Docket #0076 Date Filed: 06/12/2020

CLERK, U.S. BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS

ENTERED

THE DATE OF ENTRY IS ON
THE COURT'S DOCKET

The following constitutes the ruling of the court and has the force and effect therein described.

Signed June 12, 2020

United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

In re:	§	Chapter 11
	§	
Vista Proppants and Logistics, LLC, et al.,[1]	§	Case No. 20-42002-ELM-11
	§	
Debtors.	§	Jointly Administered

ORDER GRANTING DEBTORS' EMERGENCY MOTION FOR AN ORDER UNDER 11 U.S.C. §§ 105(A) AND 366 (I) PROHIBITING UTILITY COMPANIES FROM ALTERING OR DISCONTINUING SERVICE ON ACCOUNT OF PREPETITION INVOICES, (II) APPROVING DEPOSIT ACCOUNT AS ADEQUATE ASSURANCE OF PAYMENT, AND (III) ESTABLISHING PROCEDURES FOR RESOLVING REQUESTS BY UTILITY COMPANIES FOR ADDITIONAL ASSURANCE OF PAYMENT

[1] The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, include: Vista Proppants and Logistics, LLC (7817) ("Vista OpCo"); VPROP Operating, LLC (0269) ("VPROP"); Lonestar Prospects Management, L.L.C. (8451) ("Lonestar Management"); MAALT Specialized Bulk, LLC (2001) ("Bulk"); Denetz Logistics, LLC (8177) ("Denetz"); Lonestar Prospects, Ltd. (4483) ("Lonestar Ltd."); and MAALT, LP (5198) ("MAALT"). The location of the Debtors' service address is 4413 Carey Street, Fort Worth, TX 76119-4219.

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Upon the *Debtors' Emergency Motion for an Order Under 11 U.S.C. §§ 105(a) and 366 (I) Prohibiting Utility Companies From Altering or Discontinuing Service on Account of Prepetition Invoices, (II) Approving Deposit Account as Adequate Assurance of Payment, and (III) Establishing Procedures for Resolving Requests by Utility Companies for Additional Assurance of Payment* (the "Motion")[2] of Vista Proppants and Logistics, LLC, *et al.* (collectively, the "Debtors"); and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Order of Reference of Bankruptcy Cases and Proceedings Nunc Pro Tunc*, Miscellaneous Rule No. 33 (N.D. Tex. August 3, 1984) (Woodward, H.O.); and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having held a hearing on the Motion; and all objections, if any, to the Motion have been withdrawn, resolved, or overruled; 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 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 Motion is GRANTED as set forth herein.

2. Except in accordance with the procedures set forth below, absent further order of the Court, each Utility Company is prohibited from (a) altering, refusing, or discontinuing service to, or discriminating against the Debtors solely on the basis of the commencement of the

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

Chapter 11 Cases or on account of any unpaid invoice for services provided before the Petition Date and (b) requiring the payment of a deposit or other security in connection with the Utility Companies' continued provision of Utility Services, other than the establishment of the Utility Deposit Account.

3. The Debtors are authorized and directed to establish the Utility Deposit Account and shall deposit **$333,900** into the Utility Deposit Account for the purpose of providing Utility Companies adequate assurance of payment for postpetition Utility Services provided to the Debtors. The Debtors shall maintain the Utility Deposit Account with a minimum balance equal to 50% of the Debtors' historical monthly cost of Utility Services, which the Debtors may adjust to account for the termination of Utility Services by the Debtors or other arrangements with respect to adequate assurance of payment reached with any Utility Company.

4. To the extent the Debtors become delinquent with respect to postpetition payment for Utility Services from a Utility Company, such Utility Company may file a notice of delinquency (a "Delinquency Notice") with the Court and serve such Delinquency Notice on (a) the Debtors, (b) counsel to the Debtors, (c) counsel to Ares Capital Corporation; (d) the official committee of unsecured creditors, if one is appointed, and (e) the United States Trustee for the Northern District of Texas (each, a "Party in Interest"). The Debtors propose that if such delinquency is not cured and no Party in Interest has objected to the Delinquency Notice within ten (10) days of the receipt of the Delinquency Notice, then, the Debtors will (i) remit to such Utility Company from the Utility Deposit Account the lesser of (a) the amount allocated in the Utility Deposit Account for such Utility Company's account and (b) the amount of postpetition charges claimed as delinquent in the Delinquency Notice, and (ii) replenish the Utility Deposit Account for the amount remitted to such Utility Company.

