

IN THE UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
SOUTHCROSS ENERGY PARTNERS, L.P.,	)	Case No. 19-10702 (MFW)
<i>et al.</i> ,	)	
	)	(Jointly Administered)
Debtors. <sup>1</sup>	)	

**NOTICE OF REVISED SALE TIMELINE**

**PLEASE TAKE NOTICE** that the above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware (the “**Court**”) on April 1, 2019.

**PLEASE TAKE FURTHER NOTICE** that, on May 22, 2019, the Debtors filed a motion (the “**Bidding Procedures Motion**”) with the Court seeking entry of orders, among other things, approving (a) procedures for the solicitation of bids in connection with the proposed sale(s) (the “**Sale Transaction(s)**”) of all or substantially all of the Debtors’ assets (collectively, the “**Bid Assets**”), subject to an auction process (the “**Auction**”) that contemplates the possible selection of one or more stalking horse bidders (the “**Stalking Horse Bidder(s)**”) <sup>2</sup>, (b) the form and manner of notice related to the Sale Transaction(s), and (c) procedures for the assumption and assignment of contracts and leases in connection with the Sale Transaction(s) (the “**Assumption and Assignment Procedures**”).

<sup>1</sup> 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.

<sup>2</sup> As described below, to date, the Court has approved the designation of two Stalking Horse Bidders.



**PLEASE TAKE FURTHER NOTICE** that, on June 13, 2019, the Court entered an order [D.I. 324] (the “**Bidding Procedures Order**”)<sup>3</sup> approving, among other things, the Bidding Procedures, which established key dates and times related to the Sale Transaction(s) and the Auction, certain of which are hereby revised pursuant to this revised notice (this “**Revised Sale Notice**”). All parties interested in bidding should carefully read the Bidding Procedures Order and the Bidding Procedures in their entirety.<sup>4</sup>

**PLEASE TAKE FURTHER NOTICE** that, on June 13, 2019, in accordance with the Bidding Procedures Order, the Debtors filed a *Notice of Sale, Bidding Procedures, Auction and Sale Hearing* [D.I. 326] (the “**Initial Sale Notice**”), which, among things, set forth dates established by the Bidding Procedures for the Sale Objection Deadline (as defined therein), the Auction, and the Sale Hearing (each as defined herein).

**PLEASE TAKE FURTHER NOTICE THAT**, pursuant to the Bidding Procedures Order and the Initial Sale Notice, the Debtors established September 10, 2019 at 4:00 p.m. (prevailing Eastern Time) as the Sale Objection Deadline. Prior to the expiration of the Sale Objection Deadline, the Debtors agreed to extend the Sale Objection Deadline for certain parties in interest (collectively, the “**Extended Parties**”). All other parties that failed to file an objection by the foregoing Sale Objection Deadline are barred from asserting any objection to the Sale Order, the conduct of the Auction, or the Sale Transaction(s), including with respect to the transfer of the assets free and clear of all liens, claims, encumbrances, and other interests.

**PLEASE TAKE FURTHER NOTICE** that, on August 23, 2019, in accordance with the Bidding Procedures Order, the Debtors filed a motion [D.I. 439] (the “**MS/AL Stalking Horse Motion**”), seeking entry of an order, among other things, approving (a) the designation of Magnolia Infrastructure Holdings, LLC as the Stalking Horse Bidder with respect to the sale of the MS/AL Assets (as defined therein) and (b) the Expense Reimbursement (as defined therein). On August 30, 2019, the Court entered an order [D.I. 454] approving the MS/AL Stalking Horse Motion. On September 13, 2019, the Debtors filed a *Notice of Revised Asset Purchase Agreement* with respect to the MS/AL Assets [D.I. 470], which attached thereto as Exhibit A the executed asset purchase agreement that will serve as the Stalking Horse Bid for the MS/AL Assets.

**PLEASE TAKE FURTHER NOTICE** that, on August 24, 2019, in accordance with the Bidding Procedures Order, the Debtors filed a motion [D.I. 440] (the “**CCPN**”

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<sup>3</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures Order.

<sup>4</sup> To the extent of any inconsistencies between the Bidding Procedures and the summary descriptions of the Bidding Procedures in this Revised Sale Notice, the terms of the Bidding Procedures shall control in all respects.

