

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

)	
In re:	)	Chapter 11
)	
SOUTHCROSS ENERGY PARTNERS, L.P., <i>et</i>	)	Case No. 19-10702 (MFW)
<i>al.</i> ,)	
	)	Jointly Administered
Debtors. ¹)	
	)	Re: D.I. 521, 559, 638
)	
	)	Hearing Date: November 5, 2019 at 2:00 p.m. (ET)
)	
)	

DEBTORS’ REPLY IN OPPOSITION TO THE CIGNA OBJECTION AND IN FURTHER SUPPORT OF MOTION OF DEBTORS FOR ENTRY OF AN ORDER (I) APPROVING THE DISCLOSURE STATEMENT, (II) ESTABLISHING PROCEDURES FOR THE SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT THE PLAN, (III) APPROVING THE FORM OF BALLOT AND SOLICITATION MATERIALS, (IV) ESTABLISHING THE VOTING RECORD DATE, (V) FIXING THE DATE, TIME, AND PLACE FOR THE CONFIRMATION HEARING AND THE DEADLINE FOR FILING OBJECTIONS THERETO, AND (VI) APPROVING RELATED NOTICE PROCEDURES

Southcross Energy Partners, L.P. (“**Southcross**”), Southcross Energy Partners GP, LLC, (the “**Southcross GP**”), 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 reply (the “**Reply**”) in opposition to

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.



the *Objection of Cigna Entities to Disclosure Statement for Chapter 11 Plan for Southcross Energy Partners L.P. and its Affiliated Debtors* [D.I. 559] (the “**Cigna Objection**”) and in further support of the *Motion of Debtors for Entry of an Order (I) Approving the Disclosure Statement, (II) Establishing Procedures for the Solicitation and Tabulation of Votes to Accept or Reject the Plan, (III) Approving the Form of Ballot and Solicitation Materials, (IV) Establishing the Voting Record Date, (V) Fixing the Date, Time, and Place for the Confirmation Hearing and the Deadline for Filing Objections Thereto, and (VI) Approving Related Notice Procedures* [D.I. 521] (the “**Motion**”).² In support of this Reply, the Debtors respectfully state as follows:

BACKGROUND

1. On October 4, 2019, the Debtors filed the Motion, the *Chapter 11 Plan for Southcross Energy Partners, L.P. and its Affiliated Debtors* [D.I. 519] (as amended, the “**Plan**”), and the *Disclosure Statement for Chapter 11 Plan for Southcross Energy Partners, L.P. and its Affiliated Debtors* [D.I. 520] (as amended, the “**Disclosure Statement**”). On October 28, 2019 and October 29, 2019, respectively, the Debtors filed amended versions of the Plan [D.I. 633] and the Disclosure Statement [D.I. 638].

2. On October 21, 2019, Cigna Health and Life Insurance Company (“**CHLIC**”) and Life Insurance Company of North America (“**LINA**” and, together with CHLIC, “**Cigna**”) filed the Cigna Objection.³

3. Upon information and belief, as of the date hereof, the Debtors are current on all amounts due to Cigna and no prepetition amounts remain outstanding.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion or Cigna Objection, as applicable.

³ The Office of the United States Trustee for the District of Delaware (the “**U.S. Trustee**”) also filed an objection to the Disclosure Statement [D.I. 558]. The U.S. Trustee has advised the Debtors that the amended Plan and Disclosure Statement resolve the U.S. Trustee’s objection to the Disclosure Statement. As a result, the Cigna Objection remains as the only objection to the Disclosure Statement.

THE CIGNA OBJECTION

4. In the Cigna Objection, Cigna argues that the Disclosure Statement should not be approved because the Plan and Disclosure Statement fail to disclose whether the Cigna Agreements⁴ will be assumed or rejected under the Plan. Cigna Objection ¶ 8. Cigna further notes that the Plan and Disclosure Statement do not explicitly account for whether or not the Run-Out Claims Obligation will be satisfied in the event that the Cigna Policy is rejected. *Id.* at ¶ 12. Lastly, Cigna asserts that, to the extent that the Debtors seek to assume the Cigna Agreements, the Debtors must pay the full cure amount based upon the actual amounts that are due on the date that the Cigna Agreements are assumed. *Id.* at ¶ 13.

REPLY

5. As detailed below, the Debtors believe that the Cigna Objection should be overruled on the merits because (a) it solely consists of confirmation objections, which are premature at this stage of the Chapter 11 Cases, (b) Cigna seeks to limit inappropriately the Debtors' right to assume or reject the Cigna Agreements, and (c) Cigna lacks standing to object to the adequacy of the Disclosure Statement. Accordingly, the Debtors respectfully submit that the Disclosure Statement provides adequate information in satisfaction of section 1125 of the Bankruptcy Code and, therefore, the Court should approve the Disclosure Statement and enter the proposed order attached hereto as Exhibit A.⁵

I. The Disclosure Statement Provides Adequate Information

6. Section 1125 of the Bankruptcy Code requires that a disclosure statement be approved by the court as containing "adequate information" prior to a debtor's solicitation of

⁴ For the purposes of this Reply, the term "Cigna Agreements" shall have the meaning ascribed to the term "Employee Benefits Agreements" in the Cigna Objection.

⁵ For ease of reference, attached hereto as Exhibit B is a redline comparing the Proposed Order against the version attached to the Motion.

acceptances or rejections of a plan. 11 U.S.C. § 1125(b). “Adequate information” is defined in the Bankruptcy Code as follows:

[I]nformation of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor . . . that would enable such a hypothetical investor of the relevant case to make an informed judgment about the plan

11 U.S.C. § 1125(a). As such, the Disclosure Statement must, as a whole, provide information that is reasonably practicable to permit an informed judgment by impaired creditors entitled to vote on the Plan. *See Krystal Cadillac-Oldsmobile GMC Truck, Inc. v. Gen. Motors Corp.*, 337 F.3d 314, 322 (3d Cir. 2003). Stated differently, the Disclosure Statement “must clearly and succinctly inform the average [voting party] what it is going to get, when it is going to get it, and what contingencies there are to getting its distribution.” *In re Ferretti*, 128 B.R. 16, 19 (Bankr. D.N.H. 1991).