5. The following procedures are hereby approved:

(a) If a Utility Company is not satisfied with the assurance of future payment provided by the Debtors, the Utility Company must file and serve an objection setting forth: (i) the location(s) for which Utility Services are provided; (ii) the account number(s) for such location(s); (iii) the outstanding balance for each account; (iv) the amount of any deposit(s) made by the Debtors prior to the Petition Date; (v) a summary of the Debtors' payment history in each account; and (vi) any argument as to why the Utility Company has not been provided adequate assurance of payment (an "Objection").

(b) The Court has scheduled a final hearing on this Motion on **July 6, 2020, at 2:30 p.m. (Central)** (the "Hearing Date") for the purpose of considering any Objections.

(c) Any Objection by a Utility Company listed on Exhibit 1 must be served upon, and actually received by, (i) the Debtors' counsel, Haynes and Boone, LLP, Attn: Steve Pezanosky, steve.pezanosky@haynesboone.com; Ian Peck, ian.peck@haynesboone.com; David Staab, david.staab@haynesboone.com; (ii) counsel for Ares Capital Corporation; (iii) counsel to the official committee of unsecured creditors, if one is appointed; and (iv) the United States Trustee for the Northern District of Texas, by no later than **July 1, 2020, at 5:00 p.m. (Central)**. The Debtors may file and serve a reply to any such Objection on or before **July 3, 2020, at 5:00 p.m. (Central)**.

(d) Without further order of the Court, but subject to the terms and conditions of any cash collateral or debtor-in-possession financing orders entered by this Court, the Debtors may enter into agreements granting additional adequate assurance to a Utility Company serving a timely Objection, if the Debtors in their discretion determine that the Objection is reasonable.

(e) If the Debtors discover the existence of a Utility Company not listed on Exhibit 1, the Debtors shall, within two (2) business days after discovering the existence of such Utility Company, (i) file a supplement to Exhibit 1 which supplement shall identify the Utility Company and the additional amount of the adequate assurance deposit the Debtors propose to place in the Utility Deposit Account, and (ii) serve such Utility Company with notice of entry and a copy of the Order.

(f) In the event that a Utility Company not listed on Exhibit 1 objects to the Debtors' proposal to provide adequate assurance of payment, such Utility Company must file and serve on counsel for the Debtors and Ares Capital Corporation an Objection within fourteen (14) days after the date upon which it receives notice of entry of the Order. A hearing on such Objection will be set by the Court no sooner than seven (7) days after the date upon which such Objection has been filed. The Debtors may file and serve a reply to any such Objection on or before the date that is two (2) days prior to such hearing date.

(g) All Utility Companies will be deemed to have received adequate assurance of payment in accordance with Bankruptcy Code Section 366, without the need for an additional deposit or other security, until this Court enters an order to the contrary. Any Utility Company that fails to make a timely Objection shall be deemed to be satisfied that the Utility Deposit Account provides adequate assurance of payment for future services within the meaning of Bankruptcy Code Section 366(c)(2).

6. In the event that no timely Objections are filed, this Order shall be deemed a Final Order and immediately effective as a Final Order, without further notice or hearing on the Motion.

7. The Debtors shall serve this Order upon each of the Utility Companies listed on Exhibit 1 of this Order, at the addresses listed thereon, by first-class mail, postage prepaid, promptly after the entry of this Order.

8. The inclusion or exclusion of any entity on or from Exhibit 1 of this Order or on or from any amended Exhibit 1 shall not constitute an admission that such entity is or is not a "utility" within the meaning of Bankruptcy Code Section 366. This Order specifically reserves the Debtors' rights to argue that (a) any of the entities listed on Exhibit 1 of this Order or any amended Exhibit 1 is not a "utility" within the meaning of Bankruptcy Code Section 366, and (b) any such entity is compelled by contractual obligation, federal, state or local law, or otherwise, to continue to furnish services to the Debtors notwithstanding the Debtors' filing of the Chapter 11 Cases.

9. Nothing in this Order or the Motion shall be deemed to vacate or modify any other restrictions on the termination of service by a Utility Company as provided by Bankruptcy Code Sections 362 and 365 or other applicable law, and nothing herein or in the Motion shall constitute postpetition assumption or adoption of any agreement pursuant to Bankruptcy Code Section 365. Nothing in this Order shall be deemed a waiver by the Debtors or any other party of any right with respect to the assumption or rejection of an executory contract.

