens and security interests with the same scope, validity, and priority as held by such secured creditor as of the Petition Date. The Debtor reserves all rights to contest the validity, amount and priority of any and all claims, liens, and security interests asserted by such secured creditors.

5. **Carve-Out.** The liens of GCF and the Lenders, the Adequate Protection Liens, and the Superpriority Claim are subordinate to the following (the "Carve-Out"): (a) ~~allowed~~ administrative expenses pursuant to 28 U.S.C. § 1930(a)(6); (b) all allowed and approved fees, costs and expenses of attorneys, consultants and financial advisors employed by the Debtor pursuant to sections 327, 363 and 1103 of the Bankruptcy Code to the extent actually incurred prior to the Termination Date (as defined below); and (c) the allowed and approved fees, costs and expenses of attorneys, consultants and financial advisors employed by any official committee of unsecured creditors, if appointed (the "Committee"), in this chapter 11 case pursuant to sections 327, 363 and 1103 of the Bankruptcy Code to the extent such fees, costs, and expenses are incurred prior to the Termination Date. The Carve-Out expressly excludes any amount in excess of \$15,000 (the "Investigation Amounts") expended for the purpose of reviewing and investigating the validity and priority of the liens on the Prepetition Collateral or claims or causes of action against GCF or the Lenders.

6. The Debtor is authorized to use Cash Collateral to pay the fees, costs and expenses that constitute the Carve-Out, as the same may be due and payable, so long as the Termination Date has not occurred. Upon occurrence of the Termination Date, fees, costs, and

expenses that constitute the Carve-Out, to the extent not previously paid by the Debtor, may be paid from the Debtor's estate upon final approval of the Bankruptcy Court of such fees, costs, and expenses. No portion of the Prepetition Collateral or the Cash Collateral may be used by the Debtor, any statutory committee appointed in this chapter 11 case or any of their professionals or any other person or entity to commence or prosecute any action, contest, challenge or objection with respect to GCF, the Lenders, the Prepetition Obligations, the Loan Documents, the Prepetition Collateral, the Adequate Protection Liens or the Collateral.

7. Subject to entry of the Final Order, except to the extent of the Carve-Out, no expenses of administration of this chapter 11 case or any future proceedings that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of GCF, and no such consent shall be implied from any other action, inaction or acquiescence by GCF or the Lenders.

8. **Collection of Cash Collateral and Rights of Access.** From the date hereof, the Debtor is authorized and directed to maintain the cash management system in use by the Debtor as of the Petition Date in accordance with the Loan Documents. All rights of access afforded or required to be provided by the Debtor to GCF, for the benefit of the Lenders, under the Loan Documents shall apply hereunder and be deemed incorporated in this Order. Without limiting such rights, the Debtor shall permit representatives, agents and employees of GCF, for the benefit of the Lenders, to have reasonable access to its premises and its records during normal business hours and shall cooperate, consult with, and provide to such persons all such information as they may reasonably request. The Debtor agrees to furnish to GCF, for the

benefit of the Lenders, in form and substance reasonably satisfactory to GCF, the weekly reports of receipts, disbursements and a reconciliation of actual expenditures and disbursements with those set forth in the Cash Collateral Budget, on a line-by-line basis showing any variance to the proposed corresponding line item of the Cash Collateral Budget (the "Budget Reconciliation"). Such Budget Reconciliation shall be provided to GCF so as actually to be received within two (2) business days following the end of each prior week.

9. **Reservation of Rights with Respect to Adequate Protection.** Under the circumstances, and given the consent of GCF to the emergency use of the Cash Collateral as provided herein, and that the grant of adequate protection set forth herein is also consistent with the Bankruptcy Code, the Court finds that the adequate protection provided herein is reasonable and designed to protect the interests of GCF, for the benefit of the Lenders. Notwithstanding any other provision hereof, the grant of adequate protection to GCF, for the benefit of the Lenders, pursuant to this Order is without prejudice to the rights of GCF and each of the Lenders to seek modification of the grant of adequate protection provided hereby so as to provide different or additional adequate protection, and without prejudice to the right of the Debtor or any other party in interest to contest any such modification.

