Docket #1355 Date Filed: 10/29/2020

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

In re:	§	Chapter 11
Cobalt International Energy, Inc., *et al.*,[1]	§	Case No. 17-36709 (MI)
Reorganized Debtors.	§	(Jointly Administered)

MOTION OF NADER TAVAKOLI, ACTING SOLELY AS PLAN ADMINISTRATOR, FOR ENTRY OF ORDER PURSUANT TO BANKRUPTCY RULE 9019 APPROVING SETTLEMENT AGREEMENT RELATING TO TOTAL E&P, USA LITIGATION

A HEARING WILL BE CONDUCTED ON THIS MATTER ON A DATE AND TIME TO BE DETERMINED IN COURTROOM 404, 4TH FLOOR, 515 RUSK STREET, HOUSTON, TEXAS 77002. YOU MAY PARTICIPATE IN THE HEARING BY AUDIO/VIDEO CONNECTION.

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[1] The Reorganized Debtors in the Chapter 11 cases, along with the last four digits of each Reorganized 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).

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NAME, COMPLETE THE REQUIRED FIELDS AND CLICK "SUBMIT" TO COMPLETE YOUR APPEARANCE.

IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE ELECTRONICALLY AT HTTPS://ECF.TXSB.USCOURTS.GOV/ WITHIN TWENTY-ONE DAYS FROM THE DATE THIS MOTION WAS FILED. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

Nader Tavakoli, solely in his capacity as the Plan Administrator of Cobalt International Energy, Inc., *et al*. (the "Plan Administrator"), moves (the "Motion") this Court for entry of an order, pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), approving that certain Global Settlement Agreement (the "Settlement Agreement"), a true and correct copy of which is attached hereto as **Exhibit A**, by and among: the Plan Administrator, TOTAL E&P USA, Inc. ("TEP USA") and Equinor Gulf of Mexico LLC ("Equinor," and together with the Plan Administrator and TEP USA, the "Settling Parties").[2] In support of this Motion, the Plan Administrator respectfully states as follows:

PRELIMINARY STATEMENT

1. After over two years of contentious litigation and settlement negotiations, the Settling Parties have reached a settlement (the "Settlement"), which, if approved by the Court, will fully and finally resolve all Disputed Claims (as defined below) by and among the Settling Parties.

2. The Settlement will, among other things, result in the prompt release of any and all claims—past and present—among the Settling Parties, including, but not limited to, the following claims: (1) competing claims by both the Reorganized Debtors, on the one hand, and TEP USA and Equinor, on the other hand, for money owed under the purchase price adjustment provision in the Asset Purchase Agreement for the North Platte Assets; (2) a claim by TEP USA related to the

[2] Terms not defined herein shall have the meanings ascribed in the Settlement Agreement.

Reorganized Debtors' disposition of the Remaining Inventory (as defined below), with a book value of $23,958,207.67, *see* Docket No. 894 at ¶ 41, liquidated by the Plan Administrator pursuant to the Court's *Order Authorizing Plan Administrator to Sell Remaining Inventory* [Docket No. 925] (the "Sale Order"); (3) a claim by the Reorganized Debtors against TEP USA for unjust enrichment; and (4) a claim by the Reorganized Debtors against TEP USA for failure to pay amounts owed on a lease known as "Goodfellow" (collectively, and together with any and all other claims asserted by the Settling Parties in connection with the pending litigation, whether made in open court or in the Settling Parties' court filings, the "Disputed Claims").

3. The parties recently mediated the Disputed Claims in front of the Honorable Christopher M. López on August 19, 2020. Mediation was successful, and a Settlement was reached among the Settling Parties, the terms and conditions of which are set forth in the Settlement Agreement for which Court approval is being sought. The Plan Administrator believes the Settlement represents a fair and equitable resolution of all Disputed Claims and is in the best interest of the Debtors' estates and their creditors and should be approved by the Court.

BACKGROUND

A. Remaining Inventory Ownership Dispute

4. On the Petition Date, the Debtors filed a motion [Docket No. 15] (the "Bid Procedures Motion") seeking Bankruptcy Court approval of certain bidding procedures and a timeline for the sale process of substantially all of the Debtors' assets. On January 25, 2018, the Court entered an order [Docket No. 299] (the "Bid Procedures Order") granting the relief requested in the Bid Procedures Motion and scheduling all associated deadlines. Following the auction, TEP USA and Equinor, under a joint bid, were declared the successful bidders for the North Platte

prospect,[3] and TEP USA was declared the successful bidder for the Anchor prospect and numerous of the Debtors' offshore exploration leases on which the Debtors had not drilled wells (collectively, the "Explo Leases").

5. Pursuant to the Plan and Confirmation Order, the Debtors entered into certain Asset Purchase Agreements ("APAs") for their North Platte Assets,[4] Anchor Assets,[5] and Explo Leases.[6] The definition of "Assets" in each of the North Platte, Anchor, and Explo APAs included the following subsection:

> all equipment, machinery, fixtures and other real, personal, and mixed property, operational and nonoperational, known or unknown, located on, or used or **held for use in connection with, the Properties** or the other Assets described above as of the Effective Time (except for any Excluded Asset, collectively, the "Equipment")…

North Platte APA, at p. 21 § 2.1(b)(vi) (emphasis added); Explo APA, at p. 19 § 2.1(b)(vi) (same); Anchor APA, at p. 19 § 2.1(b)(vi) (same).

6. On June 1, 2018, the Plan Administrator filed an emergency motion [Docket No. 894] (the "Remaining Inventory Motion") to authorize the sale of certain inventory not sold pursuant to the APAs (collectively, the "Remaining Inventory") and distribute the proceeds in accordance with the Plan. TEP USA opposed the Remaining Inventory Motion, alleging it held an ownership interest in the Remaining Inventory that the Plan Administrator was seeking to sell.

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[3] Docket No. 594-2, filed on March 16, 2018.

[4] The North Platte APA was executed by and between Cobalt L.P., as seller, and TEP USA and Equinor, as buyers, in which Equinor and TEP USA acquired the Debtors' North Platte Assets. *See* North Platte APA § 2.1 [Docket No. 594-2 at 18–20].

[5] The Anchor APA was executed by and between Cobalt L.P., as seller, and TEP USA, as buyer, in which TEP USA acquired the Debtors' Anchor Assets. *See* Anchor APA § 2.1 [Docket No. 594-1 at 18–20].

[6] The Explo APA was executed by and between Cobalt L.P., as seller, and TEP USA, as buyer, in which TEP USA acquired the Debtors' Explo Leases. *See* Explo APA § 2.1 [Docket No. 594-4 at 18–20].

