

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

Case No. 17-10064 (KG)

Chieftain Sand and Proppant, LLC, *et al.*,

Chapter 11

Debtors.¹

(Jointly Administered)

Re: Docket No. 42, 81

**ORDER AUTHORIZING DEBTORS TO RETAIN AND COMPENSATE
PROFESSIONALS USED IN THE ORDINARY COURSE OF BUSINESS**

This matter is before the Court on the motion of the above-captioned debtors and debtors in possession (the “*Debtors*”), for authority to retain and compensate certain professionals used in the ordinary course of business (the “*Motion*”);² and the Court has considered the Motion, the Serri Declaration, and the matters reflected in the record of any hearing held on the Motion; and the Court having found that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this Motion is a core proceeding pursuant to 28 U.S.C. § 157; 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 adequate notice of the Motion and opportunity for objection having been given; and it appearing that no other notice need be given; and the Court having determined that sufficient cause exists for the relief set forth herein; and after due deliberation and sufficient cause therefore, it is hereby ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is **GRANTED** as set forth herein.

¹ 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 27th Street, New Auburn, WI 54757.

² Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.

2. The Debtors are authorized to retain Ordinary Course Professionals without further application to or approval of this Court, specifically those Ordinary Course Professionals listed in Exhibit A to the Motion.

3. Upon the date an Ordinary Course Professional first provides services to the Debtors following the Petition Date, or promptly thereafter, each Ordinary Course Professional shall file with this Court a Retention Declaration, substantially in the form of Exhibit B to the Motion. Any objection to a Retention Declaration filed pursuant to this Order must (i) be in writing; (ii) comply with the Bankruptcy Rules and the Local Rules; (iii) set forth the specific basis for such objection; (iv) be filed with the Court, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801, within fourteen (14) days of the later of (a) the date of service of any such Retention Declaration, or (b) the date of service of notice of entry of this Order, with respect to any Retention Declarations filed prior to entry of this Order (the “**Retention Objection Deadline**”) and (v) be served on or before the Retention Objection Deadline, upon (a) counsel to the Debtors: Gibbons P.C., 300 Delaware Avenue, Suite 1015, Wilmington DE 19801, Attn: Howard A. Cohen; and (b) the Office of the United States Trustee: U.S. Trustee, 844 King Street, Suite 2207, Lockbox #35, Wilmington, Delaware, 19801 (Attn: Hannah McCollum, Esq.). If no objection is filed to such Retention Declaration before the expiration of the Retention Objection Deadline, the Debtors are hereby authorized to retain such Ordinary Course Professional on a final basis and without further Order of the Court.

4. Subject to the DIP Budget, the Debtors are authorized to compensate and reimburse expenses to each of the Ordinary Course Professionals retained pursuant to this Order in the customary manner, in the full amount billed by each such Professional, upon receipt by the Debtors of a sufficiently detailed invoice indicating the nature of the services rendered and

calculated in accordance with such Professional's standard billing practices (without prejudice to the Debtors' rights to dispute any such invoices), up to \$25,000 per month with respect to EKS&H and up to \$10,000 per month with respect to all other Professional (the "**Individual Fee Cap**").

5. Any payment in excess of the Individual Fee Cap to any Ordinary Course Professional shall be subject to filing a monthly interim fee application for all such Ordinary Course Professional's fees and expenses for such month, pursuant to sections 330 and 331 of the Bankruptcy Code, and applicable Bankruptcy Rules, Local Rules, and in accordance and compliance with the Order Establishing Procedures For Interim Compensation And Reimbursement Of Expenses Of Professionals (the "**Compensation Procedures Order**").

6. Notwithstanding the Individual Fee Cap, payments by the Debtors to Ordinary Course Professionals pursuant to this Order shall not exceed the aggregate amount of \$75,000 per month (the "**Aggregate Fee Cap**"), unless the Court orders otherwise.

7. The Debtors' right to later seek to increase the Individual Fee Cap and/or the Aggregate Fee Cap, after notice and hearing, is hereby reserved.

8. The Debtors shall not make any payment to an Ordinary Course Professional unless (i) such Ordinary Course Professional has filed a Retention Declaration, (ii) the Retention Objection Deadline has expired, and (iii) no timely objection is pending, or, if a timely objection is received, the objection is resolved and withdrawn or such retention is otherwise approved by the Court.

9. If the Debtors later designate a given professional as an Ordinary Course Professional for the purposes of this Order, the Debtors shall file with the Court and serve on the U.S. Trustee a supplemental OCP List, identifying the names of the additional Ordinary Course

Professionals, and providing a brief description of the services to be rendered, together with a Retention Declaration by each such additional Ordinary Course Professional. Any objection to such supplemental OCP List filed pursuant to this Order must follow the procedures set forth in paragraph 3 above. If no objection is filed to such supplemental OCP List before fourteen (14) days after service of any such supplemental OCP List, the added professional(s) will be deemed an Ordinary Course Professional for purposes of this Order without the need for a hearing or further Order, and shall comply with all requirements of such professionals under this Order.

10. If an Ordinary Course Professional exceeds the Individual Fee Cap by more than \$50,000 in the aggregate during any three-month period, the Debtors shall file a retention application for such Ordinary Course Professional.

11. All payments to any Ordinary Course Professional shall be subject to sections 328(c) and 330 of the Bankruptcy Code, which provides generally that the Court may deny allowance of compensation for services and reimbursement of expenses if such professional person is not a disinterested person, or represents or holds an interest adverse to the interest of the estate with respect to the matter on which such professional person is employed or for reasons set forth in section 330 of the Bankruptcy Code. In addition to the limits set forth in this Order, all payments to an Ordinary Course Professional are further subject to the Federal Rules of Bankruptcy Procedure and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware.

12. Within thirty (30) days after the last day of March, June, September, and December of each year the above-captioned case is pending, the Debtor shall file with this Court and serve upon the Notice Parties a statement that includes the following information for each Ordinary Course Professional: (a) the name of the Ordinary Course Professional; (b) the

amounts paid as compensation for services rendered and reimbursement of expenses incurred by such Ordinary Course Professional for each month of the three month statement period; and (c) a short statement of the type of services rendered by such Ordinary Course Professional (the "*Quarterly Statements*").

13. Parties-in-interest will be permitted to file objections to the payments within fourteen (14) days following the filing of the Quarterly Statements, and if an objection to the fees and/or expenses of an Ordinary Course Professional is filed by a party, such fees and expenses will be subject to review and approval by the Court pursuant to section 330 of the Bankruptcy Code.

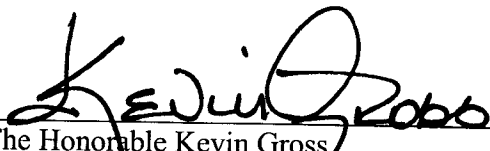
14. Notwithstanding anything to the contrary in this Order or the Motion, any payment, obligation, or other relief authorized by this Order shall be subject to the terms, conditions, and limitations of the order approving any debtor in possession financing and cash collateral use, including any budget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

15. Any stay applicable to this Order pursuant to Bankruptcy Rule 6004 is hereby waived.

16. This Order shall not apply to any professional retained by the Debtors pursuant to a separate application and related order of this Court.

17. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

Dated: January 31, 2017


The Honorable Kevin Gross
United States Bankruptcy Judge