10. **Nature of the Adequate Protection Liens.** The Adequate Protection Liens granted pursuant to this Order shall constitute valid and duly perfected security interests and liens, and GCF shall not be required to file or serve mortgages, Uniform Commercial Code financing statements, notices of lien or similar instruments which otherwise may be required under federal or state law in any jurisdiction, or take any action, including taking possession, to validate and perfect such security interests and liens; and the failure by the Debtor to execute or file any documentation relating to the Adequate Protection Liens shall in no way affect the

validity, perfection or priority of such Adequate Protection Liens. If, however, GCF, in its sole discretion, determines to file any such mortgages, Uniform Commercial Code financing statements, notices of lien or similar instruments, or to otherwise confirm perfection of such Adequate Protection Liens, the Debtor is directed to cooperate with and assist GCF in doing so; the stay imposed by section 362(a) of the Bankruptcy Code is hereby modified to allow the filing and recording in any jurisdiction of a certified copy of this Order or any such mortgages, Uniform Commercial Code financing statements, notices of lien or similar instruments, and all such documents shall be deemed to have been filed or recorded as of the Petition Date. A certified copy of this Order may, in the discretion of GCF, be filed with or recorded in filing or recording offices in addition to, or in lieu of, such mortgages, Uniform Commercial Code financing statements, notices of lien or similar instruments, and all filing and recording offices are hereby authorized to accept such certified copy of this Order for filing and recording.

11. **Termination.** Upon the earliest to occur of (a) the dismissal of this chapter 11 case or the conversion of this chapter 11 case to a case under chapter 7 of the Bankruptcy Code; (b) the entry by this Court of an order granting relief from the automatic stay imposed by section 362 of the Bankruptcy Code to any entity other than GCF or the Lenders with respect to the Prepetition Collateral or the Collateral without the written consent of GCF, which consent may be withheld in its reasonable business discretion; (c) the appointment or election of a trustee, examiner with expanded powers or any other representative with expanded powers; (d) the occurrence of the effective date or consummation date of a plan of reorganization for the Debtor; (e) the failure by the Debtor to deliver to GCF any of the documents or other information required to be delivered pursuant to this Order when due; (f) the failure by the Debtor to observe or perform any of the material terms or material provisions contained herein, including providing

information required by this Order that contains a material misrepresentation, within three business days following the receipt of notice thereof; (g) the entry of an order of this Court approving the terms of any debtor-in-possession financing for the Debtor; (h) the entry of an order of this Court reversing, staying, vacating or otherwise modifying in any material respect the terms of this Order; and (i) the date of the Final Hearing on the use of Cash Collateral (the "Termination Date"), the Debtor's right to use Cash Collateral as approved herein shall automatically terminate without notice or further order of this Court, provided, however, the Termination Date in the event of an occurrence under subsection (e) and (f) shall occur on the third business day after GCF gives the Debtor notice of such occurrence without cure by the Debtor. The Termination Date may be extended from time to time by a written agreement between GCF and the Debtor without the need for further approval of this Court, subject only to the delivery of written notice thereof to counsel to any statutory committee appointed in this chapter 11 case and the filing of such notice with this Court.

12. **Debtor's Ongoing Cooperation.** The Debtor is authorized and directed to perform all acts, and to execute, deliver and comply with the terms of the Loan Documents and such other documents, instruments and agreements as GCF or the Lenders may reasonably require, or which otherwise may be deemed reasonably necessary by GCF or the Lenders to effectuate the terms and conditions of this Order.

13. **Section 363(m) Protection.** Since GCF and the Lenders are permitting the emergency use of Cash Collateral in good faith, GCF and the Lenders shall be entitled to the full protections of section 363(m) of the Bankruptcy Code with respect to the Adequate Protection Liens and all other adequate protection created or authorized by this Order in the event that this Order or any authorization contained herein is stayed, vacated, reversed or modified on appeal.

Any stay, modification, reversal, or vacation of this Order shall not affect the validity of any obligation of the Debtor to GCF or the Lenders incurred pursuant to this Order. Notwithstanding any such stay, modification, reversal or vacation, the emergency use of Cash Collateral by the Debtor pursuant hereto prior to the effective date of such stay, modification, reversal or vacation shall be governed in all respects by the original provisions hereof, and GCF and the Lenders shall be entitled to all the rights, privileges, and benefits, including, without limitation, the Adequate Protection Liens, the Collateral, and the Superpriority Claim granted herein.

14. **Lenders Not in Control of Debtor.** In consenting to the emergency use of the Cash Collateral, GCF and the Lenders shall not be deemed to be or have been in control of the operations of the Debtor and by negotiating, executing and lending under this Order, shall not be deemed to be a “responsible person” or “owner or operator” with respect to the operation and management of the Debtor (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601 et seq., as amended, or any similar federal or state statute).

