

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

_____)	
In re:)	Chapter 11
)	
SOUTHCROSS ENERGY PARTNERS, L.P.,)	Case No. 19-[_____] (____)]
<i>et al.</i> ,)	
)	Joint Administration Requested
Debtors. ¹)	
_____)	

**MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL
ORDERS AUTHORIZING (I) DEBTORS TO PAY CERTAIN
PREPETITION TAXES, GOVERNMENTAL ASSESSMENTS, AND FEES
AND (II) FINANCIAL INSTITUTIONS TO HONOR AND PROCESS
RELATED CHECKS AND TRANSFERS**

Southcross Energy Partners, L.P. (“**Southcross**”), Southcross Energy Partners GP, LLC, and Southcross’s wholly owned direct and indirect subsidiaries, each of which is a debtor and debtor in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), hereby file this *Motion of Debtors for Entry of Interim and Final Orders Authorizing (i) Debtors To Pay Certain Prepetition Taxes, Governmental Assessments, and Fees and (ii) Financial Institutions To Honor and Process Related Checks and Transfers* (this “**Motion**”). This Motion is supported by the *Declaration of Michael B. Howe in Support of*

¹ The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Energy Partners GP, LLC (5141); Southcross Energy Finance Corp. (2225); Southcross Energy Operating, LLC (9605); Southcross Energy GP LLC (4246); Southcross Energy LP LLC (4304); Southcross Gathering Ltd. (7233); Southcross CCNG Gathering Ltd. (9553); Southcross CCNG Transmission Ltd. (4531); Southcross Marketing Company Ltd. (3313); Southcross NGL Pipeline Ltd. (3214); Southcross Midstream Services, L.P. (5932); Southcross Mississippi Industrial Gas Sales, L.P. (7519); Southcross Mississippi Pipeline, L.P. (7499); Southcross Gulf Coast Transmission Ltd. (0546); Southcross Mississippi Gathering, L.P. (2994); Southcross Delta Pipeline LLC (6804); Southcross Alabama Pipeline LLC (7180); Southcross Nueces Pipelines LLC (7034); Southcross Processing LLC (0672); FL Rich Gas Services GP, LLC (5172); FL Rich Gas Services, LP (0219); FL Rich Gas Utility GP, LLC (3280); FL Rich Gas Utility, LP (3644); Southcross Transmission, LP (6432); T2 EF Cogeneration Holdings LLC (0613); and T2 EF Cogeneration LLC (4976). The debtors’ mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.



Debtors' Chapter 11 Proceedings and First Day Pleadings (the "**Howe Declaration**") filed contemporaneously herewith. In further support of this Motion, the Debtors respectfully state as follows:

Relief Requested

1. By this Motion, and pursuant to sections 105(a), 363(b), 363(c), 507(a)(8), and 541 of title 11 of the United States Code (the "**Bankruptcy Code**") and Rule 6003 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), the Debtors seek entry of interim and final orders (the "**Proposed Orders**" and, if entered, the "**Orders**") (a) authorizing, but not directing, the Debtors to pay, in their sole discretion, Covered Taxes and Fees (as defined below) as described herein, whether asserted prior to, on, or after the Petition Date (as defined below) and (b) authorizing the Debtors' financial institutions to receive, process, honor, and pay checks or wire transfers used by the Debtors to pay the foregoing.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the District of Delaware (the "**Court**") has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012.

3. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2) and, pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "**Local Rules**"), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

4. Venue of the Chapter 11 Cases and related proceedings is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

5. On April 1, 2019 (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors have continued in possession of their property and have continued to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. No request has been made for the appointment of a trustee or examiner, and no official committee has been appointed in the Chapter 11 Cases.

7. Additional information about the Debtors’ businesses and affairs, capital structure, and prepetition indebtedness, and the events leading up to the Petition Date, can be found in the Howe Declaration, which is incorporated herein by reference.

The Debtors’ Covered Taxes and Fees

8. In the ordinary course of the Debtors’ businesses, the Debtors collect, withhold, and incur (a) Environmental and Safety Fees and Assessments, (b) Sales and Use Taxes, (c) Franchise Taxes and Fees, (d) Property Taxes, and (e) Other Taxes (each, as individually defined below and collectively, excluding the Employment and Wage-Related Taxes, the “**Covered Taxes and Fees**”).² The Debtors remit the Covered Taxes and Fees to various federal, state, and local governmental authorities, including taxing and licensing authorities (collectively, the “**Governmental Authorities**”).³

² The Debtors also incur taxes based on or measured by their net income (including federal corporate income tax and state income taxes). This Motion is not seeking relief with respect to such taxes.

³ The Debtors also are required by law to withhold from domestic employees’ wages and pay various amounts related to such wages as federal, state, and local taxes. The Debtors are not seeking any relief in this Motion relating to such employment and wage-related taxes, as they are addressed in the *Motion of Debtors for* (...continued)

9. A non-exclusive list of the Governmental Authorities (the “**Governmental Authority List**”) is annexed as Exhibit 1 to the Proposed Orders. Although the Governmental Authority List is substantially complete, the Debtors request that the relief set forth in the Proposed Orders be made applicable to all Governmental Authorities and not solely to those Governmental Authorities listed on the Governmental Authority List.

10. The Debtors believe that, as of the Petition Date, none of the Covered Taxes and Fees is past due or delinquent and, after entry of the Proposed Orders, the Debtors intend to pay such amounts as they come due in the ordinary course of business.

Environmental, Health, and Safety Fees and Assessments

11. The Debtors incur various fees, penalties, and assessments in connection with environmental, health, and safety laws and regulations, business licensing and permits, and participation in state regulatory agencies and boards (collectively, “**Environmental and Safety Fees and Assessments**”). Certain of the Environmental and Safety Fees and Assessments carry substantial administrative, civil, or criminal penalties in the event that the Debtors fail to comply with such Environmental and Safety Fees and Assessments.

12. The Debtors are required to remit these Environmental and Safety Fees and Assessments to the relevant Governmental Authorities on a periodic basis and, subsequent to the relief requested in this Motion being granted, generally intend to pay to the appropriate Governmental Authorities such Environmental and Safety Fees and Assessments as the Debtors, in their sole discretion, deem appropriate to ensure their continued receipt and renewal of permits

(continued....)

Entry of Interim and Final Orders Authorizing (i) Debtors To (a) Pay Prepetition Employee Obligations and (b) Maintain Employee Benefits Programs and Pay Related Administrative Obligations, (ii) Current and Former Employees To Proceed with Outstanding Workers’ Compensation Claims, and (iii) Financial Institutions To Honor and Process Related Checks and Transfers filed contemporaneously herewith.

and other authorizations necessary for the continuation of their businesses pursuant to any applicable law or regulation. As of the Petition Date, the Debtors are unaware of any Environmental and Safety Fees and Assessments not yet remitted to the relevant Governmental Authorities.⁴ However, the Debtors request authority to remit, in their sole discretion, any and all Environmental and Safety Fees and Assessments on an interim basis, pending entry of the final order granting the relief requested herein, and to continue remitting, in their sole discretion, Environmental and Safety Fees and Assessments in the ordinary course of business on a post-petition basis.

13. Over the last 12 months, the Debtors incurred approximately \$812,000 in Environmental and Safety Fees and Assessments for permits, in addition to periodic application fees incurred on an as-needed basis. The Debtors are not aware of any outstanding amounts for alleged violations of health and safety laws as of the Petition Date. In addition, the Debtors estimate that approximately \$254,000 of Environmental and Safety Fees and Assessments have accrued as of the Petition Date. The Debtors further estimate that \$205,000 of such accrued prepetition Environmental and Safety Fees and Assessments will become payable during the first 30 days of the Chapter 11 Cases. The Debtors request authority to pay, in their sole discretion, prepetition Environmental and Safety Fees and Assessments in an amount not to exceed \$205,000 under the interim Proposed Order and the remaining amounts outstanding pursuant to the final Proposed Order.

⁴ Currently, there is an ongoing audit in Alabama relating to a business licensing tax. The Debtors believe that any tax ultimately due would be *de minimis* in amount.

Sales and Use Taxes

14. On occasion, the Debtors incur various general sales and use taxes, gross receipts taxes, and other similar taxes (collectively, “**Sales and Use Taxes**”). The Debtors remit these Sales and Use Taxes to the applicable Governmental Authorities. Over the last 12 months, the Debtors paid approximately \$22,000 in Sales and Use Taxes.

15. As of the Petition Date, none of the Debtors have accrued any Sales and Use Taxes and the Debtors believe that any Sales and Use Taxes that may come due in the interim period would be *de minimis* in amount. Accordingly, the Debtors request authority to remit in the ordinary course of business, in their sole discretion, any Sales and Use Taxes.

