



**SO ORDERED.**

**SIGNED this 28 day of October, 2008.**

*Dale L. Somers*

Dale L. Somers  
UNITED STATES BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF KANSAS**

<b>In re:</b>	)	<b>In Proceedings Under Chapter 11</b>
	)	
<b>GATEWAY ETHANOL, L.L.C.</b>	)	<b>Case No. 08-22579-DLS</b>
	)	
<b>Debtor.</b>	)	

**STANDING ORDER NO. 2 ESTABLISHING PROCEDURES FOR INTERIM  
COMPENSATION AND ESTABLISHING FEE AND EXPENSE GUIDELINES**

Now on this 7th day of October, 2008, this matter having come before the Court upon Debtor's Motion to Approve Standing Order No. 2 Establishing Procedures for Interim Compensation and Establishing Fee and Expense Guidelines, and the Court having reviewed and considered the request and arguments of counsel in support thereof and the statements of all other parties appearing before the Court in connection therewith; the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; the Court finding that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); the Court finding that due and adequate notice of the request and the hearing thereon having been given; and for good cause shown; it is hereby

**ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:**

- (a) No earlier than the 15th day of each calendar month, each professional retained in these proceedings by the Debtor or the Official Committee of Unsecured Creditors (“Professional” or collectively, “Professionals”) seeking interim compensation shall file an application (the “Monthly Fee Notice”) with the Court pursuant to 11 U.S.C. § 331 for interim approval and allowance of compensation for services rendered and reimbursement of expenses incurred during the immediately preceding month (the “Compensation Period”).
- (b) Each Monthly Fee Notice shall comply with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), applicable Tenth Circuit law, the local Rules of this Court, and the U.S. Trustee Guidelines and shall be served upon all parties set forth on the service list attached hereto as **Exhibit A** (the “Notice Parties”).
- (c) Each Notice Party shall have twenty (20) days after service of a Monthly Fee Notice to object (the “Objection Deadline”). Upon the expiration of the Objection Deadline, each Professional may file a certificate of no objection or a certificate of partial objection with the Court, whichever is applicable, after which the Debtor is authorized to pay each Professional an amount (the “Actual Interim Payment”) equal to the lesser of (i) 80 percent of the fees and 100 percent of the expenses requested in the Monthly Fee Notice (the “Maximum Payment”) or (ii) 80 percent of the fees and 100 percent of the expenses not subject to an objection.
- (d) If any Notice Party objects to a Professional’s Monthly Fee Notice, it must file a written objection with the Court and serve it on the Professional and each of the Notice Parties so that it is received on or before the Objection Deadline.

Thereafter, the objecting party and the Professional may attempt to resolve the objection on a consensual basis. If the parties are unable to reach a resolution of the objection within 20 days after service of the objection, then the Professional may either (i) file a response to the objection with the Court, together with a request for payment of the difference, if any, between the Maximum Payment and the Actual Interim Payment made to the affected Professional (the “Incremental Amount”); or (ii) forego payment of the Incremental Amount until the next interim or final fee application hearing, at which time the Court will consider and dispose of the objection, if requested by the parties.

- (e) Allowance of monthly payments of fees and expenses will not constitute an interim or final approval of the Professional’s fees and expenses.
- (f) Beginning with the period ending on December 31, 2008, and at three month intervals or such other intervals convenient to the Court (“Interim Period”), each Professional shall file with the Court and serve upon the Notice Parties an interim application for allowance of compensation and reimbursement of expenses, pursuant to 11 U.S.C. § 331, of the amounts sought in the Monthly Fee Notices filed during such period (the “Interim Fee Application”). The Interim Fee Application must include a summary of the Monthly Fee Notices that are the subject of the request and any other information requested by the Court or required by the Local Rules, or the U.S. Trustee Guidelines. An Interim Fee Application must be filed and served within 45 days of the conclusion of the Interim Period. The first Interim Fee Application should cover the time between the commencement of the case, through and including December 31, 2008. Any Professional who fails to file an Interim Fee Application when due will be

ineligible to receive further interim payments of fees or expenses under the compensation procedures until such time as the Interim Fee Application is submitted.

- (g) Debtors shall request that the Court schedule a hearing on the Interim Fee Applications at least once every three months or at such other intervals as the Court deems appropriate.
- (h) The pendency of an objection to payment of compensation or reimbursement of expenses will not disqualify a Professional from future payment of compensation or reimbursement of expenses, unless the Court orders otherwise.
- (i) Neither the payment of or the failure to pay, in whole or in part, monthly interim compensation and reimbursement of expenses, nor the filing of or failure to file an objection will bind any party in interest or the Court with respect to the allowance of interim or final applications for compensation and reimbursement of expenses of Professionals.
- (j) All fees and expenses paid to Professionals are subject to disgorgement until final allowance by the Court.

**IT IS FURTHER ORDERED** that notice of the interim and final fee applications shall be served on the Notice Parties and all parties which have filed a notice of appearance in the case. The Notice Parties shall be entitled to receive both the Monthly and Interim Fee Applications and the notice of hearing thereon (the "Hearing Notice"), and all other parties entitled to notice shall be entitled to receive only the Hearing Notice. Notice given in accordance with this paragraph is deemed sufficient and adequate and in full compliance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules of this Court; and

**IT IS FURTHER ORDERED** that each member of the Official Committee of Unsecured Creditors (the “Committee”) is permitted to submit statements of expenses (excluding the member’s professional fees) and supporting vouchers to counsel for the Committee, who shall collect and submit the Committee members’ requests for reimbursement to the Court pursuant to the procedure set forth in this Order; and

**IT IS FURTHER ORDERED** that the Debtors shall include all payments to Professionals on their monthly operating reports, detailed so as to state the amount paid to the Professionals; and

**IT IS FURTHER ORDERED** that all time periods referenced in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

# # #

**ORDER SUBMITTED BY:**

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Attorneys for Debtor and Debtor in Possession

**EXHIBIT A**

**NOTICE PARTIES**

Hon. Dale L. Somers  
US Bankruptcy Court  
225 U.S. Courthouse  
444 SE Quincy  
Topeka, KS 66683

Gateway Ethanol, LLC  
10333 NE 30th Street  
Pratt, KS 67124

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*Counsel to Debtor*

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Counsel for Secured Lenders:

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Minneapolis, MN 55402-4115

Lurgi PSI, Inc.  
1790 Kirby Pkwy.  
Memphis, TN 38138

Committee Counsel (yet to be named) or Creditors holding 20 largest unsecured claims if no committee is formed

All parties requesting notice