

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

	X	
In re:	:	Chapter 11
	:	
RYCKMAN CREEK RESOURCES, LLC,	:	Case No. 16-10292 (KJC)
et al.,	:	
	:	Jointly Administered
Debtors. ¹	:	
	:	Hrg. Date: May 31, 2017 at 1:00 p.m. (Eastern)
	:	Obj. Due: May 12, 2017 at 4:00 p.m. (Eastern)
	X	
	:	
ANADARKO ENERGY SERVICES	:	
COMPANY,	:	
	:	
Plaintiff,	:	
	:	Adv. Proc. No. 16-51494 (KJC)
v.	:	
	:	
RYCKMAN CREEK RESOURCES, LLC,	:	
	:	
Defendant.	:	
	X	

**DEBTORS' MOTION FOR ORDER UNDER BANKRUPTCY
CODE SECTION 105 AND BANKRUPTCY RULE 9019 APPROVING THE MODIFIED
SETTLEMENT BETWEEN RYCKMAN CREEK RESOURCES, LLC AND
ANADARKO ENERGY SERVICES COMPANY**

Ryckman Creek Resources, LLC ("Ryckman") and certain of its affiliates, the debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors" or the "Company"), hereby move (this "Motion") this Court for entry of an order (the "Order"), pursuant to section 105 of title 11 of the United States Code (the "Bankruptcy Code") and Rule

¹ The Debtors and, where applicable, the last four digits of their respective taxpayer identification numbers, are as follows: Ryckman Creek Resources, LLC (4180), Ryckman Creek Resources Holding Company LLC, Peregrine Rocky Mountains LLC, and Peregrine Midstream Partners LLC (3363). The address of the Debtors' corporate headquarters is 3 Riverway, Suite 1100, Houston, TX 77056.



9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), approving the modified settlement (the “Modified Settlement”) set forth herein between Ryckman and Anadarko Energy Services Company (“Anadarko”). In support of this Motion, the Debtors rely on the Declaration of Robert D. Albergotti, Vice President of Restructuring of the Debtors, in Support of Debtors’ Motion for Order Under Bankruptcy Code Section 105 and Bankruptcy Rule 9019 Approving the Modified Settlement Between Ryckman Creek Resources, LLC and Anadarko Energy Services Company (the “Albergotti Declaration”). In further support of this Motion, the Debtors respectfully represent as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this Motion under 28 U.S.C. §§ 157 and 1334. This is a core proceeding under 28 U.S.C. § 157(b). Venue of these cases and this Motion in this District is proper under 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief requested herein are Bankruptcy Code section 105 and Bankruptcy Rule 9019.

3. Pursuant to Rule 9013-1(f) of the Local Rules for the United States Bankruptcy Court for the District of Delaware (the “Local Bankruptcy Rules”), the Debtors consent to the entry of a final judgment or order with respect to this Motion if it is determined that this Court would lack Article III jurisdiction to enter such final order or judgment absent the consent of the parties.

GENERAL BACKGROUND

4. On February 2, 2016 (the “Petition Date”), the Debtors each commenced a case by filing a petition for relief under chapter 11 of the Bankruptcy Code (collectively, the “Chapter 11 Cases”). The Chapter 11 cases are jointly administered.

5. The Debtors continue to operate their business and manage their properties as debtors and debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

6. On February 12, 2016, the Office of the United States Trustee for the District of Delaware (the “U.S. Trustee”) appointed an Official Committee of Unsecured Creditors (the “Creditors’ Committee”) in the Chapter 11 Cases pursuant to Bankruptcy Code section 1102. No trustee or examiner has been appointed in the Chapter 11 Cases.

7. The Company was formed to engage in the acquisition, development, marketing, and operation of an underground natural gas storage facility (the “Ryckman Creek Facility”), located in Uinta County, Wyoming. The Ryckman Creek Facility is a 50 billion cubic foot storage facility with a working gas capacity of approximately 42 billion cubic feet. It is located approximately 25 miles from the Opal Hub, where five major interstate gas pipelines converge, allowing for distribution to several key consumer markets, including California, Nevada, the Pacific Northwest, and the Midwest.

8. Additional factual background information regarding the Debtors, including their business operations, their corporate and capital structure, and the events leading to the Chapter 11 Cases, is set forth in detail in the Declaration of Robert D. Albergotti, Vice President of Restructuring of the Debtors, in Support of the Debtors’ Chapter 11 Petitions and First Day Pleadings [Docket No. 20].

SPECIFIC BACKGROUND

9. On May 3, 2011, Anadarko and Ryckman entered into a Firm Storage and Precedent Agreement (the “Precedent Agreement”) under which Ryckman agreed to construct, own, and operate the Ryckman Creek Facility. Following commencement of services at the Ryckman Creek Facility, the Precedent Agreement, by its express terms, would terminate and the parties’ Firm Storage Service Agreement would become effective. Under the Firm Storage

Service Agreement, to the extent that such agreement became effective, Anadarko agreed to store natural gas in the Ryckman Creek Facility for a period of at least eight years. The Debtors and Anadarko disagree primarily over whether the Precedent Agreement, and by extension the Firm Storage Service Agreement, terminated prior to the Petition Date.

10. On December 21, 2016, the Debtors filed the Debtors' Motion for Order Under Bankruptcy Code Section 105 and Bankruptcy Rule 9019 Approving the Settlement between Ryckman Creek Resources, LLC and Anadarko Energy Services Company [Docket No. 803] (the "Original 9019 Motion").² This Court approved the Original 9019 Motion by an order dated January 9, 2017 [Docket 833] (the "Original 9019 Order").

11. Under the terms set forth in the Original 9019 Order, the Settlement (as defined in the Original 9019 Motion, "Original Settlement") would not become effective until (i) the entry of a final order by the Bankruptcy Court approving the Settlement and (ii) the Federal Energy Regulatory Commission's ("FERC") approval of the amended Firm Storage Service Agreement, including approval as a nonconforming contract. See Original 9019 Order ¶ 4.

12. As set forth at the hearing on March 27, 2017, the Debtors are in the process of dealing with an unanticipated amount of water that is being pulled out of the ground as gas is being extracted. See Hr'g Tr. 7:10-25, March 27, 2017. The amount of water being extracted from the reservoir limits the amount of gas that the Company can extract, and therefore the amount of gas that the Debtors can contract to deliver to customers. See id. at 8:7-11. The

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Original 9019 Motion. Moreover, additional factual background regarding the underlying dispute with Anadarko is set forth in further detail in the Original 9019 Motion.

