



ENTERED
12/14/2017

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

In re:)	
)	Chapter 11
)	
COBALT INTERNATIONAL ENERGY, INC., <i>et</i>)	Case No. 17-36709 (MI)
<i>al.</i> ¹)	
)	
Debtors.)	
)	(Jointly Administered)
)	Re: Docket No. 9

**INTERIM ORDER
AUTHORIZING THE PAYMENT OF WORKING INTEREST
EXPENDITURES, JOINT INTEREST BILLINGS, ROYALTY PAYMENTS,
DELAY RENTAL PAYMENTS, AND PRODUCTION SALE EXPENDITURES**

Upon the motion (the "Motion"),² of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an interim order (this "Interim Order"), authorizing, but not directing, the Debtors to pay in the ordinary course of business all prepetition and postpetition amounts owing on account of (i) Working Interest Expenditures, (ii) Joint Interest Billings, (iii) Royalty Payments, (iv) Delay Rental Payments, and (v) Production Sale Expenditures, all as more fully set forth in the Motion; and this court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the Amended Standing Order; and this court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this court having found that it may enter a final order consistent with Article III of the United States Constitution; and this court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this court having found that the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Cobalt International Energy, Inc. (1169); Cobalt International Energy GP, LLC (7374); Cobalt International Energy, L.P. (2411); Cobalt GOM LLC (7188); Cobalt GOM # 1 LLC (7262); and Cobalt GOM # 2 LLC (7316). The Debtors' service address is: 920 Memorial City Way, Suite 100, Houston, Texas 77024.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.



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relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing, if any, before this court (the "Hearing"); and this court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The final hearing (the "Final Hearing") on the Motion shall be held on January 11, 2018 at 2:00 p.m. prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Central Time, on January 8, 2018. In the event no objections to entry of the Final Order on the Motion are timely received, this court may enter such Final Order without need for the Final Hearing.

2. The Debtors are authorized, but not directed, to pay prepetition Oil and Gas Obligations; *provided* that before entry of the Final Order, the Debtors shall not pay any obligations under this Interim Order unless they are due or are deemed necessary to be paid in the Debtors' business judgment to ensure ongoing provision of goods or services or otherwise to avoid an adverse effect on operations.

3. The Debtors are authorized, but not directed, to pay postpetition Oil and Gas Obligations in the ordinary course of business, in accordance with the Debtors' prepetition policies and practices, and, in the Debtors' discretion, to pay and honor postpetition amounts related thereto; provided, however, that nothing in this Interim Order shall be deemed to

authorize the payment of any amounts which are subject to section 503(c) of the Bankruptcy Code.

4. Any party that accepts payment from the Debtors on account of an Oil and Gas Obligation shall be deemed to have agreed to the terms and provisions of this Interim Order.

5. If any party accepts payment(s) on behalf of a claim for Working Interest Expenditures, Joint Interest Billings, or Production Sale Expenditures under this Interim Order, and such claim is determined by the Court after notice and a hearing (a) not to give rise to (i) a statutory, contractual, or other lien under applicable law or (ii) an enforceable right to recoupment or setoff, (b) not to constitute valid amounts due and owing by the Debtors, or (c) is not otherwise entitled to priority under the Bankruptcy Code, as applicable, the Debtors are authorized, but not directed, to take any and all appropriate steps to cause the party who had accepted such payment(s) to repay payment(s) made to it under this Interim Order to the extent the aggregate amount of such payment(s) exceeds the then-outstanding postpetition obligations due and owing on its behalf. Upon recovery of such payment(s) by the Debtors, the obligation shall be reinstated as a prepetition claim in the amount so recovered.

6. If any party accepts payment(s) on behalf of a claim for Royalty Payments under this Interim Order, and the Debtors' interest in such Royalty Payments subsequently are determined by the Court after notice and a hearing to constitute property of the Debtors' estates, then the Debtors are authorized, but not directed, to take any and all appropriate steps to cause such party to repay payment(s) made to it under this Interim Order to the extent the aggregate amount of such payment(s) exceed the then-outstanding postpetition obligations due and owing on its behalf. Upon recovery of such payment(s) by the Debtors, the obligation shall be reinstated as a prepetition claim in the amount so recovered.