Franchise Taxes and Fees

16. The Debtors are required to pay various state franchise taxes, annual report fees, privilege fees, and business license or permitting fees (collectively, “**Franchise Taxes and Fees**”) in order to continue conducting their businesses within particular jurisdictions. Over the last 12 months, the Debtors paid Franchise Taxes and Fees in Texas, Alabama, Delaware, and Mississippi of approximately \$81,000 in the aggregate. In addition, the Debtors estimate that approximately \$40,000 of Franchise Taxes and Fees have accrued as of the Petition Date. The Debtors estimate that \$16,000 of such accrued prepetition Franchise Taxes and Fees will become payable during the first 30 days of the Chapter 11 Cases. Failure to pay these Franchise Taxes and Fees would cause the Debtors to lose the ability to conduct their businesses in such jurisdictions. Accordingly, the Debtors request authority to pay prepetition Franchise Taxes and Fees in an amount not to exceed \$16,000 under the interim Proposed Order and the remaining amounts outstanding pursuant to the final Proposed Order.

Property Taxes

17. The Debtors have property tax obligations to certain Governmental Authorities for their real and personal property holdings and annual taxes on office equipment (collectively, “**Property Taxes**”). Property Taxes on account of production are assessed one year following the year in which such production occurred and are due to relevant Governmental Authorities one year after such Property Taxes are assessed.

18. Over the last 12 months, the Debtors paid Property Taxes of approximately \$9,400,000 in the aggregate. As of the Petition Date, the Debtors have accrued but not remitted approximately \$2.6 million of Property Taxes on account of real and personal property. The Debtors do not anticipate any amounts coming due within the next 30 days. Accordingly, the Debtors request authority to remit, in their sole discretion, payment on account of the outstanding Property Taxes in the ordinary course of business, pending entry of the final order granting the relief requested herein, and to continue remitting, in their sole discretion, Property Taxes in the ordinary course of business on a post-petition basis. It is critical that the Debtors are authorized to pay any Property Taxes where under applicable law the failure to pay gives rise to a secured state law lien. The Debtors’ current practice generally is to pay such amounts to the appropriate Governmental Authorities on various dates during the year, and no later than when they come due. Interest and penalties accrue if such Property Taxes are not timely paid. Paying these Property Taxes, therefore, will reduce costs by minimizing interest and penalty charges.

Other Taxes

19. The Debtors also collect various other federal, state, or local taxes, charges, fines, penalties, and fees in the ordinary course of business (including any amounts required to be withheld, incurred, or collected under applicable law) (collectively, “**Other Taxes**”). The Debtors are required to remit these Other Taxes to the appropriate Governmental Authorities on

a periodic basis. Over the last 12 months, the Debtors incurred approximately \$66,000 in Other Taxes. In addition, the Debtors estimate that approximately \$21,000 of Other Taxes have accrued as of the Petition Date. The Debtors estimate that \$15,000 of such accrued prepetition Other Taxes will become payable during the first 30 days of the Chapter 11 Cases. Accordingly, the Debtors request authority to pay, in their sole discretion, prepetition Other Taxes in an amount not to exceed \$15,000 under the interim Proposed Order and the remaining outstanding amounts pursuant to the final Proposed Order.

Basis for Relief

20. The Debtors believe that many of the Covered Taxes and Fees collected before the Petition Date are not property of the Debtors' estates and, for that reason, must be turned over to the relevant Governmental Authorities. Moreover, to the extent that the Covered Taxes and Fees are not actually the property of the Governmental Authorities, failure to pay such amounts may well give rise to priority or secured claims that would, in any event, be entitled to payment in full. The Debtors also seek to pay prepetition Covered Taxes and Fees in order to forestall the Governmental Authorities from taking actions that might interfere with the Debtors' businesses, such as blocking the receipt or renewal of permits required for the Debtors' continued operations or possibly bringing personal liability actions against the Debtors' directors, officers, and other employees in connection with non-payment of the Covered Taxes and Fees. Actions against the Debtors' directors, officers, and other employees would likely distract key personnel, whose full-time attention to the Chapter 11 Cases is required, and would likely cause potential business disruptions. Any such business disruptions would likely erode the Debtors' business reputation and negatively affect the Chapter 11 Cases. Accordingly, the Debtors submit that the proposed relief is in the best interest of the Debtors' estates.

Certain of the Covered Taxes and Fees Are
Not Property of the Debtors' Estates

21. Section 541(d) of the Bankruptcy Code provides, in relevant part, that “[p]roperty in which the debtor holds, as of the commencement of the case, only legal title and not an equitable interest . . . becomes property of the estate under subsection (a)(1) or (2) of this section only to the extent of the debtor’s legal title to such property, but not to the extent of any equitable interest in such property that the debtor does not hold.” 11 U.S.C. § 541(d).

22. Certain of the Covered Taxes and Fees are collected or withheld by the Debtors on behalf of the applicable Governmental Authorities and are held in trust by the Debtors. *See, e.g.*, I.R.C. § 7501 (stating that certain taxes are held in trust). As such, these Covered Taxes and Fees are not property of the Debtors’ estates under section 541 of the Bankruptcy Code. *See, e.g., Begier v. I.R.S.*, 496 U.S. 53 (1990) (stating that withholding taxes are property held by debtor in trust for another and, as such, are not property of debtor’s estate); *Ruscitto v. United States*, 629 F. App’x 429, 432 (3d Cir. 2015) (discussing employment-related taxes as “trust fund” taxes); *In re Calabrese*, 689 F.3d 312, 314 (3d Cir. 2012) (holding that sales taxes are “trust fund” taxes); *Tex. Comptroller of Pub. Accounts v. Megafoods Stores, Inc. (In re Megafoods Stores, Inc.)*, 163 F.3d 1063, 1067-69 (9th Cir. 1998) (determining that, under Texas law, state sales taxes the debtor collected created a statutory trust fund, if traceable, and were not property of the estate); *In re Kaplan*, 104 F.3d 589, 591 (3d Cir. 1997) (classifying certain withholding taxes as “trust fund” taxes); *Al Copeland Enters. v. Texas (In re Al Copeland Enters.)*, 991 F.2d 233, 239-40 (5th Cir. 1993) (holding that debtors’ prepetition collection of sales taxes and interest thereon were held subject to trust and were not property of the estate); *see generally Official Comm. of Unsecured Creditors of the Columbia Gas Trans. Corp. v. Columbia Gas Sys. Inc. (In re Columbia Gas Sys. Inc.)*, 997 F.2d 1039, 1059-60 (3d Cir. 1993) (indicating

that even if a statute does not establish an express trust, a constructive trust may be found). Because certain of the Covered Taxes and Fees are the property of the relevant Governmental Authorities and are not property of the Debtors' estates, such funds are not available for the satisfaction of creditors' claims.

Certain of the Covered Taxes and Fees Are Priority Claims

23. To the extent that any amounts in respect of the Covered Taxes and Fees are property of the Debtors' estates under section 541 of the Bankruptcy Code, many claims in respect of those amounts would likely be afforded priority status under section 507(a)(8) of the Bankruptcy Code. As priority claims, those portions of the Covered Taxes and Fees must be paid in full before any general unsecured obligations of the Debtors can be satisfied. The Debtors believe that sufficient assets will exist to pay all priority Covered Taxes and Fees in full under any chapter 11 plan that may ultimately be proposed and confirmed by the Court. Accordingly, to the extent that the Covered Taxes and Fees are property of the Debtors' estates and give rise to priority claims, the relief requested will only affect the timing of the payment of these priority Covered Taxes and Fees and will not prejudice the rights of general unsecured creditors.

24. In this respect, it should be noted that obligations labeled as "fees" or "charges" may also be entitled to priority status as taxes. *See* 11 U.S.C. § 507(a)(8). A fee or charge is a tax if it is an involuntary pecuniary burden (a) laid upon the individual or its property, (b) imposed by or under authority of a legislative body, (c) assessed for public purposes, including the purposes of defraying expenses of government or undertakings authorized by it, and (d) assessed under the police or taxing power of the state. *See LTV Steel Co. v. Shalala (In re Chateaugay Corp.)*, 53 F.3d 478, 498 (2d Cir. 1995). Substantially all of the Covered Taxes and Fees are involuntary pecuniary burdens imposed by the authority of a federal, state, or local

legislature under its police or taxing power. Regardless of their statutory characterization as “fees” or “charges,” many of the claims in respect of the Covered Taxes and Fees may well qualify for priority status under section 507(a)(8) of the Bankruptcy Code and, as such, must be paid in full before any general unsecured obligations of the Debtors may be satisfied. Thus, payment of these Covered Taxes and Fees will affect only the timing of the payment and will not prejudice the rights of the general unsecured creditors of these estates.

Non-Payment of Certain Covered Taxes and Fees
Would Cause Immediate and Irreparable Harm to the Debtors’ Estates

25. Federal and state statutes may prevent the issuance of certain permits to an entity if it or certain related entities have outstanding or delinquent penalties or assessments for violations of certain environmental or other laws or regulations. Non-payment of such penalties or assessments could preclude the receipt or renewal of permits required for the Debtors’ continued operations and, thus, could interfere with the Debtors’ attempts to maximize the value of their assets for the benefit of their estates.