Debtors anticipate beginning certain capital expenditure projects (the “Projects”)³ to remediate this and other issues, subject to obtaining exit financing or an alternative investment to fund the Projects.

13. In an effort to ensure that the Debtors will be able to fulfill all of their obligations under the amended Firm Storage Service Agreement as agreed to in the Original Settlement (the “Original Settlement FSSA”), the Debtors did not submit the Original Settlement FSSA for FERC approval, and accordingly, it is impossible for the Original Settlement FSSA to be in service by the required in-service date of April 1, 2017. However, the Debtors entered into discussions with Anadarko to enter into another settlement agreement with a delayed start date. As a result of these efforts, the Debtors and Anadarko have agreed to the terms of the Modified Settlement set forth herein.

THE SETTLEMENT

14. As noted above, Ryckman and Anadarko have agreed to the Modified Settlement, pursuant to which (i) subject to the fulfillment of the terms and conditions set forth in the Modified Settlement and as described herein, Ryckman and Anadarko shall execute a new Firm Storage Service Agreement, attached hereto as Exhibit A (the “New FSSA”);⁴ (ii) upon entry of the Order approving the Modified Settlement, Anadarko shall voluntarily dismiss the Prepetition Litigation and the Anadarko Adversary Proceeding and withdraw the Pending Motions (each as defined in the Original 9019 Motion and collectively referred to as “Pending”

³ The Projects include, but are not limited to, (i) addressing oil, natural gas liquids, and dew point control issues, particularly the high rates of water withdrawal; (ii) water handling and disposal through related water handling facilities or separation; (iii) the addition of vertical wells to improve withdrawal capacity and improve reliability; and (iv) other minor projects to address certain operational constraints.

⁴ The New FSSA with Anadarko is for a capacity of 5 BCF (MSQ) for an 8-year term beginning April 1, 2018. The economic terms contained in the Original Settlement FSSA are unchanged in the New FSSA.

Proceedings”) with prejudice; and (iii) upon entry of the Order approving the Modified Settlement, the Debtors and their estates shall release Anadarko from any and all claims, rights, or obligations related to or arising in or under (a) the Precedent Agreement (including the related Firm Storage Service Agreement), the Original Settlement, and Original Settlement FSSA, each of which shall be deemed terminated and of no further force or effect, (b) the Past Due Amounts⁵, and (c) the Pending Proceedings.

15. Prior to Anadarko and Ryckman’s obligation to execute the New FSSA, the Debtors are required to meet certain conditions precedent, including:

- (i) the Debtors must confirm a plan of reorganization by July 31, 2017, or such later date as the Debtors and their postpetition secured lenders agree, but in any event no later than August 31, 2017;
- (ii) the Debtors must obtain FERC approval for the proposed Projects by July 31, 2017; and
- (iii) the Projects must be completed on or before December 1, 2017.

16. If Ryckman timely satisfies each of the conditions (i) through (iii) above, Ryckman and Anadarko shall execute the New FSSA, and Ryckman will promptly seek FERC approval of the New FSSA, including the non-conforming provisions. Thereafter, the New FSSA shall become binding upon the parties only to the extent that FERC approves the New FSSA, without modification or condition, on or before April 1, 2018, necessarily including approval of the nonconforming contract provisions. Ryckman’s (or its successors or assigns as the case may be) failure to obtain FERC approval as stated above shall result in the termination of the New FSSA and in such event all obligations of Anadarko and Ryckman (or its successors

⁵ As used herein, the “Past Due Amounts” shall refer to the \$9,640,916.01 that the Debtors allege that Anadarko owes them under the Firm Storage Service Agreement (and/or the Original Settlement FSSA) through April 21, 2017, plus any amounts that have accrued and may accrue through the date of entry of the Order.

or assigns) thereunder shall be rendered null and void. The Modified Settlement ensures the Debtors an ongoing relationship with one of their key customers, while allowing the Debtors additional time to resolve certain operational issues at the Ryckman Creek Facility.

RELIEF REQUESTED

17. By this Motion, the Debtors seek entry of an order under Bankruptcy Code section 105 and Bankruptcy Rule 9019 approving the Modified Settlement.

BASIS FOR RELIEF

18. The Debtors submit that the Firm Storage Service Agreement with Anadarko is a major asset of the estate and the ability to enter into the New FSSA enhances the Debtors' ability to successfully reorganize. The Debtors seek to modify the Original Settlement, which will allow the Debtors additional time to remediate certain operational issues, to help ensure that they can fulfill all of their obligations under the terms of the New FSSA.

19. Under the Original Settlement, Anadarko was not required to dismiss the Pending Proceedings until after the Settlement Effective Date. As set forth in the Original 9019 Motion, the Settlement Effective Date could not occur until FERC approved the Original Settlement FSSA. However, as explained above, the Debtors did not seek FERC approval prior to the scheduled in-service date in an effort to remediate certain operational issues that would have allowed Anadarko to terminate the Original Settlement FSSA. As a result, the Pending Proceedings are currently stayed and abated.

20. Accordingly, the Debtors and Anadarko agreed to the Modified Settlement, which, subject to this Court's approval, will now require Anadarko to withdraw and dismiss the Pending Proceedings upon entry of the Order and allow the Debtors to retain a key customer. Moreover, the Debtors submit that entry into the Modified Settlement will enable the Debtors to be able to fulfill their obligations to Anadarko under the New FSSA. Thus, approval of the

Modified Settlement will allow the Debtors to avoid costly and time consuming litigation with Anadarko, and remove a key roadblock on the path to emergence.

21. For the reasons set forth herein, the Debtors submit that the relief requested in this Motion is in the best interest of the Debtors, their estates, creditors, stakeholders and other parties in interest, and should therefore be granted.

APPLICABLE AUTHORITY

22. Bankruptcy Rule 9019, which governs the approval of compromises and settlements by a debtor, provides that, “[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement.” Fed. R. Bankr. P. 9019(a).

23. The analysis of any proposed settlement starts with the general policy of encouraging settlements and favoring compromises. See Myers v. Martin (In re Martin), 91 F.3d 389, 394 (3d Cir. 1996). To approve a settlement, a bankruptcy court must determine that the settlement is in the best interest of a debtor’s estate. Law Debenture Trust Co. of N.Y. v. Kaiser Aluminum Corp. (In re Kaiser Aluminum Corp.), 339 B.R. 91, 95–96 (D. Del. 2006). In addition, a court must:

“assess and balance the value of the claim that is being compromised against the value to the estate of the acceptance of the compromise proposal” in light of four factors: (1) the probability of success in the litigation, (2) the likely difficulties in collection, (3) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it, and (4) the paramount interests of the creditors.