7. On June 4, 2018, the Court conducted an initial status conference on the Remaining Inventory Motion. At that status conference, counsel for TEP USA (and initially Equinor) asserted the Remaining Inventory was acquired by TEP USA and Equinor under the North Platte APA. The Court addressed TEP USA's claim to ownership of the Remaining Inventory under the North Platte APA, as follows:

> THE COURT: [T]he contract as I read it says . . . held for use in connection with. That means that if they bought it and then were holding it for that what you bought, you're going to get the equipment. But I don't think it means that if they bought it and there may be some conceivable way where it could be useful on your project that you bought it. It had to either be used in your project or be held in connection with use on your project. And there's a difference in those….

Transcript of June 4, 2018 Status conference at pg. 9, lns. 2–11.

8. Thereafter, on June 25, 2018, the Court entered the Sale Order, which limits this dispute to TEP USA's claim of an ownership interest in the Remaining Inventory. The Sale Order provides in pertinent part:

> To the extent [TEP USA] asserts an ownership interest in the Remaining Inventory or the proceeds thereof, as the case may be (other than under the North Platte [APA]), [TEP USA] shall file a statement with the Court on or before July 9, 2018 disclosing such ownership theories under which [TEP USA] claims such an ownership interest in the Remaining Inventory.

Id. at ¶ 7. The Sale Order expressly held that both TEP USA and Equinor waived any claim of ownership in the Remaining Inventory based on the North Platte APA, but reserved TEP USA's right to assert any other claims of ownership in the Remaining Inventory that are not based on the North Platte APA. *Id.* at ¶¶ 4–5. The Sale Order also contained a reservation of rights against the Plan Administrator which provides:

> [TEP USA] and Equinor's rights, if any, against the Plan Administrator or the Cobalt Committee are preserved and not affected by this Order, including their rights, if any, to assert inadequacy of price or breach of duty in the sale; provided,

> no such rights shall be asserted against any purchaser of the Remaining Inventory.

Id. at ¶ 6.

9. On July 9, 2018, TEP USA filed a two-page Statement of Ownership [Docket No. 976] expressing five (5) theories of ownership in the Remaining Assets:

> (a) [P]ursuant to a 2009 Simultaneous Exchange Agreement . . . , TEP USA paid $12 million to acquire, and thereby explicitly did acquire, a 40% ownership interest in the Debtors' entire inventory of equipment.
>
> (b) [T]he Debtors periodically confirmed, including in 2017, that the value of TEP USA's ownership interests in the Debtors' "tangible equipment inventory" was $12 million.
>
> (c) TEP USA paid an aggregate $206 million to acquire substantially all of the Debtors' interests in the Anchor discovery and certain exploratory leases . . . in the US Gulf of Mexico, including all Equipment "used or held for use in connection with" Anchor and Explo.
>
> (d) [T]o the extent the Plan Administrator asserts that the SEA or the Anchor and Explo [APAs] fail to expressly include any of the Equipment as a purchased asset, TEP USA owns such Equipment pursuant to the covenant of good faith and fair dealing, particularly in light of the Debtors' stated intention to dispose of all of their assets through the bankruptcy sales, and the corresponding expectations of all interested parties.
>
> (e) TEP USA owns any Equipment to the extent the Debtors' books and records show that TEP USA owns such Equipment, and similarly to the extent that the Debtors previously invoiced TEP USA— and TEP USA thereafter paid—for such Equipment.

Id. TEP USA, by this two-page Statement of Ownership, sought to exercise rights with respect to the Debtors' Remaining Inventory that had a book value of approximately $23,958,207.67. *See* [Docket No. 894 at ¶ 41].

B. Purchase Price Adjustment Dispute

10. The North Platte APA had an "Effective Date" of January 1, 2018, and a "Closing Date" on or about April 10, 2018, at which point TEP USA and Equinor would take possession and control of the North Platte Assets. Prior to the Closing Date, the Reorganized Debtors

remained the operator of the North Platte Assets and were contractually responsible for maintaining them pursuant to the North Platte APA. *See* [Docket No. 594-2] at 37–39, § 7.1(a)(i). In exchange, the North Platte APA contained a detailed purchase price adjustment provision that, among other things, allowed the Reorganized Debtors to be reimbursed by the buyer for certain "Operating Expenses" that they incurred during the period from the Effective Date through the Closing Date (the "Interim Period"). *See* [Docket No. 594-2] at 50–51, § 8.9(a)(ii).

11. On April 5, 2018, the Court entered the Confirmation Order [Docket No. 784], and the Plan (attached to the Confirmation Order as "Exhibit A") went effective on April 10, 2018. Pursuant to the terms of the Plan and the Confirmation Order, the Court approved the Sale Transactions and instructed the Debtors to transfer the North Platte assets to TEP USA and Equinor. *Id.*, Plan at ¶ 78.

12. On the Closing Date, TEP USA and Equinor pre-funded $3,099,603.15 for estimated purchase price adjustment calculations in accordance with § 8.10. The Reorganized Debtors thereafter provided TEP USA and Equinor a proposed settlement statement setting forth the Reorganized Debtors' calculations of the purchase price adjustment. On May 14, 2018, TEP USA and Equinor submitted their proposed purchase price adjustments seeking a recoupment (and downward adjustment) of $2,575,603 relating to two categories of expenses: (i) billable hours charged by the Debtors' employees working to maintain the North Platte Assets; and (ii) payments made to contractors under contracts that TEP USA and Equinor did not assume under the North Platte APA. On June 8, 2018, the Reorganized Debtors responded, objecting to the reductions proposed by TEP USA and Equinor. The parties continued to dispute and negotiate the correct amount of the purchase price adjustment thereafter.

PROPOSED SETTLEMENT AGREEMENT

13. Pertinent terms of the Settlement include:[7]

(a) No Amounts Owing. All proceeds (including accrued interest) relating to the Reorganized Debtors' sale of inventory [Docket No. 925], approximately $4.9 million, being held by the Plan Administrator in a segregated account shall be released to, and become the sole and indefeasible property of, CIE. All funds previously paid to CIE under the North Platte APA (including interest) shall be released to, and become the sole and indefeasible property of, the Reorganized Debtors.

(b) Release of Claims. Full release of all past and present claims asserted or that could be asserted by the TEP USA Releasing Parties and the Equinor Releasing Parties against the CIE Released Parties, including all claims related to the Debtors and the Reorganized Debtors (as the case may be) that were or could have been asserted in the Bankruptcy Case or otherwise, including without limitation, any and all claims related to or arising from the North Platte APA, the Anchor APA, the Explo APA, the SEA, and the Disputed Claims. Full release of all past and present claims asserted or that could be asserted by the CIE Releasing Parties against the TEP USA Released Parties and the Equinor Released Parties including all claims related to the Debtors and the Reorganized Debtors (as the case may be) that were or could have been asserted in the Bankruptcy Case or otherwise, including without limitation, any and all claims related to or arising from the North Platte APA, the Anchor APA, the Explo APA, the SEA, and the Disputed Claims.