26. Many federal and state statutes hold certain directors, officers, and other employees of entities responsible for collecting, withholding, or remitting certain taxes personally liable for those taxes. *See, e.g.*, Tex. Tax Code § 111.016 (imposing personal liability on any individual who “controls or supervises” tax collection for a failure to remit those taxes when the failure is “willful”). To the extent that such Covered Taxes and Fees were incurred by the Debtors before the Petition Date and are not remitted or paid by the Debtors, certain of the Debtors’ directors, officers, and other employees may be subject to lawsuits during the pendency of the Chapter 11 Cases. Payment of the Covered Taxes and Fees will avoid the loss of focus and morale that would result from the risk of personal liability. A lawsuit and any ensuing liability would distract personnel from important tasks, to the detriment of all parties in interest

in the Chapter 11 Cases. The dedicated and active participation of the Debtors' directors, officers, and other employees is not only integral to the Debtors' continued, uninterrupted operations, but is also essential to the success of the Chapter 11 Cases.

27. Payment of certain of the prepetition Covered Taxes and Fees is critical to the Debtors' continued, uninterrupted operations and to avoid immediate and irreparable harm to the Debtors' estates. Nonpayment of the Covered Taxes and Fees may cause certain Governmental Authorities to take precipitous action, including conducting audits, filing liens, pursuing payment of the Covered Taxes and Fees from the Debtors' directors, officers, and other employees, and seeking to lift the automatic stay, any of which would disrupt the Debtors' day-to-day operations and could potentially impose significant costs and burdens on the Debtors' estates. Further, failure to satisfy the Covered Taxes and Fees may jeopardize the Debtors' maintenance of good standing to operate in the jurisdictions in which they conduct business. Prompt payment of the Covered Taxes and Fees will avoid these unnecessary and potentially costly and burdensome governmental actions. *See In re F.C.C.*, 217 F.3d 125, 137 (2d Cir. 2000). Accordingly, to the extent that the relief requested herein involves the use of property of the Debtors' estates and Bankruptcy Rule 6003 is applicable, the requested relief is consistent with such Bankruptcy Rule because failure to pay the Covered Taxes and Fees would cause immediate and irreparable harm to the Debtors.

28. Section 363(b)(1) of the Bankruptcy Code empowers the Court to allow a debtor to "use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Debtors' decisions to use, sell, or lease assets outside the ordinary course of business must be based upon the sound business judgment of the debtor. *See, e.g., In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996) (citing *In re Schipper*, 933 F.2d 513, 515 (7th Cir. 1991));

Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.), 722 F.2d 1063, 1070 (2d Cir. 1983); *In re Abbotts Dairies of Pa., Inc.*, 788 F.2d 143, 149-50 (3d Cir. 1986) (implicitly adopting the “sound business purpose” test of *Lionel Corp.* and requiring good faith); *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999); *In re Del. & Hudson Ry. Co.*, 124 B.R. 169, 176 (D. Del. 1991) (concluding that the Third Circuit adopted the “sound business purpose” test in the *Abbotts Dairies* decision); *see also In re Chateaugay Corp.*, 973 F.2d 141, 143 (2d Cir. 1992) (holding that a judge determining a section 363(b) application must find from the evidence presented before him or her a good business reason to grant such application); *In re Glob. Crossing Ltd.*, 295 B.R. 726, 743 (Bankr. S.D.N.Y. 2003); *In re Ionosphere Clubs, Inc.*, 100 B.R. 670, 675 (Bankr. S.D.N.Y. 1989) (noting the standard for determining a section 363(b) motion is “a good business reason”).

29. Courts emphasize that the business judgment rule is not an onerous standard and may be satisfied “as long as the proposed action *appears* to enhance the debtor’s estate.” *Crystalin, L.L.C. v. Selma Props. Inc. (In re Crystalin, L.L.C.)*, 293 B.R. 455, 463-64 (B.A.P. 8th Cir. 2003) (quoting *Four B. Corp. v. Food Barn Stores, Inc. (In re Food Barn Stores, Inc.)*, 107 F.3d 558, 566 n.16 (8th Cir. 1997) (emphasis in original, internal alterations and quotations omitted)). Courts require only that the debtors “show that a sound business purpose justifies such actions.” *In re Montgomery Ward Holding Corp.*, 242 B.R. at 153 (citations omitted); *see also In re Phx. Steel Corp.*, 82 B.R. 334, 335-36 (Bankr. D. Del. 1987); *In re Adelpia Commc’ns Corp.*, Case No. 02-41729, 2003 WL 22316543, at *31 (Bankr. S.D.N.Y. Mar. 4, 2003); *In re Lionel Corp.*, 722 F.2d at 1071.

30. Further, “[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not

entertain objections to the debtor’s conduct.” *In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (citation omitted); *see also In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) (stating that “[o]vercoming the presumptions of the business judgment rule on the merits is a near-Herculean task”); *In re AbitibiBowater Inc.*, 418 B.R. 815, 831 (Bankr. D. Del. 2009) (the business judgment standard is “not a difficult standard to satisfy”). Under the business judgment rule, “management of a corporation’s affairs is placed in the hands of its board of directors and officers, and the Court should interfere with their decisions only if it is made clear that those decisions are, *inter alia*, clearly erroneous, made arbitrarily, are in breach of the officers’ and directors’ fiduciary duty to the corporation, are made on the basis of inadequate information or study, are made in bad faith, or are in violation of the Bankruptcy Code.” *In re Farmland Indus., Inc.*, 294 B.R. 855, 881 (Bankr. W.D. Mo. 2003) (citing *In re United Artists Theatre Co.*, 315 F.3d 217, 233 (3d Cir. 2003); *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985); *In re Def. Drug Stores, Inc.*, 145 B.R. 312, 317 (B.A.P. 9th Cir. 1992)); *In re Food Barn Stores, Inc.*, 107 F.3d at 567 n.16 (citing *Richmond Leasing Co.*, 762 F.2d at 1309) (“Where the [debtor’s] request is not manifestly unreasonable or made in bad faith, the court should normally grant approval ‘as long as the proposed action appears to enhance the debtor’s estate.’”).

31. Moreover, section 363(c) of the Bankruptcy Code authorizes a debtor in possession operating its business pursuant to section 1108 of the Bankruptcy Code to “enter into transactions . . . in the ordinary course of business without notice or a hearing, and may use property of the estate in the ordinary course of business without notice or a hearing.”

11 U.S.C. § 363(c)(1).

32. One purpose of section 363 of the Bankruptcy Code is to provide a debtor with the flexibility to engage in the ordinary course transactions required to operate its business without undue supervision by its creditors or the court. *See, e.g., In re Roth Am., Inc.*, 975 F.2d 949, 952 (3d Cir. 1992) (“Section 363 is designed to strike [a] balance, allowing a business to continue its daily operations without excessive court or creditor oversight and protecting secured creditors and others from dissipation of the estate’s assets.”) (citations omitted); *In re Vision Metals, Inc.*, 325 B.R. 138, 145 (Bankr. D. Del. 2005) (same). Included within the purview of section 363(c) of the Bankruptcy Code is a debtor’s ability to continue “routine transactions” necessitated by a debtor’s business practices. *See, e.g., In re Nellson Nutraceutical, Inc.*, 369 B.R. 787, 796 (Bankr. D. Del. 2007) (citations omitted) (noting that courts have shown a reluctance to interfere in a debtor’s making of routine, day-to-day business decisions); *In re Vision Metals*, 325 B.R. at 142 (“[W]hen a chapter 11 debtor in possession continues to operate its business, as permitted by section 1108, no court authorization is necessary for the debtor to enter transactions that fall within the ordinary course of its business.”).

33. The Bankruptcy Code does not define “ordinary course of business.” In determining whether a transaction qualifies as “ordinary course,” the Third Circuit has adopted the “horizontal” dimension test (*i.e.*, whether “from an industry-wide perspective, the transaction is of the sort commonly undertaken by companies in that industry”) and “vertical” dimension test (*i.e.*, whether the transaction is consistent with the reasonable expectations of “hypothetical creditors”). *In re Roth Am., Inc.*, 975 F.2d at 953. “The touchstone of ‘ordinariness’ is . . . the interested parties’ reasonable expectations of what transactions the debtor in possession is likely to enter in the course of its business.” *Id.* (citing *In re James A. Phillips, Inc.*, 29 B.R. 391, 394 (S.D.N.Y. 1983)); *see also In re Nellson Nutraceutical, Inc.*, 369 B.R. at 797 (“[A] debtor’s pre-

petition business practices and conduct is the primary focus of the vertical analysis.”); *Sportsman’s Warehouse, Inc. v. McGillis/Eckman Invs.-Billings, LLC (In re Sportsman’s Warehouse, Inc.)*, Case No. 09-10990 (CSS), 2013 WL 492554, at *9 (Bankr. D. Del. Feb. 7, 2013) (citation omitted) (“In determining whether a transaction is in the ordinary course of business, the Third Circuit has adopted the two-part horizontal and vertical dimension test.”); *In re Blitz U.S.A., Inc.*, 475 B.R. 209, 214 (Bankr. D. Del. 2012) (same).