Id. at 96 (quoting In re Martin, 91 F.3d at 393). The United States District Court for the District of Delaware has explained that a court’s ultimate inquiry is whether a settlement is fair, reasonable, and in the best interest of a debtor’s estate. In re Marvel Entm’t Grp., Inc., 222 B.R. 243, 249 (D. Del. 1998) (citing In re Louise’s, Inc., 211 B.R. 798, 801 (D. Del. 1997)).

24. The decision to approve a particular settlement lies within the sound discretion of the bankruptcy court. In re World Health Alts., Inc., 344 B.R. 291, 296 (Bankr. D. Del. 2006). In exercising its discretion, the bankruptcy court must make an independent determination that the settlement is fair and equitable. Protective Comm. for Indep. Stockholders of TMT Trailer Ferry Inc., v. Anderson, 390 U.S. 414, 424 (1968). A court need not decide the numerous issues of law and fact raised by the settlement and it need not be convinced that the proposed settlement is the best possible, rather “[t]he court need only conclude that the settlement falls within the reasonable range of litigation possibilities somewhere above the lowest point in the range of reasonableness.” In re Nutritional Sourcing Corp., 398 B.R. 816, 833 (Bankr. D. Del. 2008) (quoting In re Coram Healthcare Corp., 315 B.R. 321, 330 (Bankr. D. Del. 2004)). In making its determination, a court should not substitute its own judgment for that of the debtor and should defer to the debtor so long as there is a reasonable business justification. See In re Martin, 91 F.3d at 395; In re Jasmine, Ltd., 258 B.R. 119, 123 (D.N.J. 2000). The court should exercise its discretion “in light of the general public policy favoring settlements.” In re Hibbard Brown & Co., 217 B.R. 41, 46 (Bankr. S.D.N.Y. 1998); Nellis v. Shugrue, 165 B.R. 115, 123 (S.D.N.Y. 1994) (“[T]he general rule [is] that settlements are favored and, in fact, encouraged by the approval process outlined above.”).

25. Bankruptcy Code section 105 provides, in pertinent part, that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

26. The Debtors submit in their business judgment that in light of the above-referenced factors, the resolution embodied in the Modified Settlement is fair and equitable and in the best interests of the Debtors, their estates, and their creditors. The Modified Settlement

allows the Debtors additional time to remediate certain operational issues at the Ryckman Creek Facility, while maintaining an ongoing positive relationship with one of their key customers. Moreover, as in the Original Settlement, the Modified Settlement allows the Debtors to avoid costly and time consuming litigation against Anadarko. Again, in exchange for the release of certain claims allegedly owed by Anadarko to the Debtors and the other consideration set forth in the Modified Settlement, Anadarko has agreed, upon entry of the Order, to promptly dismiss the Pending Motions with prejudice and promptly dismiss the Prepetition Litigation and the Anadarko Adversary Litigation (each as defined in the Original 9019 Motion) with prejudice, thus resolving all pending litigation between the parties. In exchange, the Debtors and their estates have agreed, upon entry of the Order approving the Modified Settlement, to release Anadarko from any and all claims, rights, or obligations related to or arising in or under (i) the Precedent Agreement (including the related Firm Storage Service Agreement), the Original Settlement and Original Settlement FSSA, each of which shall be deemed terminated and of no further force or effect; (ii) the Past Due Amounts; and (c) the Pending Proceedings.

27. In addition, each of the Martin factors weighs in favor of approving the Settlement.⁶ First, the probability of the Debtors' success in the Anadarko Adversary Litigation is uncertain. In the absence of the Settlement, it is unclear how this Court would have ruled on Anadarko's motion to determine that the contract claims at issue are non-core matters. Second, absent the Modified Settlement, there is no certainty that the Debtors would be able to assume any Firm Storage Service Agreement with Anadarko, precluding the Debtors' ability to collect both the claimed past due amounts and prospective revenue from a key customer. Third,

⁶ Further support for each of the Martin factors is set forth in more detail in the Original 9019 Motion.

litigating the disputes with Anadarko would be complex, protracted, time-consuming, costly, and uncertain. Finally, the Modified Settlement is in the paramount interest of the Debtors' creditors and will substantially benefit them. The Modified Settlement provides for future revenue under the New FSSA by retaining a key pre-petition gas storage customer.

28. By contrast, the Debtors believe that the terms of the proposed contractual relationship between the Debtors and Anadarko are commercially reasonable under the circumstances. The Modified Settlement keeps in place the Debtors' release of the Past Due Amounts, and continues to require Anadarko to dismiss and withdraw any pending litigation, both of which will now become effective upon entry of the Order approving this Motion. However, the Modified Settlement delays the effective date of the agreement to April 1, 2018, and sets several other conditions to the effectiveness of the New FSSA.

29. Based on the foregoing, the Debtors submit that the proposed Modified Settlement is beneficial to and in the best interests of their estates and their creditors. The Modified Settlement represents a compromise that is fair and equitable, falls well within the range of reasonableness, and satisfies the standards for approval under applicable law. Accordingly, for the reasons detailed herein, approval of the Modified Settlement is warranted under Bankruptcy Code section 105 and Bankruptcy Rule 9019.

NOTICE

30. Notice of this Motion shall be given to (i) the Office of the U.S. Trustee; (ii) counsel to the agent for the Debtors' prepetition secured lenders; (iii) counsel to the agent for the Debtors' postpetition secured lenders; (iv) counsel for the Creditors' Committee; and (v) any such other party entitled to notice pursuant to Bankruptcy Rule 2002(b) and Local Bankruptcy Rule 2002-1. In addition, the Debtors have provided notice to Anadarko and its counsel. The

Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

NO PRIOR REQUEST

31. No previous request for the relief sought herein has been made to this Court or any other court.

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CONCLUSION

WHEREFORE, the Debtors respectfully request that this Court enter an order, substantially in the form annexed hereto, granting the relief set forth herein and such other and further relief as may be just and proper.