(c) Transfer of Wellhead. The Plan Administrator will transfer and assign to TEP USA the Reorganized Debtors' rights, title, and interest to one 20k wellhead, which is currently stored at Dril-Quip, Inc. in Houston, Texas. The transfer is made on an as-is, where-is basis, and TEP USA shall take ownership of the Wellhead at its current location and be responsible for any transportation or delivery costs.

(d) Dismissal of Pending Litigation. No later than seven (7) days following the Effective Date of the Settlement Agreement, the Settling Parties shall file an agreed notice with the Bankruptcy Court dismissing, with prejudice, all pending disputes and claims between and among the Settling Parties in the Bankruptcy

[7] To the extent there are any inconsistencies between the Settlement terms described herein and the Settlement Agreement, the Settlement Agreement shall control. For avoidance of doubt, capitalized but undefined terms in this section shall have the same meanings as ascribed to them in the Settlement Agreement.

> Case, with all Settling Parties to bear their own attorneys' fees and costs incurred in connection with this litigation.

RELIEF REQUESTED

14. The Plan Administrator respectfully requests that the Court enter an order, pursuant to Bankruptcy Rule 9019, approving the Settlement; authorizing the Plan Administrator to enter into the Settlement Agreement and take all such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Settlement Agreement; and retaining jurisdiction over all matters arising from or relating to the interpretation, implementation, and enforcement of the Settlement Agreement.

ARGUMENT AND AUTHORITIES

15. Rule 9019(a) of the Bankruptcy Rules permits the Court, following notice and hearing as provided by Bankruptcy Rule 2002, to approve a compromise of a controversy. Rule 9019(a) provides:

> On motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Notice shall be given to creditors, the United States trustee, the debtor, and indenture trustees as provided in Rule 2002 and to any other entity as the court may direct.

Fed. R. Bankr. P. 9019(a). Approval of a compromise is within the sound discretion of the bankruptcy court. *United States v. AWECO, Inc. (In re AWECO, Inc.),* 725 F.2d 293, 297 (5th Cir. 1984); *Rivercity v. Herpel (In re Jackson Brewing Co.)*, 624 F.2d 599, 602-03 (5th Cir. 1980). Settlements are considered a "normal part of the process of reorganization" and "desirable and wise methods of bringing to a close proceedings otherwise lengthy, complicated and costly." *Jackson Brewing*, 624 F.2d at 602.

16. Neither Bankruptcy Rule 9019(a) nor any section of the Bankruptcy Code explicitly sets forth the standards by which a court is to evaluate a proposed settlement for approval. In the seminal case on approval of settlements in bankruptcy cases, *In re Protective Comm. for*

Independent Stockholders of TMT Trailer Ferry, Inc. v. Anderson, 390 U.S. 414 (1968), the United States Supreme Court held that the trial court must make an informed, independent judgment as to whether a settlement is fair and equitable, and explained: "There can be no informed and independent judgment as to whether a proposed compromise is fair and equitable until the bankruptcy judge has apprised himself of all facts necessary for an intelligent and objective opinion of the probabilities of ultimate success should the claim be litigated." *Id.* at 424. *See also Jackson Brewing Co.*, 624 F.2d at 608 (noting that "there must be a substantial factual basis for the approval of a compromise").

17. Generally, the role of the bankruptcy court is not to decide the issues in dispute when evaluating a settlement. Instead, the court should determine whether the settlement is fair and equitable as a whole. *TMT Trailer,* 390 U.S. at 424; *Watts v. Williams,* 154 B.R. 56, 59 (S.D. Tex. 1993).

18. In deciding whether to approve a settlement, the following factors must be considered:

(a) the probability of success in litigation, with due consideration of the uncertainty in fact and law;

(b) the complexity and likely duration of the litigation and any attendant expense, inconvenience and delay; and

(c) all other factors bearing on the wisdom of the compromise.

See TMT Trailer, 390 U.S. at 424.

19. Under the rubric of the third, catch-all provision, the Fifth Circuit has specified two additional factors that bear on the decision to approve a proposed settlement. First, the court should consider "the paramount interest of creditors with proper deference to their reasonable views." *Connecticut Gen. Life Ins. Co. v. United Cos. Fin. Corp. (In re Foster Mortgage Corp.)*, 68 F.3d 914, 917 (5th Cir. 1995). Second, the court should consider "the extent to which the settlement is

truly the product of arms-length bargaining, not of fraud and collusion." *Id.* at 918 (citations omitted).

20. Here, the Settlement is the product of good faith, arms'-length negotiations. These negotiations were hard-fought. The Settlement reached as a result of these negotiations will fully and finally resolve any and all claims and disputes between and/or among the Settling Parties. While the Plan Administrator believes it would ultimately prevail on the Disputed Claims, there is inherent uncertainty in any litigation and such an outcome could not be guaranteed. Given the complexity of the Disputed Claims, continuing to litigate them through trial would be costly for the Settling Parties and would only further deplete estate funds and resources to the detriment of creditors and parties-in-interest. Under the circumstances, the Plan Administrator believes the Settlement is reasonable, fair and equitable and represents the best chance to resolve significant claims against the estates and the Reorganized Debtors, while also maximizing the value of the Reorganized Debtors' assets and going-concern value. For these reasons, the Plan Administrator believes the Settlement is in the best interest of the Debtors' estates and their creditors and all parties-in-interest as well as the Reorganized Debtors and should therefore be approved by the Court.

WHEREFORE, for the reasons set forth herein, the Plan Administrator respectfully requests the Court enter an order, in substantially the same form attached hereto as **Exhibit B**, (i) granting the Motion; (ii) approving the Settlement; (iii) authorizing the Plan Administrator to enter into the Settlement Agreement and take all such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Settlement Agreement; (iv) retaining jurisdiction over all matters arising from or relating to the interpretation,

implementation, and enforcement of the Settlement Agreement; and (v) granting such other and further relief as the Court deems just and equitable.

Respectfully submitted this 29th day of October 2020.

GREENBERG TRAURIG, LLP

By: */s/ Shari L. Heyen*
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Counsel for Nader Tavakoli, solely in his capacity as the Plan Administrator Committee of Cobalt International Energy, Inc. et al.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on October 29, 2020, I caused a copy of the foregoing Motion to be served on all parties eligible to receive service through the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas by electronic mail.

By: */s/ Shari L. Heyen*
Shari L. Heyen

EXHIBIT A

Settlement Agreement

EXECUTION VERSION

GLOBAL SETTLEMENT AGREEMENT

This Global Settlement Agreement (the "**Global Settlement Agreement**") is entered into by and among the Plan Administrator (as defined below), TEP USA (as defined below), and Equinor (as defined below) (each individually, a "**Party,**" and collectively, the "**Parties**") to resolve any and all claims, disputes, and litigation among the Parties whether asserted or un-asserted, relating to the Bankruptcy Case (as defined below) or otherwise.

