ENTERED
11/13/2017

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	**Case No. 17-31646**
	§	
MONTCO OFFSHORE, INC., *et al.*,[1]	§	**Chapter 11**
	§	
Debtors.	§	**(Jointly Administered)**

UNOPPOSED ORDER GRANTING FAIRWAYS OFFSHORE EXPLORATION, INC.'S MOTION FOR RELIEF FROM THE AUTOMATIC STAY
[Relates To Docket No. 499]

Upon consideration of Fairways Offshore Exploration, Inc.'s *Motion for Relief from the Automatic Stay Pursuant to Bankruptcy Rule 4001(d)* (the "Motion")[2] seeking relief pursuant to Bankruptcy Code §§ 105 and 362; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); venue being proper before the Court pursuant to 28 U.S.C. § 1408; and the Court having found that Fairways has provided sufficient notice of the Motion and the opportunity for a hearing on the Motion, which under the circumstances is appropriate and no other or further notice need be provided; and after reviewing the Motion and considering the evidence, the arguments of counsel, and determining that entry of this Order is unopposed by Montco and the Unsecured Creditors Committee, the Court having found that cause exists to grant the relief requested in the Motion and that such relief is in the best interests of the Debtors' estates, and creditors; and any objections to the relief requested in the Motion having been withdrawn or overruled on the merits; and good, adequate, and sufficient

[1] The Debtors in these chapter 11 cases, together with the last four (4) digits of each Debtor's federal tax identification number, are Montco Offshore, Inc. (1448) and Montco Oilfield Contractors, LLC (9886). The mailing address for the Debtors, solely for the purposes of notices and communications, is 17751 Hwy 3235, Galliano, Louisiana 70354.

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

cause has been shown to justify approval of the Motion and the immediate entry of this Order. Accordingly, IT IS HEREBY ORDERED:

1. The automatic stay is modified to the extent necessary to permit Fairways to exercise its rights under the Montco Contract to pay or cause to be paid amounts owed by Montco to certain of Montco's vendors and subcontractors on the Well Project, and then offset those payments against amounts due or which may become due from Fairways to Montco, provided that any such vendors or subcontractors who are paid any amount by or on behalf of Fairways must agree in writing to waive any claim against Montco pertaining to work under the Montco Contract on the Well Project.

2. The following procedure shall apply:

a) On or before November 17, 2017, Montco shall provide Fairways with copies of any outstanding invoices it has from vendors or subcontractors pertaining to work on the Well Project under the Montco Contract;

b) On or before November 30, 2017, Fairways shall attempt to contact each of the vendors and subcontractors about their possible interest in receiving payment by or on behalf of Fairways for unpaid work on the Well Project under the Montco Contract;

c) Each such vendor or subcontractor who receives any payment by or on behalf of Fairways for unpaid work under the Montco Contract must agree in writing, in form and substance reasonably acceptable to Montco, the Committee and, if applicable, any trustee appointed in this Case, to waive any claim against Montco pertaining to work on the Well Project under the Montco Contract;

d) Fairways shall periodically file a notice with the Court specifying each vendor or subcontractor who receives any payment by or on behalf of Fairways pertaining to work on the Well Project under the Montco Contract; and

e) Fairways shall deduct from any amount due to Montco, the full amount of any claim against Montco pertaining to work on the Well Project under the Montco Contract which must be waived as per no. 3 above.

3. The amounts paid or caused to be paid by Fairways to any of Montco's vendors or subcontractors pursuant to this Order are not property of Montco's bankruptcy estate. As such, Montco, its bankruptcy estate, and its successors and assigns, including any Chapter 11 or Chapter 7 trustee, shall have no right to recover under Chapter 5 of the Bankruptcy Code any payments made by or on behalf of Fairways to Montco's vendors or subcontractors that were made in reliance on this Order.

4. Fairways and Montco are authorized to take all other actions necessary and appropriate under the Montco Contract to prevent liens from any of Montco's vendors or subcontractors being asserted against property of Fairways.

5. Nothing in this Agreed Order waives or prejudices Montco's or Fairways' rights or arguments with respect to the Montco Contract.

6. Fairways has included in its insurance claim submission, $469,533.19 in Montco invoices pertaining to services provided by Montco under the Well Project (the "Montco Invoices"). Fairways shall use commercially reasonable efforts to obtain payment/reimbursement from the insurance carrier for all or a material portion of the Montco Invoices on substantially similar terms as the vendors and subcontractors described in paragraph 2. In the event the Montco Invoices are not approved for payment/reimbursement by Fairways' insurance carrier, Fairways shall, upon Montco's written request, assign to Montco Fairways' rights and claims with respect to such payment/reimbursement as against Fairways' insurance carrier solely with respect to the Montco Invoices. The Debtor (or its successors), with the consent of the Official Committee of Unsecured Creditors (or any creditor trust or similar successor under a plan), may consent to a reduction in the amount of payment of the $469,533.19 on a pro rata basis with reductions imposed or agreed to by other claimants.

7. The fourteen (14) day stay required under Bankruptcy Rule 4001(a)(3) is waived.

8. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Agreed Order.

Dated: 11-13, 2017
Houston, Texas

THE HONORABLE MARVIN J. ISGUR
UNITED STATES BANKRUPTCY JUDGE

AGREED AND ENTRY REQUESTED

JACKSON WALKER L.L.P.

By: _____
Bruce J. Ruzinsky (SBN 17469425)
Matthew D. Cavenaugh (SBN 24062656)
Email: bruzinsky@jw.com
Email: mcavenaugh@jw.com
1401 McKinney Street, Suite 1900
Houston, Texas 77010
(713) 752 - 4200 (Telephone)
(713) 308 - 4184 (Facsimile)
Counsel for Fairways Offshore Exploration, Inc.