Dated: Wilmington, Delaware
April 21, 2017

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

/s/ Sarah E. Pierce

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Alison M. Keefe (I.D. No. 6187)
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- and -

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Telephone: (312) 407-0700
Fax: (312) 407-0411

Counsel for Debtors and Debtors in Possession

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

	X	
	:	
In re:	:	Chapter 11
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RYCKMAN CREEK RESOURCES, LLC,	:	Case No. 16-10292 (KJC)
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COMPANY,	:	
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Plaintiff,	:	
	:	Adv. Proc. No. 16-51494 (KJC)
v.	:	
	:	
RYCKMAN CREEK RESOURCES, LLC,	:	
	:	
Defendant.	:	
	X	

**NOTICE OF DEBTORS' MOTION FOR ORDER UNDER BANKRUPTCY
CODE SECTION 105 AND BANKRUPTCY RULE 9019 APPROVING THE MODIFIED
SETTLEMENT BETWEEN RYCKMAN CREEK RESOURCES, LLC AND
ANADARKO ENERGY SERVICES COMPANY**

PLEASE TAKE NOTICE that the debtors and debtors in possession in the above-captioned jointly administered bankruptcy cases (collectively, the “Debtors”) filed the Debtors’ Motion For Order Under Bankruptcy Code Section 105 And Bankruptcy Rule 9019 Approving

¹ The Debtors and, where applicable, the last four digits of their respective taxpayer identification numbers, are as follows: Ryckman Creek Resources, LLC (4180), Ryckman Creek Resources Holding Company LLC, Peregrine Rocky Mountains LLC, and Peregrine Midstream Partners LLC (3363). The address of the Debtors’ corporate headquarters is 3 Riverway, Suite 1100, Houston, TX 77056.

The Modified Settlement Between Ryckman Creek Resources, LLC And Anadarko Energy Services Company the “Motion”).

PLEASE TAKE FURTHER NOTICE that objections, if any, to the Motion or the relief requested therein must be made in writing, filed with the Bankruptcy Court (as defined below), and served so as to be received by the following parties no later than **May 12, 2017 at 4:00 p.m. (Eastern):**

(i) the Debtors, Ryckman Creek Resources, LLC, 3 Riverway, Houston, Texas 77056, Attention: General Counsel (JRuth@PeregrineMPLLC.com);

(ii) counsel for the Debtors, Skadden, Arps, Slate, Meagher & Flom LLP, 155 North Wacker Drive, Chicago, Illinois 60606, Attention: George N. Panagakis (george.panagakis@skadden.com) and Tabitha J. Atkin (tabitha.atkin@skadden.com); and One Rodney Square, 920 N. King Street, Wilmington, Delaware 19801, Attention: Sarah E. Pierce (sarah.pierce@skadden.com);

(iii) counsel to the agent for the Debtors’ prepetition secured lenders and the agent for the Debtors’ postpetition secured lenders, Holland & Knight LLP, 200 Crescent Court, Suite 1600, Dallas, Texas 75201, Attention: Robert Jones (Robert.Jones@hklaw.com) and Brent McIlwain (Brent.McIlwain@hklaw.com), and Bayard, P.A., 222 Delaware Avenue, Suite 900, Wilmington, Delaware 19899, Attention: Neil B. Glassman (nglassman@bayardlaw.com);

(iv) counsel to the Official Committee of Unsecured Creditors, Greenberg Traurig, LLP, 1007 North Orange Street, Suite 1200, Wilmington, Delaware 19801, Attention: Dennis A. Meloro (melorod@gtlaw.com); and 1000 Louisiana, Suite 1700, Houston, Texas 77002, Attention: Shari L. Heyen (HeyenS@gtlaw.com) and Michael L. Burnett (BurnettM@gtlaw.com); and Terminus 200, 3333 Piedmont Road, NE, Suite 2500, Atlanta, Georgia 30305, Attention: David B. Kurzweil (KurzweilD@gtlaw.com); and

(v) the Office of the U.S. Trustee, J. Caleb Boggs Federal Building, 844 King Street, Room 2207, Wilmington, DE 19801, Attention: Richard L. Schepacarter, Esq. (richard.schepacarter@usdoj.gov).

PLEASE TAKE FURTHER NOTICE that the hearing on the Motion (the “Hearing”) will be held on **May 31, 2017 at 1:00 p.m. (Eastern)** before the Honorable Kevin J. Carey, United States Bankruptcy Judge for the District of Delaware, in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), 5th Floor, Courtroom 5, 824 Market Street, Wilmington, Delaware 19801.

**PLEASE TAKE FURTHER NOTICE THAT IF NO OBJECTIONS TO
THE MOTION ARE TIMELY FILED AND RECEIVED IN ACCORDANCE WITH THE
ABOVE PROCEDURES, THE RELIEF REQUESTED IN THE MOTION MAY BE
GRANTED WITHOUT FURTHER NOTICE OR HEARING.**

Dated: Wilmington, Delaware
April 21, 2017

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

/s/ Sarah E. Pierce

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- and -

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Fax: (312) 407-0411

Counsel for Debtors and Debtors in Possession

EXHIBIT A

New Firm Storage and Service Agreement

FSS - FIRM STORAGE SERVICE
SERVICE AGREEMENT

This Agreement is made as of the ____ day of _____, 201__, by and between Ryckman Creek Resources, LLC, a Delaware limited liability company herein called "Ryckman Creek," and Anadarko Energy Services Company, a Delaware corporation, herein called "Customer," (each of Ryckman Creek and Customer, a "Party," and collectively, the "Parties"), pursuant to the following recitals and representations:

WHEREAS, Ryckman Creek owns and operates an underground natural gas storage facility known as the Ryckman Creek gas storage facility, located in Wyoming, and is authorized to provide natural gas storage and related services in interstate commerce by way of the Ryckman Creek gas storage facility; and

WHEREAS, Customer has requested that Ryckman Creek provide certain firm natural gas storage services for Customer; and

WHEREAS, Ryckman Creek has agreed to provide such firm storage services for Customer subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, Ryckman Creek and Customer agree as follows:

ARTICLE I – SCOPE OF AGREEMENT

Following the commencement of service hereunder, in accordance with the terms of Ryckman Creek's Rate Schedule FSS, and of this Agreement, Ryckman Creek shall on any day receive for injection into storage in the Ryckman Creek gas storage facility for Customer's account a quantity of gas up to Customer's Maximum Daily Injection Quantity as set forth on Exhibit "A" hereto, shall store quantities of gas so injected up to a Maximum Storage Quantity as set forth on Exhibit "A" hereto (on a cumulative basis), and on demand on any day shall withdraw from Customer's Storage Inventory and deliver to Customer a quantity of gas up to Customer's Maximum Daily Withdrawal Quantity as set forth on Exhibit "A" hereto.

ARTICLE II – POINTS OF RECEIPT AND DELIVERY

The point(s) at which the gas is to be tendered by Customer to Ryckman Creek under this Agreement shall be the point(s) designated on Exhibit "A" hereto ("Customer's Point(s) of Receipt").

