



SO ORDERED.

SIGNED August 10, 2017.


ROBERT SUMMERHAYS
UNITED STATES BANKRUPTCY JUDGE

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION**

IN RE:

KNIGHT ENERGY HOLDINGS, LLC, *ET AL*¹

DEBTORS

CASE NO. 17-51014

(JOINTLY ADMINISTERED)

CHAPTER 11

JUDGE ROBERT SUMMERHAYS

**INTERIM ADMINISTRATIVE ORDER UNDER BANKRUPTCY CODE SECTIONS
105(a) AND 331 ESTABLISHING PROCEDURES FOR INTERIM COMPENSATION
AND REIMBURSEMENT OF EXPENSES FOR PROFESSIONALS**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are Knight Energy Holdings, LLC (1930) (Case No. 17-51014); Knight Oil Tools, LLC (2667) (Case No. 17-50105); Knight Manufacturing, LLC (0600) (Case No. 17-50106); KDCC, LLC, f/k/a Knight Well Services, LLC (4156) (Case No. 17-51018); Tri-Drill, LLC (4957) (Case No. 17-51018); Advanced Safety & Training Management, LLC, (0510) (Case No. 17-51019); Knight Security, LLC (0923) (Case No. 17-51020); Knight Information Systems, LLC (0000) (Case No. 17-51021); El Caballero Ranch, Inc. (7345) (Case No. 17-51022); Rayne Properties, LLC (0000) (Case No. 17-51023); Knight Aviation, LLC (3329) (Case No. 17-51024); Knight Research & Development, LLC (3760) (Case No. 17-51025); Knight Family Enterprises, LLC (7190) (Case No. 17-51026); HMC Leasing, LLC (0814) (Case No. 17-51027) and HMC Investments, LLC (0000) (Case No. 17-51028). The Debtors' service address is 2272 SE Evangeline Thruway, Lafayette, Louisiana 70508 other than Knight Manufacturing, LLC and Advanced Safety & Training Management, LLC. Knight Manufacturing, LLC's service address is 2810-A Melancon Road, Broussard, Louisiana 70518 and Advanced Safety & Training Management, LLC's service address is 1042 Forum Drive, Broussard, Louisiana 70518.

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Upon consideration of the *Motion for Administrative Order Under Bankruptcy Code Sections 105(a) and 331 Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Professionals* [Dkt. #17] (the “Motion”)², filed by Knight Energy Holdings, LLC, Knight Oil Tools, LLC, Knight Manufacturing, LLC, KDCC, LLC f/k/a Knight Well Services, LLC, Tri-Drill, LLC, Advanced Safety & Training Management, LLC, Knight Security, LLC, Knight Information Systems, LLC, El Caballero Ranch, Inc., Rayne Properties, LLC, Knight Aviation, LLC; Knight Research & Development, LLC; Knight Family Enterprises, LLC, HMC Leasing, LLC; and HMC Investments, LLC (collectively, the “Debtors”), and the Court finding that: (i) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) the relief requested in the Motion is in the best interests of the Debtors, their estates, and their creditors; (iv) proper and adequate notice of the Motion has been given and no other or further notice is necessary; and (v) upon the record herein after due deliberation thereon, good and sufficient cause exists for the granting of the relief as set forth herein; therefore:

IT IS ORDERED that the relief requested in the Motion is **GRANTED** on an interim basis as provided herein;

IT IS FURTHER ORDERED that except as may otherwise be provided in Court orders authorizing the retention of specific professionals, all Professionals (as defined in the Motion) may seek interim compensation in accordance with the following procedure:

- a. On or before the fifteenth (15th) day of the calendar month following the calendar month for which compensation is sought, the Professionals will submit a summary consisting of a brief statement as to the fees incurred and the costs incurred (a “Fee Summary”). Each such person receiving a Fee Summary will have ten (10) days after service as set forth above to review a Fee Summary. At the expiration of the ten (10) day period following service of a Fee Summary, if no objection (as

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Motion.

described below) is made to a Fee Summary, the Debtors shall be authorized to pay one hundred percent (100%) of the fees and expenses requested in the Professional's respective Fee Summary, subject to the holdback of an amount equal to twenty (20%) of the fees portion of the Fee Summary, which 20% holdback shall be held in the Professional's client trust account pending Court approval for payment.

- b. In the event any of the Service Parties objects to the compensation or reimbursement sought in a particular Fee Summary, such Service Party shall, within the ten (10) day period following the date of service of the Fee Summary, serve upon (i) the Professional whose Fee Summary is objected to, and (ii) except to the extent duplicative of the foregoing clause, the other Service Parties, a written "Notice of Objection to Fee Summary" with a statement setting forth the precise nature of the objection and the amount at issue. The Professional whose Fee Summary is objected to shall attempt to reach an agreement regarding the objection. If the parties are unable to reach an agreement on the objection(s) within ten (10) days after receipt of such objection(s), the Professional whose Fee Summary is objected to shall have the option of (i) filing the objection(s) together with a request for payment of the disputed amount with the Court, or (ii) foregoing payment of the disputed amount until the next interim fee application hearing, at which time the Court will consider and dispose of the objection(s) if payment of the disputed amount is requested. The Debtors will be required to pay promptly any portion of the fees and disbursements requested that are not the subject of a Notice of Objection to Fee Summary.
- c. The first Fee Summary shall be submitted to the Service Parties on or before the 15th day of the first full month following the Petition Date and shall cover the period from the commencement of the cases through the end of the month in which the cases were filed. Thereafter, each Fee Summary will be due by the 15th of the month following the month in which the services were rendered.
- d. Approximately every four (4) months (*i.e.*, every 120 days), or such time as the Court may prescribe, each of the Professionals shall file with the Court and serve an application for interim (or final) court approval and allowance, pursuant to Bankruptcy Code § 331, of the compensation and reimbursement of expenses requested for the prior four (4) months that incorporates the unfiled Fee Summaries. The first such application shall include the partial month in which the cases are filed together with the next four (4) months, and shall be filed no later than the fifteenth (15th) day of the month following the four full months to be dealt with. Each subsequent application will be at four (4) month intervals. Any Professional who fails to file an application when due shall be ineligible to receive further interim payments of fees or expenses as provided herein until such time as the application is submitted.
- e. The pendency of an application or a Court order that payment of compensation or reimbursement of expenses was improper as to a particular Fee Summary shall not disqualify a Professional from the future payment of compensation or reim-

bursement of expenses as set forth above, for later periods not covered by any such application or Fee Summary.

- f. Neither the payment of, nor the failure to pay, in whole or in part, monthly interim compensation and reimbursement as provided herein shall bind any party in interest or the Court with respect to the allowance of interim or final applications for compensation and reimbursement of any Professionals.

IT IS FURTHER ORDERED the Debtors shall make no payment pursuant to this Order unless authorized under the Budget, the DIP Orders, or any other cash collateral order or financing order entered in these Chapter 11 cases;

IT IS FURTHER ORDERED that the submission of the detailed time entries to the U.S. Trustee and the contents thereof shall remain confidential and shall not be disseminated by the U.S. Trustee to any party without further order of this Court and the act of submitting such detail shall not constitute a waiver of the attorney-client privilege or privilege as to the attorney work product. The Debtors, the United States Trustee's Office and any official committee appointed in these cases are reserving any and all rights to review the fees and expenses of Professionals set forth in interim applications and it is not necessary for the Debtors, the United States Trustee's Office and any official committee appointed in these cases to file objections to the monthly Fee Summaries to reserve those rights;

IT IS FURTHER ORDERED that each member of any official committee in this case be permitted to submit statements of expenses and supporting vouchers to counsel for any official committee (if and when appointed) who will collect and submit such requests for reimbursement in accordance with the foregoing procedure for monthly and interim compensation and reimbursement of Professionals;

IT IS FURTHER ORDERED that the Debtors shall include all payments to Professionals on their monthly operating reports, detailed so as to state the amount paid to each of the Professionals;

IT IS FURTHER ORDERED that any of the Debtors' Professionals who have received an advance payment or retainer prior to the Petition Date shall be entitled to maintain and retain the full amount of such advance payment or retainer during the chapter 11 cases to be applied to such Professionals' final application for the payment of fees and expenses herein;

IT IS FURTHER ORDERED that all time periods set forth in this Order shall be calculated in accordance with Rule 9006(a) of the Federal Rules of Bankruptcy Procedure;

IT IS FURTHER ORDERED that a final hearing will be held on the Motion on **August 25, 2017 at 1:30 p.m., Central Standard Time**, before the Honorable Robert Summerhays, United States Bankruptcy Court, Western District of Louisiana – Lafayette Division, 214 Jefferson Street, Suite 100, Lafayette, Louisiana 70501. Any interested party having an objection or response to the Application must file a written objection or response with the Clerk of Court, United States Bankruptcy Court, Western District of Louisiana – Lafayette Division by **August 21, 2017 at 5:00 p.m. CST** prior to the scheduled hearing and must serve a copy of the written objection or response on the Debtors through undersigned counsel by that date.

IT IS FURTHER ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

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This order was prepared and is being submitted by:

/s/ Tristan Manthey

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