15. **Survival of Provisions of Order.** The provisions of this Order and any actions taken pursuant hereto shall survive, and shall not be modified, impaired or discharged by, the entry of any order having the effect of (a) confirming any plan of reorganization in the chapter 11 case; (b) converting the chapter 11 case to a case under chapter 7 of the Bankruptcy Code; (c) appointing or electing any chapter 11 trustee or any examiner; or (d) dismissing this chapter 11 case, and the terms and provisions of this Order as well as the Superpriority Claim and the Adequate Protection Liens granted pursuant to this Order shall continue in full force and effect notwithstanding the entry of such order. Such Superpriority Claim and the Adequate Protection Liens shall maintain their priority as provided by this Order until all of the obligations of the

Debtor to GCF and the Lenders under this Order and all of the Prepetition Obligations are indefeasibly paid in full and discharged. Notwithstanding the occurrence of the Termination Date or anything in this Order to the contrary, all of the rights, remedies, benefits and protections provided to GCF and the Lenders, and all obligations of the Debtor to provide financial and other information to, and to cooperate with, GCF and the Lenders under this Order and the Loan Documents shall survive the Termination Date.

16. **Effect of Entry of Order.** Entry of this Order shall be without prejudice to any and all rights, remedies, claims and causes of action which GCF and the Lenders may have against the Debtor or third parties, and without prejudice to the right of GCF or any of the Lenders to seek relief from the automatic stay in effect pursuant to Bankruptcy Code section 362, or any other relief in this chapter 11 case. The provisions of this Order shall be binding upon the Debtor, and its respective successors and assigns, including any trustee or other fiduciary hereafter appointed in this chapter 11 case as a legal representative of the Debtor or the Debtor's estate, all creditors of the Debtor and all other parties in interest.

17. **Effect of Stipulation on Third Parties.** The Debtor's admissions, stipulations and releases contained in this Order including, without limitation, paragraphs A through F of this Order shall become binding upon:

- (i) the Debtor for all purposes upon the earlier of entry of the Final Order or ten (10) days after expiration of the Interim Period (the "Debtor Investigation Deadline"); and
- (ii) all other parties in interest and the Committee for all purposes on May 1, 2011 (the "Committee Investigation Deadline"), unless prior to the Debtor Investigation Deadline or the Committee Investigation Deadline (as applicable): (1) a party (subject in all respects to any agreement or applicable law which may limit or affect such entity's right or ability to do so) has properly filed an adversary proceeding or contested matter, including a motion seeking derivative standing accompanied by the applicable complaint or motion (x) challenging the amount, validity, enforceability, priority or extent of any of the Prepetition Obligations, the

Prepetition Collateral, or the prepetition liens on the Prepetition Collateral, or (y) otherwise asserting any claims or causes of action against the Lenders or GCF on behalf of the Debtor's estate, and (2) the Court rules in favor of the plaintiff in any such timely and properly filed adversary proceeding or contested matter.

18. In connection with the Committee Investigation Deadline, GCF shall respond to any document request and request for 2004 examination submitted by any party by February 25, 2011 at 5:00 p.m. central time as follows: (a) GCF funding shall respond to any document request and request by March 21, 2011 at 5:00 p.m. central time and (b) GCF shall make a witness available for examination at the offices of Haynes and Boone, LLP at a mutually agreeable time between the dates of April 1, 2011 and April 8, 2011. The Committee Investigation Deadline may be extended by the written agreement of GCF, or on any motion filed prior to the Committee Investigation Deadline if, after notice and hearing, the movant demonstrates that GCF has not complied with its obligations under this paragraph 18. Nothing herein shall waive any objection to any discovery request submitted in connection with this Order.

20. If no such adversary proceeding or contested matter is properly filed within the applicable deadline or the Court does not rule in favor of the plaintiff in any such proceeding, then for all purposes in this chapter 11 case and any subsequent case under chapter 7 of the Bankruptcy Code: (a) the Debtor's admissions, stipulations and releases contained in this Order shall be binding on all parties in interest; (b) the obligations of the Debtor under the Loan Documents shall constitute allowed claims for all purposes in this chapter 11 case, and any subsequent chapter 7 case; (c) the prepetition liens on the Prepetition Collateral shall be deemed to have been, as of the Petition Date, legal, valid, binding, perfected, first priority security interests and liens, not subject to recharacterization, subordination or otherwise avoidable; and (d) the Prepetition Obligations and the prepetition liens on the Prepetition Collateral shall not be

subject to any other or further challenge, attack, ~~offset~~, or defense by the Committee or any other party in interest seeking to exercise the rights of the Debtor's estate, including, without limitation, any successor thereto. If any such adversary proceeding or contested matter is properly filed within the requisite time period, the Debtor's admissions, stipulations and releases contained in this Order shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) except to the extent that such specific admissions and releases were expressly challenged in such adversary proceeding or contested matter. Pursuant to this Order, the Committee shall be deemed to have standing to commence any such adversary proceeding or contested matter, provided, however, that nothing contained in this Order shall be deemed to grant standing to any other party to commence any such adversary proceeding or contested matter.