34. The Debtors submit that, to the extent that the use of property of the estate is implicated here, the relief requested in this Motion represents a sound exercise of the Debtors’ business judgment, is necessary to avoid immediate and irreparable harm, and is justified under section 363 of the Bankruptcy Code. As noted above, if the Covered Taxes and Fees are not paid, the Governmental Authorities could take actions that would be costly and distracting to the Debtors and interfere with the Debtors’ operations, which would negatively affect all of the Debtors’ stakeholders. Moreover, because most of the Covered Taxes and Fees either (a) are “trust fund” taxes and are, therefore, not property of the Debtors’ estates or (b) would be afforded priority status under section 507(a)(8) of the Bankruptcy Code, the Debtors’ general unsecured creditors will not be prejudiced by the Court’s granting of the relief requested herein.

35. In fact, numerous courts in this jurisdiction have granted relief similar to that requested herein. *See, e.g., In re Pernix Sleep, Inc.*, Case No. 19-10323 (CSS) (Bankr. D. Del. Feb. 21, 2019); *In re TerraVia Holdings, Inc.*, Case No. 17-11655 (CCS) (Bankr. D. Del. Aug. 3, 2017); *In re Bonanza Creek Energy, Inc.*, Case No. 17-10015 (KJC) (Bankr. D. Del. Jan. 5, 2017); *In re Basic Energy Servs., Inc.*, Case No. 16-12320 (KJC) (Bankr. D. Del. Nov. 17, 2016); *In re Key Energy Servs., Inc.*, No. 16-12306 (BLS) (Bankr. D. Del. Nov. 14, 2016); *In re Halcon Res. Corp.*, Case No. 16-11724 (BLS) (Bankr. D. Del. Aug. 19, 2016); *In re Seventy*

Seven Fin. Inc., Case No. 16-11409 (LSS) (Bankr. D. Del. June 28, 2016); *In re Dex Media, Inc.*, Case No. 16-11200 (KG) (Bankr. D. Del. June 8, 2016); *In re Offshore Grp. Investment Ltd.*, Case No. 15-12422 (BLS) (Bankr. D. Del. Jan. 5, 2016); *In re Hercules Offshore, Inc.*, Case No. 15-11685 (KJC) (Bankr. D. Del. Sept. 8, 2015). The Debtors submit that the circumstances described herein warrant similar relief.

36. Finally, the Debtors submit that payment of the Covered Taxes and Fees is necessary and appropriate and is authorized under section 105(a) of the Bankruptcy Code pursuant to the “necessity of payment” doctrine, which “recognizes the existence of the judicial power to authorize a debtor in a reorganization case to pay prepetition claims where such payment is essential to the continued operation of the debtor.” *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 176 (Bankr. S.D.N.Y. 1989).

37. Under section 105(a) of the Bankruptcy Code, the Court has expansive equitable powers to fashion any order or decree that is in the interest of preserving or protecting the value of the Debtors’ assets. *See In re Combustion Eng’g, Inc.*, 391 F.3d 190, 236 (3d Cir. 2004) (citation omitted) (noting that section 105 of the Bankruptcy Code “has been construed to give a bankruptcy court ‘broad authority’ to provide equitable relief appropriate to assure the orderly conduct of reorganization proceedings”); *In re Nixon*, 404 F. App’x 575, 578 (3d Cir. 2010) (citation omitted) (“It is well settled that the court’s power under § 105(a) is broad.”); *In re Nortel Networks, Inc.*, 532 B.R. 494, 554 (Bankr. D. Del. 2015) (citations omitted) (“The Third Circuit has construed [section 105 of the Bankruptcy Code] to give bankruptcy courts ‘broad authority’ to provide appropriate equitable relief to assure the orderly conduct of reorganization proceedings, and to ‘craft flexible remedies that, while not expressly authorized by the Code, effect the result the Code was designed to obtain.’”); *see also In re Chinichian*, 784 F.2d 1440,

1443 (9th Cir. 1986) (citation omitted) (“Section 105 sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the purposes of the Bankruptcy Code.”).

38. The Court’s power to utilize the “doctrine of necessity” in the Chapter 11 Cases derives from the Court’s inherent equity powers and its statutory authority to “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). The United States Supreme Court first articulated the doctrine of necessity more than a century ago, in *Miltenberger v. Logansport Ry. Co.*, 106 U.S. 286 (1882), in affirming the authorization by the lower court of the use of receivership funds to pay pre-receivership debts owed to employees, vendors, and suppliers, among others, when such payments were necessary to preserve the receivership property and the integrity of the business in receivership. *See id.* at 309. The modern application of the doctrine of necessity is largely unchanged from the Supreme Court’s reasoning in *Miltenberger*. *See In re Lehigh & New Eng. Ry.*, 657 F.2d 570, 581-82 (3d Cir. 1981) (“[I]n order to justify payment under the ‘necessity of payment’ rule, a real and immediate threat must exist that failure to pay will place the continued operation of the [debtor] in serious jeopardy.”); *Friedman’s Inc. v. Roth Staffing Cos., L.P. (In re Friedman’s Inc.)*, Case No. 09-10161 (CSS), 2011 WL 5975283, at *3 (Bankr. D. Del. Nov. 30, 2011) (citing *In re Enron Corp.*, 2003 WL 1562202, at *20 (Bankr. S.D.N.Y. Mar. 21, 2003)) (“The ‘doctrine of necessity’ stands for the proposition that a bankruptcy court may allow payment outside of a plan of reorganization on account of a pre-petition obligation where such payment is critical to the reorganization process.”); *In re Just for Feet, Inc.*, 242 B.R. 821, 824-25 (D. Del. 1999).

39. The doctrine of necessity “recognizes the existence of the judicial power to authorize a debtor in a reorganization case to pay prepetition claims where such payment is

essential to the continued operation of the debtor.” *In re Ionosphere Clubs, Inc.*, 98 B.R. at 176; *see also In re Just for Feet, Inc.*, 242 B.R. at 826 (stating that where the debtor “cannot survive” absent payment of certain prepetition claims, the doctrine of necessity should be invoked to permit payment); *In re Sharon Steel Corp.*, 159 B.R. 730, 736 (Bankr. W.D. Pa. 1993) (noting that courts grant debtors the authority to pay certain prepetition claims “where the payment is necessary to permit the effectuation of the rehabilitative purposes of the Bankruptcy Code.”).

40. The doctrine of necessity is an accepted component of modern bankruptcy jurisprudence. *See In re Ionosphere Clubs, Inc.*, 98 B.R. at 175 (holding that the “ability of a Bankruptcy Court to authorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept”); *In re Just For Feet, Inc.*, 242 B.R. at 826 (approving payment of key inventory suppliers’ prepetition claims when such suppliers could destroy debtor’s business by refusing to deliver new inventory on eve of debtor’s key sales season); *see also Official Comm. of Unsecured Creditors of Motor Coach Indus. Int’l v. Motor Coach Indus. Int’l (In re Motor Coach Indus. Int’l)*, Case No. 09-078-SLR, 2009 WL 330993, at *2 n.5 (D. Del. Feb. 10, 2009); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191-92 (Bankr. D. Del. 1994). The doctrine is frequently invoked early in a reorganization, particularly in connection with those chapter 11 sections that relate to payment of prepetition claims. The court in *In re StructureLite Plastics Corp.* indicated its accord with “the principle that a bankruptcy court may exercise its equity powers under section 105(a) to authorize payment of prepetition claims where such payment is necessary to ‘permit the greatest likelihood of survival of the debtor and payment of creditors in full or at least proportionately.’” *In re StructureLite Plastics Corp.*, 86 B.R. 922, 931 (Bankr. S.D. Ohio 1988). The court stated that a “*per se* rule proscribing the payment of prepetition indebtedness may well be too inflexible to permit the

effectuation of the rehabilitative purposes of the Code.” *Id.* at 932. Accordingly, pursuant to section 105(a) of the Bankruptcy Code, the Court is empowered to grant the relief requested herein.

41. Based upon the foregoing, the Debtors submit that the relief requested herein is essential, appropriate, and in the best interests of the Debtors’ estates and stakeholders. Absent this relief, the value of the Debtors’ estates will suffer, possibly precipitously. Consequently, the Debtors’ stakeholders will benefit if the requested relief is granted.

Applicable Financial Institutions Should Be Authorized To Honor and Process Related Checks and Transfers

42. The Debtors also request that all applicable financial institutions be authorized to (a) receive, process, honor, and pay all checks presented for payment of, and to honor all fund transfer requests made by the Debtors related to, the claims that the Debtors request authority to pay in this Motion, regardless of whether the checks were presented or fund transfer requests were submitted before, on, or after the Petition Date and (b) rely on the Debtors’ designation of any particular check as approved by the Proposed Orders.

Necessity of Immediate Relief

43. Bankruptcy Rule 6003 provides that “[e]xcept to the extent that relief is necessary to avoid immediate and irreparable harm, the court shall not, within 21 days after the filing of the petition, issue an order granting . . . (b) a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition” Fed. R. Bankr. P. 6003. The Debtors believe that they may need to make upcoming payments to Governmental Authorities. If the Debtors are not permitted to continue their ordinary business operations by continuing to pay the Covered Taxes

and Fees as they come due, the Debtors could suffer immediate and irreparable harm.

Accordingly, the relief requested herein is consistent with Bankruptcy Rule 6003.

