

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

**In re: Chieftain Sand and Proppant, LLC, et al.**  
Debtors

**Case No. 17-10064 (KG)**

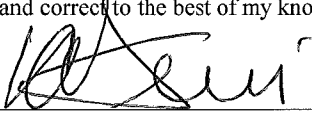
**INITIAL MONTHLY OPERATING REPORT**

**File report and attachments with Court and submit copy to United States Trustee within 15 days after order for relief**

Certificates of insurance must name United States Trustee as a party to be notified in the event of policy cancellation. Bank accounts and checks must bear the name of the debtor, the case number, and the designation "Debtor in Possession." Examples of acceptable evidence of Debtor in Possession Bank accounts include voided checks, copy of bank deposit agreement/certificate of authority, signature card, and/or corporate checking resolution.

<b>REQUIRED DOCUMENTS</b>	<b>Document Attached</b>	<b>Explanation Attached</b>
<b>12-Month Cash Flow Projection (Form IR-1)</b>	DIP Budget Attached	
<b>Certificates of Insurance:</b>		
Workers Compensation	Attached	
Property	Attached	
General Liability	Attached	
Vehicle	Attached	
Other:		
<b>Evidence of Debtor in Possession Bank Accounts</b>	Interim Cash	Mgmt. Order Attached
Tax Escrow Account		
General Operating Account		
Other:		
Other:		
<b>Retainers Paid (Form IR-2)</b>	Attached	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

  
\_\_\_\_\_  
Signature of Authorized Individual\*

1-19-17  
\_\_\_\_\_  
Date

VICTOR A. SERRA  
\_\_\_\_\_  
Printed Name of Authorized Individual

CEO  
\_\_\_\_\_  
Title of Authorized Individual

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

**Form IR-1 (DIP Budget)**



CONSOLIDATED CASH FLOW

Post Sale thru June 30, 2017

Beginning with Week Ending:

January 6, 2017

Beginning Balance:

	15 Week Ending 4/21/17	16 Week Ending 4/28/17	17 Week Ending 5/5/17	18 Week Ending 5/12/17	19 Week Ending 5/19/17	20 Week Ending 5/26/17	5 Weeks May - June 2017	Post-Close Total	Total
Cash	\$ 1,134,534	\$ 1,062,120	\$ 1,025,020	\$ 1,014,920	\$ 1,004,820	\$ 769,220	\$ 764,120	\$ 1,134,534	\$ 846,668

Cash Receipts

Accounts Receivable	-	-	-	-	-	-	-	-	5,694
Net Company sale proceeds	-	-	-	-	-	-	-	-	4,074,464
Other Cash Receipts	535	-	-	-	-	-	-	535	2,140
<b>Total Cash Receipts</b>	<b>535</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>535</b>	<b>4,082,298</b>

Cash Disbursements

Payroll and Benefits	34,550	23,000	10,000	10,000	5,000	5,000	25,000	112,550	449,600
Equipment Leases	4,824	406	-	-	-	-	-	5,230	112,018
Rent	-	2,295	-	-	-	-	-	2,295	9,534
Utilities	12,615	-	-	-	-	-	-	12,615	44,510
Insurance	-	-	-	-	-	-	99,000	99,000	180,000
Accounting & Legal	8,000	-	-	-	-	-	-	8,000	72,000
Other Cash Expenses	2,960	4,899	100	100	600	100	1,000	9,759	119,048
Reclamation Assurance Bond	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments</b>	<b>62,949</b>	<b>30,600</b>	<b>10,100</b>	<b>10,100</b>	<b>5,600</b>	<b>5,100</b>	<b>125,000</b>	<b>249,449</b>	<b>986,710</b>
<b>Cash (Non-BK) Increase (Decrease)</b>	<b>(62,414)</b>	<b>(30,600)</b>	<b>(10,100)</b>	<b>(10,100)</b>	<b>(5,600)</b>	<b>(5,100)</b>	<b>(125,000)</b>	<b>(248,914)</b>	<b>3,942,256</b>

Ending Operating Cash Position

<b>1,072,120</b>	<b>1,031,520</b>	<b>1,014,920</b>	<b>1,004,820</b>	<b>999,220</b>	<b>764,120</b>	<b>639,120</b>
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Bankruptcy Related Expenses

DIP Fees	-	-	-	-	-	-	-	-	20,000
Independent Director	10,000	-	-	-	-	-	-	10,000	80,000
Debtor Professional Fees	-	-	-	-	150,000	-	464,000	614,000	964,000
Investment Banker	-	-	-	-	-	-	-	-	225,000
Noticing Agent Fees	-	-	-	-	5,000	-	5,000	10,000	40,000
Creditor Committee Fees	-	-	-	-	75,000	-	93,120	168,120	318,120
UST Fees	-	6,500	-	-	-	-	13,000	19,500	19,500
Liquidating Trustee fees	-	-	-	-	-	-	50,000	50,000	50,000
Adequate Assurance/Utility Deposits	-	-	-	-	-	-	14,000	14,000	20,000
Other Bankruptcy Disbursements	-	-	-	-	-	-	-	-	2,500
<b>Total Bankruptcy Expenses</b>	<b>10,000</b>	<b>6,500</b>	<b>-</b>	<b>-</b>	<b>230,000</b>	<b>-</b>	<b>639,120</b>	<b>885,620</b>	<b>1,739,120</b>

Cash Position After Bankruptcy Expenses

<b>1,062,120</b>	<b>1,025,020</b>	<b>1,014,920</b>	<b>1,004,820</b>	<b>769,220</b>	<b>764,120</b>	<b>0</b>	<b>(885,620)</b>	<b>2,203,136</b>
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DIP

Beg Balance	-	-	-	-	-	-	-	-	n/a
Draw(repayments)	-	-	-	-	-	-	-	-	n/a
Ending Balance	-	-	-	-	-	-	-	-	-

Payment to Secured Lender

-	-	-	-	-	-	-	-	-	(2,203,136)
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Ending Cash

<b>1,062,120</b>	<b>1,025,020</b>	<b>1,014,920</b>	<b>1,004,820</b>	<b>769,220</b>	<b>764,120</b>	<b>0</b>	<b>0</b>	<b>0</b>
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**Certificates of Insurance**



# CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)  
01/13/2017

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

**IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).**

<b>PRODUCER</b> Aon Risk Insurance Services West, Inc. Denver CO Office 1900 16th Street, Suite 1000 Denver CO 80202 USA	<b>CONTACT NAME:</b> PHONE (A/C. No. Ext): (303) 758-7688		FAX (A/C. No.): (303) 758-9458
	<b>E-MAIL ADDRESS:</b>		
<b>INSURER(S) AFFORDING COVERAGE</b>			<b>NAIC #</b>
<b>INSURED</b> Chieftain Sand and Proppant, LLC 331 27th Street New Auburn WI 54757 USA	<b>INSURER A:</b> Ironshore Specialty Insurance Company		25445
	<b>INSURER B:</b> Berkley National Insurance Company		38911
	<b>INSURER C:</b> American Mining Insurance Company		15911
	<b>INSURER D:</b>		
	<b>INSURER E:</b>		
	<b>INSURER F:</b>		

Holder Identifier :

**COVERAGES**      **CERTIFICATE NUMBER: 570065283101**      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS		
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			001397604	07/01/2016	07/01/2017	EACH OCCURRENCE	\$1,000,000	
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$500,000	
								MED EXP (Any one person)	\$25,000
								PERSONAL & ADV INJURY	\$1,000,000
B	<input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY			ACA2524945-11	07/01/2016	07/01/2017	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000	
							BODILY INJURY ( Per person)		
								BODILY INJURY (Per accident)	
								PROPERTY DAMAGE (Per accident)	
A	<input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION			001397704	07/01/2016	07/01/2017	EACH OCCURRENCE	\$5,000,000	
							AGGREGATE	\$5,000,000	
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below			AMWC164503	07/01/2016	07/01/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER		
							E.L. EACH ACCIDENT	\$1,000,000	
								E.L. DISEASE-EA EMPLOYEE	\$1,000,000
								E.L. DISEASE-POLICY LIMIT	\$1,000,000
A	Env Pollution			001397604 SIR applies per policy terms & conditions	07/01/2016	07/01/2017	Each Occurrence	\$1,000,000 \$5,000	

Certificate No : 570065283101

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

<b>CERTIFICATE HOLDER</b>  U.S. Department of Justice Office of the United States Trustee District of Delaware 844 King Street, Suite 2207 Wilmington DE 19801 USA	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE  



# CERTIFICATE OF PROPERTY INSURANCE

DATE (MM/DD/YYYY)  
01/13/2017

**THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.**

<b>PRODUCER</b> Aon Risk Insurance Services West, Inc. Denver CO Office 1900 16th Street, Suite 1000 Denver CO 80202 USA	<b>CONTACT NAME:</b> PHONE (A/C. No. Ext): (303) 758-7688      FAX (A/C. No.): (303) 758-9458 E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: 570000055201														
<b>INSURED</b> Chieftain Sand and Proppant, LLC 331 27th Street New Auburn WI 54757 USA	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: center;">NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A: AXIS Insurance Company</td> <td style="text-align: center;">37273</td> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> <tr> <td>INSURER F:</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A: AXIS Insurance Company	37273	INSURER B:		INSURER C:		INSURER D:		INSURER E:		INSURER F:	
INSURER(S) AFFORDING COVERAGE	NAIC #														
INSURER A: AXIS Insurance Company	37273														
INSURER B:															
INSURER C:															
INSURER D:															
INSURER E:															
INSURER F:															

Holder Identifier :

**COVERAGES      CERTIFICATE NUMBER: 570065283087      REVISION NUMBER:**

LOCATION OF PREMISES/ DESCRIPTION OF PROPERTY (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

**THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.**

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS
A	<input checked="" type="checkbox"/> <b>PROPERTY</b> CAUSES OF LOSS      DEDUCTIBLES <input type="checkbox"/> BASIC      BUILDING <input type="checkbox"/> BROAD      CONTENTS <input type="checkbox"/> SPECIAL <input type="checkbox"/> EARTHQUAKE <input type="checkbox"/> WIND <input type="checkbox"/> FLOOD <input checked="" type="checkbox"/> ALL RISK-Subject to Exclusions	MLB78170216 Property/Contractor's Equ	07/01/2016	07/01/2017	<input type="checkbox"/> BUILDING <input type="checkbox"/> PERSONAL PROPERTY <input type="checkbox"/> BUSINESS INCOME <input type="checkbox"/> EXTRA EXPENSE <input type="checkbox"/> RENTAL VALUE <input type="checkbox"/> BLANKET BUILDING <input type="checkbox"/> BLANKET PERS PROP <input type="checkbox"/> BLANKET BLDG & PP <input checked="" type="checkbox"/> Loss Limit	\$75,000,000
	<input type="checkbox"/> <b>INLAND MARINE</b> CAUSES OF LOSS <input type="checkbox"/> NAMED PERILS	TYPE OF POLICY POLICY NUMBER				
	<input type="checkbox"/> <b>CRIME</b> TYPE OF POLICY					
	<input type="checkbox"/> <b>BOILER &amp; MACHINERY / EQUIPMENT BREAKDOWN</b>					

SPECIAL CONDITIONS / OTHER COVERAGES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE NUMBER: 570065283087



<b>CERTIFICATE HOLDER</b>  U.S. Department of Justice Office of the United States Trustee District of Delaware 844 King Street, Suite 2207 Wilmington DE 19801 USA	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE <div style="text-align: right; font-family: cursive;">                     Aon Risk Insurance Services West, Inc.                 </div>
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LOC #:

# ADDITIONAL REMARKS SCHEDULE

Page \_ of \_

AGENCY Aon Risk Insurance Services West, Inc.		NAMED INSURED Chieftain Sand and Proppant, LLC	
POLICY NUMBER See Certificate Number: 570065283087			
CARRIER See Certificate Number: 570065283087	NAIC CODE	EFFECTIVE DATE:	

**ADDITIONAL REMARKS**

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,**  
**FORM NUMBER:** ACORD 24 **FORM TITLE:** Certificate of Property Insurance

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER	
INSURER	
INSURER	
INSURER	

**ADDITIONAL POLICIES** If a policy below does not include limit information, refer to the corresponding policy on the ACORD certificate form for policy limits.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	COVERED PROPERTY	LIMITS
	PROPERTY <input checked="" type="checkbox"/> Deductible: \$25,000					



**Interim Cash Management Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Case No. 17-10064 (KG)
Chieftain Sand and Proppant, LLC, <i>et al.</i> ,	)	Chapter 11
Debtors. <sup>1</sup>	)	(Jointly Administered)
	)	Re: Docket No. 9

**INTERIM ORDER AUTHORIZING CONTINUED  
USE OF THE DEBTORS' CASH MANAGEMENT SYSTEM**

Upon the Motion<sup>2</sup> filed by the above-referenced debtors and debtors in possession (collectively, the “*Debtors*”) for entry of an interim order (the “*Interim Order*”) authorizing the Debtors to: (a) continue to operate their cash management system; and (b) honor certain prepetition obligations related thereto, all as more fully set forth in the Motion; and the First Day Declaration; and the Court having jurisdiction over the matters raised in the Motion 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 the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that proper and adequate notice of the Motion and hearing thereon has been given and that no other or further notice is necessary; and the Court having found that good and sufficient cause exists for the granting of the relief requested in the Motion after having given due deliberation upon the Motion and all of the

<sup>1</sup> The Debtors in these chapter 11 cases, and the last four digits of their respective federal tax identification numbers, are Chieftain Sand and Proppant, LLC (1729) and Chieftain Sand and Proppant Barron, LLC (0418). The Debtors’ service address is: 331 27<sup>th</sup> Street, New Auburn, WI 54757.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Motion.

proceedings had before the Court in connection with the Motion, it is HEREBY ORDERED THAT:

1. The Motion is **GRANTED** on an interim basis as set forth herein.

2. Any objections to the Motion that have not been withdrawn or otherwise resolved are hereby **OVERRULED** as to the interim relief granted herein.

3. The Final Hearing on the Motion shall be held on February 2, 2017 at 11:00 a.m./p.m. prevailing Eastern Time. Any objections or responses to entry of the proposed Final Order shall be filed with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Third Floor, Wilmington, DE 19801 on or before 4:00 p.m., prevailing Eastern Time, <sup>January 27, 2017</sup> ~~seven days before the Final Hearing~~ and served on the following parties: (a) the Debtors, 331 27<sup>th</sup> Street, New Auburn, WI 54757, Attn: Victor Serri; (b) proposed counsel for the Debtors, Gibbons P.C., 300 Delaware Avenue, Suite 1015, Wilmington, DE 19801, Attn: Howard A. Cohen; (c) the office of the United States Trustee for the District of Delaware, Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Hannah McCollum; and (d) counsel for the DIP Agent, Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, (Attn: Mitchell A. Seider, Esq. (mitchell.seider@lw.com) and Annemarie V. Reilly, Esq. (annemarie.reilly@lw.com)), and Richards Layton & Finger, One Rodney Square, 920 N. King Street, Wilmington, Delaware 19801 (Attn: Mark Collins). In the event no objections to entry of the Final Order are timely received, the Court may enter the Final Order without need for the Final Hearing.

4. The Debtors are authorized, but not directed, to: (a) continue operating the Cash Management System as described in the Motion and (b) honor their prepetition obligations related thereto, as described in the Motion.

5. The Debtors are further authorized, but not directed, to: (a) continue to use, with the same account numbers, the Bank Accounts in existence as of the Petition Date; (b) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors in possession; (c) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including wire transfers and other debits; and (d) pay the Bank Fees (including any prepetition amounts), and to otherwise perform their obligations under the documents governing the Bank Accounts.

6. Sterling Bank (the "*Cash Management Bank*") is authorized to continue to maintain, service, and administer the Bank Accounts as accounts of the Debtors as debtors in possession, without interruption and in the ordinary course, and to receive, process, honor, and pay, to the extent of available funds, any and all drafts, wires, credit card payments, ACH transfers, electronic fund transfers, or other items presented, issued, or drawn on the Bank Accounts on account of a claim, whether arising before, on, or after the Petition Date; provided that (a) those certain existing deposit agreements between the Debtors and the Cash Management Bank, including the DACA, as modified by any orders entered in these chapter 11 cases, shall continue to govern the postpetition cash management relationship between the Debtors and the Cash Management Bank, and all of the provisions of such agreements, including the termination and fee provisions, shall remain in full force and effect (except as modified hereby), and (b) the Debtors and the Cash Management Bank may, without further order of this Court, agree to and implement non-substantive changes to the Cash Management System and procedures related thereto in the ordinary course of business; *provided, however*, that the Cash Management Bank shall not honor or pay any bank payments drawn on the listed Bank Accounts or otherwise issued before the Petition Date to the extent that the Debtors specifically issue stop payment orders in accordance with the documents governing such Bank Accounts. The Debtors are authorized to

enter into additional deposit agreements with the Cash Management Bank or any other bank, as necessary in connection with any debtor in possession financing. The Cash Management Bank is authorized to rely on the Debtors' direction as to whether any bank payments should be honored or dishonored, regardless of whether the Cash Management Bank believes the payment is authorized by an order of the Court. To the extent that the Debtors direct that any bank payment be dishonored or the Cash Management Bank inadvertently dishonors any bank payment, the Debtors may issue replacement bank payments consistent with the orders of this Court.

7. In the course of providing cash management services to the Debtors, the Cash Management Bank is authorized, without further order of this Court, to deduct the applicable Bank Fees from the appropriate Bank Account.

8. The Cash Management Bank is further authorized, subject to the terms of the DACA as provided elsewhere herein, to accept and hold the Debtors' funds in accordance with the Debtors' instructions; provided that the Cash Management Bank shall not have any liability to any party for relying on such instructions to the extent such reliance otherwise complies with applicable law.

9. In connection with the Operating Account, the Cash Management Bank shall be authorized to hold and administer funds deposited in or credited to the Operating Account in accordance with the process and provisions set forth in the DACA except that, so long as any Obligations or Commitments (each as defined in the DIP Credit Agreement) are outstanding, (i) notwithstanding the provisions of the DACA, the Cash Management Bank shall take all notices, instructions, orders and other direction that the Prepetition Agent is entitled to give under the DACA with respect to the Operating Account, including, but not limited to, in connection with disbursements therefrom, solely from the DIP Agent acting on behalf of the DIP Lenders and

may disregard any instructions from the Prepetition Agent, (ii) all references in the DACA to the "Credit Agreement" or any other "Loan Document" shall be deemed to be a reference to the DIP Credit Agreement or any other Loan Document (as defined in the DIP Credit Agreement), as applicable, (iii) all references in the DACA to any "Revolving Loan" or "Term Loan" shall be deemed to be a reference to the Loans (as such term is defined in the DIP Credit Agreement), (iv) all references in the DACA to any "Obligation" shall be deemed to be a reference to Obligations (as such terms is defined in the DIP Credit Agreement), (v) all references in the DACA to any "Lender" (including any "Revolving Lender" or "Term Lender"), "Administrative Agent," "Collateral Agent" or other "Secured Party" shall be deemed to be a reference to the Lenders, Administrative Agent, Collateral Agent and other Secured Parties (as such terms are defined in the DIP Credit Agreement), as applicable, and (vi) all references in the DACA to other terms and concepts defined by references to the "Credit Agreement," the "Loan Documents" and the transactions contemplated thereby shall be deemed to be a reference to the corresponding terms and concepts in relation to the DIP Credit Agreement and other Loan Documents (as defined in the DIP Credit Agreement) and the transactions contemplated thereby. The Cash Management Bank shall be entitled to all of its rights, exculpations and indemnities set forth in the DACA with respect to the Operating Account and any instructions or direction from the DIP Agent in connection therewith. Upon repayment in full of the DIP Obligations (or to the extent the DIP Obligations are no longer outstanding), the provisions of this paragraph shall no longer be effective and the DACA shall continue in full force and effect as it existed prior to the Petition Date, and the Prepetition Agent's rights under the DACA shall be reinstated in full.

10. The Debtors are authorized to continue to use their pre-printed checks, correspondence, and business forms and checks, including, but not limited to, purchase orders,

letterhead, envelopes, promotional materials, and other business forms, substantially in the forms existing immediately prior to the Petition Date, without reference to the Debtors' debtor-in-possession status, provided that the Debtors will add the "Debtors-In-Possession" designation to any new checks that it obtains or creates postpetition within ten (10) days of the date of entry of this Order.

11. Subject to Bankruptcy Code section 553, all banks that maintain the Bank Accounts are prohibited from offsetting, affecting, freezing, or otherwise impeding the Debtors' use of any funds in the Bank Accounts on account of, or by reason of, any claim (as defined in Bankruptcy Code section 101(5) of any such bank against the Debtors that arose before the Petition Date, absent further order of this Court.

12. The Debtors are authorized on an interim basis to deposit the estates' money in accordance with the deposit practices set forth in the Motion or a commercially comparable practice, and the requirements of Bankruptcy Code section 345(b) and the U.S. Trustee Guidelines are temporarily suspended for a period of thirty (30) days. The Debtors may seek further suspensions of such requirements, with respect to which the rights of the United States Trustee and all other parties in interest are reserved.

13. With respect to any bank that the Debtors hold accounts that are not party to a uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware (the "UST"), the Debtors shall use its good-faith efforts to cause the banks to execute a uniform Depository Agreement in a form prescribed by the UST within thirty (30) days from the date of this Order. The UST's right to seek further relief from this Court on notice in the event such banks are unwilling to execute a uniform Depository Agreement in a form prescribed by the UST are fully preserved. For banks that are party to a uniform Depository Agreement with the

UST, within fifteen (15) days from the date of the entry of this order, the Debtors shall (a) contact each bank, (b) provide each bank with the Debtors' employee identification number and (c) identify each of the bank accounts held at such banks as being held by a Debtors.

14. The Debtors are authorized to open any new Bank Accounts or close any existing Bank Accounts as it may deem necessary and appropriate in their sole discretion; provided, however, that the Debtors give notice within fifteen (15) days to the Office of the U.S. Trustee and any statutory committee appointed in these chapter 11 cases; provided, further, that the Debtors shall open any such new Bank Accounts at banks that executed a Uniform Depository Agreement with the Office of the U.S. Trustee for the District of Delaware, or at such banks that are willing to timely execute such an agreement.

15. The Debtors shall maintain accurate and detailed records of all transfers, including but not limited to intercompany transfers between the Debtors, so that all transactions may be readily ascertained, traced, recorded properly and distinguished between prepetition and post-petition transactions.

16. The Debtors shall calculate quarterly fees under 28 U.S.C. section 1930(a)(6) based on the disbursements of each Debtor, regardless of who pays those disbursements.

17. The requirement to establish separate accounts for cash collateral and/or tax payments is hereby waived.

18. Notwithstanding anything to the contrary in this Order or the Motion, any payment, obligations, or other relief authorized by this Order shall be subject to the terms, conditions, and limitations of the order of this Court approving any debtor in possession financing and cash collateral use, including any budget in connection therewith.



19. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the contents of the Motion or are otherwise deemed waived.

20. Notice of the Motion satisfies the requirements set forth in Bankruptcy Rule 6004(a).

21. Notwithstanding the possible applicability of Bankruptcy Rules 6004(h), 7062, 9014 or otherwise, this Interim Order shall be immediately effective and enforceable upon its entry.

22. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Interim Order in accordance with the Motion.

23. The Court retains jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Interim Order.

Dated: January 10, 2017.  
Wilmington, Delaware

  
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THE HONORABLE KEVIN GROSS  
UNITED STATES BANKRUPTCY JUDGE

**Form IR-2 (Retainers Paid)**

**Schedule of Retainers Paid to Professionals  
Form IR-2**

Payee	Check		Name of Payee	Amount	Amount Applied To Date	1/8/2017 Balance
	Date	Num				
Donlin, Recano & Comany, Inc.	11/22/2016	Wire	Chieftain Sand and Proppant Barron, LLC	\$10,000.00		\$10,000.00
Donlin, Recano & Comany, Inc.	12/20/2016	Wire	Chieftain Sand and Proppant Barron, LLC	\$5,000.00		\$15,000.00
Donlin, Recano & Comany, Inc.	12/30/2016	Retainer Draw			-\$11,351.00	\$3,649.00
Drinker, Biddle & Reath LLP	07/19/2016	Wire	Chieftain Sand and Proppant Barron, LLC	\$50,000.00		\$50,000.00
Drinker, Biddle & Reath LLP	09/07/2016	Retainer Draw			-\$13,135.50	\$36,864.50
Drinker, Biddle & Reath LLP	09/19/2016	Refund			-\$36,864.50	\$0.00
EisnerAmper LLP	11/01/2016	Wire	Chieftain Sand and Proppant Barron, LLC	\$50,000.00		\$50,000.00
Gibbons P.C.	09/26/2016	Wire	Chieftain Sand and Proppant Barron, LLC	\$25,000.00		\$25,000.00
Gibbons P.C.	10/07/2016	Wire	Chieftain Sand and Proppant Barron, LLC	\$25,000.00		\$50,000.00
Gibbons P.C.	10/19/2016	Wire	Chieftain Sand and Proppant Barron, LLC	\$75,000.00		\$125,000.00
Gibbons P.C.	10/19/2016	Retainer Draw			-\$24,627.50	\$100,372.50
Gibbons P.C.	11/10/2016	Retainer Draw			-\$27,919.00	\$72,453.50
Gibbons P.C.	11/22/2016	Wire	Chieftain Sand and Proppant Barron, LLC	\$40,000.00		\$112,453.50
Gibbons P.C.	11/30/2016	Retainer Draw			-\$69,797.00	\$42,656.50
Gibbons P.C.	12/09/2016	Wire	Chieftain Sand and Proppant Barron, LLC	\$25,000.00		\$67,656.50
Gibbons P.C.	12/20/2016	Wire	Chieftain Sand and Proppant Barron, LLC	\$50,000.00		\$117,656.50
Gibbons P.C.	12/31/2016	Retainer Draw			-\$89,932.72	\$27,723.78
Gibbons P.C.	01/05/2017	Wire	Chieftain Sand and Proppant Barron, LLC	\$25,000.00		\$52,723.78
Gibbons P.C.	01/07/2017	Retainer Draw			-\$48,878.93	\$3,844.85