WHEREAS, Cobalt International Energy, Inc.; Cobalt International Energy GP, LLC; Cobalt International Energy, L.P.; Cobalt GOM LLC; Cobalt GOM # 1 LLC; and Cobalt GOM # 2 LLC (collectively, "**CIE**" or, if prior to the Effective Date (as defined in the Plan) of the Plan, the "**Debtors,**" and if after the Effective Date of the Plan, the "**Reorganized Debtors**") filed Chapter 11 bankruptcy cases in the United States Bankruptcy Court for the South District of Texas, lead case number 17-36709 (the "**Bankruptcy Case**");

WHEREAS, the Court appointed Nader Tavakoli as the Lead Member and Chairman of the Plan Administrator Committee of Cobalt International Energy, Inc., *et al.* (the "**Plan Administrator**");

WHEREAS, pursuant to the Court's *Order (I) Confirming the Fourth Amended Joint Chapter 11 Plan of Cobalt International Energy, Inc. and Its Debtor Affiliates, and (II) Approving the Sale Transaction* [Docket No. 784] (and the Debtors' confirmed Fourth Amended Joint Chapter 11 Plan attached thereto as Exhibit A, the "**Plan**"), Cobalt International Energy, L.P., as Seller, entered into that certain Asset Purchase Agreement, dated as of March 12, 2018 for the North Platte Assets (the "**North Platte APA**"), with TOTAL E&P USA, INC. ("**TEP USA**") and Equinor Gulf of Mexico LLC (f/k/a Statoil of Mexico LLC) ("**Equinor**"), collectively, as Buyer;

WHEREAS, pursuant to the same Order, CIE, as Seller, also entered into that certain Asset Purchase Agreement, dated as of March 12, 2018 for the Anchor Assets (the "**Anchor APA**"), with TEP USA as Buyer;

WHEREAS, pursuant to the same Order, CIE, as Seller, also entered into that certain Asset Purchase Agreement, dated as of March 12, 2018 for the Explo Assets (the "**Explo APA**"), with TEP USA as Buyer;

WHEREAS, prior to the Debtors' filing of the Bankruptcy Case, the Debtors were parties to various other agreements with TEP USA, including but not limited to that Simultaneous Exchange Agreement, dated April 6, 2009 (the "**SEA**");

WHEREAS, the Parties each filed claims and theories of recovery in the Bankruptcy Case, including but not limited to those stated in the Parties' *Joint Trial Preparation Statement* [Docket No. 1336]; TEP USA's *Motion for Payment of Administrative Expense* [Docket No. 846]; Equinor's *Motion for Allowance of Administrative Expense Priority Claims Pursuant to 11 U.S.C. § 503(b)(1)(A) and 11 U.S.C. § 507(a)(2)* [Docket No. 847]; TEP USA's Proof of Claim No. 288, filed on March 19, 2018; TEP USA's *Statement of Ownership in Respect of Remaining Inventory*

[Docket No. 976]; and the Plan Administrator's responses to the foregoing (collectively, the "**Disputed Claims**");

WHEREAS, the Parties wish to resolve this matter and avoid the disruption and expense of further litigation;

WHEREAS, on August 19, 2020, the Parties reached an agreement to settle all disputes and claims by, between, and among them in a mediation before United States Bankruptcy Judge Christopher Lopez, that contemplated the execution of this Global Settlement Agreement;

NOW, THEREFORE, in consideration of and in exchange for the promises, covenants, and releases contained in this Global Settlement Agreement and the other valuable consideration described herein, the sufficiency and receipt of which is hereby acknowledged by the Parties, the Parties mutually agree as follows:

(1) Effective Date of Agreement. The Parties agree that this Global Settlement Agreement shall not be effective until executed by all Parties and approved by the Bankruptcy Court ("**Effective Date of Agreement**").

(2) No Amounts Owing. The Parties agree that as and between the Plan Administrator and CIE on the one hand, and TEP USA and Equinor on the other hand, there is no compensation, remuneration, or monies owed of any kind. All proceeds (including accrued interest) relating to CIE's sale of inventory [Docket No. 925] being held by the Plan Administrator in a segregated account shall be released to, and become the sole and indefeasible property of, CIE. All funds previously paid to CIE under the North Platte APA (including interest) shall be released to, and become the sole and indefeasible property of, CIE.

(3) Release of Claims.

a) Release by TEP USA. In consideration for the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, TEP USA and its parents, subsidiaries, affiliates, and related entities, and any of their affiliated entities, predecessors, successors, and assigns (collectively, the "**TEP USA Releasing Parties**") hereby unconditionally, fully, finally, irrevocably, and absolutely agree to release, waive, forgive, and discharge forever the Plan Administrator, the Debtors, the Reorganized Debtors, and each of their parents, subsidiaries, and related entities, and each of their respective past, present, and future officers, directors, shareholders, employees, predecessors, successors, persons, agents, servants, representatives, members, attorneys, insurers, re-insurers, franchisors, licensors, assigns, partners, parents, subsidiaries, and affiliates (collectively, the "**CIE Released Parties**") from any and all past and present claims, demands, rights, obligations, actions, causes of action, debts, costs, liabilities, losses, damages, injuries, or other legal responsibilities, in any form whatsoever, whether sounding in tort or contract, whether matured or unmatured, whether at law or in equity, whether contingent or non-contingent, whether known or unknown, unforeseen, unanticipated, unsuspected, or latent related to the Debtors and the Reorganized Debtors (as the case may be) that were or could have been asserted in the Bankruptcy Case or otherwise, including without limitation, any and all claims related to or arising from the North Platte APA, the Anchor APA, the Explo APA, the SEA, and the Disputed Claims.

b) Release by Equinor. In consideration for the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Equinor and its parents, subsidiaries, affiliates, and related entities, and any of their affiliated entities, predecessors, successors, and assigns (collectively, the "**Equinor Releasing Parties**") hereby unconditionally, fully, finally, irrevocably, and absolutely agree to release, waive, forgive, and discharge forever the CIE Released Parties from any and all past and present claims, demands, rights, obligations, actions, causes of action, debts, costs, liabilities, losses, damages, injuries, or other legal responsibilities, in any form whatsoever, whether sounding in tort or contract, whether matured or unmatured, whether at law or in equity, whether contingent or non-contingent, whether known or unknown, unforeseen, unanticipated, unsuspected, or latent related to the Debtors and the Reorganized Debtors (as the case may be) that were or could have been asserted in the Bankruptcy Case or otherwise, including without limitation, any and all claims related to or arising from the North Platte APA, the Anchor APA, the Explo APA, the SEA, and the Disputed Claims.