Debtors' Reservation of Rights

44. Nothing contained herein is intended or should be construed as, or deemed to constitute, an agreement or admission as to the validity of any claim against the Debtors on any grounds, a waiver or impairment of the Debtors' rights to dispute any claim on any grounds, or an assumption or rejection of any agreement, contract, or lease under section 365 of the Bankruptcy Code. The Debtors expressly reserve their rights to contest any claims related to Covered Taxes and Fees under applicable bankruptcy and non-bankruptcy law. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended, and should not be construed, as an admission as to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

Waiver of Stay Under Bankruptcy Rule 6004(h)

45. The Debtors also request that, to the extent applicable to the relief requested in this Motion, the Court waive the stay imposed by Bankruptcy Rule 6004(h), which provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). As described above, the relief that the Debtors seek in this Motion is necessary for the Debtors to operate their businesses without interruption and to preserve value for their estates. Accordingly, the Debtors respectfully request that the Court waive the 14-day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

Notice

46. Notice of this Motion will be provided to (a) the Office of the United States Trustee for the District of Delaware, (b) each of the Debtors' 20 largest unsecured creditors on a consolidated basis, (c) Vinson & Elkins LLP, as counsel to Wells Fargo Bank, N.A., the administrative agent under Southcross's prepetition secured revolving credit facility, (d) (x) Arnold & Porter Kaye Scholer LLP and (y) Young Conaway Stargatt & Taylor, LLP, as counsel to Wilmington Trust, N.A., the administrative agent under Southcross's prepetition secured term loan facility and post-petition credit facility, (e) Willkie Farr & Gallagher LLP, as counsel to the post-petition lenders and an ad hoc group of prepetition lenders, (f) Debevoise & Plimpton LLP, as counsel to Southcross Holdings LP, (g) the Securities and Exchange Commission, (h) the Internal Revenue Service, (i) the United States Attorney's Office for the District of Delaware, and (j) each Governmental Authority (collectively, the "**Notice Parties**").

47. Notice of this Motion and any order entered hereon will be served on all parties required by Local Rule 9013-1(m). A copy of this Motion and any order approving it will also be made available on the Debtors' case information website located at <http://www.kccllc.net/southcrossenergy>. Based on the urgency of the circumstances surrounding this Motion and the nature of the relief requested herein, the Debtors respectfully submit that no further notice is required.

No Prior Request

48. The Debtors have not previously sought the relief requested herein from the Court or any other court.

WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Orders, substantially in the forms attached hereto as Exhibit A and Exhibit B, respectively,

granting the relief requested herein and such other and further relief as the Court deems just and proper.

Dated: April 1, 2019
Wilmington, Delaware

Respectfully submitted,
MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Robert J. Dehney
Robert J. Dehney (No. 3578)
Andrew R. Remming (No. 5120)
Joseph C. Barsalona II (No. 6102)
Eric W. Moats (No. 6441)
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P.O. Box 1347
Wilmington, Delaware 19899-1347
Tel.: (302) 658-9200
Fax: (302) 658-3989
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-and-

DAVIS POLK & WARDWELL LLP

Marshall S. Huebner (*pro hac vice* pending)
Darren S. Klein (*pro hac vice* pending)
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benjamin.schak@davispolk.com

Proposed Counsel to the Debtors and Debtors in Possession

Exhibit A

Proposed Interim Order

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

In re:)	
)	Chapter 11
)	
SOUTHCROSS ENERGY PARTNERS, L.P.,)	Case No. 19-[_____] (____)]
<i>et al.</i> ,)	
)	Jointly Administered
Debtors. ¹)	
)	

**INTERIM ORDER AUTHORIZING (I) DEBTORS TO PAY CERTAIN
PREPETITION TAXES, GOVERNMENTAL ASSESSMENTS, AND FEES
AND (II) FINANCIAL INSTITUTIONS TO HONOR AND PROCESS
RELATED CHECKS AND TRANSFERS**

Upon the motion (the “**Motion**”)² of Southcross Energy Partners, L.P. (“**Southcross**”), Southcross Energy Partners GP, LLC, and Southcross’s wholly owned direct and indirect subsidiaries, each of which is a debtor and debtor in possession in the Chapter 11 Cases (collectively, the “**Debtors**”), for entry of interim and final orders pursuant to sections 105(a), 363(b), 363(c), 507(a)(8), and 541 of the Bankruptcy Code and Bankruptcy Rule 6003(a), authorizing, but not directing, the Debtors to pay, in their sole discretion, the Covered Taxes and Fees, whether asserted prior to, on, or after the Petition Date and (b) authorizing the Debtors’

¹ The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Energy Partners GP, LLC (5141); Southcross Energy Finance Corp. (2225); Southcross Energy Operating, LLC (9605); Southcross Energy GP LLC (4246); Southcross Energy LP LLC (4304); Southcross Gathering Ltd. (7233); Southcross CCNG Gathering Ltd. (9553); Southcross CCNG Transmission Ltd. (4531); Southcross Marketing Company Ltd. (3313); Southcross NGL Pipeline Ltd. (3214); Southcross Midstream Services, L.P. (5932); Southcross Mississippi Industrial Gas Sales, L.P. (7519); Southcross Mississippi Pipeline, L.P. (7499); Southcross Gulf Coast Transmission Ltd. (0546); Southcross Mississippi Gathering, L.P. (2994); Southcross Delta Pipeline LLC (6804); Southcross Alabama Pipeline LLC (7180); Southcross Nueces Pipelines LLC (7034); Southcross Processing LLC (0672); FL Rich Gas Services GP, LLC (5172); FL Rich Gas Services, LP (0219); FL Rich Gas Utility GP, LLC (3280); FL Rich Gas Utility, LP (3644); Southcross Transmission, LP (6432); T2 EF Cogeneration Holdings LLC (0613); and T2 EF Cogeneration LLC (4976). The debtors’ mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.

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

financial institutions to receive, process, honor, and pay checks or wire transfers used by the Debtors to pay the foregoing, as more fully described in the Motion; and the Court having jurisdiction to consider the matters raised in the Motion pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having authority to hear the matters raised in the Motion pursuant to 28 U.S.C. § 157; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Motion and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Motion and opportunity for a hearing on the Motion having been given to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Motion and the Howe Declaration; and the Court having held a hearing on the Motion (the “**Hearing**”); and the 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 the Court having found that the relief requested in the Motion being in the best interests of the Debtors, their creditors, their estates, and all other parties in interest; and the Court having determined that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby granted as set forth herein on an interim basis.

2. The Debtors are authorized, but not directed, to pay, in their sole discretion, the Covered Taxes and Fees to the Governmental Authorities (including those Governmental Authorities listed on Exhibit 1 annexed hereto), including all Covered Taxes and Fees subsequently determined upon audit or otherwise to be owed for the periods before the Petition Date, on account of (a) Environmental and Safety Fees and Assessments, in an interim amount not to exceed \$205,000, (b) Sales and Use Taxes, (c) Franchise Taxes and Fees, in an interim amount not to exceed \$16,000, and (d) Other Taxes, in an interim amount not to exceed \$15,000, pending entry of a final order on this Motion.

3. The Debtors are authorized, but not directed, to continue remitting, in their sole discretion, the Covered Taxes and Fees in the ordinary course of business on a post-petition basis.

4. A final hearing to consider the relief requested in the Motion shall be held on _____, 2019 at _____ (Prevailing Eastern Time) and any objections or responses to the Motion shall be filed and served on the Notice Parties so as to be actually received on or prior to on _____, 2019 at 4:00 p.m. (Prevailing Eastern Time).

5. All applicable banks and other financial institutions are hereby authorized to receive, process, honor, and pay any and all checks, drafts, wires, check transfer requests, or automated clearing house transfers evidencing amounts paid by the Debtors under this Order whether presented prior to, on, or after the Petition Date. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this Order without any duty of further inquiry and without liability for following the Debtors' instructions.

6. The Debtors are authorized, but not required, to issue, in their sole discretion, new post-petition checks, or effect new fund transfers, for the Covered Taxes and Fees to replace any prepetition checks or fund transfer requests that may be dishonored or rejected and to reimburse the relevant Governmental Authority or the applicable payee, as the case may be, for any fees or costs incurred by them in connection with a dishonored or voided check or funds transfer.

7. Nothing in this Order or any action taken by the Debtors in furtherance of the implementation hereof shall be deemed to constitute an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code, and all of the Debtors' rights with respect to such matters are expressly reserved.

8. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained herein shall (a) create, nor is it intended to create, any rights in favor of, or enhance the status of any claim held by, any person or entity or (b) be deemed to convert the priority of any claim from a prepetition claim into an administrative expense claim.

9. Nothing in this Order nor the Debtors' payment of claims pursuant to this Order shall be construed as or deemed to constitute (a) an agreement or admission by the Debtors as to the validity of any claim against the Debtors on any ground, (b) a grant of third party beneficiary status or bestowal of any additional rights on any third party, (c) a waiver or impairment of any rights, claims or defenses of the Debtors' rights to dispute any claim on any grounds, (d) a promise by the Debtors to pay any claim, or (e) an implication or admission by the Debtors that such claim is payable pursuant to this Order.

