IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
	:	
PES HOLDINGS, LLC., *et al.*,[1]	:	Case No. 19-11626 (LSS)
	:	
Debtors.	:	(Jointly Administered)
	:	**RE: D.I.**

ORDER AUTHORIZING STIPULATION BETWEEN THE GUC CLAIMS ADMINISTRATOR AND NGL ENERGY PARTNERS LP WITH RESPECT TO GENERAL UNSECURED CLAIM NUMBER 305

Upon the *Certification of Counsel Regarding Stipulation Between the GUC Claims Administrator and NGL Energy Partners LP with Respect to General Unsecured Claim Number 305*(the "Certification of Counsel") and the *Settlement Stipulation By and Between the GUC Claims Administrator and NGL Energy Partners LP with Respect to General Unsecured Claim No. 305* (the "Settlement Stipulation")[2] attached hereto as **Exhibit 1**; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and this Court having found that venue of this proceeding and the Settlement Stipulation in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the GUC Claims Administrator's notice of the Settlement Stipulation was appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the

[1] The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, are as follows: PES Holdings, LLC (8157); North Yard GP, LLC (5458); North Yard Logistics, L.P. (5952); PES Administrative Services, LLC (3022); PES Energy Inc. (0661); PES Intermediate, LLC (0074); PES Ultimate Holdings, LLC (6061); and Philadelphia Energy Solutions Refining and Marketing LLC (9574).

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

Settlement Stipulation; and this Court having determined that the legal and factual bases set forth in the Settlement Stipulation establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

1. The Settlement Stipulation is hereby approved as set forth herein.

2. The Settlement Stipulation shall be effective immediately upon entry of this Order.

3. Claim No. 305 is hereby allowed in the reduced amount of $3,839,917.50 and the Objection is deemed withdrawn as to NGL, with prejudice.

4. The NGL Allowed General Unsecured Claim shall receive treatment under Article III.B.5.b of the Plan and is entitled to receive its respective *pro rata* share of the GUC Settlement Proceeds.

5. The GUC Claims Administrator and NGL Energy Partners LP are authorized to take all actions necessary to effectuate the relief granted in this Order and to consummate the Settlement Stipulation.

6. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order and the Settlement Stipulation.

Dated: February 9th, 2022
Wilmington, Delaware

LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT 1

(Stipulation)

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
PES HOLDINGS, LLC, *et al.*,[1]	:	Case No. 19-11626 (LSS)
Reorganized Debtors.	:	(Jointly Administered)

SETTLEMENT STIPULATION BY AND BETWEEN THE GUC CLAIMS ADMINISTRATOR AND NGL ENERGY PARTNERS LP WITH RESPECT TO GENERAL UNSECURED CLAIM NO. 305

This settlement stipulation (the "Settlement Stipulation") is made as of February 4, 2022, by and between the GUC Claims Administrator and NGL Energy Partners LP ("NGL"). The GUC Claims Administrator and NGL are together referred to as the "Parties."

WHEREAS, on July 21, 2019, PES Holdings, LLC and each of its affiliated debtors in these chapter 11 cases (the "Debtors") commenced a voluntary case under Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") and, after being procedurally consolidated, is/are now jointly administered under case number 19-11626 (LSS) (the "Bankruptcy Case");

WHEREAS, on August 1, 2019, the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed the Official Committee of Unsecured Creditors of PES Holdings, LLC, *et al*. (the "Committee");

WHEREAS, on August 20, 2019, the Court entered an Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Requests for Payment Under Section 503(b)(9), (II) Setting a

[1] The Reorganized Debtors in these chapter 11 cases, along with the last four digits of each Reorganized Debtor's federal tax identification number, are as follows: PES Holdings, LLC (8157); North Yard GP, LLC (5458); North Yard Logistics, L.P. (5952); PES Administrative Services, LLC (3022); PES Energy Inc. (0661); PES Intermediate, LLC (0074); PES Ultimate Holdings, LLC (6061); and Philadelphia Energy Solutions Refining and Marketing LLC (9574).