**Stalking Horse Motion**”), seeking entry of an order, among other things, approving (a) the designation of Kinder Morgan Tejas Pipeline LLC as the Stalking Horse Bidder with respect to the sale of the CCPN Assets (as defined therein) and (b) the Bid Protections (as defined therein). On August 30, 2019, the Court entered an order [D.I. 455] approving the CCPN Stalking Horse Motion. On September 13, 2019, the Debtors filed a *Notice of Revised Asset Purchase Agreement* with respect to the CCPN Assets [D.I. 471], which attached thereto as Exhibit A the executed asset purchase agreement that will serve as the Stalking Horse Bid for the CCPN Assets.

### **Contact Persons for Parties Interest in Submitting a Bid**

The Bidding Procedures set forth the requirements for submitting a Qualified Bid, and any person interested in making an offer to purchase the Bid Assets must comply strictly with the Bidding Procedures. Only Qualified Bids will be considered by the Debtors, in accordance with the Bidding Procedures.

**Any interested bidder should contact, as soon as practicable:**

**EVERCORE GROUP L.L.C.**<sup>5</sup>  
55 East 52<sup>nd</sup> Street  
New York, NY 10055  
Attn.: Robert A. Pacha, Stephen Hannan  
Pacha@evercore.com  
Hannan@evercore.com  
(tel.) +1 (713) 403-2441  
(tel.) +1 (212) 857-7423

### **Obtaining Additional Information**

Copies of the Bidding Procedures Motion and the Bidding Procedures Order, as well as all related exhibits (including the Bidding Procedures) and all other documents filed with the Court, are available free of charge on the Debtors’ case information website, located at <http://www.kccllc.net/southcrossenergy> or can be requested by email at SouthcrossInfo@kccllc.com.

### **Important Dates and Deadlines**<sup>6</sup>

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<sup>5</sup> Evercore Group L.L.C., in its capacity as financial advisor the Debtors, is referred to herein as “**Evercore**.”

<sup>6</sup> The following dates and deadlines have been extended by the Debtors, in accordance with the Bidding Procedures and the Bidding Procedures Order, from the dates and deadlines set forth in the Initial Sale Notice. Such dates and deadlines may be further amended by the Debtors or the Court in accordance with the terms of the Bidding Procedures and the Bidding Procedures Order.

1. **Auction.** The Auction will be conducted at the offices of Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017 on (a) **Wednesday, October 16, 2019 at 9:00 a.m. (prevailing Eastern Time)**, with respect to the G&P Assets,<sup>7</sup> (b) **Thursday, October 17, 2019 at 9:00 a.m. (prevailing Eastern Time)**, with respect to the MS/AL Assets, and (c) **Thursday, October 17, 2019 at 2:00 p.m. (prevailing Eastern Time)**, with respect to the CCPN Assets, or such later times on such days or such other place as the Debtors shall notify all Participating Parties.
2. **Objection Deadline.** The deadline for (a) the Extended Parties to file an objection with the Court to the Sale Order, the conduct of the Auction, or the Sale Transaction(s) (collectively, the “**Sale Objections**”) and (b) a Counterparty to file an objection with the Court to the assumption and assignment of the contracts and leases listed on the Proposed Assumed Contracts Schedule (other than for Cure Costs, unless modified in the Proposed Assumed Contracts Schedule from a previously-stated amount) (the “**Assumption and Assignment Objections**”) and, together with the Sale Objections, the “**Objections**”) is **October 21, 2019 at 12:00 p.m. (prevailing Eastern Time)** (the “**Objection Deadline**”).
3. **Sale Hearing.** A hearing (the “**Sale Hearing**”) to consider the proposed Sale Transaction(s) will be held before the Court on, **October 22, 2019 at 10:30 a.m. (prevailing Eastern Time)** or such other date as determined by the Court, at 824 North Market Street, Wilmington, Delaware 19801.