10. Notwithstanding anything to the contrary in this Order, in the event of any inconsistency between the terms of this Order and the terms of any order of this Court approving the debtor-in-possession financing facility and use of cash collateral (the "**DIP Order**"),

including, without limitation, any budget in connection therewith, the terms of the DIP Order shall govern.

11. The requirements of Bankruptcy Rule 6003 are satisfied by the contents of the Motion.

12. Any Bankruptcy Rule (including, but not limited to, Bankruptcy Rule 6004(h)) or Local Rule that might otherwise delay the effectiveness of this Order is hereby waived, and the terms and conditions of this Order shall be effective and enforceable immediately upon its entry.

13. The Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this Order.

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

Dated: _____, 2019
Wilmington, Delaware

THE HONORABLE [●]
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1**Governmental Authority List**

Governmental Authority	Address
ALA. DEPARTMENT OF REVENUE	ATTN LEGAL DIVISION 50 NORTH RIPLEY ST MONTGOMERY, AL 36104
ALA. PUBLIC SVC COMMISSION	100 N UNION ST RSA UNION MONTGOMERY, AL 36104
AUSTIN CITY APPRAISAL DIS	906 E. AMELIA ST. BELLVILLE, TX 77418-2843
BEE COUNTY TAX A/C	411 E HOUSTON ST BEEVILLE, TX 78102
CALHOUN CITY APPRAISAL DIS	426 W MAIN ST PORT LAVACA, TX 77979
CHARLES BALDWIN	100 COURT STREET MENDENHALL, MS 39114
CITY OF ARANSAS PASS	600 W CLEVELAND BLVD ARANSAS PASS, TX 78336
CITY OF C. CHRISTI CASHIER	1201 LEOPARD STREET, 4TH FLOOR CORPUS CHRISTI, TX 78401
CITY OF C. CHRISTI LEPC	2406 LEOPARD ST., STE 200 CORPUS CHRISTI, TX 78408
CITY OF CORPUS CHRISTI	2406 LEOPARD SUITE 300 CORPUS CHRISTI, TX 78408
CITY OF HOUSTON	1002 WASHINGTON AVE. HOUSTON, TX 77002
CITY OF INGLESIDE	2671 SAN ANGELO INGLESIDE, TX 78362
CITY OF JACKSON	219 S. PRESIDENT ST. JACKSON, MS 39205-001
CITY OF PEARL	2420 OLD BRANDON ROAD PEARL, MS 39208
COPIAH COUNTY	100 CALDWELL DRIVE HAZLEHURST, MS 39083
COTULLA ISD TAX OFFICE	310 N MAIN ST COTULLA, TX 78014
COVINGTON CITY TAX COLLEC.	101 SOUTH ELM AVE. COLLINS, MS 39428
CRISTYN E. HALLMARK	1700 7TH ST., ROOM 202 BAY CITY, TX 77414-5094

Governmental Authority	Address
DALIA SANCHEZ, TAX A/C	400 W. SINTON STREET, ROOM 144 SINTON, TX 78387
DAVID BOYETT	44690 HIGHWAY 17 VERNON, AL 35592
DEBORAH A. SEVCIK	LAVACA COUNTY COURTHOUSE ANNEX 404 N. TEXANA HALLETTSVILLE, TX 77964
DELAWARE SECRETARY OF STATE	DIVISION OF REVENUE/BANKRUPTCY SERVICES CARVEL STATE OFFICE BUILDING 8TH FLOOR WILMINGTON, DE 19801
DEPARTMENT OF REVENUE	ATTN BANKRUPTCY DEPT 500 CLINTON CENTER DRIVE CLINTON, MS 39056
DEWITT COUNTY TAX A/C	115 N GONZALES ST CUERO, TX 77954
DIMITT COUNTY TAX OFFICE	212 N. 4TH ST. CARRIZO SPRINGS, TX 78834
DONNA ATZENHOFFER	115 WEST MAIN, ROOM 102 EDNA, TX 77957-2798
DUVAL COUNTY	100 S. BEXAR ST. SAN DIEGO, TX 78384
FAYETTE CITY REV. COMM	113 TEMPLE AVENUE N FAYETTE, AL 35555
FORREST CITY TAX COLLECTOR	601 N. MAIN STREET HATTIESBURG, MS 39401-3429
FORT BEND COUNTY TAX A/C	12550 EMILY COURT, STE 100 SUGAR LAND, TX 77478-3289
FREER ISD	905 S. NORTON AVE. FREER, TX 78357
GOLIAD ISD-CITY OF GOLIAD	161 N. WELCH ST GOLIAD, TX 77963
HARRIS COUNTY M U D 405	12841 CAPRICORN STREET STAFFORD, TX 77477
HARRIS COUNTY TEXAS	1001 PRESTON ST. HOUSTON, TX 77002
HINDS CITY TAX COLLECTOR	316 S. PRESIDENT ST. JACKSON, MS 39201
HOPE M. HERRINGTON	101 S. ARCHUSA AVE. QUITMAN, MS 39355

Governmental Authority	Address
IDA M. TURNER, TAC	808 COMMERCE, ROOM 109 REFUGIO, TX 78377
JASPER CO TAX COLL	JASPER COUNTY COURTHOUSE 27 W 8TH AVENUE BAY SPRINGS, MS 39422
JASPER CO. TAX COLLECTOR	JASPER COUNTY COURTHOUSE 27 W 8TH AVENUE BAY SPRINGS, MS 39422
JEFFERSON CITY TAX COLL.	ATTN: J.T. SMALLWOOD ROOM 160 COURTHOUSE 716 RICHARD ARRINGTON JR BLVD N BIRMINGHAM, AL 35203
JERI D. COX, TAX ASSESSOR COLLECTOR	319 NORTH CHURCH ST ROCKPORT, TX 78382
JIM WELLS CITY APPRAIS DIST	1600 EAST MAIN STREET, SUITE #100 ALICE, TX 78332
JOHN R. AMES, CTA	1201 ELM STREET, SUITE 2600 DALLAS, TX 75270
KARNES COUNTY TAX A/C	200 EAST CALVERT AVE SUITE #3 KARNES CITY, TX 78118
KELLEY ROSS-BROWN	2426 PEARL AVENUE PRENTISS, MS 39474
LASALLE CO. TAX OFFICE	101 COURTHOUSE SQUARE #102 COTULLA, TX 78014-0737
LAWRENCE CITY TAX COLL.	523 BRINSON ST. MONTICELLO, MS 39654
LIVE OAK CITY APPRAISAL DIS	205 BOWIE ST. GEORGE WEST, TX 78022-9998
MARION COUNTY TAX A/C	250 BROAD STREET, STE 3 COLUMBIA, MS 39429
MCMULLEN CITY TAX OFC	503 RIVER ST. TILDEN, TX 78072
MELISSA T. DELAGARZA	700 E KLEBERG AVE KINGSVILLE, TX 78363
MICHELLE D. GARCIA, TAX ASSESSOR	FRANKLIN STREET ANNEX 329 W. FRANKLIN STREET GOLIAD, TX 77963
MICHELLE KIRK	PROBATE BUILDING PHOENIX AVENUE, COURTHOUSE SQUARE CARROLLTON, AL 35447

Governmental Authority	Address
MISSISSIPPI DEPT. OF REVENUE	1577 SPRINGRIDGE RD. RAYMOND, MS 39154-9602
NUECES COUNTY	901 LEOPARD ST, STE 301 CORPUS CHRISTI, TX 78401-3684
P. C. COCHRANE TAX A/C	714 GREENSBORO AVENUE ROOM 124 TUSCALOOSA, AL 35401-1891
PALACIOS ISD TAX ASSES COLL	1209 12TH. STREET PALACIOS, TX 77465-3799
PATRICK L. KUBALA, PCC	309 E. MILAM ST., SUITE 100 WHARTON, TX 77488
PEARL RIVER CO TAX	406 S. MAIN STREET POPLARVILLE, MS 39470
PERRY CITY TAX COLLECTOR	105 MAIN ST. NEW AUGUSTA, MS 39462
PORT OF C. CHRISTI AUTH	222 POWER STREET CORPUS CHRISTI, TX 78401
R. SCHERER VICT. CO TX AC	205 N BRIDGE ST. ROOM 101 VICTORIA, TX 77901
RAILROAD COMMISSION OF TX	1701 N. CONGRESS AUSTIN, TX 78701
RAILROAD COMMISSION OF TX	1701 N. CONGRESS AUSTIN, TX 78701
RANKIN COUNTY TX COLL	211 E. GOVERNMENT ST. BRANDON, MS 39042
SMITH COUNTY TAX COLLECT.	212 SYLVARENA AVE. RALEIGH, MS 39153
STATE COMPTROLLER	COMPTROLLER OF PUBLIC ACCOUNTS 111 E. 17TH ST AUSTIN, TX 78774-0100
STATE OF DELAWARE DIVISION OF CORPORATIONS	DIVISION OF REVENUE/BANKRUPTCY SERVICES CARVEL STATE OFFICE BUILDING 8TH FLOOR WILMINGTON, DE 19801
TAMMY J. MCRAE	400 N. SAN JACINTO ST. CONROE, TX 77301
TAX TRUST ACCOUNT	710 NORTH 20TH STREET ROOM TL-100 (FIRST FLOOR) CITY HALL BIRMINGHAM, AL 35203
TOMBALL ISD	310 S. CHERRY TOMBALL, TX 77375