The point(s) at which the gas is tendered by Ryckman Creek to Customer under this Agreement shall be the point(s) designated on Exhibit "A" hereto ("Customer's Point(s) of Delivery").

ARTICLE III – PRICE

3.1 Customer agrees to pay Ryckman Creek the charges set forth on Exhibit “A” hereto for all gas storage service furnished to Customer hereunder.

3.2 Customer further agrees to pay Ryckman Creek all other applicable fees and charges as set forth in the GT&C, and in the FSS Rate Schedule.

3.3 Customer shall reimburse Ryckman Creek for all applicable taxes as may be assessed against Ryckman Creek for the receipt, injection, storage, withdrawal and/or delivery of Customer’s gas. In addition, Customer shall reimburse Ryckman Creek for Customer’s pro rata portion, calculated using the same methodology as that used to assess the tax, of all ad valorem taxes, property taxes and/or other similar taxes on Customer’s gas in storage assessed against and paid by Ryckman Creek.

ARTICLE IV – INCORPORATION OF RATE SCHEDULE AND TARIFF PROVISIONS

This Agreement shall be subject to the terms and conditions specified in Ryckman Creek’s FSS Rate Schedule and the provisions of Ryckman Creek’s FERC Gas Tariff, as filed with the Federal Energy Regulatory Commission, together with the General Terms and Conditions applicable thereto (including any changes in said Rate Schedule, Tariff or General Terms and Conditions as may from time to time be filed and made effective by Ryckman Creek).

ARTICLE V – TERM OF AGREEMENT

This Agreement shall be effective as of April 1, 2018 and shall remain in force and effect until March 31, 2026 (the “Primary Term”), unless otherwise terminated earlier under the terms and conditions of this Agreement.

ARTICLE VI – NOTICES

Except as otherwise provided in the General Terms and Conditions applicable to this Agreement, any notice under this Agreement shall be in writing and may be sent by facsimile transmission or mailed to the post office address of the Party intended to receive the same, as follows:

Ryckman Creek:	Ryckman Creek Resources, LLC 3 Riverway, Suite 1100 Houston, Texas 77056
----------------	--

Attention:	Marketing
------------	-----------

Customer: Anadarko Energy Services Company

Notices: Anadarko Energy Services Company
1200 Timberloch Place
The Woodlands, Texas 77380

Attention: Brent Beitler

Attention: Anadarko Energy Services Company
1099 18th Street
Denver, CO 80202
Troy Marsh

Billing: Anadarko Energy Services Company
1099 18th Street
Denver, CO 80202

Attention: Tonia Carbajal

Or to such other address as either Party shall designate by formal written notice to the other. In all instances, the Parties shall use their best efforts to provide notice by facsimile prior to 5 p.m. Mountain Time. Notice received before 5 p.m. Mountain Time shall be deemed effective the day of receipt. Notice received after 5 p.m. Mountain Time shall be deemed effective the day following receipt.

ARTICLE VII – TRANSFER AND ASSIGNMENT

Any company which shall succeed by purchase, merger, consolidation, or otherwise to the properties, substantially as an entirety, of Ryckman Creek or of Customer, as the case may be, shall be entitled to the rights and shall be subject to the obligations of its predecessor in title under this Agreement. Otherwise, no assignment of this Agreement or any of the rights or obligations thereunder shall be made by Customer, except pursuant to the General Terms and Conditions of Ryckman Creek's FERC Gas Tariff. It is agreed however, that the restrictions on assignment contained in this Article shall not in any way prevent either Party to the Agreement from pledging or mortgaging its rights thereunder as security for its indebtedness.

ARTICLE VIII – LAW OF AGREEMENT

THE INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT SHALL BE IN ACCORDANCE WITH AND CONTROLLED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO DOCTRINES GOVERNING CHOICE OF LAW.

ARTICLE IX – LIMITATION OF REMEDIES, LIABILITY AND DAMAGES

Unless expressly herein provided, neither Party shall be liable to the other for indirect, special, consequential, incidental, punitive or exemplary damages.

ARTICLE X – WAREHOUSEMEN’S LIEN

10.1 CUSTOMER HEREBY ACKNOWLEDGES THAT RYCKMAN CREEK SHALL BE ENTITLED TO, AND RYCKMAN CREEK HEREBY CLAIMS, A LIEN ON ALL GAS RECEIVED BY RYCKMAN CREEK FROM CUSTOMER, AND ALL PROCEEDS THEREOF, UPON SUCH RECEIPT BY RYCKMAN CREEK, AS PROVIDED IN THE TEXAS UNIFORM COMMERCIAL CODE WITH THE RIGHTS OF ENFORCEMENT AS PROVIDED THEREIN AND HEREIN. IN NO WAY LIMITING THE FOREGOING, CUSTOMER HEREBY ACKNOWLEDGES THAT RYCKMAN CREEK SHALL BE ENTITLED TO, AND RYCKMAN CREEK HEREBY CLAIMS, A LIEN FOR ALL CHARGES FOR STORAGE OR TRANSPORTATION (INCLUDING DEMURRAGE AND TERMINAL CHARGES), INSURANCE, LABOR, OR CHARGES PRESENT OR FUTURE IN RELATION TO THE RECEIVED GAS, AND FOR EXPENSES NECESSARY FOR PRESERVATION OF THE RECEIVED GAS OR REASONABLY INCURRED IN THE SALE THEREOF, PURSUANT TO LAW, AND THAT SUCH LIEN SHALL EXTEND TO LIKE CHARGES AND EXPENSES IN RELATION TO ALL SUCH RECEIVED GAS.

10.2 IF DEEMED NECESSARY BY A COURT OF LAW, PURSUANT TO THE TEXAS UNIFORM COMMERCIAL CODE, SHIPPER HEREBY AGREES THAT:

- (i) THIS AGREEMENT, WITH ALL SCHEDULES AND EXHIBITS HERETO, AND ALL THE MONTHLY STATEMENTS RENDERED BY RYCKMAN CREEK TO CUSTOMER PURSUANT TO THE GENERAL TERMS AND CONDITIONS CONTAINED IN RYCKMAN CREEK’S TARIFF, SHALL BE DEEMED A “WAREHOUSE RECEIPT” FOR ALL PURPOSES WITH RESPECT TO THE TEXAS UNIFORM COMMERCIAL CODE, REGARDLESS OF WHEN THE GAS STORED PURSUANT TO THE CONTRACT IS RECEIVED;
- (ii) THE LOCATION OF THE WAREHOUSE, TO WHOM THE GAS WILL BE DELIVERED, RATE OF STORAGE AND HANDLING CHARGES, AND DESCRIPTION OF THE GOODS ARE AS SET FORTH, RESPECTIVELY, IN THE PREAMBLE OF THIS AGREEMENT, EXHIBIT A OF THIS AGREEMENT, THE MONTHLY INVOICE (AS DESCRIBED IN SECTION 6.16 OF THE GENERAL TERMS AND CONDITIONS);
- (iii) THE ISSUE DATE OF THE WAREHOUSE RECEIPT WITH RESPECT TO EACH RECEIPT OF GAS SHALL BE DEEMED TO BE THE DATE SUCH GAS WAS RECEIVED;