Bar Date for the Filing of Proofs of Claim by Governmental Units, (III) Establishing Amended Schedules Bar Date and Rejection Damages Bar Date, (IV) Approving the Form of and Manner for Filing Proofs of Claim, (V) Approving Notice of Bar Dates, and (VI) Granting Related Relief (the "Bar Date Order") [D.I. 218]. Pursuant to the Bar Date Order, the following deadlines were established to file proofs of claim in the Debtors' Chapter 11 Cases: (i) 45 days from the date the Debtors filed the Schedules for persons or entities not including Governmental Units as defined in section 101(27) of the Bankruptcy Code and (ii) January 17, 2020 at 5:00 p.m. prevailing Eastern Time for Governmental Units;

WHEREAS, on or about October 21, 2019, NGL timely filed proof of claim number 305 ("Claim No. 305") in the Bankruptcy Case in the unsecured amount of $4,517,550.00 based on the rejection of a certain Natural Gas Liquids Sale and Purchase Agreement, dated May 7, 2019 (the "Purchase Agreement");

WHEREAS, on February 13, 2020, the Debtors filed the *Fourth Amended Joint Chapter 11 Plan of PES Holdings, LLC and Its Debtor Affiliates* (the "Plan") [D.I. 994]. On the same date, the Court entered the *Order Confirming the Fourth Amended Joint Chapter 11 Plan of PES Holdings, LLC and Its Debtor Affiliates* (the "Confirmation Order") [D.I. 1004];

WHEREAS, pursuant to the Plan, each Holder[2] of an Allowed General Unsecured Claim will receive, on account of all of its Allowed General Unsecured Claims, its Pro Rata share of the GUC Settlement Proceeds as provided in Article VIII.I of the Plan, and shall be deemed to have assigned its General Unsecured Claims to the Holders of Term Loan Claims (on a ratable basis); provided that any Holder of an Allowed General Unsecured Claim, on account of all of its Allowed

[2] Capitalized terms not otherwise defined shall have the meaning ascribed to such terms as in the Plan.

General Unsecured Claims, may elect to receive instead its Pro Rata share of the Distribution Proceeds in accordance with Article VIII.I of the Plan, in which case it shall not be deemed to have assigned its General Unsecured Claims to the Holders of Term Loan Claims*See* Plan at Article III.B.5.b;

WHEREAS, on June 26, 2020 (the "Plan Effective Date") the Plan went effective [D.I. 1376];

WHEREAS, pursuant to the Plan, and as of the Plan's Effective Date, the GUC Claims Administrator, Rafael X. Zahralddin LLC, was selected by the Committee to administer the general unsecured claims and make distributions on allowed general unsecured claims, *see* Plan at Article I.A.74, and is able to and has taken responsibility to file and prosecute objections, and settle proofs of claim in the general unsecured claim pool. *See Id.*;

WHEREAS, the GUC Claims Administrator, in consultation with its professionals, has conducted a review of the Debtors' books and records, the NGL Purchase Agreement, Claim No. 305 and supporting documentation;

WHEREAS, on November 5, 2021, the GUC Claims Administrator filed *The GUC Claims Administrator's Seventh Omnibus Objection (Non-Substantive) to Certain Claims* [D.I. 1769] (the "Objection"), pursuant to which the GUC Claims Administrator objected to Claim No. 305;

WHEREAS, the Parties engaged in discussions regarding Claim No. 305 and the Objection and have a bona fide dispute regarding Claim No. 305 and the Objection thereto;

WHEREAS, subject to the Bankruptcy Court's approval, the Parties desire to consensually resolve Claim No. 305 and the Objection on the terms set forth herein to avoid further litigation costs regarding the aforementioned claim and Objection; and

NOW THEREFORE, in consideration of the foregoing recitals, which are expressly incorporated into this Settlement Stipulation, and the covenants and conditions contained herein, the Parties hereby agree, in full and final satisfaction of Claim No. 305 as follows:

1. Upon the Bankruptcy Court's approval of this Settlement Stipulation, NGL's general unsecured Claim No. 305 shall be allowed in the reduced amount of $3,839,917.50 (the "NGL Allowed General Unsecured Claim") and the Objection shall be deemed withdrawn as to NGL, with prejudice.