c) Release by the Debtors, the Reorganized Debtors and the Plan Administrator. In consideration for the mutual promises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Debtors, the Reorganized Debtors and the Plan Administrator and their respective parents, subsidiaries, affiliates, and related entities, and any of their affiliated entities, predecessors, successors, and assigns (collectively, the "**CIE Releasing Parties**") hereby unconditionally, fully, finally, irrevocably, and absolutely agree to release, waive, forgive, and discharge forever TEP USA, and each of TEP USA's parents, subsidiaries, and related entities, and each of their respective past, present, and future officers, directors, shareholders, employees, predecessors, successors, persons, agents, servants, representatives, members, attorneys, insurers, re-insurers, franchisors, licensors, assigns, partners, parents, subsidiaries, and affiliates (collectively, the "**TEP USA Released Parties**") and Equinor, and each of Equinor's parents, subsidiaries, and related entities, and each of their respective past, present, and future officers, directors, shareholders, employees, predecessors, successors, persons, agents, servants, representatives, members, attorneys, insurers, re-insurers, franchisors, licensors, assigns, partners, parents, subsidiaries, and affiliates (collectively, the "**Equinor Released Parties**") from any and all past and present claims, demands, rights, obligations, actions, causes of action, debts, costs, liabilities, losses, damages, injuries, or other legal responsibilities, in any form whatsoever, whether sounding in tort or contract, whether matured or unmatured, whether at law or in equity, whether contingent or non-contingent, whether known or unknown, unforeseen, unanticipated, unsuspected, or latent related to the Debtors and the Reorganized Debtors (as the case may be) that were or could have been asserted in the Bankruptcy Case or otherwise, including without limitation, any and all claims related to or arising from the North Platte APA, the Anchor APA, the Explo APA, the SEA, and the Disputed Claims.

d) Ongoing Obligations. Nothing in this Global Settlement Agreement releases the Parties' respective obligations to each other under this Global Settlement Agreement. Nothing in this Global Settlement Agreement releases any ongoing rights or obligations between TEP USA and Equinor under any other contract or agreement between TEP USA and Equinor.

(4) Transfer of 20k Wellhead. Within fourteen (14) days of the Effective Date of Agreement, CIE shall transfer and assign to TEP USA all of CIE's right, title, and interest in one (1) 20k Wellhead as described further in Exhibit A (the "**Wellhead**"). The Wellhead is currently

stored at Dril-Quip, Inc., in Houston, Texas. TEP USA shall take ownership of the Wellhead at its current location and shall be responsible for any transportation or delivery costs.

THIS TRANSFER IS MADE ON AN AS IS, WHERE IS BASIS, WITH NO REPRESENTATIONS OR WARRANTIES MADE BY CIE OR THE PLAN ADMINISTRATOR REGARDING THE WELLHEAD.

THE PARTIES AGREE THAT THE TRANSFER OF THE WELLHEAD AS CONTEMPLATED IN THIS PROVISION IS NOT A "SALE" AND NEITHER CIE NOR THE PLAN ADMINISTRATOR ARE A "MERCHANT" WITHIN THE MEANING OF THE TEXAS BUSINESS & COMMERCE CODE OR THE UNIFORM COMMERCIAL CODE. IN AN ABUNDANCE OF CAUTION, THE PLAN ADMINISTRATOR AND CIE HEREBY DISCLAIM THE IMPLIED WARRANTY OF MERCHANTABILITY, THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE WELLHEAD.

(5) Dismissal of Pending Litigation. The Global Settlement Agreement shall resolve all pending litigation between and/or among the Parties in the Bankruptcy Case. No later than 7 days following the Effective Date of Agreement, the Parties shall file an agreed notice with the Bankruptcy Court dismissing with prejudice all pending disputes and claims between and/or among the Parties in the Bankruptcy Case. All Parties agree that they will bear their own attorneys' fees and costs incurred in connection with this matter.

(6) Enforcement Costs and Attorneys' Fees. Notwithstanding Section (5) above, if any Party to this Global Settlement Agreement brings any sort of action to enforce any provision of this Global Settlement Agreement or for any breach of this Global Settlement Agreement, then the prevailing party in that action shall be entitled to recover its reasonable attorneys' fees and costs incurred in doing so.

(7) Bankruptcy Court's Retention of Jurisdiction. The Bankruptcy Court shall retain jurisdiction to, among other things, hear and resolve disputes arising under or related to this Global Settlement Agreement and each Party agrees that it will not challenge the jurisdiction of the Bankruptcy Court for the Southern District of Texas to, among other things, hear and resolve such disputes or exercise jurisdiction over the Party as related to the same.

(8) Choice of Venue. **EACH PARTY AGREES ANY LEGAL ACTION OR OTHER LEGAL PROCEEDING RELATING TO THIS GLOBAL SETTLEMENT AGREEMENT OR THE ENFORCEMENT OF ANY PROVISION OF THIS GLOBAL SETTLEMENT AGREEMENT SHALL BE BROUGHT SOLELY AND EXCLUSIVELY IN THE BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS.**

(9) Authority. The execution, delivery, and performance of this Global Settlement Agreement has been duly authorized by all requisite action on the part of each Party and upon

execution by each Party will constitute a legal, binding obligation on each of them. Each person signing this Global Settlement Agreement represents and warrants that it is a Party hereto or is authorized to sign this Global Settlement Agreement on behalf of the Party for whom it has signed and that it has the full power and authority to bind such Party to all provisions of this Global Settlement Agreement. Furthermore, each Party represents and warrants, to the fullest extent that it is capable of so doing, that (1) it is authorized to give the releases it is purporting to give in Section 3 hereof, and (2) no other person or entity is entitled to assert any past or present claims, demands, rights, obligations, actions, causes of action, debts, costs, liabilities, losses, damages, injuries, or other legal responsibilities, in any form whatsoever, whether sounding in tort or contract, whether matured or unmatured, whether at law or in equity, whether contingent or non-contingent, whether known or unknown, unforeseen, unanticipated, unsuspected, or latent it is purporting to release in Section 3 hereof.

(10) Choice of Law. This Global Settlement Agreement shall be interpreted under the laws of the State of Texas, both as to interpretation and performance, notwithstanding choice of law principles.

(11) Binding Nature; No Assignment. This Global Settlement Agreement, and all the terms and provisions contained herein, shall bind the heirs, personal representatives, successors and assigns of each Party, and inure to the benefit of each Party, its agents, directors, officers, employees, servants, successors, and assigns. The Parties promise and guarantee that they have not made, and will not make, any assignment, pledge, sale, hypothecation, or transfer of any claim, counterclaim, chose in action, right of action, or any right of any kind whatsoever, embodied in any of the claims that are released herein, and that no other person or entity of any kind had or has any interest in any of the claims released herein.