7. As noted in the Motion, the Disclosure Statement contains adequate information to allow the holders of Claims in the Voting Classes to make informed decisions when voting to accept or reject the Plan. The Disclosure Statement contains detailed information including, among other things, the following: (a) general information regarding the Debtors’ businesses, structure, and management, *see* Disclosure Statement, Art. II.A.; (b) a summary of the Debtors’ restructuring efforts and the events leading up to the Petition Date, *see* Disclosure Statement, Art. II.D; (c) a description of various motions filed in the Chapter 11 Cases, *see* Disclosure Statement, Art. III; (d) a detailed summary of the Plan, which sets forth, among other things, the treatment of each class of Claims and Interests under the Plan, *see* Disclosure Statement, Art. IV; (e) a description of the statutory requirements for voting on, and confirmation of, the Plan, *see* Disclosure Statement, Art. V; (f) a valuation analysis, a liquidation analysis, and financial projections, Disclosure Statement App’x B–D; (g) a detailed description of the various securities

laws consequences associated with the Plan, *see* Disclosure Statement, Art. VIII; (h) a detailed listing of risk factors for voters to consider prior to voting on the Plan, *see* Disclosure Statement, Art. IX.A–B; and (i) a description of the U.S. federal income tax consequences of the transactions contemplated by the Plan, *see* Disclosure Statement, Art. IX.C–H. As further detailed in the Motion, the Debtors believe that the Disclosure Statement complies with all aspects of section 1125 of the Bankruptcy Code and contains more than sufficient information for a hypothetical reasonable investor to make an informed judgment about the Plan. Accordingly, the Debtors submit that the Disclosure Statement should be approved.

II. The Cigna Objection Should be Overruled Because It Addresses Confirmation Issues

8. At its core, the Cigna Objection attacks the Plan’s treatment of the Cigna Agreements. The Debtors believe, however, that Cigna’s objections at this juncture in the Chapter 11 Cases are both misplaced and premature, as they relate to Plan and confirmation issues and not the adequacy of information contained in the Disclosure Statement. Objections to the confirmation of a plan, though, are appropriately reserved for the confirmation hearing. *See In re Am. Capital Equip., LLC*, 688 F.3d 145, 153-54 (3d Cir. 2012) (noting that confirmation issues are reserved for the confirmation hearing and not addressed at the disclosure statement hearing); *In re Cardinal Congregation I*, 121 B.R. 760, 764 (Bankr. S.D. Ohio 1990) (“[T]he Court will not look behind the disclosure statement to decide [confirmation] issues at the hearing on the adequacy of the disclosure statement.”). Indeed, courts typically reserve confirmation objections for the confirmation hearing in light of due process and evidentiary considerations. *See In re Copy Crafters Quickprint, Inc.*, 92 B.R. 973, 980 (Bankr. N.D.N.Y. 1988) (stating that “care must be taken to ensure that the hearing on the disclosure statement does not turn into a confirmation hearing, due process considerations are protected and objections are restricted to those defects that could not be cured by voting”); *see also In re Quigley Co.*, 377 B.R. 110, 119 (Bankr. S.D.N.Y.

2007) (approving the debtor’s disclosure statement despite noting that the debtor’s parent’s prepetition settlement with certain asbestos plaintiffs raised, among other things, questions concerning good faith, impermissible voter manipulation, and vote designation after finding that such issues were “confirmation issues that require an evidentiary hearing”).

9. The issues raised in the Cigna Objection are not ripe for adjudication at this time and they certainly are not relevant to the determination of whether the Disclosure Statement contains reasonably adequate information for a party voting on the Plan to make an informed decision. Accordingly, the Court should overrule the Cigna Objection.

III. Cigna Seeks To Limit Inappropriately the Debtors’ Right To Assume or Reject the Cigna Agreements

10. In the Cigna Objection, Cigna contends that the Debtors must provide Cigna’s counsel with “unequivocal and irrevocable notice of proposed assumption or rejection of each of the [Cigna Agreements]” five business days prior to the Voting Deadline. Cigna Objection ¶ 11. As a result, the Debtors’ submit that, not only is the Cigna Objection not ripe, but it should also be overruled on the merits.

11. Section 365 of the Bankruptcy Code grants a debtor the right to assume or reject executory contracts and unexpired leases up until confirmation of a chapter 11 plan. Specifically, section 365(d)(2) of the Bankruptcy Code provides that, “[i]n a case under chapter 9, 11, 12, or 13 of this title, the trustee may assume or reject an executory contract or unexpired lease of residential real property or of personal property of the debtor at *any time before the confirmation of a plan*” 11 U.S.C. § 365(d)(2) (emphasis added). Therefore, the Debtors have until the Confirmation Hearing to determine which of their executory contracts and unexpired leases, including the Cigna Agreements, they desire to assume or reject. To this end, the Plan and Disclosure Statement each contain detailed sections setting forth the treatment of all executory contracts and unexpired

leases, as well as the treatment of claims relating thereto (including cure costs and rejection damages) that may be asserted by counterparties to such executory contracts an unexpired leases. *See* Plan, Art. X; Disclosure Statement, Art. 4.H.

12. Here, the Cigna Objection seeks to distinguish inappropriately the Cigna Agreements from all other executory contracts, thereby curtailing the Debtors' statutory rights. The Cigna Objection, however, fails to demonstrate any justification for why or how the Cigna Agreements are entitled to disparate treatment.⁶ On the other hand, the Debtors maintain that such agreements do not differ from all other executory contracts and, therefore, should be treated in the same manner under the Plan in accordance with section 365(d)(2) of the Bankruptcy Code. Accordingly, the Cigna Objection should be overruled on the merits.

IV. The CIGNA Objection Should be Overruled Because CIGNA Lacks Standing

13. Under the Plan, only holders of Prepetition Revolving Credit Facility Claims (Class 3) and Prepetition Term Loan Claims (Class 4) are entitled to vote on the Plan. Cigna has not alleged that it holds claims in either of these two Voting Classes. Because Cigna is not entitled to vote on the Plan, it lacks standing to object to the Disclosure Statement.