10. Notwithstanding anything in this Order to the contrary, (a) payments authorized by, and any authorizations contained in, this Order are subject to the terms, conditions, limitations, and requirements of any cash collateral or DIP financing orders entered in these Chapter 11 Cases (together with any approved budgets in connection therewith, the "DIP Financing Orders") and (b) to the extent there is any inconsistency between the terms of such DIP Financing Orders and any action taken or proposed to be taken hereunder, the terms of such DIP Financing Orders shall control.

11. The Debtors are authorized to pay on a timely basis in accordance with their prepetition practices all undisputed invoices in respect of prepetition and postpetition Utility Services rendered by the Utility Companies to the Debtors.

12. Notwithstanding Bankruptcy Rule 6004(h), to the extent applicable, this Order shall be effective and enforceable immediately upon entry hereof.

END OF ORDER # #

Submitted by:

HAYNES AND BOONE, LLP
Stephen M. Pezanosky
State Bar No. 15881850
Ian T. Peck
State Bar No. 24013306
David L. Staab
State Bar No. 24093194
301 Commerce Street, Suite 2600
Fort Worth, TX 76102
Telephone: 817.347.6600
Facsimile: 817.347.6650
Email: stephen.pezanosky@haynesboone.com
Email: ian.peck@haynesboone.com
Email: david.staab@haynesboone.com

PROPOSED ATTORNEYS FOR DEBTORS

Exhibit 1

Utility Companies

Utility Name	Serviced Entity	Serviced Address	Account Number	Service Provided	Provider Address	Adequate Assurance
AT&T	Multiple	Vista Headquarters 4413 Carey St. Fort Worth, TX 76119	831-000-0735 314 287256678439 81744668897171 831-000-7129-064 831-000-7177-126 831-000-6921 141 8003-110-4617 831-000-6061 623 8003-104-2635 831-000-7220-792 831-000-5120 990	Internet/ Telephone	P.O. Box 5001 Carol Stream, IL 60197-5001	$33,800.00
AT&T Long Distance	Maalt Specialized Bulk	Vista Headquarters 4413 Carey St. Fort Worth, TX 76119	861422641	Internet/ Telephone	PO Box 5017 Carol Stream, IL 60197-5017	$300.00
AT&T Mobility	Multiple	Vista Headquarters 4413 Carey St. Fort Worth, TX 76119	825044668 287260641286	Internet/ Telephone	PO Box 6463 Carol Stream, IL 60197-6463	$17,800.00
AT&T U-Verse	Maalt Specialized Bulk	Vista Headquarters 4413 Carey St. Fort Worth, TX 76119	136916988	Internet/ Telephone	PO Box 5014 Carol Stream, IL 60197-5014	$100.00
City of Big Lake	MAALT, LP	814 S. Railroad St. Big Lake, TX 76932	01-0001-0280	Water	P.O. Box 310 Big Lake, TX 76932	$700.00
City of Dilley	Maalt Specialized Bulk	1415 S. B I-35 Dilley, TX 78017	01-0192-01	Water	P.O. Box 230 Dilley, TX 78017	$300.00
City of Enid	MAALT, LP	1801 N. 16th St. Enid, OK 73701	570630.02	Water	P.O. Box 1768 Enid, OK 73702-1768	$100.00
City of Fort Stockton	MAALT, LP	1569 N. Urias St. Fort Stockton, TX 79735	01-3503-02	Water	121 W 2nd P.O. Box 1000 Fort Stockton, TX 79735-1000	$100.00
Fort Worth Water Department	MAALT, LP	2000 S. Main St. Fort Worth, TX 76110	1268001-632304	Water	P.O. Box 961003 Fort Worth, TX 76161	$400.00
Guadalupe Valley Electric Coop	MAALT, LP	1045 CR 284 Gonzales, TX 78629	223696002	Electric	825 E. Sarah De Witt Drive P.O. Box 118 Gonzales, TX 78629	$100.00
Hernandez Sanitation	MAALT, LP	1569 N. Urias St. Fort Stockton, TX 79735	MAALT LP	Waste/ Sanitation	P.O. Box 551 Fort Stockton, TX 79735	$600.00
Hughes Network Systems, Inc.	Lonestar Prospects, Ltd.	10422 CR 404 Kermit, TX 79745	SME66151	Internet/ Telephone	P.O. Box 96874 Chicago, IL 60693-6874	$300.00
Legacy Disposal & Sanitation	MAALT, LP	1045 CR 284 Gonzales, TX 78629	01-3184 4	Waste/ Sanitation	P.O. Box 527 Yoakum, TX 77995	$100.00
Marabou Energy Management, LLC	Lonestar Prospects, Ltd.	2700 N Cresson Hwy Cresson, TX 76035	Marabou-Granbury Marabou-Tolar Marabou-Winkler	Natural Gas	450 Gears Rd., Suite 850 Houston, TX 77067	$124,800.00
Medina Electric Cooperative	MAALT, LP	1415 S. Business I-35 Dilley, TX 78017	12764001	Electric	P.O. Box 33850 San Antonio, Texas 78265	$2,200.00
NextLink	Lonestar Prospects, Ltd.	7400 Friendship Rd Tolar, TX 76476	125090675	Internet/ Telephone	95 Parker Oaks Lane Hudson Oaks, TX 76087-1265	$100.00
Oklahoma Gas & Electric	MAALT, LP	1801 N. 16th St. Enid, OK 73701	129193672-0 129272105-5	Electric	P.O. Box 24990 Oklahoma City, Oklahoma 73124	$1,600.00
Reliant, Dept. 0954	MAALT, LP	814 S. Railroad St. Big Lake, TX 76932	15 245 025-0 15 257 375-4 15 257 376-2 15 257 365-5 15 222 139-6 15 251 877-5 15 244 516-9 15 244 517-7 15 067 237-6 15 242 080-8	Electric	P.O. Box 120954 Dallas, TX 75312-0954	$3,400.00

Utility Name	Serviced Entity	Serviced Address	Account Number	Service Provided	Provider Address	Adequate Assurance
Republic Services #688	Maalt Specialized Bulk	1415 S. B. I-35 Dilley, TX 78017	3-0688-1011646	Waste	P.O. Box 78829 Phoenix, AZ 85062-8829	$700.00
Republic Services #859	MAALT, LP	18 CR 408 Pecos, TX 79772	3-0859-5302528	Waste	P.O. Box 78829 Phoenix, AZ 85062-8829	$100.00
Rural Texas Broadband	MAALT, LP	18 CR 408 Pecos, TX 79772	1221060	Internet/ Telephone	P.O. Box 760185 San Antonio, TX 78245	$200.00
Southwest Texas Electric	MAALT, LP	1045 CR 284 Gonzales, TX 78629	7103001	Electric	P.O. Box 677 Eldorado, TX 76936	$200.00
Stream Energy	MAALT, LP	1569 N. Urias St. Fort Stockton, TX 79735	1171465992	Electric	P.O. Box 650261 Dallas, TX 75265	$100.00
Tara Energy	MAALT, LP	Dilley Railyard 1415 S. B. I-35 Dilley, TX 78017	9191285467 1212170002	Electric	P.O. Box 301438 Dallas, TX 75303- 1410	$1,200.00
TXU Energy	Lonestar Prospects, Ltd.	10422 CR 404 Kermit, TX 79745	10433720000295700 100062488615	Electric	P.O. Box 650638 Dallas, TX 75265- 0638	$62,400.00
United Cooperative Services	Lonestar Prospects, Ltd.	3549 Monroe Highway Granbury, TX 76049	213782-001 213782-002 213782-003 213782-009 213782-010 213782-011 213782-012 213782-013 213782-014 213782-015 213782-016 213782-018 213782-019 213782-021 213782-023 213782-024 213782-025 213782-026 213782-027 213782-028 213782-029 213782-030 213782-031 213782-032 213782-035 213782-036 213782-037 213782-038 213782-039 213782-040 213782-041 213782-042 213782-043 213782-044 213782-045 213782-046 213782-047 213782-048 213782-049 213782-050 213782-051	Electric	P.O. Box 290 Stephenville, TX 76401	$74,400.00
Verizon Wireless	Maalt Specialized Bulk	Vista Headquarters 4413 Carey St. Fort Worth, TX 76119	723620826-00014 723620826-00001	Internet/ Telephone	P.O. Box 15124 Albany, NY 12212	$10,500.00
Vonage Business	Lonestar Prospects, Ltd.	3549 Monroe Highway Granbury, TX 76049	903270	Internet/ Telephone	Dept #3151 PO Box 123151 Dallas, TX 75312- 3151	$3,100.00
Waste Connections	Lonestar Prospects, Ltd.	Vista Headquarters 4413 Carey St. Fort Worth, TX 76119	5193-070049210-001	Waste/ Sanitation	P.O. Box 679859 Dallas, TX 75267- 9859	$3,300.00