Governmental Authority	Address
TRAVIS E. CRIMM, JR.	209 E. BROADWAY ST. YAZOO CITY, MS 39194
U.S. DEPT OF TRANSP.	C/O ESC, AMK-325 BLDG 6500 S. MACARTHUR HQS BLDG RM 181 OKLAHOMA CITY, OK 73169
UNITED I.S.D. TAX OFFICE	NORMA FARABOUGH, RTA, CSTA, CTA 3501 E. SAUNDERS LAREDO, TX 78041
UNITED STATES TREASURY	INTERNAL REVENUE SERVICE CINCINNATI, OH 45999-0150
VICKSBURG-WARREN CITY ISD	1500 MISSION 66 VICKSBURG, MS 39180
WALKER CITY REVENUE COMM.	ATTN: JERRY GUTHRIE 1803 3RD AVENUE JASPER, AL 35501
WALLER COUNTY TAX OFFICE	ELLEN CONTRERAS SHELBURNE+N1179E 730 9TH ST HEMPSTEAD, TX 77445-4534
WALLER ISD	1918 KEY STREET WALLER, TX 77484
WALTHALL COUNTY CLERK	TAX COLLECTOR 200 BALL AVE TYLERTOWN, MS 39667
WARREN CITY TAX COLLECT	1009 CHERRY STREET VICKSBURG, MS 39183-2539
WEBB COUNTY TAX ASSESSOR-	ATTN: PATRICIA A. BARRERA, RTA 1110 VICTORIA ST SUITE 107 LAREDO, TX 78040
YOAKUM ISD TAX OFFICE	413 IRVINE ST YOAKUM, TX 77995

Exhibit B

Proposed Final Order

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

In re:)	
)	Chapter 11
SOUTHCROSS ENERGY PARTNERS, L.P.,)	Case No. 19-[_____ (____)]
<i>et al.</i> ,)	
Debtors. ¹)	Jointly Administered
)	

**FINAL ORDER AUTHORIZING (I) DEBTORS TO PAY
CERTAIN PREPETITION TAXES, GOVERNMENTAL ASSESSMENTS,
AND FEES AND (II) FINANCIAL INSTITUTIONS TO
HONOR AND PROCESS RELATED CHECKS AND TRANSFERS**

Upon the motion (the “**Motion**”)² of Southcross Energy Partners, L.P. (“**Southcross**”), Southcross Energy Partners GP, LLC, and Southcross’s wholly owned direct and indirect subsidiaries, each of which is a debtor and debtor in possession in the Chapter 11 Cases (collectively, the “**Debtors**”), for entry of interim and final orders pursuant to sections 105(a), 363(b), 363(c), 507(a)(8), and 541 of the Bankruptcy Code, authorizing, but not directing, the Debtors to pay, in their sole discretion, the Covered Taxes and Fees, whether asserted prior to, on, or after the Petition Date and (b) authorizing the Debtors’ financial institutions to receive,

¹ The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Energy Partners GP, LLC (5141); Southcross Energy Finance Corp. (2225); Southcross Energy Operating, LLC (9605); Southcross Energy GP LLC (4246); Southcross Energy LP LLC (4304); Southcross Gathering Ltd. (7233); Southcross CCNG Gathering Ltd. (9553); Southcross CCNG Transmission Ltd. (4531); Southcross Marketing Company Ltd. (3313); Southcross NGL Pipeline Ltd. (3214); Southcross Midstream Services, L.P. (5932); Southcross Mississippi Industrial Gas Sales, L.P. (7519); Southcross Mississippi Pipeline, L.P. (7499); Southcross Gulf Coast Transmission Ltd. (0546); Southcross Mississippi Gathering, L.P. (2994); Southcross Delta Pipeline LLC (6804); Southcross Alabama Pipeline LLC (7180); Southcross Nueces Pipelines LLC (7034); Southcross Processing LLC (0672); FL Rich Gas Services GP, LLC (5172); FL Rich Gas Services, LP (0219); FL Rich Gas Utility GP, LLC (3280); FL Rich Gas Utility, LP (3644); Southcross Transmission, LP (6432); T2 EF Cogeneration Holdings LLC (0613); and T2 EF Cogeneration LLC (4976). The debtors’ mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.

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

process, honor, and pay checks or wire transfers used by the Debtors to pay the foregoing, as more fully described in the Motion; and the Court having jurisdiction to consider the matters raised in the Motion pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having authority to hear the matters raised in the Motion pursuant to 28 U.S.C. § 157; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Motion and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Motion and opportunity for a hearing on the Motion having been given to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Motion and the Howe Declaration; and the Court having held a hearing on the Motion (the “**Hearing**”); and the Court having granted interim relief on the Motion on _____, 2019 (D.I. [●]); and the Court having held a final hearing on the Motion (the “**Final Hearing**”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Final Hearing establish just cause for the relief granted herein; and the Court having found that the relief requested in the Motion being in the best interests of the Debtors, their creditors, their estates, and all other parties in interest; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby granted as set forth herein.

2. The Debtors are authorized, but not directed, to pay, in their sole discretion, the Covered Taxes and Fees to the Governmental Authorities (including those Governmental Authorities listed on Exhibit 1 annexed hereto).

3. The Debtors are authorized, but not directed, to continue remitting, in their sole discretion, the Covered Taxes and Fees in the ordinary course of business on a post-petition basis.

4. All applicable banks and other financial institutions are hereby authorized to receive, process, honor, and pay any and all checks, drafts, wires, check transfer requests, or automated clearing house transfers evidencing amounts paid by the Debtors under this Order whether presented prior to, on, or after the Petition Date. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this Order without any duty of further inquiry and without liability for following the Debtors' instructions.

5. The Debtors are authorized, but not required, to issue, in their sole discretion, new post-petition checks, or effect new fund transfers, for the Covered Taxes and Fees to replace any prepetition checks or fund transfer requests that may be dishonored or rejected and to reimburse the relevant Governmental Authority or the applicable payee, as the case may be, for any fees or costs incurred by them in connection with a dishonored or voided check or funds transfer.

6. Nothing in this Order or any action taken by the Debtors in furtherance of the implementation hereof shall be deemed to constitute an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code, and all of the Debtors' rights with respect to such matters are expressly reserved.

7. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained herein shall (a) create, nor is it intended to create, any rights in favor of, or enhance the status of any claim held by, any person or entity or (b) be deemed to convert the priority of any claim from a prepetition claim into an administrative expense claim.

8. Nothing in this Order nor the Debtors' payment of claims pursuant to this Order shall be construed as or deemed to constitute (a) an agreement or admission by the Debtors as to the validity of any claim against the Debtors on any ground, (b) a grant of third party beneficiary status or bestowal of any additional rights on any third party, (c) a waiver or impairment of any rights, claims, or defenses of the Debtors' rights to dispute any claim on any grounds, (d) a promise by the Debtors to pay any claim, or (e) an implication or admission by the Debtors that such claim is payable pursuant to this Order.

9. Notwithstanding anything to the contrary in this Order, in the event of any inconsistency between the terms of this Order and the terms of any order of this Court approving the debtor-in-possession financing facility and use of cash collateral (the "**DIP Order**"), including, without limitation, any budget in connection therewith, the terms of the DIP Order shall govern.

10. Any Bankruptcy Rule (including, but not limited to, Bankruptcy Rule 6004(h)) or Local Rule that might otherwise delay the effectiveness of this Order is hereby waived, and the terms and conditions of this Order shall be effective and enforceable immediately upon its entry.

11. The Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this Order.

12. Proper, timely, adequate, and sufficient notice of the Motion has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and no other or further notice of the Motion or the entry of this Order shall be required.