14. As stated above, section 1125(a)(1) of the Bankruptcy Code requires information to be provided that "would enable . . . *a hypothetical investor of the relevant class* to make an informed judgment about the plan." 11 U.S.C. § 1125(a)(1) (emphasis added). Courts in this District have interpreted this section as requiring an examination of the information provided in a disclosure statement from the perspective of those eligible to vote on a plan, thereby ensuring that the disclosure statement contains sufficient information to allow such eligible voters to make an informed decision when voting on a plan. *See, e.g., In re PWS Holding Corp.*, Ch. 11 Case No.

⁶ The Debtors have not located, and Cigna's counsel did not provide, any orders approving a disclosure statement containing the relief requested in the Cigna Objection.

98-212(SLR), 1999 WL 33510165, at *2 (Bankr. D. Del. Dec. 30, 1999) (“The [d]isclosure [s]tatement . . . provide[s] adequate information as to the provisions of the [p]lan to holders of [c]laims against and [e]quity [i]nterests in the [d]ebtors so *as to allow such holders eligible to vote* to make an informed judgment to accept or reject the [p]lan.”) (emphasis added); *In re E. Redley Corp.*, 16 B.R. 429, 430 (Bankr. E.D. Pa. 1982) (“The requirement that a disclosure statement contain adequate information *serves to present the parties entitled to vote on the plan* with an opportunity to independently evaluate the merits of the proposed plan.”) (emphasis added); *see also In re Source Enterprises, Inc.*, Ch. 11 Case No. 06-11707 (AJG), 2007 WL 7144778, at *2 (Bankr. S.D.N.Y. July 31, 2007) (“Section 1125 of the Bankruptcy Code mandates that before creditors may be solicited to vote on a chapter 11 plan, the plan proponent file a disclosure statement that provides adequate information to holders of claims and interests so they can make a decision as to whether or not to vote in favor of the plan.”). Conversely, a party not entitled to vote on a plan should not have standing to object to the adequacy of the information contained in the disclosure statement because its rights are not implicated. Similarly, here, Cigna’s inability to vote on the Plan, and correspondingly its lacking of standing, should preclude it from objecting to the adequacy of the information contained in the Disclosure Statement.

15. Moreover, the terms of the Plan and the information contained in the Disclosure Statement were negotiated with, and approved by, the Ad Hoc Group whose members hold claims in the only Voting Classes under the Plan. Accordingly, the eligible voters on the Plan (i.e., parties in interest with proper standing) have affirmatively determined that the Disclosure Statement contains adequate information to allow them to vote on the Plan. The issues raised in the Cigna Objection are, therefore, moot.

RESERVATION OF RIGHTS

16. The Debtors fully reserve their rights with respect to the Cigna Objection in relation

to confirmation of the Plan or under any other circumstances for which it may arise, including, without limitation, the right to more fully brief any and all issues discussed herein in connection with confirmation of the Plan.

CONCLUSION

17. For the reasons set forth herein, the Debtors respectfully request that the Court (a) overrule the Cigna Objection and (b) grant the relief requested in the Motion by entering the proposed order attached hereto as Exhibit A.

Dated: October 31, 2019
Wilmington, Delaware

Respectfully submitted,
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Counsel to the Debtors and Debtors in Possession

Exhibit A

Revised Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

ORDER (I) APPROVING THE DISCLOSURE STATEMENT, (II) ESTABLISHING PROCEDURES FOR THE SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT THE PLAN, (III) APPROVING THE FORM OF BALLOT AND SOLICITATION MATERIALS, (IV) ESTABLISHING THE VOTING RECORD DATE, (V) FIXING THE DATE, TIME, AND PLACE FOR THE CONFIRMATION HEARING AND THE DEADLINE FOR FILING OBJECTIONS THERETO, AND (VI) APPROVING RELATED NOTICE PROCEDURES

Upon consideration of the *Motion of Debtors for Entry of an Order (I) Approving the Disclosure Statement, (II) Establishing Procedures for the Solicitation and Tabulation of Votes to Accept or Reject the Plan, (III) Approving the Form of Ballot and Solicitation Materials, (IV) Establishing the Voting Record Date, (V) Fixing the Date, Time, and Place for the Confirmation Hearing and the Deadline for Filing Objections Thereto, and (VI) Approving*

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.

Related Notice Procedures (the “**Motion**”);² 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 opportunity for a hearing on the Motion having been given to the parties listed therein; and the Court having reviewed and considered the Motion and the Declarations; and the Court having the opportunity to hold a hearing on the Motion; and the Court having determined that the legal and factual bases set forth in the Motion 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,

THE COURT HEREBY FINDS AS FOLLOWS:

A. The disclosure statement, as the same may be updated, supplemented, amended, and/or otherwise modified from time to time (the “**Disclosure Statement**”), contains “adequate information” within the meaning of section 1125 of the Bankruptcy Code;

B. The form of ballot attached to the Motion as Exhibit B (the “**Ballot**”) (i) is

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion, the Disclosure Statement, and the Plan, as applicable.

consistent with Official Form No. 14, (ii) adequately addresses the particular needs of the Chapter 11 Cases, (iii) is appropriate for the Voting Classes, and (iv) complies with Bankruptcy Rule 3017(d).

C. Ballots need not be provided to holders of Claims or Interests in the following Classes, as such Non-Voting Classes are either (i) unimpaired and are conclusively presumed to have accepted the Plan in accordance with section 1126(f) of the Bankruptcy Code or (ii) impaired but will neither retain nor receive any property under the Plan and are thus conclusively deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code:

<u>Class</u>	<u>Designation</u>	<u>Status</u>	<u>Voting Rights</u>
Class 1	Priority Non-Tax Claims	Unimpaired	Deemed to Accept
Class 2	Other Secured Claims	Unimpaired	Deemed to Accept
Class 5	General Unsecured Claims	Impaired	Deemed to Reject
Class 6	Sponsor Note Claims	Impaired	Deemed to Reject
Class 7	Subordinated Claims	Impaired	Deemed to Reject
Class 8	Existing Interests	Impaired	Deemed to Reject

D. The period during which the Debtors may solicit votes to accept or reject the Plan, as established by this Order, provides sufficient time for Claimholders in the Voting Classes to make informed decisions to accept or reject the Plan and submit their Ballots in a timely fashion.