(iv) THE CONSECUTIVE NUMBER OF THE RECEIPT SHALL BE DEEMED BASED ON THE DATES OF RECEIPT WHEN LISTED IN CHRONOLOGICAL ORDER, BEGINNING WITH THE FIRST RECEIPT OF GAS UNDER THE TERMS OF THE CONTRACT, AND

(v) THE SIGNATURE OF RYCKMAN CREEK ON THE CONTRACT SHALL BE DEEMED TO BE THE SIGNATURE OF THE WAREHOUSEMAN.

ARTICLE XI – MISCELLANEOUS

11.1 This Agreement sets forth all understandings and agreements between the Parties respecting the subject matter hereof, and all prior agreements, understandings and representations, whether written or oral, respecting the subject matter hereof are superseded by this Agreement. No modification of the terms and provisions of this Agreement shall be made except by the execution by both Parties of a written agreement.

11.2 No waiver by a Party of any default(s) by the other Party in the performance of any provision, condition or requirement of this Agreement shall operate or be construed as a waiver of any future default(s), whether of a like or of a different character, nor in any manner release the defaulting Party from performance of any other provision, condition or requirement set forth herein.

11.3 If any provision of this Agreement is declared null and void or voidable by a court of competent jurisdiction, save and except for Sections 11.7, 11.8 and 11.9, such declaration shall in no way effect the validity or effectiveness of the other provisions of this Agreement, which shall remain in full force and effect, and the Parties shall thereafter use their commercially reasonable efforts to agree upon an equitable adjustment of the provisions of this Agreement with a view to effecting its purpose.

11.4 No presumption shall operate in favor of or against any Party as a result of any responsibility or role that any Party may have had in the drafting of this Agreement.

11.5 This Agreement shall not create any rights in third parties, and no provisions hereof shall be construed as creating any obligations for the benefit of, or rights in favor of, any person or entity other than Ryckman Creek or Customer.

11.6 This Agreement may be executed in counterparts, and all such executed counterparts shall form part of this Agreement. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Agreement.

11.7 The following events shall constitute “Events of Default”:

- (i) Ryckman Creek fails to perform or breaches any material obligation under this Agreement that prevents Ryckman Creek from being able to receive, store or deliver any portion of Gas that Customer nominates under this Agreement, except

to the extent such failure constitutes a separate Event of Default hereinafter, if such failure is not remedied within five (5) Business Days after receipt of written notice from Customer;

- (ii) Ryckman Creek breaches any material representation or warranty in Section 11.8 of this Agreement;
- (iii) Ryckman Creek's declaration of an event(s) of Force Majeure, whether based on one or more claimed events, that impairs or prevents Ryckman Creek from being able to receive, store or deliver any portion of Customer's nominated Gas under this Agreement and such event(s) of Force Majeure continues (a) for a period of five (5) consecutive Business Days, or (b) forty-five (45) cumulative Days during any rolling three hundred and sixty-five Day period, provided, however, Customer shall not have a right to terminate this Agreement under this subparagraph (iii) for Ryckman Creek's declaration of an event of Force Majeure if such event of Force Majeure is due to an event caused by or attributable directly to a Third Party's actions or inactions (provided with respect to a Third Party's inactions, such inaction results solely in a case where such Third Party has a legal obligation to take action and fails to do so). Provided further, that if Customer has a right to terminate this Agreement under this subparagraph (iii), but the subject event(s) of Force Majeure is incapable of being fully cured within the subject period under the applicable (a) or (b) above, and provided that Ryckman Creek promptly initiates and diligently pursues such cure after the occurrence of such event(s), Ryckman Creek shall be afforded an additional thirty (30) Days after the end of the subject period under the applicable (a) or (b) above to fully cure such event so as to be able to receive, store or deliver any portion of Customer's nominated Gas under this Agreement. If Ryckman Creek is unable to fully cure the event within such additional time period, Customer shall have the right to terminate this Agreement based on such Event of Default; or
- (iv) An Operational Event(s) occurs, other than Repair and Maintenance under Section 6.19 of Ryckman Creek's FERC Gas Tariff, General Terms and Conditions, that impairs or prevents Ryckman Creek from being able to receive, store or deliver any portion of Customer's nominated Gas under this Agreement and such Operational Event(s) continues (a) for a continuous period of five (5) consecutive Business Days, or (b) forty-five (45) cumulative Days during any rolling three hundred and sixty-five Day period. Provided further, that if the subject Operational Event(s) is incapable of being fully cured within the subject period under the applicable (a) or (b) above, and provided that Ryckman Creek promptly initiates and diligently pursues such cure after the occurrence of such Operational Event(s), Ryckman Creek shall be afforded an additional thirty (30) Days after the end of the subject period under the applicable (a) or (b) above to fully cure such Operational Event(s) so as to be able to receive, store or deliver

any portion of Customer's nominated Gas under this Agreement. If Ryckman Creek is unable to fully cure the event within such additional time period, Customer shall have the right to terminate this Agreement based on such Event of Default.