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

Dated: _____, 2019
Wilmington, Delaware

THE HONORABLE [•]
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1**Governmental Authority List**

Governmental Authority	Address
ALA. DEPARTMENT OF REVENUE	ATTN LEGAL DIVISION 50 NORTH RIPLEY ST MONTGOMERY, AL 36104
ALA. PUBLIC SVC COMMISSION	100 N UNION ST RSA UNION MONTGOMERY, AL 36104
AUSTIN CITY APPRAISAL DIS	906 E. AMELIA ST. BELLVILLE, TX 77418-2843
BEE COUNTY TAX A/C	411 E HOUSTON ST BEEVILLE, TX 78102
CALHOUN CITY APPRAISAL DIS	426 W MAIN ST PORT LAVACA, TX 77979
CHARLES BALDWIN	100 COURT STREET MENDENHALL, MS 39114
CITY OF ARANSAS PASS	600 W CLEVELAND BLVD ARANSAS PASS, TX 78336
CITY OF C. CHRISTI CASHIER	1201 LEOPARD STREET, 4TH FLOOR CORPUS CHRISTI, TX 78401
CITY OF C. CHRISTI LEPC	2406 LEOPARD ST., STE 200 CORPUS CHRISTI, TX 78408
CITY OF CORPUS CHRISTI	2406 LEOPARD SUITE 300 CORPUS CHRISTI, TX 78408
CITY OF HOUSTON	1002 WASHINGTON AVE. HOUSTON, TX 77002
CITY OF INGLESIDE	2671 SAN ANGELO INGLESIDE, TX 78362
CITY OF JACKSON	219 S. PRESIDENT ST. JACKSON, MS 39205-001
CITY OF PEARL	2420 OLD BRANDON ROAD PEARL, MS 39208
COPIAH COUNTY	100 CALDWELL DRIVE HAZLEHURST, MS 39083
COTULLA ISD TAX OFFICE	310 N MAIN ST COTULLA, TX 78014
COVINGTON CITY TAX COLLEC.	101 SOUTH ELM AVE. COLLINS, MS 39428

Governmental Authority	Address
CRISTYN E. HALLMARK	1700 7TH ST., ROOM 202 BAY CITY, TX 77414-5094
DALIA SANCHEZ, TAX A/C	400 W. SINTON STREET, ROOM 144 SINTON, TX 78387
DAVID BOYETT	44690 HIGHWAY 17 VERNON, AL 35592
DEBORAH A. SEVCIK	LAVACA COUNTY COURTHOUSE ANNEX 404 N. TEXANA HALLETTSVILLE, TX 77964
DELAWARE SECRETARY OF STATE	DIVISION OF REVENUE/BANKRUPTCY SERVICES CARVEL STATE OFFICE BUILDING 8TH FLOOR WILMINGTON, DE 19801
DEPARTMENT OF REVENUE	ATTN BANKRUPTCY DEPT 500 CLINTON CENTER DRIVE CLINTON, MS 39056
DEWITT COUNTY TAX A/C	115 N GONZALES ST CUERO, TX 77954
DIMMIT COUNTY TAX OFFICE	212 N. 4TH ST. CARRIZO SPRINGS, TX 78834
DONNA ATZENHOFFER	115 WEST MAIN, ROOM 102 EDNA, TX 77957-2798
DUVAL COUNTY	100 S. BEXAR ST. SAN DIEGO, TX 78384
FAYETTE CITY REV. COMM	113 TEMPLE AVENUE N FAYETTE, AL 35555
FORREST CITY TAX COLLECTOR	601 N. MAIN STREET HATTIESBURG, MS 39401-3429
FORT BEND COUNTY TAX A/C	12550 EMILY COURT, STE 100 SUGAR LAND, TX 77478-3289
FREER ISD	905 S. NORTON AVE. FREER, TX 78357
GOLIAD ISD-CITY OF GOLIAD	161 N. WELCH ST GOLIAD, TX 77963
HARRIS COUNTY M U D 405	12841 CAPRICORN STREET STAFFORD, TX 77477
HARRIS COUNTY TEXAS	1001 PRESTON ST. HOUSTON, TX 77002
HINDS CITY TAX COLLECTOR	316 S. PRESIDENT ST. JACKSON, MS 39201
HOPE M. HERRINGTON	101 S. ARCHUSA AVE. QUITMAN, MS 39355

Governmental Authority	Address
IDA M. TURNER, TAC	808 COMMERCE, ROOM 109 REFUGIO, TX 78377
JASPER CO TAX COLL	JASPER COUNTY COURTHOUSE 27 W 8TH AVENUE BAY SPRINGS, MS 39422
JASPER CO. TAX COLLECTOR	JASPER COUNTY COURTHOUSE 27 W 8TH AVENUE BAY SPRINGS, MS 39422
JEFFERSON CITY TAX COLL.	ATTN: J.T. SMALLWOOD ROOM 160 COURTHOUSE 716 RICHARD ARRINGTON JR BLVD N BIRMINGHAM, AL 35203
JERI D. COX, TAX ASSESSOR COLLECTOR	319 NORTH CHURCH ST ROCKPORT, TX 78382
JIM WELLS CITY APPRAIS DIST	1600 EAST MAIN STREET, SUITE #100 ALICE, TX 78332
JOHN R. AMES, CTA	1201 ELM STREET, SUITE 2600 DALLAS, TX 75270
KARNES COUNTY TAX A/C	200 EAST CALVERT AVE SUITE #3 KARNES CITY, TX 78118
KELLEY ROSS-BROWN	2426 PEARL AVENUE PRENTISS, MS 39474
LASALLE CO. TAX OFFICE	101 COURTHOUSE SQUARE #102 COTULLA, TX 78014-0737
LAWRENCE CITY TAX COLL.	523 BRINSON ST. MONTICELLO, MS 39654
LIVE OAK CITY APPRAISAL DIS	205 BOWIE ST. GEORGE WEST, TX 78022-9998
MARION COUNTY TAX A/C	250 BROAD STREET, STE 3 COLUMBIA, MS 39429
MCMULLEN CITY TAX OFC	503 RIVER ST. TILDEN, TX 78072
MELISSA T. DELAGARZA	700 E KLEBERG AVE KINGSVILLE, TX 78363
MICHELLE D. GARCIA, TAX ASSESSOR	FRANKLIN STREET ANNEX 329 W. FRANKLIN STREET GOLIAD, TX 77963
MICHELLE KIRK	PROBATE BUILDING PHOENIX AVENUE, COURTHOUSE SQUARE CARROLLTON, AL 35447

Governmental Authority	Address
MISSISSIPPI DEPT. OF REVENUE	1577 SPRINGRIDGE RD. RAYMOND, MS 39154-9602
NUECES COUNTY	901 LEOPARD ST, STE 301 CORPUS CHRISTI, TX 78401-3684
P. C. COCHRANE TAX A/C	714 GREENSBORO AVENUE ROOM 124 TUSCALOOSA, AL 35401-1891
PALACIOS ISD TAX ASSES COLL	1209 12TH. STREET PALACIOS, TX 77465-3799
PATRICK L. KUBALA, PCC	309 E. MILAM ST., SUITE 100 WHARTON, TX 77488
PEARL RIVER CO TAX	406 S. MAIN STREET POPLARVILLE, MS 39470
PERRY CITY TAX COLLECTOR	105 MAIN ST. NEW AUGUSTA, MS 39462
PORT OF C. CHRISTI AUTH	222 POWER STREET CORPUS CHRISTI, TX 78401
R. SCHERER VICT. CO TX AC	205 N BRIDGE ST. ROOM 101 VICTORIA, TX 77901
RAILROAD COMMISSION OF TX	1701 N. CONGRESS AUSTIN, TX 78701
RAILROAD COMMISSION OF TX	1701 N. CONGRESS AUSTIN, TX 78701
RANKIN COUNTY TX COLL	211 E. GOVERNMENT ST. BRANDON, MS 39042
SMITH COUNTY TAX COLLECT.	212 SYLVARENA AVE. RALEIGH, MS 39153
STATE COMPTROLLER	COMPTROLLER OF PUBLIC ACCOUNTS 111 E. 17TH ST AUSTIN, TX 78774-0100
STATE OF DELAWARE DIVISION OF CORPORATIONS	DIVISION OF REVENUE/BANKRUPTCY SERVICES CARVEL STATE OFFICE BUILDING 8TH FLOOR WILMINGTON, DE 19801
TAMMY J. MCRAE	400 N. SAN JACINTO ST. CONROE, TX 77301
TAX TRUST ACCOUNT	710 NORTH 20TH STREET ROOM TL-100 (FIRST FLOOR) CITY HALL BIRMINGHAM, AL 35203
TOMBALL ISD	310 S. CHERRY TOMBALL, TX 77375

Governmental Authority	Address
TRAVIS E. CRIMM, JR.	209 E. BROADWAY ST. YAZOO CITY, MS 39194
U.S. DEPT OF TRANSP.	C/O ESC, AMK-325 BLDG 6500 S. MACARTHUR HQS BLDG RM 181 OKLAHOMA CITY, OK 73169
UNITED I.S.D. TAX OFFICE	NORMA FARABOUGH, RTA, CSTA, CTA 3501 E. SAUNDERS LAREDO, TX 78041
UNITED STATES TREASURY	INTERNAL REVENUE SERVICE CINCINNATI, OH 45999-0150
VICKSBURG-WARREN CITY ISD	1500 MISSION 66 VICKSBURG, MS 39180
WALKER CITY REVENUE COMM.	ATTN: JERRY GUTHRIE 1803 3RD AVENUE JASPER, AL 35501
WALLER COUNTY TAX OFFICE	ELLEN CONTRERAS SHELBURNE+N1179E 730 9TH ST HEMPSTEAD, TX 77445-4534
WALLER ISD	1918 KEY STREET WALLER, TX 77484
WALTHALL COUNTY CLERK	TAX COLLECTOR 200 BALL AVE TYLERTOWN, MS 39667
WARREN CITY TAX COLLECT	1009 CHERRY STREET VICKSBURG, MS 39183-2539
WEBB COUNTY TAX ASSESSOR-	ATTN: PATRICIA A. BARRERA, RTA 1110 VICTORIA ST SUITE 107 LAREDO, TX 78040
YOAKUM ISD TAX OFFICE	413 IRVINE ST YOAKUM, TX 77995