7. Notwithstanding anything contained in the Motion or this Interim Order, any payment authorized to be made by the Debtor herein shall be subject to the terms and conditions contained in any orders entered by this Court authorizing the use of cash collateral (the “Cash Collateral Orders”). To the extent there is any conflict between this Interim Order and the Cash Collateral Orders, the terms of the Cash Collateral Orders shall control.

8. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor entity; (b) a waiver of the Debtors’ right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (f) a waiver of the Debtors’ rights under the Bankruptcy Code or any other applicable law.

9. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors’ designation of any particular check or electronic payment request as approved by this Interim Order.

10. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with any Oil and Gas Obligation.

11. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).
12. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.
13. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.
14. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.
15. This court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.
16. Notwithstanding anything in this Order to the contrary, the Debtors are not authorized to pay any amount in excess of \$25,000.00 to a provider of goods or services unless that provider agrees in writing (including by email) to provide post-petition goods and services on the same basis as has been provided prepetition. This paragraph does not apply to JIB payments.

Dated: 12/14, 2017
Houston, Texas



THE HONORABLE MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE

United States Bankruptcy Court
Southern District of Texas

In re:
Cobalt International Energy, Inc.
Cobalt International Energy GP, LLC
Debtors

Case No. 17-36709-mi
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0541-4

User: mrios
Form ID: pdf002Page 1 of 2
Total Noticed: 16

Date Rcvd: Dec 15, 2017

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Dec 17, 2017.

db +Cobalt GOM #1 LLC, 920 Memorial City Way, Suite 100, Houston, TX 77024-2649
db +Cobalt GOM #2 LLC, 920 Memorial City Way, Suite 100, Houston, TX 77024-2649
db +Cobalt GOM LLC, 920 Memorial City Way, Suite 100, Houston, TX 77024-2649
db +Cobalt International Energy GP, LLC, 920 Memorial City Way, Suite 100,
Houston, TX 77024-2649
db +Cobalt International Energy, Inc., 920 Memorial City Way, Suite 100,
Houston, TX 77024-2649
db +Cobalt International Energy, L.P., 920 Memorial City Way, Suite 100,
Houston, TX 77024-2649
aty +Brad Weiland, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, IL 60654-5412
aty +Eric A Schaffer, Reed Smith et al, 435 Sixth Ave, Pittsburgh, PA 15219-1808
aty +Gabor Balassa, Kirkland & Ellis LP, 300 North LaSalle, Chicago, IL 60654-5412
aty +James H.M. Sprayregen, P.C., Kirkland & Ellis LLP, 300 North LaSalle,
Chicago, IL 60654-5412
aty +Laura E. Krucks, Kirkland & Ellis LP, 300 North LaSalle, Chicago, IL 60654-5412
aty +Marc Kieselstein, Kirkland & Ellis, 300 North LaSalle, Chicago, IL 60654-5412
aty +Stacy Pepper, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, IL 60654-5412
intp +Ad Hoc First Lien Group, Weil, Gotshal & Manges LLP, 700 Louisiana, Suite 1700,
Houston, TX 77002-2784
intp +Ad Hoc Group of Second Lien Noteholders, c/o Marty L. Brimmage Jr.,
Akin Gump Strauss Hauer & Feld LLP, 1700 Pacific Avenue, Suite 4100,
Dallas, TX 75201-4675
op +Kurtzman Carson Consultants LLC, 2335 Alaska Ave, El Segundo, CA 90245-4808

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.
NONE. TOTAL: 0

***** BYPASSED RECIPIENTS (undeliverable, * duplicate) *****
cr Fire and Police Retiree Health Care Fund, San Anto
cr GAMCO Global Gold, Natural Resources & Income Trus
cr GAMCO Natural Resources, Gold & Income Trust
cr Sjunde AP-Fonden
cr St. Lucie County Fire District Firefighters Pensio
cr Universal Investment Gesellschaft m.b.H.
cr Wells Fargo Bank, National Association
cr Wilmington Trust, National Association, as Indentur

TOTALS: 8, * 0, ## 0

Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

Transmission times for electronic delivery are Eastern Time zone.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Dec 17, 2017

Signature: /s/Joseph Speetjens**CM/ECF NOTICE OF ELECTRONIC FILING**

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on December 14, 2017 at the address(es) listed below:

Chad J. Husnick on behalf of Debtor Cobalt International Energy, Inc.
chad.husnick@kirkland.com,
laura.krucks@kirkland.com; suj.pandya@kirkland.com; john.luze@kirkland.com; emily.geier@kirkland.com
; julia.foster@kirkland.com; maureen.mccarthy@kirkland.com; brad.weiland@kirkland.com; matthew.smart@
kirkland.com; ryan.bes
Chad J. Husnick on behalf of Plaintiff Cobalt GOM #1 LLC chad.husnick@kirkland.com,
laura.krucks@kirkland.com; suj.pandya@kirkland.com; john.luze@kirkland.com; emily.geier@kirkland.com
; julia.foster@kirkland.com; maureen.mccarthy@kirkland.com; brad.weiland@kirkland.com; matthew.smart@
kirkland.com; ryan.bes

District/off: 0541-4

User: mrios
Form ID: pdf002Page 2 of 2
Total Noticed: 16

Date Rcvd: Dec 15, 2017

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system (continued)

Chad J. Husnick on behalf of Plaintiff Cobalt International Energy, L.P.
chad.husnick@kirkland.com,
laura.krucks@kirkland.com; suj.pandya@kirkland.com; john.luze@kirkland.com; emily.geier@kirkland.com
; julia.foster@kirkland.com; maureen.mccarthy@kirkland.com; brad.weiland@kirkland.com; matthew.smart@
kirkland.com; ryan.bes

Chad J. Husnick on behalf of Plaintiff Cobalt International Energy GP, LLC
chad.husnick@kirkland.com,
laura.krucks@kirkland.com; suj.pandya@kirkland.com; john.luze@kirkland.com; emily.geier@kirkland.com
; julia.foster@kirkland.com; maureen.mccarthy@kirkland.com; brad.weiland@kirkland.com; matthew.smart@
kirkland.com; ryan.bes

Chad J. Husnick on behalf of Plaintiff Cobalt GOM LLC chad.husnick@kirkland.com,
laura.krucks@kirkland.com; suj.pandya@kirkland.com; john.luze@kirkland.com; emily.geier@kirkland.com
; julia.foster@kirkland.com; maureen.mccarthy@kirkland.com; brad.weiland@kirkland.com; matthew.smart@
kirkland.com; ryan.bes

Chad J. Husnick on behalf of Plaintiff Cobalt International Energy, Inc.
chad.husnick@kirkland.com,
laura.krucks@kirkland.com; suj.pandya@kirkland.com; john.luze@kirkland.com; emily.geier@kirkland.com
; julia.foster@kirkland.com; maureen.mccarthy@kirkland.com; brad.weiland@kirkland.com; matthew.smart@
kirkland.com; ryan.bes

Chad J. Husnick on behalf of Plaintiff Cobalt GOM #2 LLC chad.husnick@kirkland.com,
laura.krucks@kirkland.com; suj.pandya@kirkland.com; john.luze@kirkland.com; emily.geier@kirkland.com
; julia.foster@kirkland.com; maureen.mccarthy@kirkland.com; brad.weiland@kirkland.com; matthew.smart@
kirkland.com; ryan.bes

Christopher Manuel Lopez on behalf of Interested Party Ad Hoc First Lien Group
chris.lopez@weil.com, rene.olvera@weil.com; Christopher.jalomo@weil.com

Evan Gershbein on behalf of Other Prof. Kurtzman Carson Consultants LLC
ECFpleadings@kccllc.com, ecfpleadings@kccllc.com

Genevieve Marie Graham on behalf of Creditor Wilmington Trust, National Association, as
Indenture Trustee ggraham@okinadams.com

Lloyd A. Lim on behalf of Creditor Wells Fargo Bank, National Association LLim@ReedSmith.com,
LChavez@ReedSmith.com

Marty L Brimmage on behalf of Interested Party Ad Hoc Group of Second Lien Noteholders
mbrimmage@akingump.com, lmonreal@akingump.com; bkemp@akingump.com

Matthew Scott Okin on behalf of Creditor Wilmington Trust, National Association, as Indenture
Trustee mokin@okinadams.com, teaston@okinadams.com

Thomas R Ajamie on behalf of Creditor Universal Investment Gesellschaft m.b.H.
tjamie@ajamie.com, jedwards@ajamie.com; dmolloy@ajamie.com

Thomas R Ajamie on behalf of Defendant Fire and Police Retiree Health Care Fund
tjamie@ajamie.com, jedwards@ajamie.com; dmolloy@ajamie.com

Thomas R Ajamie on behalf of Creditor GAMCO Natural Resources, Gold & Income Trust
tjamie@ajamie.com, jedwards@ajamie.com; dmolloy@ajamie.com

Thomas R Ajamie on behalf of Defendant Universal Investment Gesellschaft m.b.H
tjamie@ajamie.com, jedwards@ajamie.com; dmolloy@ajamie.com

Thomas R Ajamie on behalf of Defendant Sjunde AP-Fonden tjamie@ajamie.com,
jedwards@ajamie.com; dmolloy@ajamie.com

Thomas R Ajamie on behalf of Creditor Sjunde AP-Fonden tjamie@ajamie.com,
jedwards@ajamie.com; dmolloy@ajamie.com

Thomas R Ajamie on behalf of Creditor Fire and Police Retiree Health Care Fund, San Antonio
tjamie@ajamie.com, jedwards@ajamie.com; dmolloy@ajamie.com

Thomas R Ajamie on behalf of Defendant St. Lucie County Fire District Firefighters Pension
Trust Fund tjamie@ajamie.com, jedwards@ajamie.com; dmolloy@ajamie.com

Thomas R Ajamie on behalf of Defendant GAMCO Natural Resources, Gold & Income Trust
tjamie@ajamie.com, jedwards@ajamie.com; dmolloy@ajamie.com

Thomas R Ajamie on behalf of Creditor GAMCO Global Gold, Natural Resources & Income Trust
tjamie@ajamie.com, jedwards@ajamie.com; dmolloy@ajamie.com

Thomas R Ajamie on behalf of Creditor St. Lucie County Fire District Firefighters Pension
Trust Fund tjamie@ajamie.com, jedwards@ajamie.com; dmolloy@ajamie.com

Thomas R Ajamie on behalf of Defendant GAMCO Global Gold, Natural Resources & Income Trust
tjamie@ajamie.com, jedwards@ajamie.com; dmolloy@ajamie.com

US Trustee USTPRegion07.HU.ECF@USDOJ.GOV

Zack A Clement on behalf of Plaintiff Cobalt GOM #2 LLC zack.clement@icloud.com

Zack A Clement on behalf of Plaintiff Cobalt GOM LLC zack.clement@icloud.com

Zack A Clement on behalf of Debtor Cobalt GOM LLC zack.clement@icloud.com

Zack A Clement on behalf of Plaintiff Cobalt International Energy, Inc.
zack.clement@icloud.com

Zack A Clement on behalf of Debtor Cobalt International Energy, Inc. zack.clement@icloud.com

Zack A Clement on behalf of Plaintiff Cobalt International Energy, L.P.
zack.clement@icloud.com

Zack A Clement on behalf of Plaintiff Cobalt GOM #1 LLC zack.clement@icloud.com

Zack A Clement on behalf of Debtor Cobalt GOM #2 LLC zack.clement@icloud.com

Zack A Clement on behalf of Debtor Cobalt International Energy, L.P. zack.clement@icloud.com

Zack A Clement on behalf of Debtor Cobalt International Energy GP, LLC zack.clement@icloud.com

Zack A Clement on behalf of Debtor Cobalt GOM #1 LLC zack.clement@icloud.com

Zack A Clement on behalf of Plaintiff Cobalt International Energy GP, LLC
zack.clement@icloud.com

TOTAL: 38