2. The NGL Allowed General Unsecured Claim shall receive treatment under Article III.B.5.b of the Plan and is entitled to receive its respective *pro rata* share of the GUC Settlement Proceeds.

3. This Settlement Stipulation will be effective (the "Effective Date") upon the entry of an order by the Bankruptcy Court approving this Settlement Stipulation.

4. NGL, for itself and its assigns and successors, except as to the rights and obligations of the Parties under this Settlement Stipulation and except as to the NGL Allowed General Unsecured Claim irrevocably waives, releases and discharges all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, causes of action, and liabilities that NGL has, may have or is entitled to assert, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen, matured or unmatured, in law, equity, or otherwise, based in whole or in part upon any act or omission, transaction, or occurrence taking place prior to the Effective Date, arising from or which could have been asserted in Claim No. 305, against each applicable Releasee (as defined below). NGL, for itself and its assigns and successors, also represents and warrants that it has not sold, assigned, bequeathed, transferred, subrogated, conveyed or otherwise disposed of any claim covered by this Settlement Stipulation, including the NGL Allowed General Unsecured Claim. Further, NGL, for itself and its assigns and successors, covenants, acknowledges and agrees that it shall not file, assert or continue, directly or indirectly, or direct or authorize any third-party to file, assert or continue, directly or indirectly, any action or claim against a Releasee (as defined below) based upon any alleged act, transaction, practice or conduct that occurred prior to the Effective Date other than with respect to the NGL Allowed General Unsecured Claim or the NGL Purchase Agreement in accordance with, and as necessary to enforce the terms of, this Settlement Stipulation. The term "Releasee" means the GUC Claims Administrator and its respective successors and assigns, present and past managers, employees, officers, members, affiliates, subsidiaries, agents, advisors and/or counsel (each solely in their capacity as such).

5. Except as to the rights and obligations of the Parties under this Settlement Stipulation and except as to the NGL Allowed General Unsecured Claim, the GUC Claims Administrator and its successors and assigns (the "Releasors"), irrevocably waive, release and discharge all claims, obligations, suits, judgments, remedies, damages, demands, debts, rights, causes of action, and liabilities that the Releasors have, may have or are entitled to assert, whether known or unknown, liquidated or unliquidated, fixed or contingent, foreseen or unforeseen,

matured or unmatured, in law, equity, or otherwise, against each applicable NGL Releasee (as defined below), based in whole or in part upon any act or omission, transaction, or occurrence taking place on or prior to the Effective Date. The term "NGL Releasee" means, NGL, its assigns and successors, and its respective managers, employees, directors, officers, members, affiliates, subsidiaries, agents, advisors or counsel (each solely in their capacity as such). Except as to the NGL Allowed General Unsecured Claim, all defenses to any claims, suits, judgments, remedies, damages, demands and causes of action that the Releasors have or may have, if any, against the NGL Releasees are fully preserved and in no way waived or modified by the Settlement Stipulation.

6. Nothing in this Settlement Stipulation shall replace or supersede any of the waivers, releases, discharges, or injunctions set forth in the Plan.

7. Each Party hereby represents and warrants that, subject to approval of the Bankruptcy Court: (a) such Party and the signatory hereto has the power and authority to execute, deliver and perform this Settlement Stipulation; (b) such Party has taken all necessary actions to authorize the execution, delivery and performance of this Settlement Stipulation; (c) this Settlement Stipulation has been duly executed and delivered by such Party and constitutes the legal, valid, and binding obligations of such Party, enforceable against it in accordance with their respective terms; (d) such Party's execution, delivery, and performance of this Settlement Stipulation does not and will not conflict with, or constitute a violation or breach of, or constitute a default under any obligation of such Party and will not violate any applicable law, by-law, covenant, legal restriction or any order or decree of any court or government instrumentality applicable to such Party; and (e) such Party has entered into this Settlement Stipulation in reliance on its own independent investigation and analysis of the facts underlying the subject matter of this Settlement Stipulation, and no representations, warranties, or promises of any kind have been made directly or indirectly to induce it to execute this Settlement Stipulation other than those that are expressly set forth in this Settlement Stipulation. This Settlement Stipulation is binding on the Parties and each of their respective successors and assigns.