### **Filing Objections**

Objections, if any, must (a) be in writing, (b) state, with specificity, the legal and factual bases thereof, (c) comply with the Bankruptcy Code, Bankruptcy Rules, and Local Rules, (d) be filed with the Court no later than the Objection Deadline, and (e) no later than the Objection Deadline, be served on (1) counsel to the Debtors, (A) Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn: Marshall S. Huebner, Darren S. Klein, and Steven Z. Szanzer and (B) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, 16th Floor, P.O. Box 1347, Wilmington, Delaware 19899-1347, Attn: Robert J. Dehney, Andrew R. Remming, Joseph C. Barsalona II, and Eric W. Moats; (2) counsel to Wells Fargo Bank, N.A., the administrative agent under Southcross’s prepetition secured revolving credit facility, Vinson & Elkins LLP, Trammell Crow Center, 2001 Ross Avenue, Suite 3900, Dallas, Texas 75201-2975, Attn: William Wallander, Bradley Foxman, and Matthew Pyeatt; (3) counsel to Wilmington Trust, N.A., the administrative agent under Southcross’s prepetition secured term loan facility and post-petition credit facility (A) Arnold & Porter Kaye Scholer LLP, 250 West 55th Street New York, New York 10019-9710, Attn: Alan Glantz and Arnold & Porter Kaye Scholer LLP, 70 West Madison Street Suite 4200 Chicago, Illinois 60602-4231, Attn: Seth J. Kleinman and (B) Duane Morris LLP, 222

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<sup>7</sup> The “**G&P Assets**” include all of the Debtors’ assets other than the CCPN Assets and the MS/AL Assets.

Delaware Avenue, Suite 1600, Wilmington, Delaware 19801-1659, Attn: Christopher M. Winter; (4) counsel to the post-petition lenders and an ad hoc group of prepetition lenders, (A) Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019-6099, Attn: Joseph G. Minias, Paul V. Shalhoub, and Debra C. McElligott and (B) Young Conaway Stargatt & Taylor LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Edmon L. Morton and Matthew B. Lunn; (5) counsel to any official committee appointed in the Chapter 11 Cases; (6) counsel to Southcross Holdings LP, Debevoise & Plimpton LLP, 919 Third Avenue, New York, New York 10022, Attn: M. Natasha Labovitz, Jasmine Ball, and Daniel E. Stroik; and (7) the Office of the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware, 19801.

### **CONSEQUENCES OF FAILING TO TIMELY ASSERT AN OBJECTION**

*Any Extended Party who fails to file a Sale Objection on or before the Objection Deadline, in accordance with the Bidding Procedures Order and this Revised Sale Notice, shall be forever barred from asserting any objection to the Sale Order, the conduct of the Auction, or the Sale Transaction(s), including with respect to the transfer of the assets free and clear of all liens, claims, encumbrances, and other interests.*

*Any Counterparty to an Assumed Contract or Assumed Lease who fails to file an Assumption and Assignment Objection on or before the Objection Deadline, in accordance with the Assumption and Assignment Procedures, the Bidding Procedures Order, and this Revised Sale Notice, shall be deemed to have consented with respect to the ability of the applicable Successful Bidder to provide adequate assurance of future performance (and the Debtors' proposed Cure Costs, to the extent modified in the Proposed Assumed Contracts Schedule from a previously-stated amount) and shall be forever barred from asserting any objection or claim against the Debtors, the Successful Bidder (whether or not a Stalking Horse Bidder), or the property of any such parties, relating to the assumption and assignment of such Assumed Contract or Assumed Lease, (including asserting additional Cure Costs with respect to such contract or lease).*

### **NO SUCCESSOR LIABILITY**

*The Debtors provide midstream services to natural gas producers and customers, including natural gas gathering, processing, treatment, and compression and access to natural gas liquid ("NGL") fractionation and transportation services and also purchase and sell natural gas and NGLs. For more information on the Debtors' businesses or their products, refer to the Declaration of Michael B. Howe in Support of Debtors' Chapter 11 Proceedings and First Day Pleadings [D.I. 2] (the "Howe Declaration"). The Sale Transaction(s) will be free and clear of, among other things, any claim arising from any conduct of the Debtors prior to the closing of the Sale Transaction(s), whether known or unknown, whether due or to become due, whether accrued, absolute, contingent, or otherwise, so long as such claim arises out of or relates to events occurring prior to the closing of the Sale Transaction(s).*

***Accordingly, as a result of the Sale Transaction(s), the Successful Bidder (whether or not a Stalking Horse Bidder) will not be a successor to any of the Debtors by reason of any theory of law or equity, and will have no liability, except as expressly provided in a definitive agreement reached between the Debtors and Successful Bidder approved by the Court, for any liens, claims, encumbrances, and other interests against or in any of the Debtors under any theory of law, including successor liability theories.***

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Dated: September 19, 2019  
Wilmington, Delaware

Respectfully submitted,

MORRIS, NICHOLS, ARSHT & TUNNELL  
LLP

/s/ Joseph C. Barsalona II

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