19. **Final Hearing.** The Final Hearing on the Motion will be held on March 22, 2011, at 10:45 A.m. (Central Time) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division, 515 Rusk Avenue, Courtroom 401, Houston, TX 77002.

20. **Service of Order.** Within three business days after the entry of this Order, the Debtor shall serve, by United States mail, first-class postage prepaid, notice of the entry of Order and of the Final Hearing (the "Final Hearing Notice"), together with copies of this Order and the Motion, on: (a) the Office of the United States Trustee for the Southern District of Texas; (b) the Internal Revenue Service; (c) counsel to any official committee(s); (d) the creditors holding the 20 largest unsecured claims against the Debtor's estate, as identified in the Debtor's chapter 11 petition; and (e) counsel for GCF, Haynes and Boone, LLP, One Houston Center, 1221 McKinney, Suite 2100, Houston, TX 77010, attn: Karl Burrer.

21. **Reservation of Rights.** Notwithstanding any provision of this Order to the

contrary, no liens or security interests granted to GCF in this Order shall prime or have priority over any lien asserted by Greehey^{Co., Ltd.} unless such liens or security interests would have had such priority under applicable non-bankruptcy law.

22. **Objections.** Any objection to the relief requested in the Motion on a permanent basis must be (a) filed in writing with the Clerk of the Bankruptcy Court on the date that is ten days after the entry of this Order (the "Objection Deadline") and (b) served so as to be actually received by the following parties by the Objection Deadline: (i) the U.S. Trustee, 515 Rusk Avenue, Suite 3516, Houston, Texas 77002; (ii) proposed counsel for the Debtor, Okin Adams & Kilmer, LLP, 1113 Vine St., Suite 201, Houston, Texas 77002, attn: Matthew S. Okin; and (iii) counsel for GCF, Haynes and Boone, LLP, One Houston Center, 1221 McKinney, Suite 2100, Houston, TX 77010, attn: Karl Burrer.

Pursuant to Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry.

Dated: FEB 22 2011


UNITED STATES BANKRUPTCY JUDGE

Cash Collateral Budget
 Reveille Resources (Texas), Inc.
 February 15, 2011 through March 20, 2011

| | Petition Date 2/15/2011 | Week Ending 2/20/2011 | 2/27/2011 | 3/6/2011 | 3/13/2011 | 3/20/2011 |
|--|-------------------------------|-----------------------------|-----------|-----------|-----------|-----------|
| Cash Receipts | | | | | | |
| Oil and Gas Revenue(8/8ths) | | 125,134 | 500,625 | | | 152,000 |
| Hedge Transaction Income | 21,726 | | | 26,915 | | |
| JIB A/R Receipts | | | 35,000 | | | |
| AFE Receipts | | | 75,000 | | | |
| Total Cash Receipts | 21,726 | 125,134 | 610,625 | 26,915 | 0 | 152,000 |
| Cash Disbursements* | | | | | | |
| Working and Royalty Disbursements | | | (382,583) | | | |
| Production Tax Disbursement (8/8ths Gas) | | | (44,100) | | | |
| Lease Operating Expense | | | (175,000) | | | |
| General & Administrative | | | | | | |
| Auto Expense | | | | (500) | | |
| Subscriptions | | | (1,050) | | (3,862) | |
| Payroll | | | (11,662) | | | (11,662) |
| Insurance | | | | (4,742) | | |
| Travel | | | (2,000) | | | |
| Office Supplies | | | (1,000) | | | |
| Rent | | | | (4,000) | | |
| Consulting | | | | (5,000) | | |
| Telephone & Utilities | | | | (1,000) | | |
| Subtotal-G&A | 0 | 0 | (15,712) | (15,242) | (3,862) | (11,662) |
| Bankruptcy | | | | | | |
| Bankruptcy Counsel Fees | | | | | | |
| Chief Restructuring Officer | | | | | | |
| US Trustee Fees | | | | | | |
| Legal Fees | | | | | | |
| Subtotal-Bankruptcy | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Cash Disbursements | 0 | 0 | (617,395) | (15,242) | (3,862) | (11,662) |
| Net Cash Flow | 21,726 | 125,134 | (6,770) | 11,673 | (3,862) | 140,338 |
| Cash On Hand-Petition Date | 994,700 | | | | | |
| Cash Balance | 1,016,426 | 1,141,560 | 1,134,790 | 1,146,463 | 1,142,601 | 1,282,939 |

* Some Disbursements include payment of prepetition amounts and will require Court approval prior to payment.

Exh. A