(12) No Reliance on External Representations. **EACH PARTY REPRESENTS AND WARRANTS THAT IT HAS BEEN FULLY INFORMED AND HAS FULL KNOWLEDGE OF THE TERMS, CONDITIONS AND EFFECTS OF THIS GLOBAL SETTLEMENT AGREEMENT, THAT IT (EITHER THROUGH ITS OFFICERS, AGENTS, PLAN ADMINISTRATOR, OR INDEPENDENTLY RETAINED ATTORNEYS) HAS FULLY INVESTIGATED TO ITS SATISFACTION ALL FACTS SURROUNDING THE VARIOUS CLAIMS, CONTROVERSIES AND DISPUTES AND IS FULLY SATISFIED WITH THE TERMS AND EFFECTS OF THIS GLOBAL SETTLEMENT AGREEMENT, THAT NO PROMISE OR INDUCEMENT HAS BEEN OFFERED OR MADE TO IT BY ANY OTHER PARTY EXCEPT AS EXPRESSLY STATED IN THIS GLOBAL SETTLEMENT AGREEMENT, AND THAT THIS GLOBAL SETTLEMENT AGREEMENT IS EXECUTED WITHOUT RELIANCE ON ANY STATEMENT OR REPRESENTATION BY ANY OTHER PARTY, OR BY SUCH OTHER PARTY'S AGENTS, REPRESENTATIVES, OR ATTORNEYS WITH REGARD TO THE SUBJECT MATTER, BASIS, OR EFFECT OF THIS GLOBAL SETTLEMENT AGREEMENT OR OTHERWISE THAT IS NOT EXPRESSLY CONTAINED IN THIS GLOBAL SETTLEMENT AGREEMENT.**

(13) Construction and Interpretation. This Global Settlement Agreement is the product of arms-length negotiations and the parties have been represented by counsel; this Global Settlement Agreement is considered to be jointly drafted. As such, it shall not be construed against

any Party because that Party caused it to be reduced to a written instrument. The Parties agree that any legal rule to the effect that ambiguities shall be resolved against the drafting Party shall not apply in any interpretation of this Global Settlement Agreement.

(14) No Admission of Liability. Nothing herein shall be taken as an admission as to the validity or invalidity of any claims or defenses raised by the Parties in connection with the Disputed Claims or the Bankruptcy Case or of any fact alleged therein against any Party. The Parties expressly deny all liability asserted against them by any other Party.

(15) Termination; Modification. This Global Settlement Agreement may only be terminated, amended or modified by mutual written agreement of the Parties.

(16) Severability and Captions. If one or more provisions of this Global Settlement Agreement are held to be invalid or unenforceable under applicable law, such provision shall be excluded from this Global Settlement Agreement and the balance of the Global Settlement Agreement shall be interpreted as if such provision were so excluded. In the event a part or provision of this Global Settlement Agreement is held to be invalid or unenforceable or in conflict with law for any reason, the Parties shall replace any invalid part or provision with a valid provision which most closely approximates the intent and economic effect of the invalid provision. The captions to this Global Settlement Agreement are for convenience only and are to be of no force or effect in construing and interpreting the provisions of this Global Settlement Agreement.

(17) No Waiver. No delay or omission by any Party in exercising any right or power arising from any default by the other Party under this Global Settlement Agreement shall be construed as a waiver of such default, nor shall any single or partial exercise thereof preclude any further exercise thereof or the exercise of any other right or power arising from any default by a Party. No waiver of any breach of any covenant or other condition under this Global Settlement Agreement shall be construed to be a waiver of or consent to any previous or subsequent breach of the same or of any other covenant or condition.

(18) Entire Agreement. This Global Settlement Agreement constitutes and contains the entire agreement among the Parties regarding the matters set forth herein. Upon execution, this Global Settlement Agreement supersedes all prior agreements, written or oral, between or among the Parties regarding the Disputed Claims or potential claims and the settlement of those claims described herein. No other agreement, statement, or promise made by one Party to another as to any matter addressed in this Global Settlement Agreement shall be binding or valid. This Global Settlement Agreement cannot be orally modified. Any amendment or modification to this Global Settlement Agreement must be in writing, signed by duly authorized representatives of the Parties.

(19) Further Assurances. The Parties agree to execute such further and additional documents, instruments and writings as may be necessary, proper, required, desirable, or convenient for the purposes of fully effectuating the terms and provisions of this Global Settlement Agreement, including without limitation any filings necessary to obtain approval of the terms of the Global Settlement Agreement by the Bankruptcy Court, should the Parties determine that such approval is required.

(20) Confidentiality. Each Party agrees that it will not issue a press release or otherwise

affirmatively seek publicity of this settlement or the terms of this Global Settlement Agreement. Notwithstanding the foregoing, this section will not apply to any information filed with the Bankruptcy Court.

(21) Pronouns, Gender. Pronouns, wherever used herein, and of whatever gender, shall include natural persons, corporations, associations, partnerships, and all other entities of every kind and character, and the singular shall include the plural whenever and as often as is appropriate.

(22) Execution in Counterparts. This Global Settlement Agreement may be executed in counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single agreement.

(23) Electronic Signatures. This Global Settlement Agreement may be executed and delivered by telecopy or electronic means, and a facsimile signature on a counterpart of this Global Settlement Agreement shall be binding on a Party hereto in the same manner as an original signature.

EXECUTION VERSION

Executed and agreed to this 28th day of October, 2020.

NADER TAVAKOLI,
solely in his capacity as Plan Administrator of
Cobalt International Energy, Inc., *et al.*

By: Nader Tavakoli, solely as Plan Administrator of
Cobalt International Energy, Inc., *et al.*

Executed and agreed to this 23rd day of October, 2020.

TOTAL E&P USA, INC.,
a Delaware corporation

By: Nikita Taldykin
Title: VP & General Counsel

Executed and agreed to this 27th day of October, 2020.

EQUINOR GULF OF MEXICO LLC,
a Delaware limited liability company

By: Carter Williams
Title: Chief Litigation Counsel

EXHIBIT A

20k Wellhead

CP No.	Description	Part No.	Serial No.	Qty	Loc	Rack
13639-01-AB	16" BIG BORE II-H SEAL ASSEMBLY: GEN. III, 10,000 ABOVE / 5,000 BELOW PSI, TYPE SS-15, API 6A, AA, PSL-3, TEMP. 35°-300°F, FOR 16" BIG BORE II-H SUPPLEMENTAL CASING HANGER, BR STYLE, WEIGHT SET METAL TO METAL SEAL, RATED FOR 1.2-MILLION LBS. LOCK-DOWN. COBALT QUALITY PLAN Q425.01	2-412617-09	00263064-01	1	ELD	A45 BACK
13672-01-AB	36" X 28" POSITIVE STOP CASING HANGER: TYPE SS-20/SS-15, 1,000 PSI, WITH 28" O.D. X .750" WALL BUTTWELD PREP. DOWN, TO LAND IN 36" SUPPLEMENTAL CASING HANGER ADAPTER, HAS ELEVATOR SHOULDER, SOLID LANDING SHOULDER WITH INTEGRAL SEAL, SPLIT LOCK DOWN RING, LIP SEAL AND O-RING, WITHOUT FLOW-BY PORTS, MAX. O.D. 30.510", MIN. I.D. 26.500", TEMP. RATING: V, PSL-3, DD, 8630 MATERIAL, COBALT QUALITY PLAN: Q425.01XXXX* 28" SUPPLEMENTAL HANGER JOINT FABRICATION CONSISTS OF:* PIPE: 28" O.D. X .750" WALL API 5L GRADE X-60, RANGE III, PLAIN END BEVELED FOR WELDING, P/N P-200366-40* 28" SUPPLEMENTAL CASING HANGER: P/N 2-408909-07, CP13672-01, ITEM 4* PIN CONNECTOR: MULTI-THREAD, TYPE S-60D/MT WITH 28" O.D. X .750" WALL BUTTWELD PREP., P/N 2-200643-02	2-408909-07	00263045-01	1	ELD	NYD DD-3
13672-02-AB	22" X 16" BIG BORE II-H SUPPLEMENTAL CASING HANGER ADAPTER: TYPE SS-20/SS-15, 10,000 PSI, WITH 22" O.D. X 1.500" WALL BUTTWELD PREP. UP X 22" O.D. X 1.000" WALL BUTTWELD PREP. DOWN, FOR 16" BIG BORE II-H 'NO-GO' STYLE SUPPLEMENTAL HANGER, (WEIGHT SET), WITH FOUR (4) SHOULDER LOCK RING PROFILE, PREP. FOR SELECTABLE WEAR BUSHING RETENTION, RATED FOR 2-MILLION LBS. OF CASING, MIN. I.D. 18.375", PSL-3, TEMP. 35°-300°F, AA, STANDARD SERVICE, COBALT QUALITY PLAN: Q425.01XXXX* 22" X 16" SUPPLEMENTAL ADAPTER JOINT FABRICATION CONSISTS OF:* PIPE: 22" O.D. X 1.500" WALL, API 5L X-80, D.S.A.W, RANGE III, PLAIN END BEVELED FOR WELD, P/N P-200139-39* PIPE DROP: 22" O.D. X 1.000" WALL, API 5L X-80, D.S.A.W, 2 FT. LONG, PLAIN END BEVELED FOR WELD, P/N P-200451-02, ITEM 26* 22" X 16" SUPPLEMENTAL ADAPTER: P/N 2-413293-04, CP13672-02, ITEM 9* PIN CONNECTOR: MULTI-THREAD CONNECTOR, TYPE H-90DM/MT, WITH 22" X 1.00" WALL BUTTWELD PREP UP, P/N 2-200797-07* BOX CONNECTOR: MULTI-THREAD CONNECTOR, TYPE H-90M/MT, WITH 22" X 1.500" WALL BUTTWELD PREP DOWN, P/N 2-200796-09	2-413293-04	00263055-01	1	ELD	NYD CC-4
13683-01-AB	18.75" WELLHEAD HOUSING, DEEP WATER BIG BORE II-H 20,000 PSI, TYPE SS-20ES/SS-15ES, 22" O.D. X 1.500" WALL BUTTWELD PREP DOWN X 30" SUPER HD-H4, WITH "VX/VT" INCONEL GASKET PREP UP, DD, PSL-3, 35-350 DEG. F., WITH 2 MM LB. RIGID LOCK-DOWN SYSTEM, HYDRAULIC DIVERSION SEAL, OVER-PULL SPLIT RING, WITH 3.2 MM LB. RATED LOCK-DOWN GROOVES, F-22 MATERIAL, COBALT QUALITY PLAN Q425.01XXXX* 18-3/4" HOUSING JOINT FABRICATION CONSISTS OF:* PIPE: 22" O.D. X 1.500" WALL, API 5L X-80, D.S.A.W, RANGE III, PLAIN END BEVELED, P/N P-200139-39* 18-3/4" WELLHEAD HOUSING: P/N 2-414497-02, CP13683-01, ITEM 5* PIN CONNECTOR: MULTI-THREAD CONNECTOR, TYPE H-90DM/MT, WITH 22" X 1.500" WALL BUTTWELD PREP UP, P/N 2-200797-09	2-414497-02	00263049-01	1	ELD	NYD CC-6