Unless the Event of Default has been fully and completely cured by Ryckman Creek, upon Customer's written notice to Ryckman Creek of an Event of Default under Section 11.7 of this Agreement, Ryckman Creek shall be in default under this Agreement, and Customer shall be (a) entitled to any and all remedies available to it at law or in equity, including but not limited to fully suspending performance under this Agreement and/or terminating this Agreement, and (b) relieved of any obligation to pay Ryckman Creek for any charges for gas storage services, or any other applicable fees and charges set forth in this Agreement, the GT&Cs and/or the FSS Rate Schedule (collectively "Charges") as of the date of any suspension/termination, save and except for any Charges that are rightfully due and owing to Ryckman Creek for periods of time prior to such suspension/termination. If Customer elects to terminate this Agreement, Ryckman Creek shall immediately, but not later than three (3) Business Days after requested by Customer allow Customer to withdraw its Storage Inventory. However, if Ryckman Creek is unable to deliver Gas to Customer in a quantity equivalent to Customer's Storage Inventory as required under the prior sentence, at Customer's election and upon written notice to Ryckman Creek, Customer may require Ryckman Creek to purchase the entire remaining portion of such Storage Inventory at a price equivalent to the Gas Daily Average for the Month immediately preceding the termination of the Agreement (such price being the "Termination Price"), with payment for such Storage Inventory purchase being immediately due and owing, and any such payment may be netted against any payment due and owing by Customer to Ryckman Creek under this Agreement. Ryckman Creek shall not be obligated to pay Customer more than Fifteen Million and Nine/100 U.S. Dollars (\$15,000,000.00) under the prior sentence (e.g., If the volume of Gas at termination times the Termination Price equals \$18,000,000.00, Ryckman Creek is only obligated to pay Customer a maximum initial payment of \$15,000,000.00); provided, however, that if Ryckman Creek elects not to make the full immediate payment (e.g., \$18,000,000.00 in the prior example), it shall be obligated to either (I) tender the volume of Gas equivalent to the Customer's remaining Storage Inventory after being credited with the volume of Gas made the subject of the initial payment, or (II) tender the remaining amount owed to Customer, based on the Termination Price, for Customer's remaining Storage Inventory, after being credited with the value of the initial payment, with the obligation owed based on Ryckman Creek's election under (I) or (II) being fully performed within thirty (30) Days of the termination of this Agreement.

11.8 Ryckman Creek represents and warrants to the Customer that:

- (i) As of the date of this Agreement, the facility made the subject of this Agreement is designed with respect to the injection, storage and withdrawal of Gas, as well as the receipt and delivery of the Gas nominated for withdrawal and delivery, to meet the Pipeline Requirements without any reliance on waiver(s) being issued or administered by any of the Receiving Pipelines; and

- (ii) The facility made the subject of this Agreement (a) is operating and functioning as designed with respect to the injection, storage and withdrawal of Gas, as well as the receipt and delivery of Gas nominated for withdrawal and delivery, without reliance on any waiver(s) of Pipeline Requirements being issued or administered by any of the Receiving Pipeline(s); and (b) is fully capable, without any restrictions, to operate on a daily basis to receive, store or deliver the full firm contract requirements and commitments of Ryckman Creek's firm customers, without the curtailment or interruption of any firm services to any existing or future customers.

11.9 The capitalized terms used in Sections 11.7, 11.8 or 11.9 of this Agreement shall have the following definitions:

- (i) "Affiliate" means any person or entity that directly or indirectly through one or more intermediaries, subsidiaries, or entities, controls, or is controlled by or is under common control with the person or entity specified. For the purposes of this definition of Affiliate, the term "control" (including the terms "controlled by" or "under common control with") means the possession of the power, directly or indirectly, to direct or cause the direction of the management, conduct, performance and/or policies of a person or entity, whether by ownership, interlocking directorships/memberships, contract, policy, or otherwise (including acting as a general partner of a limited partnership);
- (ii) "Control" means the possession, directly or indirectly, of the power, dominion or ability, to direct, command, order or cause the actions/inactions, acts, conduct and/or performance of a person or entity, by any means whatsoever, including by contract, relationship, course of performance, non-compensated request or otherwise;
- (iii) "Gas Daily Average" means the simple arithmetic average of the prices in US\$ per MMBtu published for each applicable Day of the applicable Month by the McGraw-Hill Companies, or its successor-in-interest, in Platts' Gas Daily under the table "Daily Price Survey (\$/MMBtu)" under the table "Rockies/Northwest", under the row "Kern River, Opal", under the column labeled "Midpoint";
- (iv) "Operational Event" means (a) the failure of the facility made the subject of this Agreement to operate or function as designed with respect to the injection, storage or withdrawal of Gas, including but not limited to the loss of Customer's Gas at the facility; (b) the failure of the Customer's Gas nominated for withdrawal and delivery to meet the Pipeline Requirements; (c) the curtailment of Gas receipts from Ryckman Creek by a Receiving Pipeline due to the failure to meet the Pipeline Requirements; (d) the curtailment or interruption of storage services, either partially or completely for reasons attributable to Ryckman Creek's storage

facility or storage operations; (e) the unavailability of Primary Points of Receipt and Delivery for reasons attributable to Ryckman Creek's storage facility or storage operations; or (f) the inability of the Customer to fully utilize all of its rights under this Agreement, including its Maximum Storage Quantity, Maximum Daily Injection Quantity, Maximum Daily Withdrawal Quantity, Storage Injection Ratchets, Storage Withdrawal Ratchets and/or Maximum Daily Delivery Quantities and/or Maximum Daily Receipt Quantities, to deliver or receive any portion of Customer's nominated Gas for reasons attributable to Ryckman Creek's storage facility or storage operations;

- (v) "Pipeline Requirements" means the pressure, quality and heat content requirements of the Receiving Pipelines;
- (vi) "Receiving Pipelines" means those pipeline systems commonly known as the Overthrust Pipeline, the Ruby Pipeline, the Questar Pipeline and the Kern River Pipeline; and
- (vii) "Third Party" means any person or entity that is not, (i) currently or within the last twenty-four Months prior to the date of this Agreement, an Affiliate of Ryckman Creek, (ii) under the Control of Ryckman Creek, or (iii) an invited guest (meaning other than a trespasser), whether as a business invitee or otherwise, of Ryckman Creek.

11.10 Sections 11.7, 11.8 and 11.9 of this Agreement shall be in effect only until March 31, 2022. On and after April 1, 2022, Sections 11.7, 11.8 and 11.9 of this Agreement shall be of no further force and effect.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed in several counterparts by their authorized agents as of the date first written above.

Ryckman Creek Resources, LLC

By: _____

Title: _____

Customer: Anadarko Energy Services Company

By: _____

Title: _____

Exhibit A
(for Use Under Rate Schedule FSS)

Between Ryckman Creek Resources, LLC and
Anadarko Energy Services Company (Customer)

Dated: _____, 201__

Transaction Confirmation

Maximum Storage Quantity ("MSQ")	5,000,000	Dth
Maximum Daily Injection Quantity ("MDIQ")	62,500	Dth/day
Maximum Daily Withdrawal Quantity ("MDWQ")	75,000	Dth/day
Primary Point of Receipt capacity on Overthrust if it becomes available	Overthrust Pipeline or WIC 's	
Maximum Daily Receipt Quantity ("MDRQ")	48,500	Dth/day
Primary Point of Receipt	Northwest Pipeline	
Maximum Daily Receipt Quantity ("MDRQ")	4,000	Dth/day
Primary Point of Receipt	Questar Pipeline Company	
Maximum Daily Receipt Quantity ("MDRQ")	10,000	Dth/day

*Receipts of Gas at Questar are subject to Questar pressures, and if the pressure on Questar is too low to on any Day to enable the receipt of such Gas, the affected Gas shall be received by Ryckman Creek at the Overthrust Point of Receipt, with the MDRQ for the Overthrust Point of Receipt being increased by the volume of such affected Gas

Primary Point of Delivery	Ruby Pipeline	
Maximum Daily Delivery Quantity ("MDDQ")	60,000	Dth/day
Primary Point of Delivery	Kern River Gas Transmission	
Maximum Daily Delivery Quantity ("MDDQ")	15,000	Dth/day

Customer shall have the right to use secondary Point(s) of Receipt and Point(s) of Delivery on Questar Pipeline Company, Kern River Gas Transmission, Overthrust Pipeline, WIC's Capacity on Overthrust, Northwest and Ruby Pipeline when available.