8. Each Party agrees that the Bankruptcy Court shall have exclusive jurisdiction over any disputes regarding the validity, interpretation, or performance of this Settlement Stipulation so long as the Bankruptcy Case is pending, and each of the Parties consent(s) to personal jurisdiction and venue in the Bankruptcy Court in connection with any such disputes; provided, however, that if the Bankruptcy Case is no longer pending, or if the Bankruptcy Court cannot or does not exercise jurisdiction, such jurisdiction and venue shall belong to the federal courts in the District of Delaware. Each Party further agrees that, with respect to disputes involving solely non-Debtors, the federal courts in the District of Delaware shall have exclusive jurisdiction over any disputes regarding the validity, interpretation, or performance of this settlement or Settlement Stipulation.

9. Each Party acknowledges that it has read all of the terms of this Settlement Stipulation, has had an opportunity to consult with counsel of its own choosing or voluntarily waived such right and enters into this Settlement Stipulation voluntarily and without duress.

10. Each Party agrees, without further consideration, to execute and deliver such other documents and to take such other action as may be necessary to consummate the purposes of this Settlement Stipulation.

11. This Settlement Stipulation is for settlement purposes only and shall not be construed or deemed an admission by any Party to this Settlement Stipulation of wrongdoing, liability, fault, or the validity of any claims.

12. The language used in this Settlement Stipulation will be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction will be applied against either Party. Nor will any rule of construction that favors a nondraftsman be applied. A reference to any statute will be deemed also to refer to all rules and regulations promulgated under the statute, unless the context requires otherwise. Unless specifically otherwise provided or the context otherwise requires, the singular includes the plural and the plural the singular; the word "or" is deemed to include "and/or", the words "including", "includes" and "include" are deemed to be followed by the words "without limitation", and references to sections are to those of this Settlement Stipulation. Headings in this Settlement Stipulation are included for convenience of reference only and do not constitute a part of this Settlement Stipulation for any other purpose.

13. Each Party represents that it has had the opportunity to obtain advice of counsel in connection with this Settlement Stipulation and all matters covered hereby, and that each Party has been fully advised by those attorneys with respect to its rights and obligations under this Settlement Agreement. Further, except as may be expressly provided herein, this Settlement Stipulation shall be, and remain, in effect despite the discovery or existence of any new or additional fact, or any fact different from that which any of the Parties now knows or believes to be accurate or true.

14. This Settlement Stipulation may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Settlement Stipulation. Delivery of a signature page to this Settlement Stipulation by facsimile or other electronic means shall be effective as delivery of the original signature page to this Settlement Stipulation.

15. This Settlement Stipulation shall be deemed to have been jointly drafted by the Parties, and in construing and interpreting this Settlement Stipulation, no provision shall be construed and interpreted for or against any Party because such provision or any other provision of the Settlement Stipulation as a whole is purportedly prepared or requested by such Party.

16. The validity, interpretation, and performance of this Settlement Stipulation shall be construed and interpreted according to the laws of the State of Delaware, except to the extent that (a) provisions of the Bankruptcy Code apply, in which event the Bankruptcy Code shall control, or (b) applicable federal law preempts state law.

17. Each Party agrees to bear its own costs and expenses, including attorneys' fees, arising out of the matters addressed by this Settlement Stipulation.

WHEREFORE, the Parties have caused this Settlement Stipulation to be duly entered into as of the date first set forth above.

Dated: February 4, 2022

ARMSTRONG TEASDALE LLP

/s/ Shelley A. Kinsella

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