E. The Tabulation Procedures (as defined below) for the solicitation and tabulation of votes to accept or reject the Plan, as approved herein, provide a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

F. The contents of the Solicitation Packages and the procedures for providing notice of the Disclosure Statement Hearing, the Confirmation Hearing, and the other matters set forth in the Disclosure Statement Hearing Notice and the Confirmation Notice comply with Bankruptcy Rules 2002 and 3017, Local Rule 3017-1 and, under the circumstances, constitute sufficient notice to all interested parties in accordance with Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

IT IS HEREBY FOUND AND DETERMINED THAT:

1. The relief requested in the Motion is granted as set forth herein.
2. The Disclosure Statement is hereby approved under section 1125 of the Bankruptcy Code, Bankruptcy Rule 3017, and Local Rule 3017-1.
3. The Ballot substantially in the form attached to the Motion as Exhibit B is hereby approved.
4. In order to be counted as votes to accept or reject the Plan, all Ballots must be properly executed, completed, and delivered, by either mail, overnight courier, personal delivery, or electronic, online transmission at the website created for the Debtors' Chapter 11 Cases by the Solicitation and Claims Agent, <http://www.kccllc.net/southcrossenergy>, so that they are actually received no later than 6:00 p.m. (prevailing Eastern Time) on November 27, 2019 (the "**Voting Deadline**"). Parties entitled to vote shall be authorized in their sole discretion to complete an electronic Ballot and electronically sign and submit the Ballot to the Solicitation and Claims Agent. Ballots transmitted by facsimile or e-mail will not be counted.
5. The following procedures shall be utilized in tabulating the votes to accept or reject the Plan (the "**Tabulation Procedures**"):
 - a. Unless otherwise provided in these Tabulation Procedures, a Claim will be

deemed temporarily allowed for voting purposes only in an amount equal to (i) the amount of such Claim as set forth in the Debtors' Schedules of Assets and Liabilities (including all amendments thereto, the "**Schedules**") if no Proof of Claim has been timely filed in respect of such Claim or (ii) if a Proof of Claim has been timely filed in respect of such Claim, the amount set forth in such Proof of Claim.

- b. Duplicative Claims (*i.e.*, the same Claim against two or more of the Debtors) listed in the Schedules or in timely-filed Proofs of Claim will be deemed temporarily allowed for voting purposes only in an amount equal to one such Claim and not in an amount equal to the aggregate of such Claims.
- c. If a Claim, for which no Proof of Claim has been timely filed, is listed on the Schedules, but is listed as contingent, unliquidated, or disputed, either in whole or in part, or if no Claim amount is specified, such Claim shall be disallowed for voting purposes; provided, however, that any undisputed portion, if any, of such Claim will be deemed temporarily allowed for voting purposes, subject to the other Tabulation Procedures.
- d. If a Claim, for which a Proof of Claim has been timely filed, has not been disallowed and is not subject to a pending objection or adversary proceeding as of the Record Date, is marked or otherwise referenced on its face as contingent, unliquidated, or disputed, either in whole or in part, or if no Claim amount is specified on such Proof of Claim, such Claim shall be temporarily allowed solely for voting purposes in the amount of \$1.00, irrespective of how such Claim may or may not be set forth on the Schedules; provided, however, that any undisputed portion, if any, of such Claim will be deemed temporarily allowed for voting purposes, subject to the other Tabulation Procedures.
- e. If the Debtors have served an objection or request for estimation as to a Claim at least ten calendar days before the Voting Deadline, such Claim is temporarily disallowed for voting purposes only and not for purposes of allowance or distribution, except to the extent and manner as set forth in such objection.
- f. If a Claimholder identifies a Claim amount on its Ballot that is different than the amount otherwise calculated in accordance with the Tabulation Procedures, the Claim will be temporarily allowed for voting purposes in the lesser amount identified on such Ballot.
- g. Claimholders will not be entitled to vote Claims to the extent such Claims have been superseded and/or amended by other Claims filed by or on behalf of such Claimholders.
- h. Except as otherwise ordered by the Court, any Ballots received after the Voting Deadline will not be counted absent the consent of the Debtors (in their sole discretion).

- i. Any Ballot that does not indicate an acceptance or rejection of the Plan, or that indicates both an acceptance and rejection of the Plan, will not be counted.
- j. Any Ballot that is returned indicating acceptance or rejection of the Plan but is unsigned will not be counted.
- k. Whenever a Claimholder casts more than one Ballot voting the same Claim prior to the Voting Deadline, only the latest-dated Ballot timely received will be deemed to reflect the voter's intent and, thus, will supersede any prior Ballots.
- l. If a Claimholder casts simultaneous duplicative Ballots that are voted inconsistently, such Ballots will not be counted.
- m. Each Claimholder will be deemed to have voted the full amount of its Claim as set forth on the Ballot.
- n. Claimholders may not split their vote within a Class; thus, each Claimholder will be required to vote all of its Claims within the Class either to accept or reject the Plan.
- o. Ballots partially rejecting and partially accepting the Plan will not be counted.
- p. An original executed Ballot is required to be submitted by the entity submitting any written Ballot. Subject to the other procedures and requirements herein, completed, executed Ballots also may be submitted via the online portal maintained by the Solicitation and Claims Agent at www.kcellc.net/southcrossenergy.
- q. Delivery of a Ballot by facsimile, telecopy, or any other electronic means shall not be valid; *provided, however*, that Ballots submitted through the online voting portal will be counted.
- r. The method of delivery of Ballots to the Solicitation and Claims Agent is at the risk of each Claimholder, and such delivery will be deemed made only when the original Ballot is actually received by the Solicitation and Claims Agent.
- s. The Debtors expressly reserve the right to amend the terms of the Plan (subject to compliance with section 1127 of the Bankruptcy Code). If the Debtors make material changes to the terms of the Plan, the Debtors will disseminate additional solicitation materials and extend the solicitation period, in each case to the extent required by law or further order of the Court.
- t. If a Ballot is executed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or other person acting in a fiduciary or representative capacity on behalf of a Claimholder, such person will be required to indicate such capacity when signing and, at the Solicitation and Claims Agent's discretion, must submit proper evidence satisfactory to the Solicitation and Claims Agent to so act on behalf of the Claimholder.

- u. Any Claimholder who has delivered a valid Ballot voting on the Plan may withdraw such vote solely in accordance with Bankruptcy Rule 3018(a).
 - v. Subject to any contrary order of the Court, the Debtors further reserve the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot.
 - w. Unless waived or as ordered by the Court, any defects or irregularities in connection with deliveries of Ballots must be cured by the Voting Deadline or within such time as the Court determines, and unless otherwise ordered by the Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived.
 - x. Neither the Debtors, nor any other person or entity, will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots nor will any of them incur any liabilities for failure to provide such notification.
6. Upon completion of the balloting, the Solicitation and Claims Agent shall certify the amount and number of Allowed Claims in the Voting Classes accepting or rejecting the Plan. The Debtors shall cause such certification to be filed with the Court prior to the Confirmation Hearing.
7. If any Claimholder seeks to challenge the allowance of its Claim for voting purposes in accordance with the Tabulation Procedures, such Claimholder must file a motion, pursuant to Bankruptcy Rule 3018(a), for an order temporarily allowing its Claim in a different amount or classification for purposes of voting to accept or reject the Plan (a “**Rule 3018 Motion**”) and serve the Rule 3018 Motion on the Debtors so that it is received no later than **4:00 p.m. (prevailing Eastern Time) on the fifth day after the later of (a) service of the Confirmation Notice and (b) service of notice of an objection, if any, to such Claim.** Any Ballot submitted by a Claimholder that files a Rule 3018 Motion shall be counted solely in accordance with the Tabulation Procedures and the other applicable provisions of this Order unless and until the underlying Claim or Interest is temporarily allowed by the Court for voting purposes in a different

amount, after notice and a hearing.

8. The Confirmation Hearing is hereby scheduled for **December 9, 2019 at 2:00 p.m. (prevailing Eastern Time)**. The Confirmation Hearing may be continued from time to time by the Debtors, in consultation with the Ad Hoc Group, without further notice other than by (a) announcing the adjourned date(s) at the Confirmation Hearing (or any continued hearing) or (b) filing a notice with the Court.

9. Objections to confirmation of the Plan on any ground, including adequacy of the disclosures therein, if any, must (a) be in writing and (b) be filed with the Court and served on (i) counsel to the Debtors, (A) Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017 (Attention: Marshall S. Huebner, Darren S. Klein, and Steven Z. Szanzer) and (B) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, P.O. Box 1347, Wilmington, DE 19899 (Attention: Andrew R. Remming and Robert J. Dehney), (ii) 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 (Attention: Joseph G. Minias, Paul V. Shalhoub, and Debra McElligott), and (B) Young Conaway Stargatt & Taylor, LLP, 1000 North King Street, Wilmington, Delaware 19801 (Attention: Matthew B. Lunn), (iii) counsel to the administrative agent under Southcross's prepetition secured revolving credit facility, prepetition secured term loan facility, and the post-petition credit facility, (A) Arnold & Porter Kaye Scholer LLP, 70 W. Madison Street, Suite 4200, Chicago, IL 60614 (Attention: Seth J. Kleinman), (B) Arnold & Porter Kaye Scholer LLP, 250 W. 55th Street, New York, NY 10019 (Attention: Alan Glantz), and (C) Duane Morris, LLP, 222 Delaware Avenue, Suite 1600, Wilmington, DE

19801 (Attention: Christopher M. Winter), (iv) the Office of the U.S. Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attention: Richard Schepacarter), and (v) counsel to Southcross Holdings LP and its non-Debtor subsidiaries, (A) Debevoise & Plimpton LLP, 919 Third Avenue, New York, NY 10022 (Attention: Natasha Labovitz) and (B) Ashby & Geddes, P.A., 500 Delaware Ave., 8th Floor P.O. Box 1150, Wilmington, Delaware 19899 (Attention: William P. Bowden), so that they are received **no later than 6:00 p.m. (prevailing Eastern Time) on November 27, 2019** (the “**Confirmation Objection Deadline**”). The Debtors shall, if they deem necessary in their discretion, file a consolidated reply to any such objections and/or any affidavits or declarations in support of approval of the Plan by no later than **December 6, 2019** (or two calendar days prior to the date of any adjourned Confirmation Hearing).

10. The Confirmation Notice, in substantially the form attached to the Motion as Exhibit D, is approved. The Debtors shall serve the Confirmation Notice on (a) the U.S. Trustee, (b) the Non-Voting Classes, (c) all entities that are party to executory contracts and unexpired leases with the Debtors, (d) all entities that are party to litigation with the Debtors, (e) all current and former employees, directors, and officers (to the extent that contact information for former employees, directors, and officers is available in the Debtors’ records), (f) all regulatory authorities that regulate the Debtors’ businesses, (g) the Office of the Attorney General for the State of Delaware, (h) the office of the attorney general for each state in which the Debtors maintain or conduct business, (i) the District Director of the Internal Revenue Service for the District of Delaware, (j) all other taxing authorities for the jurisdictions in which the Debtors

maintain or conduct business, (k) the Securities and Exchange Commission, and (l) all parties who filed a request for service of notices under Bankruptcy Rule 2002 no later than five Business Days after the entry of this Order.

11. Pursuant to Bankruptcy Rule 3017(c), November 5, 2019, the date of the Disclosure Statement Hearing, shall be the record date for purposes of determining which holders of Claims are entitled to receive Solicitation Packages and, where applicable, vote on the Plan (the “**Record Date**”).

12. With respect to any transferred Claim, the transferee shall only be entitled to receive and cast a Ballot on account of such transferred Claim if (a) all actions necessary to effect the transfer of the Claim pursuant to Bankruptcy Rule 3001(e) have been completed by the Record Date (including, without limitation, the passage of any applicable objection period) or (b) the transferee files, no later than the Record Date, (i) the documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (ii) a sworn statement of the transferor supporting the validity of the transfer.

13. The Solicitation and Claims Agent shall mail Solicitation Packages no later than five Business Days after the entry of this Order to the Voting Classes containing copies of (a) the Confirmation Notice, (b) the Disclosure Statement, (c) the Plan, (d) this Order (without exhibits), (e) a Ballot, and (f) any other documents and materials that the Debtors deem appropriate.

14. The Debtors shall not be required to transmit Solicitation Packages to holders of Claims in Classes 1, 2, 5, 6, 7, and 8 (collectively, the “**Non-Voting Classes**”) under the Plan. The Debtors shall mail or caused to be mailed by first-class mail to holders of Claims in the

Non-Voting Classes a copy of the Notice of Non-Voting Status, substantially in the form attached to the Motion as Exhibit C.

15. The Debtors are authorized to make non-substantive and ministerial changes to any documents in the Solicitation Package without further approval of the Court prior to its dissemination, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes to the Disclosure Statement and the Plan and any other materials included in the Solicitation Package prior to their distribution.

16. The Debtors shall file the Plan Supplement by November 25, 2019, provided that the Debtors may amend, supplement, or otherwise modify the Plan Supplement prior to the Confirmation Hearing and/or in accordance with the Plan.

17. The Debtors are authorized to take or refrain from taking any action necessary or appropriate to implement the terms of, and the relief granted in, this Order without seeking further order of the Court.

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

19. This Order is effective immediately upon entry.

Dated: _____, 2019
Wilmington, Delaware

THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

Redline

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

ORDER (I) APPROVING THE DISCLOSURE STATEMENT, (II) ESTABLISHING PROCEDURES FOR THE SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT THE PLAN, (III) APPROVING THE FORM OF BALLOT AND SOLICITATION MATERIALS, (IV) ESTABLISHING THE VOTING RECORD DATE, (V) FIXING THE DATE, TIME, AND PLACE FOR THE CONFIRMATION HEARING AND THE DEADLINE FOR FILING OBJECTIONS THERETO, AND (VI) APPROVING RELATED NOTICE PROCEDURES

Upon consideration of the *Motion of Debtors for Entry of an Order (I) Approving the Disclosure Statement, (II) Establishing Procedures for the Solicitation and Tabulation of Votes to Accept or Reject the Plan, (III) Approving the Form of Ballot and Solicitation Materials, (IV) Establishing the Voting Record Date, (V) Fixing the Date, Time, and Place for the Confirmation Hearing and the Deadline for Filing Objections Thereto, and (VI) Approving Related Notice Procedures* (the “**Motion**”);² and the Court having jurisdiction to consider the

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~~ 75201.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion, the Disclosure Statement, and the Plan, as applicable.

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 opportunity for a hearing on the Motion having been given to the parties listed therein; and the Court having reviewed and considered the Motion and the Declarations; and the Court having the opportunity to hold a hearing on the Motion; and the Court having determined that the legal and factual bases set forth in the Motion 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,

THE COURT HEREBY FINDS AS FOLLOWS:

A. The disclosure statement, as the same may be updated, supplemented, amended, and/or otherwise modified from time to time (the “**Disclosure Statement**”), contains “adequate information” within the meaning of section 1125 of the Bankruptcy Code;

B. The form of ballot attached to the Motion as Exhibit B (the “**Ballot**”) (i) is consistent with Official Form No. 14, (ii) adequately addresses the particular needs of the Chapter 11 Cases, (iii) is appropriate for the Voting Classes, and (iv) complies with Bankruptcy

Rule 3017(d).

C. Ballots need not be provided to holders of Claims or Interests in the following Classes, as such Non-Voting Classes are either (i) unimpaired and are conclusively presumed to have accepted the Plan in accordance with section 1126(f) of the Bankruptcy Code or (ii) impaired but will neither retain nor receive any property under the Plan and are thus conclusively deemed to have rejected the Plan under section 1126(g) of the Bankruptcy Code:

<u>Class</u>	<u>Designation</u>	<u>Status</u>	<u>Voting Rights</u>
Class 1	Priority Non-Tax Claims	Unimpaired Unimpaired	Deemed to Accept
Class 2	Other Secured Claims	Unimpaired Unimpaired	Deemed to Accept
Class 5	General Unsecured Claims	Impaired	Deemed to Reject
Class 6	Sponsor Note Claims	Impaired	Deemed to Reject
Class 7	Subordinated Claims	Impaired	Deemed to Reject
Class 8	Existing Interests	Impaired	Deemed to Reject

D. The period during which the Debtors may solicit votes to accept or reject the Plan, as established by this Order, provides sufficient time for Claimholders in the Voting Classes to make informed decisions to accept or reject the Plan and submit their Ballots in a timely fashion.

E. The Tabulation Procedures (as defined below) for the solicitation and tabulation of votes to accept or reject the Plan, as approved herein, provide a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

F. The contents of the Solicitation Packages and the procedures for providing notice of the Disclosure Statement Hearing, the Confirmation Hearing, and the other matters set forth in

the Disclosure Statement Hearing Notice and the Confirmation Notice comply with Bankruptcy Rules 2002 and 3017, Local Rule 3017-1 and, under the circumstances, constitute sufficient notice to all interested parties in accordance with Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

IT IS HEREBY FOUND AND DETERMINED THAT:

1. The relief requested in the Motion is granted as set forth herein.
2. The Disclosure Statement is hereby approved under section 1125 of the Bankruptcy Code, Bankruptcy Rule 3017, and Local Rule 3017-1.
3. The Ballot substantially in the form attached to the Motion as Exhibit B is hereby approved.
4. In order to be counted as votes to accept or reject the Plan, all Ballots must be properly executed, completed, and delivered, by either mail, overnight courier, personal delivery, or electronic, online transmission at the website created for the Debtors' Chapter 11 Cases by the Solicitation and Claims Agent, <http://www.kccellc.net/southcrossenergy>, so that they are actually received no later than 6:00 p.m. (~~PT~~prevailing Eastern Time) on November ~~25~~,27, 2019 (the "**Voting Deadline**"). Parties entitled to vote shall be authorized in their sole discretion to complete an electronic Ballot and electronically sign and submit the Ballot to the Solicitation and Claims Agent. Ballots transmitted by facsimile or e-mail will not be counted.
5. The following procedures shall be utilized in tabulating the votes to accept or reject the Plan (the "**Tabulation Procedures**"):
 - a. Unless otherwise provided in these Tabulation Procedures, a Claim will be deemed temporarily allowed for voting purposes only in an amount equal to (i) the amount of such Claim as set forth in the Debtors' Schedules of Assets and Liabilities (including all amendments thereto, the "**Schedules**") if no Proof of Claim has been timely filed in respect of such Claim or (ii) if a Proof of

Claim has been timely filed in respect of such Claim, the amount set forth in such Proof of Claim.

- b. Duplicative Claims (*i.e.*, the same Claim against two or more of the Debtors) listed in the Schedules or in timely-filed Proofs of Claim will be deemed temporarily allowed for voting purposes only in an amount equal to one such Claim and not in an amount equal to the aggregate of such Claims.
- c. If a Claim, for which no Proof of Claim has been timely filed, is listed on the Schedules, but is listed as contingent, unliquidated, or disputed, either in whole or in part, or if no Claim amount is specified, such Claim shall be disallowed for voting purposes; provided, however, that any undisputed portion, if any, of such Claim will be deemed temporarily allowed for voting purposes, subject to the other Tabulation Procedures.
- d. If a Claim, for which a Proof of Claim has been timely filed, has not been disallowed and is not subject to a pending objection or adversary proceeding as of the Record Date, is marked or otherwise referenced on its face as contingent, unliquidated, or disputed, either in whole or in part, or if no Claim amount is specified on such Proof of Claim, such Claim shall be temporarily allowed solely for voting purposes in the amount of \$1.00, irrespective of how such Claim may or may not be set forth on the Schedules; provided, however, that any undisputed portion, if any, of such Claim will be deemed temporarily allowed for voting purposes, subject to the other Tabulation Procedures.
- e. If the Debtors have served an objection or request for estimation as to a Claim at least ten calendar days before the Voting Deadline, such Claim is temporarily disallowed for voting purposes only and not for purposes of allowance or distribution, except to the extent and manner as set forth in such objection.
- f. If a Claimholder identifies a Claim amount on its Ballot that is different than the amount otherwise calculated in accordance with the Tabulation Procedures, the Claim will be temporarily allowed for voting purposes in the lesser amount identified on such Ballot.
- g. Claimholders will not be entitled to vote Claims to the extent such Claims have been superseded and/or amended by other Claims filed by or on behalf of such Claimholders.
- h. Except as otherwise ordered by the Court, any Ballots received after the Voting Deadline will not be counted absent the consent of the Debtors (in their sole discretion).
- i. Any Ballot that does not indicate an acceptance or rejection of the Plan, or that indicates both an acceptance and rejection of the Plan, will not be counted.
- j. Any Ballot that is returned indicating acceptance or rejection of the Plan but is

unsigned will not be counted.

- k. Whenever a Claimholder casts more than one Ballot voting the same Claim prior to the Voting Deadline, only the latest-dated Ballot timely received will be deemed to reflect the voter's intent and, thus, will supersede any prior Ballots.
- l. If a Claimholder casts simultaneous duplicative Ballots that are voted inconsistently, such Ballots will not be counted.
- m. Each Claimholder will be deemed to have voted the full amount of its Claim as set forth on the Ballot.
- n. Claimholders may not split their vote within a Class; thus, each Claimholder will be required to vote all of its Claims within the Class either to accept or reject the Plan.
- o. Ballots partially rejecting and partially accepting the Plan will not be counted.
- p. An original executed Ballot is required to be submitted by the entity submitting any written Ballot. Subject to the other procedures and requirements herein, completed, executed Ballots also may be submitted via the online portal maintained by the Solicitation and Claims Agent at www.kccllc.net/southcrossenergy.
- q. Delivery of a Ballot by facsimile, telecopy, or any other electronic means shall not be valid; *provided, however*, that Ballots submitted through the online voting portal will be counted.
- r. The method of delivery of Ballots to the Solicitation and Claims Agent is at the risk of each Claimholder, and such delivery will be deemed made only when the original Ballot is actually received by the Solicitation and Claims Agent.
- s. The Debtors expressly reserve the right to amend the terms of the Plan (subject to compliance with section 1127 of the Bankruptcy Code). If the Debtors make material changes to the terms of the Plan, the Debtors will disseminate additional solicitation materials and extend the solicitation period, in each case to the extent required by law or further order of the Court.
- t. If a Ballot is executed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or other person acting in a fiduciary or representative capacity on behalf of a Claimholder, such person will be required to indicate such capacity when signing and, at the Solicitation and Claims Agent's discretion, must submit proper evidence satisfactory to the Solicitation and Claims Agent to so act on behalf of the Claimholder.
- u. Any Claimholder who has delivered a valid Ballot voting on the Plan may withdraw such vote solely in accordance with Bankruptcy Rule 3018(a).

- v. Subject to any contrary order of the Court, the Debtors further reserve the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot.
- w. Unless waived or as ordered by the Court, any defects or irregularities in connection with deliveries of Ballots must be cured by the Voting Deadline or within such time as the Court determines, and unless otherwise ordered by the Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived.
- x. Neither the Debtors, nor any other person or entity, will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots nor will any of them incur any liabilities for failure to provide such notification.

6. Upon completion of the balloting, the Solicitation and Claims Agent shall certify the amount and number of Allowed Claims in the Voting Classes accepting or rejecting the Plan. The Debtors shall cause such certification to be filed with the Court prior to the Confirmation Hearing.

7. If any Claimholder seeks to challenge the allowance of its Claim for voting purposes in accordance with the Tabulation Procedures, such Claimholder must file a motion, pursuant to Bankruptcy Rule 3018(a), for an order temporarily allowing its Claim in a different amount or classification for purposes of voting to accept or reject the Plan (a “**Rule 3018 Motion**”) and serve the Rule 3018 Motion on the Debtors so that it is received no later than **4:00 p.m. (prevailing Eastern Time) on the fifth day after the later of (a) service of the Confirmation Notice and (b) service of notice of an objection, if any, to such Claim.** Any Ballot submitted by a Claimholder that files a Rule 3018 Motion shall be counted solely in accordance with the Tabulation Procedures and the other applicable provisions of this Order unless and until the underlying Claim or Interest is temporarily allowed by the Court for voting purposes in a different amount, after notice and a hearing.

8. The Confirmation Hearing is hereby scheduled for **December 5, 2019 at 10:30-11:00 a.m. (prevailing Eastern Time)**. The Confirmation Hearing may be continued from time to time by the Debtors, in consultation with the Ad Hoc Group, without further notice other than by (a) announcing the adjourned date(s) at the Confirmation Hearing (or any continued hearing) or (b) filing a notice with the Court.

9. Objections to confirmation of the Plan on any ground, including adequacy of the disclosures therein, if any, must (a) be in writing and (b) be filed with the Court and served on (i) counsel to the Debtors, (A) Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017 (Attention: Marshall S. Huebner, Darren S. Klein, and Steven Z. Szanzer) and (B) Morris, Nichols, Arsht & Tunnell LLP, 1201 North Market Street, P.O. Box 1347, Wilmington, DE 19899 (Attention: Andrew R. Remming and Robert J. Dehney), (ii) 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 (Attention: Joseph G. Minias, Paul V. Shalhoub, and ~~Deborah~~Debra McElligott), and (B) Young Conaway Stargatt & Taylor, LLP, 1000 North King Street, Wilmington, Delaware 19801 (Attention: Matthew B. Lunn), (iii) counsel to the administrative agent under Southcross's prepetition secured revolving credit facility, prepetition secured term loan facility, and the post-petition credit facility, (A) Arnold & Porter Kaye Scholer LLP, 70 W. Madison Street, Suite 4200, Chicago, IL 60614 (Attention: Seth J. Kleinman), (B) Arnold & Porter Kaye Scholer LLP, 250 W. 55th Street, New York, NY 10019 (Attention: Alan Glantz), and (C) Duane Morris, LLP, 222 Delaware Avenue, Suite 1600, Wilmington, DE

19801 (Attention: Christopher M. Winter), (iv) the Office of the U.S. Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attention: Richard Schepacarter), and (v) counsel to Southcross Holdings LP and its non-Debtor subsidiaries, (A) Debevoise & Plimpton LLP, 919 Third Avenue, New York, NY 10022 (Attention: Natasha Labovitz) and (B) Ashby & Geddes, P.A., 500 Delaware Ave., 8th Floor P.O. Box 1150, Wilmington, Delaware 19899 (Attention: William P. Bowden), so that they are received **no later than 6:00 p.m. (prevailing Eastern Time) on November ~~25~~,27, 2019** (the “**Confirmation Objection Deadline**”). The Debtors shall, if they deem necessary in their discretion, file a consolidated reply to any such objections and/or any affidavits or declarations in support of approval of the Plan by no later than **December ~~3~~,6, 2019** (or two calendar days prior to the date of any adjourned Confirmation Hearing).

10. The Confirmation Notice, in substantially the form attached to the Motion as Exhibit D, is approved. The Debtors shall serve the Confirmation Notice on (a) the U.S. Trustee, (b) the Non-Voting Classes, (c) all entities that are party to executory contracts and unexpired leases with the Debtors, (d) all entities that are party to litigation with the Debtors, (e) all current and former employees, directors, and officers (to the extent that contact information for former employees, directors, and officers is available in the Debtors’ records), (f) all regulatory authorities that regulate the Debtors’ businesses, (g) the Office of the Attorney General for the State of Delaware, (h) the office of the attorney general for each state in which the Debtors maintain or conduct business, (i) the District Director of the Internal Revenue Service for the District of Delaware, (j) all other taxing authorities for the jurisdictions in which

the Debtors maintain or conduct business, (k) the Securities and Exchange Commission, and (l) all parties who filed a request for service of notices under Bankruptcy Rule 2002 no later than five Business Days after the entry of this Order.

11. Pursuant to Bankruptcy Rule 3017(c), ~~October 28,~~November 5, 2019, the date of the Disclosure Statement Hearing, shall be the record date for purposes of determining which holders of Claims are entitled to receive Solicitation Packages and, where applicable, vote on the Plan (the “**Record Date**”).

12. With respect to any transferred Claim, the transferee shall only be entitled to receive and cast a Ballot on account of such transferred Claim if (a) all actions necessary to effect the transfer of the Claim pursuant to Bankruptcy Rule 3001(e) have been completed by the Record Date (including, without limitation, the passage of any applicable objection period) or (b) the transferee files, no later than the Record Date, (i) the documentation required by Bankruptcy Rule 3001(e) to evidence the transfer and (ii) a sworn statement of the transferor supporting the validity of the transfer.

13. The Solicitation and Claims Agent shall mail Solicitation Packages no later than five Business Days after the entry of this Order to the Voting Classes containing copies of (a) the Confirmation Notice, (b) the Disclosure Statement, (c) the Plan, (d) this Order (without exhibits), (e) a Ballot, and (f) any other documents and materials that the Debtors deem appropriate.

14. The Debtors shall not be required to transmit Solicitation Packages to holders of Claims in Classes 1, 2, 5, 6, 7, and 8 (collectively, the “**Non-Voting Classes**”) under the Plan. The Debtors shall mail or caused to be mailed by first-class mail to holders of Claims in the

Non-Voting Classes a copy of the Notice of Non-Voting Status, substantially in the form attached to the Motion as Exhibit C.

15. The Debtors are authorized to make non-substantive and ministerial changes to any documents in the Solicitation Package without further approval of the Court prior to its dissemination, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes to the Disclosure Statement and the Plan and any other materials included in the Solicitation Package prior to their distribution.

16. The Debtors shall file the Plan Supplement by November ~~18~~25, 2019, provided that the Debtors may amend, supplement, or otherwise modify the Plan Supplement prior to the Confirmation Hearing and/or in accordance with the Plan.

17. The Debtors are authorized to take or refrain from taking any action necessary or appropriate to implement the terms of, and the relief granted in, this Order without seeking further order of the Court.

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

19. This Order is effective immediately upon entry.

Dated: _____, 2019
Wilmington, Delaware

THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY
JUDGE

THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

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Legend:	
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Split/Merged cell	
Padding cell	

Statistics:	
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Moved to	0
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