Start Date: April 1, 2018
End Date: March 31, 2026.

ROFR: _____ Yes X No

Storage Reservation Charge	\$0.060/Dth-mo. for contract years one through four, and \$0.064/Dth-mo. for contract years five through eight.
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Withdrawal Reservation Charge	N/A	\$/Dth-mo.
Injection Reservation Charge	N/A	\$/Dth-mo.
Storage Injection Charge	\$0.015	/Dth
Storage Withdrawal Charge	\$0.01	/Dth
Fuel Reimbursement	2.0	%

Storage Injection Ratchets:

MDQ - MMBtu	Injection MMBtu/day	Days
0 - 3,750,000	62,500	60
3,750,000 - 5,000,000	15,625	80
		140

Storage Withdrawal Ratchets:

MDQ - MMBtu	Withdrawal MMBtu/day	Days
5,000,000 - 500,000	75,000	60

500,000 - 0

12,500

40
100

Customer: Anadarko Energy Services Company

Signature: _____ Date: _____

Ryckman Creek Resources, LLC's Approval:

Signature: _____ Date: _____

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

	X	
	:	
In re:	:	Chapter 11
	:	
RYCKMAN CREEK RESOURCES, LLC,	:	Case No. 16-10292 (KJC)
et al.,	:	
	:	Jointly Administered
Debtors. ¹	:	
	:	Related Docket Nos. __
	X	
	:	
ANADARKO ENERGY SERVICES	:	
COMPANY,	:	
	:	
Plaintiff,	:	
	:	Adv. Proc. No. 16-51494 (KJC)
v.	:	
	:	
RYCKMAN CREEK RESOURCES, LLC,	:	
	:	
Defendant.	:	
	X	

**ORDER UNDER BANKRUPTCY CODE SECTION 105 AND BANKRUPTCY RULE 9019
APPROVING THE MODIFIED SETTLEMENT BETWEEN RYCKMAN CREEK
RESOURCES, LLC AND ANADARKO ENERGY SERVICES COMPANY**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (the “Debtors”) for an order (this “Order”), under Bankruptcy Code section 105 and Bankruptcy Rule 9019, approving the Modified Settlement between Ryckman Creek Resources,

¹ The Debtors and, where applicable, the last four digits of their respective taxpayer identification numbers, are as follows: Ryckman Creek Resources, LLC (4180), Ryckman Creek Resources Holding Company LLC, Peregrine Rocky Mountains LLC, and Peregrine Midstream Partners LLC (3363). The address of the Debtors’ corporate headquarters is 3 Riverway, Suite 1100, Houston, TX 77056.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion or the Original 9019 Motion, as applicable.

LLC (“Ryckman”) and Anadarko Energy Services Company (“Anadarko”); and due and sufficient notice of the Motion having been given under the particular circumstances; and it appearing that no other or further notice need be given; and it appearing that the relief requested by the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation thereon; and good and sufficient cause appearing therefore; it is hereby,

ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is GRANTED as set forth herein.
2. Pursuant to Bankruptcy Code section 105 and Bankruptcy Rule 9019, the Modified Settlement is approved in all respects.
3. The Debtors may take such actions and execute any documents necessary or appropriate to consummate the Modified Settlement and the transactions contemplated thereby without further Court order.
4. Upon the satisfaction of all conditions precedent set forth in paragraph 15 of the Motion, the Debtors are authorized to execute the New FSSA, Anadarko shall execute the New FSSA, and such New FSSA is approved.
5. Promptly, and in no event less than ten (10) business days after entry of this Order, Anadarko is directed to dismiss the Anadarko Adversary Litigation with prejudice and the Prepetition Litigation with prejudice.
6. Promptly, and in no event less than ten (10) business days after entry of this Order, Anadarko is directed to withdraw the Pending Motions with prejudice.
7. Upon entry of this Order, the Debtors and their estates shall release Anadarko from any and all claims, rights, or obligations related to or arising in or under (i) the Precedent Agreement (including the related Firm Storage Service Agreement), the Original

Settlement and Original Settlement FSSA, each of which shall be deemed terminated and of no further force or effect, (ii) the Past Due Amounts,³ and (c) the Pending Proceedings, and, if requested by Anadarko, shall in no less than ten (10) business days after entry of this Order execute a release agreement evidencing such action.

8. Upon execution of the New FSSA, Ryckman will seek FERC approval of the New FSSA, including the non-conforming provisions, and the New FSSA shall become binding upon the parties only to the extent that FERC approves the New FSSA, without modification or condition, on or before April 1, 2018, necessarily including approval of the nonconforming contract. Ryckman's (or its successors or assigns as the case may be) failure to obtain FERC approval as stated above shall result in the termination of the New FSSA and in such event, all obligations of Anadarko or Ryckman (or its successors or assigns) thereunder shall be rendered null and void.

9. The Prepetition Litigation, the Anadarko Adversary Proceeding, and the Pending Motions shall be stayed and abated pending dismissal of the Prepetition Litigation and the Anadarko Adversary Proceeding pursuant to the terms of this Order, absent further order from this Court.

³ As used herein, the "Past Due Amounts" shall refer to the \$9,640,916.01 that the Debtors allege that Anadarko owes them under the Firm Storage Service Agreement (and/or the Original Settlement FSSA) through April 21, 2017, plus any amounts that have accrued and may accrue through the date of entry of the Order.

10. This Court shall retain exclusive jurisdiction to hear and determine all matters arising from, or related to, the interpretation, implementation, or enforcement of this Order.

Dated: Wilmington, Delaware

_____, 2017

Honorable Kevin J. Carey
UNITED STATES BANKRUPTCY JUDGE