CP No.	Description	Part No.	Serial No.	Qty	Loc	Rack
13685-02-AC	18" BIG BORE II-H SEAL ASSEMBLY: TYPE SS-15/20, 5,000 PSI ABOVE / 2,500 PSI BELOW, API 6A, V, AA, PSL-3, FOR USE WITH BIG BORE II-H WITH HNBR QUALIFICATION TEST, SS-15 STYLE, COBALT QUALITY PLAN: Q425.01	2-410338-12	00261697-01	1	ELD	A51
13744-03-AB	18" BIG BORE II-H SUPPLEMENTAL CASING HANGER: TYPE SS-20/SS-15, 5,000 PSI, WITH 18" 117 LB./FT. HYDRIL 511 PIN THREAD DOWN. V, AA, PSL-3, MIN. I.D. 16.600", PREPPED FOR WEIGHT SET RESILIENT SEAL, RATED FOR 1 MILLION LBS. HANGING CAPACITY, 1 MILLION LBS. LOCKDOWN CAPACITY, COBALT QUALITY PLAN: Q425.01 * 18" HANGER JOINT BUCK-UP CONSISTS OF: * PIPE: CUSTOMER SUPPLIED 18" O.D. X-OVER PUP, APPROX. 21 FT. LONG 116.09# P-110 TSH 511 BOX UP X 18" 117# P-110 SLF PIN DOWN CONNECTIONS * 18" SUPPLEMENTAL HANGER: CP13744-03 P/N 2-414387-03, HANGER MATERIAL 8630M	2-414387-03	00263058-01	1	ELD	NYD YR #5
13747-01-AB	22" X 18" BIG BORE II-H SUPPLEMENTAL CASING HANGER ADAPTER: TYPE SS-20/SS-15, 5,000 PSI, WITH 22" O.D. X 1.000" WALL BUTTWELD PREP. UP X 22" O.D. X 1.000" WALL BUTTWELD PREP. DOWN, WITH INTEGRAL CROSSOVER/CENTRALIZER 'NO-GO' SHOULDER, MIN. I.D. 18.250", PSL-3, TEMP. RATING: V, AA, COBALT QUALITY PLAN: Q425.01XXXX* 22" X 18" SUPPLEMENTAL ADAPTER JOINT FABRICATION CONSISTS OF:* PIPE: 22" O.D. X 1.000" WALL, API 5L X-80, D.S.A.W, RANGE III, PLAIN END BEVELED, P/N P-200451-44* PIPE DROP: 22" O.D. X 1.000" WALL, API 5L X-80, D.S.A.W, 2 FT. LONG, PLAIN END BEVELED FOR WELD, P/N P-200451-02, S/N: 00287515, ITEM 26* 22" X 18" SUPPLEMENTAL ADAPTER: P/N 2-408919-09, CP13747-01, ITEM 6* PIN CONNECTOR: MULTI-THREAD CONNECTOR, TYPE H-90DM/MT, WITH 22" X 1.00" WALL BUTTWELD PREP UP, P/N 2-200797-07* BOX CONNECTOR: MULTI-THREAD CONNECTOR, TYPE H-90DM/MT, WITH 22" X 1.00" WALL BUTTWELD PREP DOWN, P/N 2-200796-07	2-408919-09	00263053-01	1	ELD	NYD CC-4
13779-02-AA	16" BIG BORE II-H POSITIVE STOP CASING HANGER: TYPE SS-20/SS-15, 10,000 PSI, WITH 16" 112.62 LB./FT. SLF PIN DOWN, MIN. I.D. 14.590" RATED FOR 2-MILLION LBS. OF CASING, WITH FOUR (4) SHOULDER LOCK-RING PROFILE, V, AA, PSL-3, COBALT QUALITY PLAN Q425.01	2-414303-03	00291167-02	1	ELD	D87
13858-01-AB	38" X 36" DEEPWATER WELLHEAD HOUSING: TYPE SS-20ES/SS-15ES, WITH 36" O.D. X 2.000" WALL BUTTWELD PREP. DOWN, PREP. FOR CAM ACTUATED RUNNING TOOL, OVER-PULL SPLIT RING RELEASE HOLES, WITHOUT FLOW-BY PORTS, 31.970" MIN. I.D., API 17D, MATERIAL CLASS: AA, TEMP. RATING: V, PSL-3, A707 MATERIAL, FOR 2-MILLION LBS. RIGID LOCK-DOWN SYSTEM, COBALT QUALITY PLAN: Q425.01XXXX* 36" WELLHEAD HOUSING JOINT FABRICATION CONSISTS OF:* PIPE: 36" O.D. X 2.000" WALL API 5L GRADE X-70, D.S.A.W., 40 FT. LONG, PLAIN END BEVELED FOR WELDING, P/N P-300169-40* 36" WELLHEAD HOUSING: P/N 2-413868-03, CP13858-01, ITEM 1* 28" ADAPTER: P/N 2-413850-03, CP13858-02, ITEM 2* SLOPE INDICATOR MOUNTING BRACKET TO BE INSTALLED, P/N 2-413651-02, CP13858-03, ITEM 3* PIN CONNECTOR: TYPE HC-100D/MT-FR WITH 36" O.D. X 2.000" WALL BUTTWELD PREP., A707 MATERIAL, 2-200941-09* LIFT EYE TYPE BOSS: QTY. 3, P/N 2-402820-02* BOLT ON TORQUE/LIFT EYES: QTY. 3, P/N 2-402806-02* HEX HEAD BOLTS: QTY. 6, P/N 917264-915	2-413868-03	00263040-01	1	ELD	RISER S-18

CP No.	Description	Part No.	Serial No.	Qty	Loc	Rack
13858-03-AB	MOUNTING BRACKET: TYPE SS-15/SS-10, HAS SLOPE INDICATOR WITH 0-2 DEGREE BULLSEYE, FOR USE ON 30", 36" OR 38" CONDUCTOR PIPE, WITH INDICATOR ROD RECEPTACLE, WITHOUT WELD-ON FLANGE, EXTRA LONG WITH PADEYE LOCATED AT CENTER OF MASS, WITH ALIGNMENT SLOTS	2-413651-02	00263041-01	1	ELD	NYD CC-9 11
14047-02-AB	18-3/4" X 14" BIG BORE II-H CASING HANGER: TYPE SS-20/SS-15, 15,000 PSI, 35°-350°F., PREP. FOR CAM ACTUATED RUNNING TOOL, WITH 14" 112.89 LB/FT., SLSF BOX THREAD DOWN, 12.275" MIN. I.D., MATERIAL CLASS: AA, PSL-3, RATED FOR 2-MILLION LBS. OF CASING	2-408946-16	00296919-02	1	ELD	NYD B-5
14047-04-AB	18-3/4" SEAL ASSEMBLY, FHP-1, ONE PIECE STYLE, BBII-H, GEN III, TYPE SS-20/SS-15, API 6A & 17D, DD, PSL-3, F/H2S, 20 KSI ABOVE/15 KSI BELOW, 35-350 DEG. F., F/ALL HGRS 14" & SMALLER, WT SET W/ALL METAL SEALS, MODIFIED BR STYLE, W/850 KIP TESTED LOCKDOWN CAPACITY OUTER LOCK RING	2-413282-06	00296843-02	1	ELD	A56 BACK

EXHIBIT B

Proposed Order

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

In re:	§	Chapter 11
Cobalt International Energy, Inc., *et al.*,[1]	§	Case No. 17-36709 (MI)
Reorganized Debtors.	§	(Jointly Administered)

ORDER APPROVING MOTION OF NADER TAVAKOLI, ACTING SOLELY AS PLAN ADMINISTRATOR, FOR ENTRY OF ORDER PURSUANT TO BANKRUPTCY RULE 9019 APPROVING SETTLEMENT AGREEMENT

Upon the *Motion of Nader Tavakoli, solely in his capacity as Plan Administrator, for Entry of Order Pursuant to Bankruptcy Rule 9019 Approving Settlement Agreement Relating to Total E&P, USA Litigation* (the "Motion");[2] upon consideration of the Motion and the relief requested therein; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and it appearing that no other or further notice need be provided; and upon the record of all the proceedings had before the Court; and objections to the Motion, if any, having been withdrawn or denied on the merits; and the Court having determined that there exists just cause for the relief granted herein; and the Court having determined that the relief sought in the Motion

1 The Reorganized Debtors in the Chapter 11 cases, along with the last four digits of each Reorganized 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).

2 Unless otherwise indicated, all capitalized terms in this Order shall have the same meaning as ascribed to them in the Motion.

is in the best interest of the Debtors, their estates and their creditors and all parties in interest in these jointly administered chapter 11 cases; and the Court having determined that the Settlement Agreement is the product of good faith, arm's-length bargaining; and after due deliberation and sufficient cause appearing therefore, it is HEREBY ORDERED that:

1. The Motion is hereby GRANTED as set forth herein.

2. The Settlement Agreement, including all terms and conditions of the settlement embodied therein, is approved in all respects.

3. The Plan Administrator is authorized to enter into the Settlement Agreement and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Settlement Agreement.

4. This Order including the terms set forth in the Settlement Agreement shall be immediately effective and enforceable upon its Entry.

5. The Court retains jurisdiction with respect to all matters arising from or relating to the interpretation, implementation, and enforcement of the Settlement Agreement and this Order.

Dated: _____, 2020
Houston, Texas

_____
THE HONORABLE MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE