



ENTERED
01/19/2016

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	:	X
	:	
RAAM GLOBAL ENERGY	:	Chapter 11
COMPANY, <i>et al.</i> , ¹	:	
	:	Case No. 15-35615
Debtors.	:	
	:	X Jointly Administered

ORDER (I) AUTHORIZING AND APPROVING THE DEBTORS TO SELL SUBSTANTIALLY ALL OF THEIR PROPERTY FREE AND CLEAR OF ALL RIGHTS, LIENS, CLAIMS, INTERESTS, AND ENCUMBRANCES, (II) AUTHORIZING THE DEBTORS TO ASSUME AND ASSIGN CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (III) GRANTING RELATED RELIEF

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”); and after a hearing on December 2, 2015 (the “Sale Procedures Hearing”), the Court having entered an order [Docket No. 180] (the “Bidding Procedures Order”) approving, among other things, the process and procedures attached to the Bidding Procedures Order as **Exhibit 1** and incorporated therein by reference (the “Sale Procedures”) to determine the highest or otherwise best offer for the sale of the Assets (such transaction, the “Sale”); and Highbridge Principal Strategies - Specialty Loan Fund III, L.P., Highbridge Specialty Loan Sector A Investment Fund, L.P., Highbridge Specialty Loan

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are RAAM Global Energy Company [2973], Century Exploration New Orleans, LLC [4948], Century Exploration Houston, LLC [9624], and Century Exploration Resources, LLC [7252].

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion or the APA (as defined herein), as applicable.

Institutional Holdings Limited, Highbridge Principal Strategies - Specialty Loan Institutional Fund III, L.P., Highbridge Principal Strategies - Specialty Loan VG Fund, L.P., Highbridge Principal Strategies - NDT Senior Loan Fund, L.P., Highbridge Principal Strategies - Jade Real Assets Fund, L.P., Highbridge Aiguilles Rouges Sector a Investment Fund, L.P., Lincoln Investment Solutions, Inc., and American United Life Insurance Company (collectively, the “Buyer”) having been chosen as the Successful Bidder (as defined in the Sale Procedures) for the Assets; and the Court having conducted a hearing on the Motion and having heard the statements in support of the relief requested therein at the hearing before the Court on January 19 [and 20], 2016 (the “Sale Hearing”); and all parties in interest having been heard, or having had the opportunity to be heard, regarding the Asset Purchase and Sale Agreement and its amendments (ECF Nos. 90-1, 181, and 303, and as may be further amended, collectively, the “APA”); and the Court having considered the Motion, and the arguments of counsel made, and the evidence adduced, at the Sale Procedures Hearing and the Sale Hearing; and upon the record of the Sale Procedures Hearing and the Sale Hearing and these chapter 11 cases, and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and all other parties in interest; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary, and after due deliberation and sufficient cause appearing therefore, the Court finds that good cause exists to grant the relief requested in the Motion and therefore, **THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:**³

³ The findings and conclusions set forth herein constitute the Court’s findings of fact and conclusions of law pursuant to Bankruptcy Rule 7052, made applicable to this proceeding pursuant to Bankruptcy Rule 9014. To the extent that any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such. All findings of fact and conclusions of law made or announced by the Court at the Sale Hearing or in the Bidding Procedures Order are incorporated herein.

A. This Court has jurisdiction over the Motion and over the property of the Debtors' estates, including the Assets to be sold, transferred or conveyed pursuant to the APA, and the sale contemplated by the APA pursuant to 28 U.S.C. §§ 157 and 1334. This proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O). Venue is proper in this district and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

B. The statutory predicates for the relief requested in the Motion are sections 105, 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, 6006, and 9014, and Local Bankruptcy Rule 6004-1.

C. Notice of, and a reasonable opportunity to object or be heard with respect to, the Motion, the Auction, and the Sale Hearing has been afforded to all known interested entities, including: (i) the Office of the United States Trustee for the Southern District of Texas; (ii) all known creditors of the Debtors; (iii) any party who has requested notice pursuant to Bankruptcy Rule 2002; (iv) the Internal Revenue Service; (v) all other applicable state and federal taxing authorities having jurisdiction over the Assets; (vi) the United States Environmental Protection Agency and any applicable state environmental agency, including but not limited to the Bureau of Ocean Energy Management; (vii) the counterparties to each of the Assigned Contracts; (viii) all other parties known to Debtors who have or may have asserted liens against any of the Assets; (ix) all other entities known to have expressed an interest in a transaction with respect to all or part of the Assets; and (x) other parties through publication of such notice, all in accordance with and as provided by the Bidding Procedures Order.

D. Notice of the Motion, the Auction, and the Sale Hearing was adequate and sufficient under the circumstances of these chapter 11 cases and these proceedings and complied with the various applicable requirements of the Bankruptcy Code, the Bankruptcy Rules, the

Local Bankruptcy Rules, and the Bidding Procedures Order. A reasonable opportunity to object and be heard with respect to the Motion and the relief requested therein was afforded to all interested persons and entities. The Debtors also gave due and proper notice of the potential assumption and assignment of each contract identified in the Assumption Notice (as it has been amended in accordance with the Sale Procedures Order) (the “Desired 365 Contracts”) to each non-debtor party under such Desired 365 Contract. No other or further notice of the Motion, the Auction, or the Sale Hearing is required. The disclosures made by the Debtors concerning the Motion, the Auction, and the Sale Hearing were good, complete, and adequate. A reasonable opportunity to object or to be heard regarding the relief requested in the Motion was afforded to all interested persons and entities.

E. The Assets are property of the Debtors’ estates and title thereto is vested in the Debtors’ estates.

F. The Debtors have articulated good and sufficient reasons for this Court to grant the relief requested in the Motion regarding the sale process, including, without limitation, (i) approval of the sale of the Assets to the Buyer and (ii) approval of the assumption and assignment of executory contracts and unexpired leases required by the Buyer.

G. The Debtors and their advisors marketed the Assets and conducted the marketing and sale process as set forth in the Motion and in accordance with the Bidding Procedures Order. Based upon the record of these proceedings and as demonstrated by evidence proffered or adduced at the Sale Hearing, all creditors and other parties in interest, and all prospective purchasers, have been afforded a full, fair, and reasonable opportunity to bid for the Assets, participate in an Auction, and submit their highest or otherwise best bid to purchase the Assets and be heard on the Motion.

H. The Debtors and their advisors have complied in all respects with the Bidding Procedures Order. In that regard, the Debtors (i) considered all bids submitted on or before the Bid Deadline; (ii) negotiated with all bidders up to and after the Bid Deadline (as defined in the Sale Procedures); and (iii) canceled the Auction in accordance with the Sale Procedures.

I. As a result of not receiving any Qualified Bids (as defined in the Sale Procedures) other than the Qualified Bid of the Buyer, the Debtors announced that they had determined that the bid submitted by the Buyer was the highest and best bid, and that the Buyer was the Successful Bidder in accordance with the Sale Procedures.

J. Upon entry of this Order, the Debtors: (i) have full power and authority to execute the necessary documents to effectuate the Sale; (ii) have all of the power and authority necessary to consummate the Sale with the Buyer; (iii) have taken all corporate action necessary to authorize and approve the Sale, the applicable documents, and the consummation by the Debtors of the transactions contemplated thereby; and (iv) have no consents or approvals, other than those expressly provided for in the APA and the entry of this Order, required for the Debtors to consummate the Sale.

K. The APA and the sale contemplated thereby represent a fair and reasonable offer to purchase the Assets under the circumstances of these chapter 11 cases. No other entity or group of entities has offered to purchase the Assets with a higher or otherwise better offer than the Buyer.

L. The relief requested in the Motion (including, without limitation, the approval and consummation of the Sale of the Assets pursuant to section 363 of the Bankruptcy Code) is in the best interests of the Debtors, their creditors, their estates, and all other parties in interest in these

cases. In addition, a sale of the Assets is necessary to preserve and maximize value and avoid continuing losses to the Debtors' estates.

M. The Debtors have exercised sound business judgment in deciding to sell the Assets to the Buyer, including in light of the facts that (i) the bid submitted by the Buyer constitutes the highest or otherwise best bid for the Assets, as established by, among other things, the Auction; (ii) the APA and the closing of the transactions contemplated thereby will present the best opportunity to realize the highest value for the Assets; and (iii) without the Sale, there will be continuing losses to the detriment of the Debtors' estates, creditors, and parties in interest.

N. As of the Petition Date, the Debtors under the First Lien Loan Documents (as defined in the Final Cash Collateral Order) were justly and lawfully indebted and liable, without defense, counterclaim, or offset of any kind, to the First Lien Secured Parties (as defined in the Final Cash Collateral Order) in the aggregate principal amount of approximately \$63,817,859.57 in respect of loans and other financial accommodations made pursuant to, and in accordance with, the First Lien Loan Documents, plus accrued and unpaid interest, the Applicable Premium (as such term is defined in the First Lien Credit Agreement), indemnitees, fees, costs and expenses including, without limitation, attorney's fees, agent's fees, other professional fees and disbursements, and other obligations owing under the First Lien Loan Documents (collectively, the "Prepetition Secured Claim").

O. Pursuant to the APA and sections 363(b) and 363(k) of the Bankruptcy Code, the base consideration bid by Buyer consists of the amounts set forth in the APA, including (i) the cash portion (the "Cash Portion of the Base Consideration"), (ii) a credit bid and equivalent release of the Debtors and any guarantors (and their respective successors and assigns) from

Claims arising under, or otherwise relating to, the Credit Agreement (the “Credit Bid and Release”); and (iii) the assumption of the Assumed Obligations. Notwithstanding anything to the contrary herein, upon the Closing, Buyer releases the Cash Portion of the Base Consideration from any and all claims or Encumbrances Buyer has thereto under the Credit Agreement or otherwise, and Buyer shall have no recourse thereto. The Cash Portion of the Base Consideration constitutes a “sale carve out” under any cash collateral or debtor in possession financing order approved by the Bankruptcy Court. The Base Consideration is subject to the adjustments provided in Section 2.3(b) and Section 2.3(c) of the APA. The Credit Bid and Release is valid and proper under the Bankruptcy Code, as set forth in the Bidding Procedures Order.

P. The total consideration (including the Credit Bid and Release) provided by the Buyer for the Assets is the highest or otherwise best bid received by the Debtors, and the Purchase Price constitutes (i) reasonably equivalent value under the Bankruptcy Code and the Uniform Fraudulent Transfer Act, (ii) fair consideration under the Uniform Fraudulent Conveyance Act, and (iii) reasonably equivalent value, fair consideration, and fair value under any other applicable laws of the United States, any state, territory or possession, or the District of Columbia, for the Assets.

Q. The Debtors and the Buyer, including their agents and representatives, negotiated the APA and the other related documents in good faith, without collusion or fraud, and at arms’ length within the meaning of section 363(m) of the Bankruptcy Code and otherwise have proceeded in good faith in all respects in connection with this proceeding in that, among other things: (i) the Buyer recognized that the Debtors were free to deal with any other entity interested in acquiring the Assets; (ii) the Buyer complied with all of the provisions of the Bidding Procedures Order; (iii) the Buyer agreed to subject its bid to the competitive bidding procedures

set forth in the Bidding Procedures Order; (iv) all payments to be made by the Buyer and other agreements or arrangements entered into by the Buyer in connection with the sale contemplated by the APA have been disclosed; (v) the Buyer has not violated section 363(n) of the Bankruptcy Code by any action or inaction; and (vi) the negotiation and execution of the APA and the sale contemplated thereby was at arms' length and in good faith. As a result of the foregoing, the Debtors and the Prevailing Bidder are entitled to the full protections of section 363(m) of the Bankruptcy Code.

R. None of Buyer or any of their respective affiliates, present or contemplated members, officers, directors, partners, shareholders, or any of their respective heirs, successors, and assigns is an "insider" or an "affiliate" of the Debtors as those terms are defined in section 101 of the Bankruptcy Code.

S. By consummating the sale pursuant to the APA and the sale contemplated thereby, the Buyer is not a mere continuation of the Debtors or their estates and there is no continuity between the Buyer and the Debtors. The Buyer is not holding itself out to the public as a continuation of the Debtors. The Buyer is not a successor to the Debtors or their estates and the sale does not amount to a consolidation, merger, or *de facto* merger of the Buyer and any of the Debtors.

T. The consideration (including the Credit Bid and Release) provided by the Buyer for the Assets pursuant to the APA is fair and adequate and constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, or the District of Columbia.

U. Neither the Debtors nor the Buyer have engaged in any conduct that would cause or permit the APA or the consummation of the transactions contemplated thereby to be avoided or otherwise challenged under section 363(n) of the Bankruptcy Code.

V. The Sale Procedures set forth in the Bidding Procedures Order were non-collusive, in good faith, and substantively and procedurally fair to all parties, including with respect to credit bidding.

W. The APA and the related sale documents were not entered into, and the Sale will not be consummated, for the purpose of hindering, delaying, or defrauding creditors of the Debtors under the Bankruptcy Code or under the laws of the United States, any state, territory, possession thereof, of the District of Columbia, or any other applicable law. Neither the Debtors nor the Buyer has entered into the APA or the related sale documents or is consummating the Sale with any fraudulent or otherwise improper purpose.

X. The Debtors have demonstrated both (i) good, sufficient, and sound business purposes and justifications, and (ii) compelling circumstances, for this Court to approve the Agreement and consummation of the Sale at this time pursuant to section 363(b) of the Bankruptcy Code prior to, and outside of, a plan of reorganization preserves the value of the Assets, prevents the harm to the Assets absent the Sale, and maximizes the Debtors' estates for the benefit of their stakeholders. The sale of the Assets outside a chapter 11 plan pursuant to the APA neither impermissibly restructures the rights of the Debtors' creditors nor impermissibly dictates the terms of a chapter 11 plan of the Debtors. The sale of the Assets does not constitute a *sub rosa* chapter 11 plan.

Y. If the Debtors did not sell the Assets free and clear of all encumbrances and interests (other than the Assumed Obligations and the Permitted Encumbrances), such a sale

would have yielded substantially lower value for the Debtors' estates, with less certainty than the Sale. The Buyer would not have submitted a bid and would not consummate the Sale or the transactions contemplated by the Sale, thus adversely affecting the Debtors, their estates, and their creditors, if the Sale were not free and clear of all Interests, Liens, and/or Claims (as defined herein) (other than the Assumed Obligations and the Permitted Encumbrances), or if the Buyer would, or in the future could, be liable for any of the Interests, Liens, and/or Claims.

Z. The Debtors may sell the Assets free and clear of all Interests, Liens, and/or Claims (other than the Assumed Obligations and the Permitted Encumbrances) because, in each case, one or more of the standards set forth in sections 363(f)(1)-(5) of the Bankruptcy Code have been satisfied. All holders of Interests, Liens, and/or Claims that did not object or withdrew their objections to the Sale or the Motion are deemed to have consented to the Sale and the Motion pursuant to section 363(f)(2) of the Bankruptcy Code. In addition, all holders of Interests, Liens, and/or Claims that did object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code.

AA. The Sale is or will be a legal, valid, and effective transfer of the Assets to the Buyer, vesting the Buyer with all of the Debtors' right, title, and interest of, in, and to the Assets on the Closing, free and clear of (i) all Interests, Liens, and/or Claims (other than the Assumed Obligations and the Permitted Encumbrances) and (ii) all Retained Obligations, pursuant to sections 105, 363(b), and 363(f) of the Bankruptcy Code.

BB. Each and every provision of the Assigned Contracts or applicable non-bankruptcy law that purport to prohibit, restrict, or condition, or could be construed as prohibiting, restricting, or conditioning assignment of any Assigned Contracts have been satisfied or are otherwise unenforceable under section 365 of the Bankruptcy Code.

CC. Upon payment of the Cure Costs set forth in the Assumption Notice (as defined in the Sale Procedures Order and as amended in accordance with the terms thereof) to the relevant counterparty, there are no outstanding defaults of the Debtors and their estates under the Assigned Contracts.

DD. The Buyer has demonstrated adequate assurance of future performance of all Assigned Contracts within the meaning of section 365 of the Bankruptcy Code.

EE. Upon assignment and sale to the Buyer, the Assigned Contracts shall be deemed to be valid and binding, in full force and effect in accordance with their terms, subject to the provisions of this Order.

FF. Time is of the essence in consummating the Sale. In order to maximize the value of the Debtors' assets, it is essential that the sale of the Assets occur within the time constraints set forth in the APA. Accordingly, there is cause to waive the stay contemplated by Bankruptcy Rules 6004(h) and 6006(d).

GG. The Sale contemplated by the APA is in the best interests of the Debtors and their estates, creditors, interest holders, and other parties in interest.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The APA and the Sale of the Assets to the Buyer are hereby approved, and the Debtors are authorized to undertake any and all actions necessary or appropriate to effectuate the terms of the APA and consummate the Sale.

2. A condition to closing of the sale contemplated by the APA shall be the confirmation by the Bankruptcy Court of the Debtors' plan of liquidation, with an Order relating thereto having been entered and in full force and effect.

3. Notice of the Motion, the Auction, the Sale Hearing, and the sale contemplated by the APA was fair and equitable under the circumstances and complied in all respects with section 102(1) of the Bankruptcy Code and Bankruptcy Rules 2002, 6004, and 6006.

Approval of the Sale Documents and Actions Relating Thereto

4. The Buyer's offer for the Assets, as embodied in the APA, is the highest or otherwise best offer for the Assets.

5. Pursuant to sections 105 and 363(b) of the Bankruptcy Code, the Sale, the APA, all ancillary sale documents, and the consummation of the transactions contemplated thereby are approved and authorized in all respects.

6. Pursuant to sections 105 and 363(b) of the Bankruptcy Code, the Debtors are hereby authorized to take any and all actions necessary or appropriate to: (a) sell the Assets to the Buyer; (b) consummate the Sale in accordance with and subject to the terms and conditions of the APA and this Order; (c) convey title to, and to transfer and assign all right, title, and interest (including, without limitation, common law rights) in and to the Assets in accordance with and subject to the terms and conditions of the APA and this Order; (d) assume and assign the Assigned Contracts; and (e) execute and deliver, perform under, consummate, implement, and fully close the APA, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the APA and the sale, including, without limitation, any ancillary documents, or as may be reasonably necessary or appropriate to the performance of the obligations as contemplated by the APA and such ancillary documents.

7. The Debtors, their officers, employees, and agents are authorized to execute and deliver, and are empowered to perform under, consummate, and implement, the APA together with all additional instruments and documents that may be reasonably necessary or desirable to

implement the Sale and to take all further actions as may be reasonably requested by the Buyer for the purposes of assigning, transferring, granting, conveying, and conferring to the Buyer or reducing to possession, the Assets, or as may be necessary or appropriate to the performance of the Debtors' obligations as contemplated by the APA, or as may be necessary to effectuate the terms of this Order.

8. Subject to the terms and conditions of this Order, all entities that are in possession of some or all of the Assets on the Closing Date are directed to surrender possession of such Assets to the Buyer or its assignee on the Closing Date.

9. This Order and the APA shall be binding in all respects upon the Debtors, their estates, affiliates, and subsidiaries, all creditors of (whether known or unknown), and holders of equity interests in, the Debtors; any and all affected third parties, including, without limitation, all persons asserting an Interest, Lien, and/or Claim relating to or in the Assets; all successors and assigns of the Buyer; the Debtors and their affiliates and subsidiaries and any subsequent trustee, examiner, or other fiduciary appointed in the Debtors' chapter 11 cases or upon a conversion to chapter 7 under the Bankruptcy Code; and all contractual counterparties to the Debtors. The APA shall not be subject to rejection.

10. The terms and provisions of the APA and this Order shall inure to the benefit of the Debtors, their estates, and their creditors; the Buyer and its respective affiliates, successors, and assigns; and any affected third parties, including, without limitation, all entities asserting any Interests, Liens, and/or Claims in the Assets to be sold to the Buyer pursuant to the APA, notwithstanding any subsequent appointment of any trustee(s), party, entity, or other fiduciary under any section of any chapter of the Bankruptcy Code, as to which trustee(s), party, entity, or other fiduciary such terms and provisions likewise shall be binding.

Transfer of the Assets

11. Pursuant to sections 105(a), 363(b), and 363(f) of the Bankruptcy Code, upon the occurrence of the Closing Date, and in accordance with the APA, the Assets shall be transferred to the Buyer free and clear of all pre-Closing interests, liens, and/or claims (other than the Assumed Obligations and the Permitted Encumbrances), including, without limitation, the following:

- liens (including, without limitation, mechanics', materialmen's, and other consensual and non-consensual liens and statutory liens), mortgages, restrictions, hypothecations, charges, indentures, loan agreements, instruments, leases, licenses, options, deeds of trust, security interests, conditional sale or other title retention agreements, pledges, judgments, demands, encumbrances, easements, servitudes, proxy, voting trust or agreement;
- interests, obligations, liabilities, demands, agreements, guaranties, options, restrictions, contractual or other commitments;
- rights, including, without limitation, rights of first refusal, rights of offset, rights to use, contract rights, recoupment rights, and rights of recovery;
- judgments and/or decrees of any court or foreign or domestic governmental entity (to the extent permitted by law);
- charges or restrictions of any kind or nature, including, without limitation, any restriction on the use, transfer, receipt of income or other exercise of any attributes of ownership of the Assets, including, without limitation, consent of any person or entity to assign or transfer any of the Assets;
- debts arising in any way in connection with any agreements, acts, or failures to act of the Debtors or any of the Debtors' predecessors or affiliates;
- subject to paragraph 23 of this Order, claims (as that term is defined in the Bankruptcy Code), including claims for reimbursement, contribution claims, indemnity claims, exoneration claims, alter-ego claims, environmental claims (including claims that may be secured or entitled to priority under the Bankruptcy Code), tax claims, reclamation claims, and pending litigation claims; and
- matters of any kind and nature whatsoever, in each instance for all of the foregoing, whether known or unknown, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or noncontingent,

liquidated or unliquidated, matured or unmatured, material or nonmaterial, disputed or undisputed, whether arising prior to or subsequent to the commencement of these bankruptcy cases, and whether imposed by agreement, understanding, law, equity or otherwise (collectively, the foregoing shall be referred to herein as the “Interests, Liens, and/or Claims”).

The transfer of the Assets to the Buyer pursuant to the APA shall be, and hereby is deemed to be, a legal, valid, and effective transfer of the Assets, and vests with or will vest in the Buyer all right, title, and interest of the Debtors in the Assets, free and clear of all Interests, Liens, and/or Claims of any kind or nature whatsoever (other than the Assumed Obligations and the Permitted Encumbrances).

12. Upon the occurrence of the Closing Date, except for the express rights and obligations of the Debtors and the Buyer under the APA after the Closing Date, the Debtors, to the extent permitted by law, are hereby deemed to have irrevocably and unconditionally released, remised, and forever discharged the Buyer and its current and former affiliates, and the Buyer’s and its current and former affiliates’ current and former directors, managers, officers, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, and assigns, subsidiaries, and each of their respective current and former equity holders, officers, directors, managers, principals, members, employees, agents, advisory board members, financial advisors, partners, attorneys, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such, from any and all any and all claims, interests, damages, remedies, causes of action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or

unmatured, suspected or unsuspected, in contract, tort, law, equity, or otherwise (collectively, the “Causes of Action”),⁴ whether known or unknown, including any derivative claims, asserted on behalf of the Debtors, that such entity would have been legally entitled to assert (whether individually or collectively), which the Debtors or its affiliates might now or subsequently may have, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Assets, the Assigned Contracts, the Sale, the negotiation and documentation thereof, the transactions contemplated thereby, and the agreements and ancillary documents memorializing and effectuating such sale (including, without limitation, the APA, but excluding the express rights and obligations of the Debtors and the Buyer under the APA after the Closing Date).

13. Upon the occurrence of the Closing Date and notwithstanding anything herein to the contrary, the Buyer, Wilmington Trust, National Association, as Administrative Agent under the Credit Agreement, and the other Secured Parties (as defined in the Credit Agreement) (collectively, the “Buyer Releasing Parties”), are hereby deemed to have irrevocably and unconditionally released, remised, and forever discharged the Cash Portion of the Base Consideration from any and all claims, interests, damages, remedies, Causes of Action, demands, rights, actions, suits, obligations, liabilities, accounts, defenses, offsets, powers, privileges, licenses, liens, indemnities, guaranties, and franchises of any kind or character whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, contingent or non-contingent, liquidated or unliquidated, secured or unsecured, assertable, directly or derivatively, matured or unmatured, suspected or unsuspected, in contract, tort, law, equity, or

⁴ Causes of Action also include: (a) all rights of setoff, counterclaim, or recoupment and claims under contracts or for breaches of duties imposed by law; (b) the right to object to or otherwise contest Claims or Interests; (c) claims pursuant to sections 362, 510, 542, 543, 544 through 550, or 553 of the Bankruptcy Code; and (d) such claims and defenses as fraud, mistake, duress, and usury, and any other defenses set forth in section 558 of the Bankruptcy Code.

otherwise, whether known or unknown, that such entity would have been legally entitled to assert (whether individually or collectively), which such entity or its affiliates might now or subsequently may have, except as provided under the APA. The Buyer Releasing Parties shall have no recourse to the Cash Portion of the Base Consideration. The Cash Portion of the Base Consideration shall fund the Sale Carve Out (as defined under the Final Cash Collateral Order, as may be amended), and any debtor-in-possession financing order.

14. Upon the occurrence of the Closing Date, this Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance, and transfer of all of the Assets or a bill of sale transferring good and marketable title in such Assets to the Buyer. Upon the occurrence of the Closing Date, this Order shall be construed and shall constitute for any and all purposes a full and complete and general assignment of all right, title, and interest of the Debtors and their estates to the Buyer in the Assigned Contracts. For the avoidance of doubt, the Excluded Assets are not included in the Assets.

15. Upon the occurrence of the Closing Date and subject to paragraph 23 of this Order, all persons and entities, including, without limitation, all holders of Interests, Liens, and/or Claims or other rights; debt security holders; equity security holders; governmental, tax, and regulatory authorities; lenders; and trade and other creditors of the Debtors, are permanently and forever barred, estopped, and enjoined from asserting any Interests, Liens, and/or Claims or enforcing remedies, or commencing or continuing in any manner an action or other proceeding of any kind, against the Buyer or the Assets on account of any of the Interests, Liens, Claims, Retained Obligations, or Excluded Assets (other than the Assumed Obligations and the Permitted Encumbrances).

16. Following the Closing Date, no holder of any Interest, Lien, and/or Claim against the Debtors or in the Assets (other than the Assumed Obligations and the Permitted Encumbrances) shall interfere with the Buyer's title to or use and enjoyment of the Assets based on or related to such Interest, Lien, and/or Claim, or any actions that the Debtors may take in the chapter 11 cases.

17. This Order is and shall be effective as a determination that all Interests, Liens, and/or Claims (other than the Assumed Obligations and the Permitted Encumbrances), shall be, and hereby are, released with respect to the Debtors' interest in the Assets as of the Closing Date. If any person or entity that has filed liens, financing statements, mortgages, mechanics' liens, *lis pendens* or other documents or agreements evidencing Interests, Liens, and/or Claims against or in the Assets (other than the Assumed Obligations and the Permitted Encumbrances) shall not have delivered to the Debtors prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, unconditional releases of all Interests, Liens, and/or Claims that the person or entity has with respect to the Assets, or otherwise, the Buyer is hereby authorized to execute and file such statements, instruments, releases, and other documents on behalf and in the name of the person or entity with respect to the Assets or the Buyer may file, register, or record a certified copy of this Order in any place where such instruments would or could be filed, and such filing shall constitute conclusive evidence of the release of Interests, Liens, and/or Claims on the Assets as of the Closing Date.

18. The Buyer and their affiliates shall have no obligation to pay wages, bonuses, severance or vacation pay, benefits (including, without limitation, contributions or payments on account of any under-funding with respect to any and all pension plans) or any other payment to employees or former employees of the Debtors (including, without limitation, any liability under

the WARN Act), except as set forth in the APA during the period from and after the Closing Date. The Buyer and their affiliates shall have no liability with respect to any collective bargaining agreement, employee pension plan, employee welfare or retention, benefit and/or incentive plan to which any Debtors are a party (including, without limitation, arising from or related to the rejection or other termination of any such agreement), and the Buyer and their Affiliates shall in no way be deemed a party to or assignee of any such agreement, and no employee of the Buyer or their Affiliates shall be deemed in any way covered by or a party to any such agreement, and all parties to any such agreement are hereby enjoined from asserting against the Buyer or their Affiliates any and all claims arising from or relating to such agreement.

19. Any amounts that become payable by the Debtors to the Buyer pursuant to the APA and any related agreements executed in connection therewith shall (a) notwithstanding paragraph 12 hereof, (b) constitute superpriority administrative expense claims in favor of the Buyer having priority over any and all administrative expenses of the kind specified in sections 503(b) and/or 507(a)(2) of the Bankruptcy Code, (c) not be altered, amended, discharged or affected by any chapter 11 plan proposed or confirmed in these bankruptcy cases without the prior written consent of the Buyer, and (d) be paid by the Debtors in the time and manner provided for in the APA or such related agreements without further order of this Court. None of the Ancillary Agreements will be altered, amended, rejected, discharged or otherwise affected by any chapter 11 plan proposed or confirmed in these bankruptcy cases without the prior written consent of the Buyer.

20. All non-debtor entities who are presently, or on the Closing may be, in possession of some or all of the Assets are hereby directed to surrender possession of the Assets to Buyer on the Closing or as soon as practicable thereafter.

21. All entities are hereby forever prohibited and permanently barred, estopped, and enjoined from taking any action that would adversely affect or interfere with the ability of the Debtors to sell and transfer the Assets to the Buyer in accordance with the terms of the APA and this Order or from otherwise taking any action or inaction that is inconsistent with the terms of this Order.

22. No government unit may revoke or suspend any right, license, trademark, or other permission relating to the use of the Assets, transferred or conveyed to the Buyer on account of the filing or pendency of these chapter 11 cases or the consummation of the Sale. To the greatest extent available under applicable law, the Buyer shall be authorized, as of the Closing Date, to operate under any license, permit, registration, and governmental authorization or approval of the Debtors with respect to the Assets, and all such licenses, permits, registrations, and governmental authorizations and approvals are deemed to have been, and hereby are, transferred to the Buyer as of the Closing Date.

23. Nothing in this Order, the APA, or any sale transaction entered into pursuant to this Order, releases, nullifies, precludes, or enjoins the enforcement of any liability to a governmental unit under environmental statutes or regulations that any entity would be subject to as the owner or operator of the Debtors' Real Property Interests after the Closing Date; provided, that, notwithstanding such provision, nothing herein shall be construed to permit a governmental unit to obtain penalties, fines, or other fees from the Buyer for days of violations of any environmental law or regulation that occurred prior to the Closing Date as a result of the operation of the Assets. The Buyer reserves and may assert any and all rights and defenses other than asserting that it is free of such liability on account of the Order, the APA, or any related transaction entered into pursuant to this Order with respect to any liability to a governmental unit

under environmental statutes or regulations that any entity would be subject to as the owner or operator of the Debtors' Real Property Interests after the Closing Date. Nothing in this Order or the APA authorizes the transfer or assignment of any governmental (a) license, (b) permit, (c) registration, (d) authorization, or (e) approval, or the discontinuation of any obligation thereunder, without compliance with requirements for such action under environmental statutes or regulations. Notwithstanding the foregoing sentence, nothing in this Order shall be interpreted to impose liability on the Buyer for penalties, fines, or other fees for days of violation prior to the Closing Date under environmental laws or regulations or otherwise or shall constitute an admission of liability by the Buyer under environmental laws or regulations. Nothing in this Order modifies any requirements or defenses under section 525 of the Bankruptcy Code.

24. The Sale of the Assets outside of a plan of reorganization pursuant to the APA neither impermissibly restructures the rights of the Debtors' creditors nor impermissibly dictates the terms of a chapter 11 liquidating plan for the Debtors. The Sale does not constitute a *sub rosa* plan.

25. Nothing contained in any chapter 11 plan confirmed in these chapter 11 cases or the order confirming any such chapter 11 plan shall conflict with or degrade from the provisions of the APA or this Order, and to the extent of any conflict or derogation between this Order or the APA and such future plan or order, the terms of this Order and the APA shall control.

26. Upon the closing of the transactions contemplated by the APA, the Buyer shall not be deemed to: (a) be the successor or alter ego of the Debtors under doctrines of successor liability, alter ego, or otherwise; (b) have, *de facto* or otherwise, merged with or into the Debtors; or (c) be a mere continuation or substantial continuation of the Debtors or the enterprise(s) of the Debtors.

27. Notwithstanding anything to the contrary herein, Harris County, Texas, Jasper County, Texas, Montgomery County, Texas, Orange County, Texas, and the Jasper Central Appraisal District (collectively, the "Taxing Authorities") shall retain all liens securing their Claims for unpaid 2015 ad valorem taxes owed by the Debtors until such claims have been paid in full, including statutory interest as set forth under Texas law, if such Claims are paid after January 31, 2016. Post-Effective Date ad valorem taxes of the Taxing Authorities shall be paid by the Purchaser under the Stalking Horse APA when due in the ordinary course of business. Notwithstanding any provisions in the Sale Order or otherwise within the Plan the liens of the Taxing Authorities for ad valorem taxes for the 2016 tax year are expressly retained until paid.

Desired 365 Contracts

28. Pursuant to sections 105(a), 363, and 365 of the Bankruptcy Code, and subject to and conditioned upon the occurrence of the Closing Date, the Debtors' assumption and assignment to the Buyer of the Desired 365 Contracts, and the Buyer's assumption thereof on the terms set forth in the APA, each is hereby approved in its entirety, and the requirements of section 365 of the Bankruptcy Code with respect thereto are hereby deemed satisfied.

29. Pursuant to section 365(f) of the Bankruptcy Code, notwithstanding any provision of any Desired 365 Contract or applicable non-bankruptcy law that prohibits, restricts, or conditions the assignment of the Desired 365 Contract, the Debtors are authorized to assume and assign the Desired 365 Contracts to the Buyer, which assignment shall take place on, and be effective as of, the Closing or as otherwise provided by order of this Court.

30. The Buyer is able to provide and has provided adequate assurance of future performance under the relevant Desired 365 Contracts within the meaning of section 365 of the Bankruptcy Code.

31. Upon the assumption of the Desired 365 Contracts by the Debtors and assignment to the Buyer, the Desired 365 Contracts shall be deemed valid and binding, in full force and effect in accordance with their terms, subject to the provisions of this Order. As of the Closing Date, subject to the provisions of this Order, the Buyer shall succeed to the entirety of the Debtors' rights and obligations in the Desired 365 Contracts first arising and attributable to the time period occurring on or after the Closing Date and shall have all rights thereunder.

32. At any time prior to a hearing on confirmation of a plan of reorganization or liquidation, Buyer may designate any 365 Contract as a Desired 365 Contract and upon receipt of any such notice the Debtors shall use commercially reasonable efforts to effect the assumption of such 365 Contract by the Debtors in accordance with the Bankruptcy Code and, if the Debtors are successful in effecting such assumption as of Closing, such 365 Contract shall become a Desired 365 Contract and transferred and conveyed to Buyer or Buyer's Designated Entity (as applicable) as an Assigned Contract. The Base Consideration shall be increased (subject to Section 2.3(c)(i) of the APA) by an amount equal to the Cure Costs of each Desired 365 Contract assumed (and paid) by the Debtors or Buyer and conveyed to Buyer or Buyer's Designated Entity (as applicable) at Closing. The Parties shall update Schedule 6.9(a) of the APA as soon as reasonably practicable after the Execution Date in order to set forth the Cure Costs for each Desired 365 Contract. Notwithstanding anything herein to the Contrary, Buyer may revise Schedule 6.9(a) of the APA by (i) subtracting Desired 365 Contracts at any time prior to Closing or (ii) by adding Desired 365 Contracts at any time prior to a hearing on confirmation of a plan of reorganization or liquidation. In like manner, Buyer shall revise Exhibit E of the APA and Schedule 2.2(e) of the APA consistent with all revisions made by Buyer to Schedule 6.9(a) of the

APA. Notwithstanding the foregoing, Buyer may not add or subtract Desired 365 Contracts that are oil and gas leases.

33. As set forth in Paragraph 12 of the Sale Procedures Order, the Debtors are authorized to amend the Assumption Notice by amending Cure Amounts by sending a new or amended Assumption Notice at any time at least five (5) calendar days prior to the Closing; provided, however, that counterparties to any Desired 365 Contracts whose Cure Amounts are amended shall have at least five (5) calendar days from the date of mailing or ECF notification, as applicable, of the amended Assumption Notice to properly object to such Cure Amount amendment. The Debtors are authorized to amend the Assumption Notice by adding or deleting Desired 365 Contracts at any time prior to the Closing; provided, however, that counterparties to any such added 365 Contracts shall have at least five (5) calendar days from the date of mailing or ECF notification, as applicable, of the amended Assumption Notice to properly object to the assumption and assignment of their respective Desired 365 Contract and rights thereunder and the applicable Cure Amount.

34. Upon the Closing Date, (a) all defaults (monetary and non-monetary) under the Desired 365 Contracts through the Closing Date shall be deemed cured and satisfied through the payment of the Cure Costs set forth in the Assumption Notice payable by the Buyer in respect of the Desired 365 Contracts as determined by this Order, (b) no other amounts will be owed by the Debtors, their estates, or the Buyer with respect to amounts first arising or accruing during, or attributable or related to, the period before the Closing Date with respect to the Desired 365 Contracts, and (c) any and all persons or entities shall be forever barred and estopped from asserting a claim against the Debtors, their estates, or the Buyer that any additional amounts are due or defaults exist under the Desired 365 Contracts that arose or accrued during, or relate or

are attributable to, the period before or as of the Closing Date. Pursuant to Bankruptcy Code § 365(k), the Debtors are hereby relieved of any liability under or related to the Desired 365 Contracts for any breach of any Desired 365 Contract occurring after the assignment of such contract.

35. Any entity having the right to consent to the assumption or assignment of any Assigned Contract that failed to object to such assumption or assignment is deemed to have consented to such assumption and assignment as required by section 365(c) of the Bankruptcy Code.

36. All counterparties to the Desired 365 Contracts shall cooperate and expeditiously execute and deliver, upon the reasonable requests of the Buyer, and shall not charge the Debtors or the Buyer for, any instruments, applications, consents, or other documents that may be required or requested by any public or quasi-public authority or other party or entity to effectuate the applicable transfers in connection with the Sale.

37. Neither the Buyer nor any of its successors shall be responsible for any Interests, Liens, and/or Claims or have any obligations arising out of any of the contracts, agreements, or understandings that are not Assigned Contracts.

38. Notwithstanding anything in this Order, this Order shall not determine or affect any cure amounts owed to or recoupment/offset rights of Lakeside Energy Partners, Ltd. ("Lakeside") under the "Tweety Bird JOA" (CP35501533) or the "Leghorn JOA" (CP36001552). Lakeside, the Debtors and the Buyer shall determine and settle any amounts owed to Lakeside under the aforementioned JOAs during the ordinary course of business between the parties and all such parties' rights are reserved with respect thereto.

Miscellaneous Provisions

39. Any assignments of property interests bearing on properties owned by the State of Louisiana shall not be made unless such assignments comply with applicable Louisiana statutes.

40. No agreements with Oracle America, Inc. ("Oracle") are authorized to be assumed and assigned pursuant to this Order. Schlumberger, Oracle, and Upstream Exploration, LLC will execute an assignment agreement satisfactory to Oracle for the Oracle licenses contained in the Schlumberger Geoframe application that is licensed to RAAM as a condition to any assignment of a license to use such application.

41. The consideration (including the Credit Bid and Release) provided by the Buyer for the Assets pursuant to the APA is fair and adequate and constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and under the laws of the United States, any state, territory, possession, and the District of Columbia.

42. The Sale has been undertaken by the Buyer in good faith and the Buyer is a "good faith purchaser" of the Assets as that term is used in section 363(m) of the Bankruptcy Code. The Buyer is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

43. Nothing contained in any chapter 11 plan confirmed in these cases or the confirmation order confirming any plan shall conflict with or derogate from the provisions of this Order.

44. The APA and any related agreements, documents, or other instruments may be modified, amended, or supplemented through a written document signed by the Parties in accordance with the terms thereof without further order of the Court; provided, however, that any

such modification, amendment, or supplement does not have a material adverse effect on the Debtors' estates.

45. Nothing contained in this Order or the APA is intended or shall be deemed to vary, modify, alter, or supersede in any way the terms of the Cash Collateral Orders.

46. The failure to specifically include, or make reference to, any particular provision of the APA or a related sale document in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the APA and the related sale documents are authorized and approved in their entirety.

47. To the extent that any provision of this Order is inconsistent with the terms of the APA (including all ancillary documents executed in connection therewith), this Order shall govern.

48. This Court shall retain exclusive jurisdiction to enforce the terms and provisions of this Order, the Bidding Procedures Order, and the APA in all respects and to decide any disputes arising between the Debtors and the Buyer, and/or their respective successors and assigns, with respect thereto.

49. The provisions of this Order are nonseverable and mutually dependent.

50. Notwithstanding Bankruptcy Rules 6004, 6006, 7062, 9014, or otherwise, this Order shall be effective and enforceable immediately upon entry and its provisions shall be self-executing. In the absence of any entity obtaining a stay pending appeal, the Debtors and the Buyer are free to close the Sale under the APA at any time. The Sale transactions contemplated by the APA are undertaken by the Buyer in good faith, as that term is used in section 363(m) of the Bankruptcy Code, and accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale to

the Buyer (including the assumption and assignment by the Debtors of any of the Desired 365 Contracts), unless such authorization is duly stayed pending such appeal. The Buyer is a buyer in good faith of the Assets, and are entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

Dated: January 19, 2016
Houston, Texas



MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE