

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

In re	§	Chapter 11
	§	
FAIRWAY ENERGY, LP, et al.,¹	§	Case No. 18-12684 (LSS)
	§	
Debtors.	§	(Jointly Administered)
	§	
	§	Ref. Docket No. 64

ORDER (A) AUTHORIZING AND APPROVING BIDDING PROCEDURES IN CONNECTION WITH THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS, (B) APPROVING PROCEDURES FOR DETERMINING CURE AMOUNTS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES, (C) APPROVING THE FORM AND MANNER OF NOTICES IN CONNECTION WITH THE SALE OF SUBSTANTIALLY ALL OF THE DEBTORS' ASSETS AND THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION THEREWITH, (D) SCHEDULING A HEARING ON APPROVAL OF THE PROPOSED SALE OF THE DEBTORS' ASSETS, AND (E) GRANTING RELATED RELIEF

The Court having considered the *Debtors' Motion for Entry of Orders: (I) (A) Authorizing and Approving Bidding Procedures in Connection with the Sale of Substantially All of the Debtors' Assets, (B) Approving Procedures for Determining Cure Amounts for Executory Contracts and Unexpired Leases, (C) Approving the Form and Manner of Notices in Connection with the Sale of Substantially All of the Debtors' Assets and the Assumption and Assignment of Executory Contracts and Unexpired Leases In Connection Therewith, (D) Scheduling a Hearing on Approval of the Proposed Sale of the Debtors' Assets, and (E) Granting Related Relief; and (II) (A) Approving the Sale of Substantially All of the Debtors' Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Authorizing and Approving the Debtors' Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection*

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtors' federal tax identification number, include: Fairway Energy, LP (4200); Fairway Energy Partners, LLC (7914); and Fairway Energy GP, LLC (7808). The location of the Debtors' service address is Three Riverway, Suite 1550, Houston, Texas 77056.

Therewith, and (C) Granting Related Relief [Docket No. 64] (the “Motion”)² filed in the above-captioned cases (the “Chapter 11 Cases”), any responsive pleadings filed in connection with the Motion, the record in the above-captioned cases, and the representations of counsel at the hearing on the Motion (the “Hearing”); and the Court having determined that notice of the Motion was adequate and sufficient; and after due deliberation and sufficient cause appearing therefor;

THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. This Court has jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334. This proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this district and in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory bases for the relief requested in the Motion are: (i) Sections 105, 363, and 365 of the Bankruptcy Code; (ii) Bankruptcy Rules 2002, 6004, 6006, 9007 and 9014; and (iii) Local Rules 2002-1, 6004-1, and 9006-1.

B. Notice of the Motion, having been provided as set forth and described in the Motion, is sufficient in light of the circumstances and the nature of the relief granted herein.

C. 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.

D. The Debtors have articulated good and sufficient reasons for this Court to: (i) approve the Bidding Procedures; (ii) approve the scheduling of the Bid Deadline, an Auction,

² Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Motion or the Bidding Procedures, as applicable.

and the Sale Hearing and approve the manner of notice of the Auction and Sale Hearing; and (iii) approve the procedures for the assumption and assignment of the Assumed and Assigned Contracts, including notice of proposed Cure Amounts.

E. The Bidding Procedures, in the form attached as **Exhibit 1** to this Order, are reasonable and appropriate and represent the best available method for maximizing value for the benefit of the Debtors' estates.

F. Notice of Sale. The Sale Notice, substantially in the form attached as **Exhibit 2** to this Order, is reasonably calculated and sufficient to provide interested parties with timely and proper notice of the proposed Sale, including, without limitation: (i) the date, time, and place of the Auction (if one is held); (ii) the Bidding Procedures; (iii) the deadline for filing objections to the Sale and entry of the Sale Order, and the date, time, and place of the Sale Hearing; (iv) reasonably specific identification of the Assets to be sold; (v) a description of the Sale as being free and clear of liens, claims, encumbrances and other interests (except as otherwise set forth in any Qualified PA, as applicable), with all such liens, claims, encumbrances and other interests attaching with the same validity and priority to the Sale proceeds; and (vi) notice of the proposed Assumption and Assignment Procedures, and no other or further notice of the Sale is or shall be required.

G. Assumption and Assignment Procedures. The Assumption and Assignment Procedures set forth herein, and the Assumption and Assignment Notice substantially in the form attached as **Exhibit 3** to this Order, are reasonably calculated to provide Contract Counterparties to any Contracts and/or Leases to be assumed by the Debtors and assigned to the Successful Bidder(s) with proper notice of the intended assumption and assignment of their Contracts and/or Leases, the procedures in connection therewith, and any Cure Amounts relating thereto.

H. Based upon the foregoing findings and conclusions, the Motion and the record before the Court with respect to the Motion, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as provided herein.
2. All objections to the relief requested in the Motion that have not been withdrawn, waived, or settled as announced to the Court at the hearing on the Motion, are overruled.

A. Important Dates and Deadlines

3. Sale Hearing. The Sale Hearing shall commence on **March 13, 2019, at 10:30 a.m. (Eastern Time)** before the Honorable Laurie Selber Silverstein at the United States Courthouse, 824 North Market Street, 6th Floor, Courtroom No. 2, Wilmington, DE 19801. The Debtors may adjourn the Sale Hearing without further notice other than by announcement in open Court or on the Court's calendar.

4. General Objection Deadline. Objections, if any, to the Sale, the assumption and assignment of the Assumed and Assigned Contracts, or any relief requested in the Motion other than the relief granted in this Order, including that any property or right (including an Assumed and Assigned Contract) cannot be transferred, sold, assumed, and/or assigned free and clear of all liens, encumbrances, claims and other interests, must be: (a) in writing; (b) signed by counsel or attested to by the objecting party; (c) in conformity with the Bankruptcy Rules and the Local Rules of this Court; (d) filed with the Clerk of the Court for the District of Delaware, United States Courthouse, 824 North Market Street, Wilmington, DE 19801, by no later than **4:00 p.m. (Eastern Time) on February 12, 2019** (the "General Objection Deadline"); and (e) served in accordance with the Local Rules so as to be received on or before the General Objection Deadline by the following: (i) the Debtors, Fairway Energy, LP, Attn.: Robert Flavin, 3 Riverway, Suite 1550, Houston, TX 77056, Email: robert.flavin@fairway midstream.com; (ii)

Piper Jaffray & Co., Attn.: Spencer Rippstein and Richard Shinder, 345 Park Avenue, Suite 1200, New York, NY 10154, E-mail: spencer.w.rippstein@pjc.com and richard.j.shinder@pjc.com; (iii) counsel for the Debtors, Haynes and Boone, LLP, Attn.: Patrick L. Hughes, 1221 McKinney, Suite 2100, Houston, TX, 77010, Email: patrick.hughes@haynesboone.com and Young Conaway Stargatt & Taylor, LLP, Attn.: Edmon Morton, 1000 North King Street, Wilmington, DE 19801, Email: EMorton@ycst.com; and (iv) counsel to Riverstone, White & Case LLP, Attn.: David Turetsky and Andrew Zatz, 1221 Avenue of the Americas, New York, NY 10020, Email: david.turetsky@whitecase.com and azatz@whitecase.com; and (v) the Office of the United States Trustee for the District of Delaware, Attn: Brya Keilson, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Email: Brya.Keilson@usdoj.gov (these procedures are collectively referred to as the “General Objection Procedures”). Each objection shall state the legal and factual basis of such objection.

5. Supplemental Objection Deadline. Objections to the conduct of the Auction or proceeding with the Sale to the Successful Bidder(s) or any Backup Successful Bidder(s) must be filed and served by **4:00 p.m. (Eastern Time) on March 11, 2019** (the “Supplemental Objection Deadline”) and must otherwise comply with the General Objection Procedures; provided, however, that Contract Counterparties may object up until the date of the Sale Hearing solely with respect to the issue of adequate assurance of future performance by any Successful Bidder other than a Stalking Horse Bidder (as defined below).

6. Only those objections made in compliance with this Order will be considered by the Court at the Sale Hearing. The failure of any objecting party to file an objection by the General Objection Deadline or the Supplemental Objection Deadline, as applicable, and in

accordance with the General Objection Procedures will be a bar to the assertion, at the Sale Hearing or thereafter, of any objection (including to the Sale and assumption and assignment of the Assumed and Assigned Contracts free and clear of liens, claims, encumbrances and other interests (except as otherwise set forth in the applicable purchase and sale agreement)) and shall be deemed to constitute consent to the entry of the Sale Order and consummation of the Sale and all transactions related thereto, including, without limitation, such assumption and assignment.

7. Deadline for Initial Indications. All non-binding Initial Indications by any third party interested in submitting any proposal or offer for the Assets must be submitted to the Debtors in accordance with the Bidding Procedures on or before **February 18, 2019 at 4:00 p.m. (Eastern Time)**. The failure to submit an Initial Indication shall not preclude a Potential Bidder from submitting a Qualified Bid.

8. Bid Deadline. All bids by any third party that is interested in acquiring some or all of the Assets (each, a “Bid”) must be actually received by the Notice Parties specified in the Bidding Procedures on or prior to **4:00 p.m. (Eastern Time) on February 27, 2019** (the “Bid Deadline”).

9. Auction. If necessary, an Auction with respect to the Assets will be held at the offices of Debtors’ counsel: Haynes and Boone, LLP, 1221 McKinney, Suite 2100, Houston, Texas 77010, commencing at **10:00 a.m. (Central Time) on March 7, 2019**. As set forth in the Bidding Procedures, only Qualified Bidders may bid at the Auction. The Auction will be conducted openly, and the U.S. Trustee, any Committee, and creditors of the Debtors, and each of the foregoing’s legal and financial advisors, may attend the Auction.

B. Auction, Bidding Procedures, and Related Relief

10. The Bidding Procedures, attached hereto as Exhibit 1, are hereby authorized, approved and made part of this Order as if fully set forth herein. The Bidding Procedures shall

govern the submission, receipt, and analysis of all Bids relating to the proposed Sale. Any party desiring to bid on the Assets shall comply with the Bidding Procedures and this Order. The Debtors are authorized to take any and all actions necessary to implement the Bidding Procedures.

11. A Qualified Bidder must confirm that it has not engaged in any collusion with respect to the bidding or the Sale.

12. Riverstone, or its designee, shall be entitled to credit bid all or a portion of the outstanding obligations owing under the DIP Loan Documents and the Prepetition Loan Documents (each as defined in the DIP Order) in accordance with Section 363(k) of the Bankruptcy Code, and nothing herein shall prejudice or impair such credit bid rights. For the avoidance of doubt, every dollar of a credit bid shall be treated the same as a dollar from a cash bid. Riverstone, or its designee, shall be deemed a Qualified Bidder for all purposes hereunder, and any Bid submitted by Riverstone, or its designee, irrespective of whether such Bid is submitted by the Bid Deadline, shall be deemed to be a Qualified Bid for all purposes hereunder; provided that, if an Auction is conducted, to be a Qualified Bidder, Riverstone must submit a Bid before the commencement of the Auction.

13. In the event that the Debtors timely receive more than one Qualified Bid, the Debtors may determine, in the exercise of their sound business judgment and in consultation with Riverstone and any official committee appointed in these Chapter 11 Cases (a "Committee"), to schedule an Auction to request additional competitive Bids from Qualified Bidders with respect to the Assets in accordance with the Bidding Procedures.

14. If the Debtors do not receive any Qualified Bids, the Debtors shall report the same to the Court. If the Debtors do not receive any Qualified Bids with respect to any or all of the

Assets other than a Bid by Riverstone or its designee, the Debtors shall report the same to the Court and, in such circumstances, the Debtors shall promptly proceed to seek entry of the Sale Order approving such Bid by Riverstone or its designee, except as may be otherwise agreed to by the Debtors and Riverstone.

15. Subject to the final approval of this Court, the Debtors are authorized to determine in their business judgment, in consultation with Riverstone and any Committee, and pursuant to the Bidding Procedures, the highest or otherwise best Bid(s) and the Successful Bidder(s) or Backup Successful Bidder(s) for the Assets. Notwithstanding the foregoing, or anything else in this Order or the Bidding Procedures to the contrary, in the event Riverstone submits a Bid, the Debtors shall not consult with Riverstone regarding the conduct of the Auction or the selection of the Successful Bidder(s) and Backup Successful Bidder(s).

16. Following entry of this Order, the Debtors shall be authorized, but not obligated, in an exercise of their business judgment and after consulting with Riverstone and any Committee, to select one or more Potential Bidders to act as a stalking horse bidder (a “Stalking Horse Bidder”) for all or any portion of the Assets (which Stalking Horse Bidder may be Riverstone pursuant to a credit bid or otherwise), and may agree to provide such Stalking Horse Bidder(s) certain bid protections, including an expense reimbursement and/or a break-up fee (the “Bid Protections”); provided that any such Bid Protections shall be subject to approval by the Court, which the Debtors may seek on an expedited basis pursuant to Section 105(a) of the Bankruptcy Code and Local Rule 9006-1(e).

17. Except for a Stalking Horse Bidder, if any, no person or entity shall be entitled to any expense reimbursement, break-up fee, termination fee, or other similar fee or payment, and by submitting a Bid, such person or entity is deemed to have waived their right to request or to

file with this Court any request for expense reimbursement or any fee of any nature, including whether by virtue of Section 503(b) of the Bankruptcy Code or otherwise; provided that the foregoing shall not impair Riverstone's ability to seek reimbursement of expenses, or any other payments, as authorized under separate court order (including, without limitation, any order authorizing postpetition financing).

C. Assumption and Assignment Procedures

18. The following procedures regarding the assumption and assignment of the Assumed and Assigned Contracts in connection with the Sale are hereby approved to the extent set forth herein, and shall govern the assumption and assignment of all Assumed and Assigned Contracts proposed to be assumed by the Debtors pursuant to Section 365(b) of the Bankruptcy Code and assigned to the Successful Bidder(s) following a Sale or Sales pursuant to Section 365(f) of the Bankruptcy Code.

19. As promptly as possible after the entry of this Order, the Debtors shall serve on all Contract Counterparties an Assumption and Assignment Notice substantially in the form attached hereto as **Exhibit 3**, that identifies, to the extent applicable: (i) the Assumed and Assigned Contract(s) that may be assumed by the Debtors and assigned to the Successful Bidder(s); (ii) the name and address of the Contract Counterparty thereto; (iii) notice of the proposed effective date of the assignment (subject to the right of the Debtors and Purchaser (as such term shall be defined in the Sale Order) to withdraw such request for assumption and assignment of the Assumed and Assigned Contract(s) prior to the Closing); (iv) the amount, if any, determined by the Debtors to be necessary to be paid to cure any existing default in accordance with Sections 365(b) and 365(f)(2) of the Bankruptcy Code (the "Cure Amount"); and (v) the deadlines by which any such Contract Counterparty must file an objection to the proposed assumption and assignment of any Assumed and Assigned Contract, which shall be at

least 14 days after service of the Assumption and Assignment Notice; provided, however, that the presence of any Contract or Lease on an Assumption and Assignment Notice does not constitute an admission by the Debtors that such Contract or Lease is an executory contract or unexpired lease.

20. As soon as practicable after the conclusion of the Auction, but no later than 12:00 p.m. (Eastern Time) the next day, the Debtors shall file with the Court a notice identifying the Successful Bidder(s) and Backup Successful Bidder(s). Such notice will also be made available at <https://cases.primeclerk.com/fairwayenergy>. To the extent the Debtors propose to assume and assign any Assumed and Assigned Contracts to one or more Successful Bidder(s), such notice must be served by facsimile, electronic transmission, overnight, or first class mail on the Contract Counterparty (and its attorney, if known) to each Assumed and Assigned Contract, and such notice must: (i) state which Assumed and Assigned Contracts will be assumed and assigned to the Successful Bidder(s); and (ii) contain a statement as to the Successful Bidder(s)' ability to perform the Debtors' obligations under the applicable Assumed and Assigned Contracts.

21. All objections to the assumption and assignment of any Assumed and Assigned Contract, including, without limitation, any objection to the Debtors' proposed Cure Amount or the provision of adequate assurance of future performance under any Assumed and Assigned Contract pursuant to Section 365 of the Bankruptcy Code ("Adequate Assurance") must: (i) comply with the General Objection Procedures; (ii) identify the Contract(s) or Lease(s) to which the objector is party; (iii) describe with particularity any cure the claimant contends is required under Section 365 of the Bankruptcy Code (the "Cure Claim") and identify the basis(es) of the alleged Cure Claim under the Contract or Lease; (iv) attach all documents supporting or

evidencing the Cure Claim; and (v) if the response contains an objection to Adequate Assurance, state with specificity what the objecting party believes is required to provide Adequate Assurance (collectively with the General Objection Procedures, the “Assigned Contract Objection Procedures”).

22. If no objection is timely and properly filed and served in accordance with the Assigned Contract Objection Procedures, (i) the Cure Amount set forth in the Assumption and Assignment Notice shall be controlling notwithstanding anything to the contrary in any Assumed and Assigned Contract or other document and the Contract Counterparty thereto shall be forever barred from asserting any other claim or objection under Section 365(b)(1)(A) and (B) of the Bankruptcy Code or otherwise, including, without limitation, any objection to the assignability of any of the Debtors’ assets, contracts, or leases, against the Debtors or Purchaser with respect to such Assumed and Assigned Contract arising prior to the assignment thereof, and (ii) the Purchaser’s promise to perform under the Assumed and Assigned Contract shall be deemed Adequate Assurance thereunder. To the extent the Debtors dispute any Cure Claim and such dispute is not resolved prior to the Sale Hearing, such dispute shall be presented to the Court at the Sale Hearing, or such later date and time as the Debtors and the objector may agree or the Court may order, but such dispute shall not affect in any way the effectiveness of any assumption and assignment of any Assumed and Assigned Contract.

23. If at any time after service of the Assumption and Assignment Notice, the Debtors identify additional prepetition executory contracts and/or unexpired leases to be assumed and assigned to the Purchaser as Assumed and Assigned Contracts (whether before or after closing of any Sale(s) of relevant Assets), the Debtors shall serve a supplemental Assumption and Assignment Notice by first-class mail, facsimile, electronic transmission, or overnight mail on

the Contract Counterparty (and its attorney, if known) to each supplemental Assumed and Assigned Contract at the last known address available to the Debtors by no later than fourteen (14) calendar days before the proposed effective date of the assignment. A Contract Counterparty receiving any such supplemental Assumption and Assignment Notice shall have until the later of (i) the General Objection Deadline, or (ii) ten (10) days from service of the supplemental Assumption and Assignment Notice to file an objection to the assumption and assignment of its Contract(s) and/or Lease(s) in accordance with the Assigned Contract Objection Procedures set forth herein.

D. Sale Notice

24. The Sale Notice is hereby approved. Within three (3) business days of the entry of this Order, the Debtors shall serve the Sale Notice by first-class mail, postage prepaid, facsimile, electronic transmission, or overnight mail upon: (i) all entities contacted by Piper, Jaffray & Co. (“Piper”) or reasonably believed by the Debtors to have expressed an interest in a Proposed Transaction with respect to the Assets during the past fifteen (15) months; (ii) all state and local taxing authorities or recording offices which have a reasonably known interest in the relief requested; (iii) all of the Debtors’ insurers; (iv) all non-Debtor parties to relevant contracts or leases (executory or otherwise); (v) all parties who are known or reasonably believed, after reasonable inquiry, to have asserted any lien, encumbrance, claim, or other interests in the Assets; (vi) the parties that have filed proofs of claim in the Chapter 11 Cases as of the date of entry of this Order; (vii) the parties that have filed a written request for notice in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002; (viii) the office of the United States Trustee; and (ix) all parties set forth in the Debtors’ Master Service List maintained in the Chapter 11 Cases (to the extent any party to receive notice thereby has not received notice pursuant to sections (i) through (viii) above). In addition, the Debtors will publish an abbreviated Sale Notice in The

Wall Street Journal and The Houston Chronicle at least ten (10) days prior to the Auction. The Debtors will also post the Sale Notice and the Bidding Procedures Order on the website of the Debtors' claims and noticing agent, at <https://cases.primeclerk.com/fairwayenergy/>.

E. Miscellaneous

25. The failure to include or reference a particular provision of the Bidding Procedures specifically in this Order shall not diminish or impair the effectiveness and enforceability of such a provision.

26. The Debtors are authorized to take all actions necessary and appropriate to implement and effectuate the relief granted pursuant to this Order in accordance with the Motion and to incur and pay costs and expenses and do other things as may be necessary and appropriate to comply with the requirements established by the Bidding Procedures and this Order subject to the Budget under (and as defined in) the applicable order authorizing the Debtors to incur postpetition financing.

27. The Debtors are authorized to conduct the Sale without the necessity of complying with any state or local bulk transfer laws or requirements.

28. The Debtors shall file the proposed Sale Order approving the Sale(s) to the Successful Bidder(s) at least two (2) days prior to the Sale Hearing.

29. In the event of any conflict between this Order and any applicable Qualified PA, the terms of this Order shall control.

30. Any stay of this Order, whether arising from Bankruptcy Rules 6004 and/or 6006 or otherwise, is hereby expressly waived and the terms and conditions of this Order shall be effective and enforceable immediately upon its entry.

31. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.



LAURIE SELBER SILVERSTEIN
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Bidding Procedures

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

In re	§	Chapter 11
	§	
FAIRWAY ENERGY, LP, et al.,¹	§	Case No. 18-12684 (LSS)
	§	
Debtors.	§	(Jointly Administered)
	§	

BIDDING PROCEDURES

On January ____, 2019, the United States Bankruptcy Court for the District of Delaware (the “Court”) entered the *Order (A) Authorizing and Approving Bidding Procedures in Connection with the Sale of Substantially All of the Debtors’ Assets, (B) Approving Procedures for Determining Cure Amounts for Executory Contracts and Unexpired Leases, (C) Approving the Form and Manner of Notices in Connection with the Sale of Substantially All of the Debtors’ Assets and the Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection Therewith, (D) Scheduling a Hearing on Approval of the Proposed Sale of the Debtors’ Assets, and (E) Granting Related Relief* [Docket No. ____] (the “Sale Procedures Order”), in which the Court approved the following procedures (the “Bidding Procedures”) setting forth the process by which Fairway Energy, LP, and its debtors affiliates, as debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), are authorized to conduct a sale or sales (the “Sale”) of all or substantially all of the Debtors’ assets, including, without limitation, all property and assets held by Fairway Energy Partners, LLC (“FEP LLC”) and the equity interests in FEP LLC (collectively, the “Assets”).

1. Property to be Sold

The Assets include the Debtors’ underground storage facility south of Houston, Texas, including, but not limited to, salt cavern oil storage facilities, and the various pipelines, machinery and production equipment appurtenant to or used in connection with the Debtors’ operations. The Assets will be sold free and clear of all liens, claims, encumbrances and other interests (except as otherwise set forth in the applicable purchase and sale agreement).

The Debtors may consider bids for all or substantially all of the Assets in a single bid from a single bidder or multiple bids from multiple bidders for the Assets.

2. Due Diligence

Subject to a party’s (i) execution of a confidentiality agreement (each, a “Confidentiality Agreement”) in form and substance satisfactory to the Debtors, their advisors, and Riverstone Credit Partners, L.P., as the Prepetition Agent (as defined in the *Interim Order Pursuant to*

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtors’ federal tax identification number, include: Fairway Energy, LP (4200); Fairway Energy Partners, LLC (7914); and Fairway Energy GP, LLC (7808). The location of the Debtors’ service address is Three Riverway, Suite 1550, Houston, Texas 77056.

Sections 105, 361, 362, 363 and 364 of the Bankruptcy Code and Rules 2002, 4001, 6004, and 9014 of the Federal Rules of Bankruptcy Procedure (A) Authorizing the Debtors to (I) Use Cash Collateral, (II) Obtain Secured Superpriority Administrative Claims, (III) Provide Adequate Protection, (B) Scheduling Final Hearing, and (C) Granting Related Relief [Docket No. 45] (the “DIP Order”)) and Riverstone Credit Management LLC, as DIP Agent (as defined in the DIP Order, and together with the Prepetition Agent, “Riverstone”), and (ii) delivery of financial and other information sufficient for the Debtors, in consultation with Riverstone and any official committee appointed in the Debtors’ Chapter 11 Cases (a “Committee”), to make a reasonable determination as to such party’s financial and other capabilities to consummate an acquisition of the Assets within the time frame set forth for closing the Sale (the “Proposed Transaction”), any party willing to submit any proposal, solicitation or offer (each, a “Bid”) for the Assets (such party, a “Potential Bidder”) may be granted access to public and non-public information relating to the Assets to facilitate its consideration of making its Bid, including access to Piper, Jaffray & Co.’s (“Piper”) on-line data room for the Debtors (the “Due Diligence Data Room”).

The Debtors shall provide to each Potential Bidder reasonable due diligence information as necessary to enable such Potential Bidder to evaluate the Assets. Potential Bidders interested in conducting due diligence should contact the Debtors’ investment banker, Piper Jaffray & Co, Attn: Spencer Rippstein and Richard Shinder, 345 Park Avenue, Suite 1200, New York, NY 10154, E-mail: spencer.w.rippstein@pjc.com and richard.j.shinder@pjc.com. The Debtors shall have no obligation to furnish any due diligence information after the Bid Deadline and shall have no obligation to furnish due diligence information requested by one Potential Bidder to other Potential Bidders.

In connection with the provision of due diligence information to Potential Bidders, the Debtors shall not furnish any confidential information relating to the Assets, liabilities of the Debtors, or the Sale to any person except a Potential Bidder or such Potential Bidder’s duly-authorized representatives to the extent covered by the applicable Confidentiality Agreement.

The Debtors and their advisors shall coordinate all reasonable requests for additional information and due diligence access from Potential Bidders; provided, however, that the Debtors may decline to provide such information to any Potential Bidder who, in the Debtors’ reasonable business judgment after consultation with Riverstone and any Committee, has not established that such Potential Bidder intends in good faith to, or has the capacity to, consummate the Proposed Transaction. No conditions relating to the completion of due diligence shall be permitted to exist after the Bid Deadline.

3. “As is, Where is”

Other than as specifically provided in a Qualified PA(s) (as defined below), as applicable, any Sale or Sales shall be without representation or warranties of any kind, nature or description by the Debtors, their agents or their estates. All of the Assets shall be transferred “as is,” “where is” and “with all faults.” THE DEBTORS EXPRESSLY DISCLAIM ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND MAKE NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE NATURE, QUALITY, VALUE OR CONDITION OF ANY ASSET. Except as otherwise provided in any applicable Qualified PA,

all of the Debtors' right, title, and interest in and to the respective Assets will be transferred free and clear of all liens, claims, encumbrances and other interests in accordance with Section 363(f) of the Bankruptcy Code.

Each Potential Bidder will be deemed to acknowledge and represent that it: (a) has had an opportunity to conduct due diligence regarding the Assets prior to making its Bid; (b) has relied solely upon its own independent review, investigation, and inspection of any document including, without limitation, executory contracts and unexpired leases, in making its Bid; and (c) did not rely upon or receive any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, with respect to the Assets, or the completeness of any information provided in connection with the Sale or the Auction (as defined below).

4. Initial Indication of Interest

Any Potential Bidder is invited to submit a non-binding initial indication of interest (an "Initial Indication") for the Debtors' Assets on or before **February 18, 2019 at 4:00 p.m. (Eastern Time)**. Initial Indications should be submitted in writing to the following parties: (i) the Debtors, Fairway Energy, LP, Attn.: Robert Flavin, 3 Riverway, Suite 1550, Houston, TX 77056, Email: robert.flavin@fairwaymidstream.com; (ii) Piper Jaffray & Co., Attn.: Spencer Rippstein and Richard Shinder, 345 Park Avenue, Suite 1200, New York, NY 10154, E-mail: spencer.w.rippstein@pjc.com and richard.j.shinder@pjc.com; (iii) counsel for the Debtors, Haynes and Boone, LLP, Attn.: Patrick L. Hughes, 1221 McKinney, Suite 2100, Houston, TX, 77010, Email: patrick.hughes@haynesboone.com and Young Conaway Stargatt & Taylor, LLP, Attn.: Edmon Morton, 1000 North King Street, Wilmington, DE 19801, Email: EMorton@ycst.com; and (iv) counsel to Riverstone, White & Case LLP, Attn.: David Turetsky and Andrew Zatz, 1221 Avenue of the Americas, New York, NY 10020, Email: david.turetsky@whitecase.com and azatz@whitecase.com. The failure to submit an Initial Indication shall not preclude a Potential Bidder from submitting a Qualified Bid pursuant to the procedures outlined below.

5. Qualified Bids

In order to constitute a Qualified Bid (as defined below), any Bid submitted by a bidder (each, a "Bidder") must (i) be submitted in writing so as to be actually received by the Notice Parties (as defined below) on or prior to **4:00 p.m. (Eastern Time) on February 27, 2019** (the "Bid Deadline"), and (ii) satisfy the following requirements, as determined by the Debtors in their reasonable business judgment after consultation with Riverstone and any Committee (collectively, the "Bid Requirements"):

- a. Contain a signed definitive asset purchase agreement (together with a copy of the signed agreement that is marked to show changes from the Form PA (as defined below)) (a "Qualified PA") that shall: (i) identify the Assets the Bidder seeks to purchase; and (ii) contain the form of and total consideration to be paid by such Bidder, including the amount of proposed cash consideration and liabilities to be assumed (the "Assumed Liabilities"), with such consideration allocated on an asset-by-asset basis.

- b. Not be subject to any: (i) financing contingency; (ii) contingency relating to due diligence after the Bid Deadline; (iii) contingency relating to the approval of the Bidder's board of directors or other internal approvals or non-governmental third-party consents or approvals; or (iv) any conditions precedent to the Bidder's obligation to purchase the Assets other than those included in the Form PA.
- c. Provide that the purchase price will be paid in cash, cash equivalents, or such other consideration acceptable to the Debtors, in consultation with Riverstone and any Committee.
- d. Be accompanied by the provision of a certified or bank check or wire transfer in the amount of at least 10% of the purchase price proposed in the Qualified PA as a good faith deposit (the "Good Faith Deposit"), which shall serve as liquidated damages if the Bidder defaults with respect to its Bid. Riverstone, or its designee, shall not be required to submit a Good Faith Deposit in connection with the submission of a Bid or the exercise of its credit bid rights.
- e. Not be conditioned upon the Court's approval of any bid protections, such as a break-up fee, termination fee, expense reimbursement, working fee or similar type of agreement.
- f. Contain a written statement that the Bidder agrees to be bound by the terms of the Bidding Procedures and the Sale Procedures Order and include a commitment that the Bidder shall (i) commence and complete all filings with respect to necessary government and other approvals within three (3) days following the entry of the Sale Order with respect to the relevant Assets, and (ii) consummate the purchase of the relevant Assets by the later to occur of (a) twenty-one (21) days following entry of the Sale Order, or (b) the date on which all required consents, approvals, or other transfer requirements are obtained.
- g. Identify each and every executory contract ("Contract") and unexpired lease ("Lease") it intends to assume; provided, however, that such list of contracts may be later modified to the extent permitted under the Qualified PA or Sale Procedures Order.
- h. Be accompanied by evidence satisfactory to the Debtors, in consultation with Riverstone and any Committee, that the Bidder is willing, authorized (including by such Bidder's board of directors or comparable governing body), capable and qualified financially, operationally, legally and otherwise, of unconditionally performing all obligations under the Qualified PA, including, without limitation, (i) all Assumed Liabilities with respect to the relevant Assets, and (ii) the ability to provide adequate assurance of future performance under Contracts and Leases to be assumed pursuant to Section 365 of the Bankruptcy Code. The Bid will also contain written evidence of a firm commitment for financing or other evidence of ability to consummate the proposed transaction without financing; provided however, that the Debtors will determine in their business judgment and in

consultation with Riverstone and any Committee whether the written evidence of such financial wherewithal is acceptable; provided further, that such evidence need not be provided by Riverstone or its designee in connection with its Bid or the exercise of its credit bid rights.

- i. Provide (i) that the Bidder agrees to serve as the Backup Successful Bid (as defined below) if it is selected as the next highest and best bid for any particular Assets after the Successful Bid is determined in accordance with the Bidding Procedures, and (ii) that such Bid shall remain open and irrevocable until the later of (a) sixty (60) days after the entry of the Sale Order, or (b) the date on which all required consents, approvals, or other transfer requirements are obtained.
- j. Fully disclose the identity of each entity that will be bidding in any Auction scheduled by the Debtors (and any equity holders in the case of a Bidder which is an entity specially formed for the purposes of effectuating the contemplated transaction) and the representatives thereof who are authorized to appear and act on their behalf for all purposes regarding the contemplated transaction.
- k. Expressly acknowledge and represent that the Bidder: (i) has had an opportunity to conduct any and all due diligence prior to making its Bid; (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents, or that of any of its legal, financial, or other advisors, in making its Bid; (iii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the business of the Debtors, the Assets, or the proposed Sale, or the completeness or accuracy of any information provided in connection therewith, except as expressly stated in the representations and warranties contained in a Purchase and Sale Agreement accepted and executed by the Debtors; and (iv) accepts and consents to the Bidding Procedures and acknowledges the Court's exclusive jurisdiction to resolve issues related thereto.
- l. Be submitted to (collectively, the "Notice Parties"): (i) the Debtors, Fairway Energy, LP, Attn.: Robert Flavin, 3 Riverway, Suite 1550, Houston, TX 77056, Email: robert.flavin@fairwaymidstream.com; (ii) Piper Jaffray & Co., Attn.: Spencer Rippstein and Richard Shinder, 345 Park Avenue, Suite 1200, New York, NY 10154, E-mail: spencer.w.rippstein@pjc.com and richard.j.shinder@pjc.com; (iii) counsel for the Debtors, Haynes and Boone, LLP, Attn.: Patrick L. Hughes, 1221 McKinney, Suite 2100, Houston, TX, 77010, Email: patrick.hughes@haynesboone.com and Young Conaway Stargatt & Taylor, LLP, Attn.: Edmon Morton, 1000 North King Street, Wilmington, DE 19801, Email: EMorton@ycst.com; and (iv) counsel to Riverstone, White & Case LLP, Attn.: David Turetsky and Andrew Zatz, 1221 Avenue of the Americas, New York, NY 10020, Email: david.turetsky@whitecase.com and azatz@whitecase.com.

- m. The Debtors, with the prior written consent of Riverstone, may extend the Bid Deadline until up to the start of the Auction without further notice, but shall not be obligated to do so.

6. Qualified Bidders

A Bid that satisfies each of the Bid Requirements, as determined in the Debtors' reasonable business judgment after consultation with Riverstone and any Committee, shall constitute a "Qualified Bid," and the Bidder submitting such Bid shall be a "Qualified Bidder." The Debtors shall notify each Qualified Bidder that such party is a Qualified Bidder within two (2) business days after the Bid Deadline. Notwithstanding the foregoing, any bidder may submit a Bid of any kind (including for a proposed, but unfiled, chapter 11 plan), whether or not such Bid satisfies the Bid Requirements, and the Debtors, in their reasonable business judgment after consultation with Riverstone and any Committee, may determine that such a Bid is a Qualified Bid.

If any Bid is determined by the Debtors, in consultation with Riverstone and any Committee, not to be a Qualified Bid, the Debtors shall cause such Bidder to be refunded its Good Faith Deposit and all accumulated interest thereon within three (3) business days after the Bid Deadline.

Riverstone, or its designee, is deemed a Qualified Bidder for all purposes hereunder regardless of whether it submits a Bid by the Bid Deadline.

Between the date that the Debtors notify a Potential Bidder that it is a Qualified Bidder and the Auction, the Debtors may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder. A Qualified Bidder may not modify, amend, or withdraw its Qualified Bid without the prior written consent of the Debtors, except for proposed amendments to increase the consideration contemplated by, or otherwise improve the terms of, the Qualified Bid, during the period that such Qualified Bid remains binding as specified herein; provided, that any Qualified Bid may be improved at the Auction as set forth herein. Any improved Qualified Bid must continue to comply with the requirements for Qualified Bids herein.

Notwithstanding anything herein to the contrary, the Debtors reserve the right to work with (a) Potential Bidders to aggregate two or more Bids into a single consolidated Qualified Bid prior to the Bid Deadline or (b) Qualified Bidders to aggregate two or more Qualified Bids into a single Qualified Bid prior to the conclusion of the Auction. The Debtors reserve the right to cooperate with any Bidder in advance of the Auction to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid.

7. Bids on Individual Assets Are Permitted

Bids may be submitted for any part of the Assets. There is no requirement that a Bid be made solely for the entirety of the Assets. Bidders may also submit multiple Bids for different Assets or groups of Assets.

8. Right to Credit Bid

Riverstone, or its designee, shall be entitled to credit bid all or a portion of the outstanding obligations owing under the DIP Loan Documents and the Prepetition Loan Documents (each as defined in the DIP Order) in accordance with Section 363(k) of the Bankruptcy Code. Riverstone, or its designee, shall be deemed to be a Qualified Bidder for all purposes hereunder, and any Bid timely submitted by Riverstone shall be deemed to be a Qualified Bid for all purposes hereunder regardless of whether such Bid is submitted by the Bid Deadline; provided that, if an Auction is conducted, to be a Qualified Bidder, Riverstone must submit a Bid before the commencement of the Auction. Notwithstanding anything to the contrary in these Bidding Procedures, in the event Riverstone submits a Bid, the Debtors shall not consult with Riverstone regarding the conduct of the Auction or the selection of the Successful Bidder(s) and Backup Successful Bidder(s).

9. Stalking Horse Bidder

Following entry of the Sale Procedures Order, the Debtors shall be authorized, but not obligated, in an exercise of their business judgment and after consulting with Riverstone and any committee, to select one or more Potential Bidders to act as a stalking horse bidder (a “Stalking Horse Bidder”) for all or any portion of the Assets (which Stalking Horse Bidder may be Riverstone pursuant to a credit bid or otherwise), and may agree to provide such Stalking Horse Bidder(s) certain bid protections, including an expense reimbursement and/or a break-up fee (the “Bid Protections”); provided that any such Bid Protections shall be subject to approval by the Court, which the Debtors may seek on an expedited basis pursuant to Section 105(a) of the Bankruptcy Code and Local Rule 9006-1(e).

Other than a Stalking Horse Bidder approved by the Debtors, with the prior written consent of Riverstone, no person or entity shall be permitted to request, nor be granted by the Debtors, at any time, whether as part of the Auction or otherwise, a break-up fee, expense reimbursement, termination fee, or any other similar form of compensation, and by submitting a Bid, such person or entity is deemed to have waived the right to request or file with the Court any request for expense reimbursement or any fee of any nature, including under section 503(b) of the Bankruptcy Code; provided that the foregoing shall not impair Riverstone’s ability to seek reimbursement of expenses, or any other payments, as authorized under separate court order (including, without limitation, the DIP Order).

10. Notice Procedures

a. Notice of Auction and Sale Hearing

Promptly after entry of the Sale Procedures Order, the Debtors will cause the Notice of Auction and Sale Hearing, substantially in the form attached as **Exhibit 2** to the Sale Procedures Order (the “Sale Notice”), to be served by first-class mail, postage prepaid, facsimile, electronic transmission, or overnight mail upon: (i) all entities contacted by Piper or reasonably believed by the Debtors to have expressed an interest in a Proposed Transaction with respect to the Assets during the past fifteen (15) months; (ii) all state and local taxing authorities or recording offices which have a reasonably known interest in the relief requested; (iii) all of the Debtors’ insurers;

(iv) all non-debtors parties to relevant contracts or leases (executory or otherwise); (v) all parties who are known or reasonably believed, after reasonable inquiry, to have asserted any lien, encumbrance, claim, or other interests in the Assets; (vi) the parties that have filed proofs of claim in the Chapter 11 Cases; (vii) the parties who have filed written request for notice in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002; (viii) the office of the U.S. Trustee; and (ix) all parties set forth in the Debtors' Master Service List maintained in the Chapter 11 Cases (to the extent any party to receive notice thereby has not received notice pursuant to sections (i) through (viii) above).

In addition, the Debtors will publish an abbreviated Sale Notice in The Wall Street Journal and The Houston Chronicle at least ten (10) days prior to the Auction. The Debtors will also post the Sale Notice and the Sale Procedures Order on the website of the Debtors' claims and noticing agent, at <https://cases.primeclerk.com/fairwayenergy/>.

b. Notice of Assumption and Assignment of Contracts

Promptly after the entry of the Sale Procedures Order, the Debtors will serve the Assumption and Assignment Notice, substantially in the form attached as **Exhibit 3** to the Sale Procedures Order (the "Assumption and Assignment Notice"), by first-class mail, facsimile, electronic transmission, or overnight mail on (a) each counterparty (a "Contract Counterparty") to the Debtors' Contracts and Leases and its attorney, if known, in each case, at the last known address available to the Debtor.

The Assumption and Assignment Notice shall set forth the following information: (i) the Contract(s) and/or Lease(s) that may be assumed by the Debtors and assigned to the Successful Bidder(s) (collectively, the "Assumed and Assigned Contracts"); (ii) the name and address of the Contract Counterparty thereto; (iii) the amount, if any, determined by the Debtors to be necessary to be paid to cure any existing default in accordance with Sections 365(b) and 365(f)(2) of the Bankruptcy Code (the "Cure Amount"); and (iv) the deadlines by which any such Contract Counterparty must file an objection to the proposed assumption and assignment of any Assumed and Assigned Contract, which shall be at least 14 days after service of the Assumption and Assignment Notice; provided, however, that the presence of any Contract or Lease on an Assumption and Assignment Notice does not constitute an admission that such Contract or Lease is an executory contract or unexpired lease.

As soon as practicable after the conclusion of the Auction, but no later than 12:00 p.m. (Eastern Time) the next day, the Debtors shall file with the Court a notice identifying the Successful Bidder(s) and Backup Successful Bidder(s). Such notice will also be made available at <https://cases.primeclerk.com/fairwayenergy/>. To the extent the Debtors propose to assume and assign any Assumed and Assigned Contracts to one or more Successful Bidder(s), the Debtors shall serve such notice by facsimile, electronic transmission, overnight, or first class mail on the Contract Counterparty (and its attorney, if known) to each Assumed and Assigned Contract, and the notice shall: (i) state which Contract(s) and/or Lease(s) will be assumed and assigned to the Successful Bidder(s); and (ii) contain a statement as to the Successful Bidder(s)' ability to perform the Debtors' obligations under the applicable Assumed and Assigned Contracts.

c. Form PA

No later than three (3) business days following the Sale Procedures Hearing (as such deadline may be extended with the prior written consent of Riverstone), the Debtors shall file with the Court, after consulting with Riverstone and any Committee, a form of purchase agreement (the "Form PA") and shall make such Form PA available in electronic form in the Due Diligence Data Room for Potential Bidders to revise and mark against in connection with the submission of any Qualified Bid.

11. No Qualified Bids

If only one Qualified Bid is received by the Debtors with respect to the Assets, the Debtors shall, subject to Riverstone's consent, not hold an Auction, and such Qualified Bid shall be the Successful Bid. If the Debtors do not receive any Qualified Bids, the Debtors shall report the same to the Court and shall not hold an Auction or request approval for a sale of the Assets at the Sale Hearing. If the Debtors do not receive any Qualified Bids other than a Bid by Riverstone or its designee, the Debtors shall report the same to the Court, and shall promptly proceed to seek entry of a Sale Order approving such Bid by Riverstone or its designee, except as may be otherwise agreed to by the Debtors and Riverstone.

12. Auction

In the event the Debtors timely receive more than one Qualified Bid for any of the Assets, the Debtors may determine, in the exercise of their sound business judgment and in consultation with Riverstone and any Committee, to schedule an Auction to request additional competitive Bids from Qualified Bidders with respect to the Assets.

In the event the Debtors determine, in consultation with Riverstone and any Committee, to conduct an Auction, the Auction shall take place on **March 7, 2019 at 10:00 a.m. (Central Time)** at the offices of Haynes and Boone, LLP, 1221 McKinney, Suite 2100, Houston, Texas 77010, or such later date and time or such other location as may be established by the Court in the Sale Procedures Order or designated by the Debtors pursuant to the Bidding Procedures (the "Auction") to determine the highest or otherwise best Bid for the Assets. The Auction shall be conducted in a timely fashion according to the following procedures.

a. The Debtors Shall Conduct the Auction.

The Debtors and their professionals shall direct and preside over the Auction. At the start of the Auction, the Debtors shall describe the terms of the Baseline Bid (as defined below). All incremental Bids made thereafter shall be Overbids (as defined below) and shall be made and received on an open basis, and all material terms of each Overbid shall be fully disclosed to all other Qualified Bidders at the Auction, Riverstone, and any Committee. The Debtors shall maintain a written transcript of all Bids made and announced at the Auction, including the Baseline Bid, all Overbids, and the Successful Bid(s).

b. Auction Procedures.

Each Qualified Bidder desiring to participate in the Auction must have at least one individual representative with authority to bind the Qualified Bidder in attendance at the Auction. Only Qualified Bidders may bid at the Auction. The Auction will be conducted openly, and the U.S. Trustee, any Committee, and creditors of the Debtors, and each of the foregoing's legal and financial advisors, may attend the Auction. The Auction shall be conducted in the presence of a certified court reporter who shall transcribe the Auction.

Prior to the commencement of the Auction, the Debtors, in consultation with Riverstone and any Committee, shall determine which Qualified Bids constitute the highest or otherwise best Bids (the "Baseline Bids" and, each, a "Baseline Bid") for the Assets. At least one (1) business day prior to the Auction, the Debtors shall notify each Qualified Bidder of the contents of the Baseline Bid(s). The Baseline Bid(s) shall be subject to higher and better Bids at the Auction.

The Debtors may, after consulting with Riverstone and any Committee, employ and announce at the Auction additional procedural rules that are reasonable under the circumstances (e.g., the amount of time allotted to make Overbids (as defined below)) for conducting the Auction, provided that such rules are (i) not inconsistent with the order entered by the Court approving these Bidding Procedures, the Bankruptcy Code or any other order of the Court entered in connection herewith and (ii) disclosed to each Qualified Bidder.

Bidding at the Auction will begin with the Baseline Bid(s) and continue, in one or more rounds of bidding, so long as, during each round, at least one subsequent bid is submitted by a Qualified Bidder(s) that (i) improves upon such Qualified Bidder's immediately prior Qualified Bid (an "Overbid") and (ii) the Debtors determine, in consultation with Riverstone and any Committee, that such Overbid or combination of Overbids is (a) for the first round, a higher or otherwise better offer than the Baseline Bid(s) (taking into account, if applicable, the Bid Protections granted to the Stalking Horse Bidder) and (b) for subsequent rounds, a higher or otherwise better offer than the Leading Bid (as defined below). All bids shall be made openly, in the presence of all parties at the Auction. The Debtors, in their sole discretion (in consultation with Riverstone and any Committee), may determine appropriate minimum bid increments or requirements for each round of bidding. In the event of a dispute relating to the conduct of the Auction, such dispute will be heard by the Court.

During the course of the Auction, the Debtors shall, after the submission of each Overbid, promptly inform each Qualified Bidder which Overbid reflects, in the Debtors' view, after consultation with Riverstone and any Committee, the highest or otherwise best Bid for the applicable Assets (the "Leading Bid").

c. Consideration of Overbids.

The Debtors reserve the right, in their reasonable business judgment after consultation with Riverstone and any Committee, to adjourn the Auction one or more times to, among other things: facilitate discussions between the Debtors and Qualified Bidders; allow Qualified Bidders to consider how they wish to proceed; and provide Qualified Bidders the opportunity to provide

the Debtors with such additional evidence as the Debtors, in their reasonable business judgment and after consultation with Riverstone and any Committee, may require, that the Qualified Bidder has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the Proposed Transaction at the prevailing Overbid amount.

d. Closing the Auction.

- (i) The Auction shall continue until there is only one offer that the Debtors determine, in consultation with Riverstone and any Committee, is the highest and/or best offer for the purchase of the Assets (whether in an aggregate sale to a single Purchaser (as such term shall be defined in the Sale Order) or on an asset by asset basis (each a “Successful Bid” and such Bidder, the “Successful Bidder”), at which point, the Auction will be closed. The Auction shall not close unless and until all Qualified Bidders have been given a reasonable opportunity to submit an Overbid at the Auction to the then existing Overbid(s). Such acceptance by the Debtors of the Successful Bid(s) is conditioned upon approval by the Court of the Successful Bid(s). The second highest bid, to the extent determined to be acceptable to the Debtors in consultation with Riverstone and any Committee, shall be deemed to be the backup bid (the “Backup Successful Bid” and such Bidder, the “Backup Successful Bidder”); provided, however, that Riverstone shall not be required to serve as the Backup Successful Bidder in connection with a credit bid. In the event that Riverstone makes a determination not to serve as the Backup Successful Bidder (whether before or after submitting any credit bid or other bid), Riverstone shall provide notice to the Debtors no later than two (2) business days after the Auction, and the third highest bidder, to the extent determined to be acceptable to the Debtors shall be deemed to be the Backup Successful Bidder.
- (ii) All Bids made at the Auction shall remain open until the earlier of (i) if the Bidder submits the Successful Bid or is deemed to be the Backup Successful Bidder, the later of (a) sixty (60) days after the entry of the Sale Order, or (b) the date on which all required consents, approvals, and other transfer requirements are obtained, and (ii) if the Qualified Bidder is not selected as a Successful Bidder or the Backup Successful Bidder, three (3) business days after the end of the Auction with respect to the relevant Assets on which it has bid.
- (iii) The identity of the Backup Successful Bidder(s) and the amount and material terms of the Backup Successful Bid(s) shall be announced by the Debtors at the conclusion of the Auction at the same time the Debtors announce the identity of the Successful Bidder(s). The Backup Successful Bidder(s) shall be required to keep its or their Qualified Bid(s) (or if the Backup Successful Bidder(s) submitted one or more Overbids at the Auction, its final Overbid(s)) open and irrevocable until the closing of the transaction with the Successful Bidder(s).

- (iv) Nothing in these Bidding Procedures shall prevent the Debtors from exercising their fiduciary duties under applicable law.
- (v) The Debtors shall not consider any Bids or Overbids submitted after the conclusion of the Auction and any and all such Bids and Overbids shall be deemed untimely and shall under no circumstances constitute a Qualified Bid.
- (vi) As soon as reasonably practicable after closing the Auction, the Debtors shall cause the definitive purchase and sale agreement for the Successful Bid(s) to be filed with the Court.

e. Selection of Successful Bidder(s) and Backup Successful Bidder(s)

In making the determination of which Qualified Bid(s) constitutes the Successful Bid(s), the Debtors shall, in consultation with Riverstone and any Committee, take into account any factors the Debtors reasonably deem relevant to the value of the Qualified Bid(s) to the Debtors' estates, including, among other things: (a) the number, type, and nature of any changes to the Form PA requested by the Qualified Bidder, including the type and amount of the Assets sought and the liabilities of the Debtors to be assumed in the Bid; (b) the amount and nature of the total consideration; (c) the likelihood of the Bidder's ability to close a transaction, the conditions thereto, and the timing thereof; (d) any excluded assets, executory contracts, or unexpired leases; (e) any purchase price adjustments; (f) the net economic effect of any changes to the value to be received by the Debtors' estates from the transaction contemplated by the Bid; (g) whether the Bid is a bulk bid or a partial bid for only some of the Assets; and (h) the tax consequences of such Qualified Bid (collectively, the "Bid Assessment Criteria").² The Debtors may evaluate competing bids in a manner that will maximize the aggregate value to the estates.

f. No Collusion; Good Faith Bona Fide Offer.

Each Qualified Bidder participating at the Auction will be required to confirm on the record that: (i) it has not engaged in any collusion with respect to the Sale or the bidding (including that it has no agreement with any other Bidder or Qualified Bidder to control the price); and (ii) its Qualified Bid is a good faith bona fide offer and it intends to consummate the proposed transaction if selected as the Successful Bidder.

13. Backup Successful Bidder

If a Successful Bidder fails to consummate an approved transaction contemplated by its Successful Bid, the Debtors may select the applicable Backup Successful Bidder as the Successful Bidder, and such Backup Successful Bidder shall be deemed a Successful Bidder for all purposes. The Debtors will be authorized, but not required, to consummate all transactions contemplated by the Bid of such Backup Successful Bidder without further order of the Court or notice to any party. In such case, the defaulting Successful Bidder's Good Faith Deposit shall be

² The Bid Assessment Criteria listed herein are not exhaustive and are provided for illustrative purposes only, and the Debtors, in their sole discretion, may consider any additional criteria that they consider reasonably relevant to the value of any Qualified Bid.

forfeited to the Debtors, and the Debtors specifically reserve the right to seek all available remedies against the defaulting Successful Bidder (or Backup Successful Bidder, if such party shall also breach or fail to perform), as applicable, including with respect to specific performance. In the event that the Backup Successful Bidder fails to consummate an approved Sale, the Assets may be sold pursuant to one or more subsequent sales.

14. Highest or Otherwise Best Bid

At all times during the Sale process, the Debtors shall retain full discretion and right, in consultation with Riverstone and any Committee, to determine which Bid or Bids constitutes the highest or otherwise best offer for the purchase of the Assets (whether in an aggregate sale to a single Purchaser or on an asset by asset basis), and which bid or bids should be selected as the Successful Bid(s), if any, all subject to final approval by the Court pursuant to Section 363(b) of the Bankruptcy Code. The Debtors, in consultation with Riverstone and any Committee, may adopt rules for the Auction that, in their judgment, will better promote the goals of the Auction and that are not inconsistent in any material respect with any of the other material provisions hereof or of any Court order.

15. Proceeds

Except with respect to Assumed Liabilities, all valid and properly perfected liens against the Assets shall attach to the net cash proceeds ultimately attributable to the Assets against which such liens are asserted with the same validity, enforceability, priority, and force and effect as they had against the Assets or their proceeds as of the Petition Date (except to the extent such liens are assumed under the applicable asset purchase agreement).

16. Reservation of Rights

The Debtors reserve the right, with the prior written consent of Riverstone, to modify these Bidding Procedures at or prior to the Auction, including, without limitation, extending the deadlines set forth herein with respect to any or all Bidders, imposing additional terms and conditions with respect to any or all Bidders, adjourning or cancelling the Auction at or prior to the Auction and/or adjourning the Sale Hearing.

17. Consent to Jurisdiction

All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction, the construction and enforcement of these Bidding Procedures, and/or the Confidentiality Agreements, as applicable.

18. Sale Hearing

A hearing to consider approval of the Sale (the "Sale Hearing") is presently scheduled to take place on **March 13, 2019 at 10:30 a.m. (Eastern Time)**, or as soon thereafter as counsel may be heard, before the Honorable Laurie Selber Silverstein, at the United States Courthouse,

824 North Market Street, 6th Floor, Courtroom No. 2, Wilmington, DE 19801, or before any other judge who may be sitting in her place and stead.

The Sale Hearing may be continued to a later date by the Debtors by sending notice prior to, or making an announcement at, the Sale Hearing. No further notice of any such continuance will be required to be provided to any party other than by announcement in open Court or on the Court's calendar.

At the Sale Hearing, the Debtors shall present the Successful Bid(s) to the Court for approval. Following the approval of the Successful Bid(s) at the Sale Hearing, the Debtors will be authorized to take any and all actions necessary and appropriate to complete and implement the Sale(s) contemplated by the Successful Bid(s).

Upon the failure to consummate a Sale after the Sale Hearing because of the occurrence of a breach or default by the proposed purchaser under the terms of the Successful Bid, the Backup Successful Bid shall be deemed the Successful Bid without further order of the Court, and the parties shall be authorized to consummate the transaction contemplated by the Backup Successful Bid.

19. Return of Good Faith Deposits

The Good Faith Deposit of the Successful Bidder(s) shall be applied to the purchase price of such transaction at closing. The Good Faith Deposits for each Qualified Bidder shall be held in one or more interest-bearing escrow accounts on terms acceptable to the Debtors in their sole discretion and shall be returned (other than with respect to the Stalking Horse Bidder(s), the Successful Bidder(s) and the Backup Successful Bidder(s)) on or within three (3) business days after the Auction. The Good Faith Deposits of the Backup Successful Bidder(s) shall be released by the Debtors three (3) business days after the closing of the Successful Bid. Upon the return of the Good Faith Deposits, their respective owners shall receive any and all interest that will have accrued thereon.

If a Successful Bidder fails to consummate a proposed transaction because of a breach by such Successful Bidder, the Debtors will not have any obligation to return the Good Faith Deposit deposited by such Successful Bidder, which may be retained by the Debtors as liquidated damages, in addition to any and all rights, remedies, and/or causes of action that may be available to the Debtors, and the Debtors shall be free to consummate the proposed transaction with the applicable Backup Successful Bidder without the need for an additional hearing or order of the Court.

20. No Modification of Bidding Procedures

Except as otherwise provided herein, these Bidding Procedures may not be modified except with the Debtors' and Riverstone's consent.

21. Fiduciary Out

Nothing in these Bidding Procedures shall require the board of directors, board of managers, or such similar governing body of a Debtor to take any action, or to refrain from taking any action, with respect to these Bidding Procedures or otherwise, to the extent such board of directors, board of managers, or such similar governing body determines that taking such action, or refraining from taking such action, as applicable, is required to comply with applicable law or its fiduciary obligations.

Exhibit 2

Sale Notice

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

In re	§	Chapter 11
	§	
FAIRWAY ENERGY, LP, et al.,¹	§	Case No. 18-12684 (LSS)
	§	
Debtors.	§	(Jointly Administered)
	§	

**NOTICE OF (I) SOLICITATION OF INITIAL BIDS; (II) BIDDING PROCEDURES;
(III) AUCTION; (IV) SALE HEARING AND (V) RELATED RELIEF AND DATES**

TO ALL CREDITORS AND OTHER PARTIES IN INTEREST:

PLEASE TAKE NOTICE that Fairway Energy, LP, and its debtors affiliates, as debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), have filed voluntary petitions for relief under Chapter 11 of Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Court”) on November 26, 2018.

PLEASE TAKE FURTHER NOTICE that on December 6, 2018, the Debtors filed the *Debtors’ Motion for Entry of Orders: (I) (A) Authorizing and Approving Bidding Procedures in Connection with the Sale of Substantially All of the Debtors’ Assets, (B) Approving Procedures for Determining Cure Amounts for Executory Contracts and Unexpired Leases, (C) Approving the Form and Manner of Notices in Connection with the Sale of Substantially All of the Debtors’ Assets and the Assumption and Assignment of Executory Contracts and Leases in Connection Therewith, (D) Scheduling a Hearing on Approval of the Proposed Sale of the Debtors’ Assets, and (E) Granting Related Relief; and (II) (A) Approving the Sale of Substantially All of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Authorizing and Approving the Debtors’ Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection Therewith, and (C) Granting Related Relief* [Docket No. 64] (the “Motion”) with the clerk of the Court seeking, among other things, entry of an order (the “Sale Order”) authorizing and approving: (a) the sale of all or substantially all of the Debtors’ Assets free and clear of liens, claims, encumbrances and other interests, with all such liens, claims, encumbrances and other interests attaching with the same validity and priority to the proceeds of such sale, to one or more purchasers submitting the highest or otherwise best offers therefor (the “Sale”); and (b) procedures for the assumption and assignment of executory contracts and unexpired leases (collectively, the “Contracts”). Please note that all capitalized terms used but not defined herein shall have the meanings set forth in the Motion.

PLEASE TAKE FURTHER NOTICE that the Debtors are soliciting offers for the purchase of substantially all of their Assets and assumption of substantially all of the liabilities of the Debtors with respect thereto consistent with the bidding procedures (the “Bidding

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtors’ federal tax identification number, include: Fairway Energy, LP (4200); Fairway Energy Partners, LLC (7914); and Fairway Energy GP, LLC (7808). The location of the Debtors’ service address is Three Riverway, Suite 1550, Houston, Texas 77056.

Procedures”) approved by the Court by entry of an order dated _____ [Docket No. ____] (the “Sale Procedures Order”). All interested bidders should carefully read the Bidding Procedures and Sale Procedures Order. To the extent that there are any inconsistencies between this notice and the Bidding Procedures or Sale Procedures Order, the Bidding Procedures or Sale Procedures Order, as applicable, shall govern in all respects.

PLEASE TAKE FURTHER NOTICE that, if the Debtors receive more than one Qualified Bid within the requirements and time frame specified by the Bidding Procedures, the Debtors may determine, in the exercise of their business judgment, to schedule an auction (the “Auction”) to request additional competitive Bids from Qualified Bidders with respect to the Sale commencing at **10:00 a.m. (Central Time) on March 7, 2019**, at the offices of Haynes and Boone, LLP, 1221 McKinney, Suite 2100, Houston, Texas 77010, or such later date and time as selected by the Debtors. The Auction shall be conducted in a timely fashion according to the Bidding Procedures.

PLEASE TAKE FURTHER NOTICE that a hearing to consider approval of the Sale (the “Sale Hearing”) is presently scheduled to take place on **March 13, 2019 at 10:30 a.m. (Eastern Time)**, or as soon thereafter as counsel may be heard, before the Honorable Laurie Selber Silverstein, at the United States Courthouse, 824 North Market Street, 6th Floor, Courtroom No. 2, Wilmington, DE 19801. The Debtors may adjourn the Sale Hearing without further notice other than by announcement in open Court or on the Court’s calendar.

PLEASE TAKE FURTHER NOTICE that, except as otherwise set forth in the Sale Procedures Order, objections, if any, to the Sale, the assumption and assignment of the Assumed and Assigned Contracts, or any relief requested in the Motion other than the relief granted by the Court in the Sale Procedures Order, including that any property or right (including an Assumed and Assigned Contract) cannot be transferred, sold, assumed, and/or assigned free and clear of all liens, encumbrances, claims and other interests, must be: (a) in writing; (b) signed by counsel or attested to by the objecting party; (c) in conformity with the Bankruptcy Rules and the Local Rules; (d) filed with the Clerk of the Court, District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, DE 19801, by no later than **4:00 p.m. (Eastern Time) on February 12, 2019** (the “General Objection Deadline”) or other applicable deadline as indicated in the Motion; and (e) served in accordance with the Local Rules so as to be received on or before the relevant objection deadline by the following: (i) the Debtors, Fairway Energy, LP, Attn.: Robert Flavin, 3 Riverway, Suite 1550, Houston, TX 77056, Email: robert.flavin@fairway midstream.com; (ii) Piper Jaffray & Co., Attn.: Spencer Rippstein and Richard Shinder, 345 Park Avenue, Suite 1200, New York, NY 10154, E-mail: spencer.w.rippstein@pjc.com and richard.j.shinder@pjc.com; (iii) counsel for the Debtors, Haynes and Boone, LLP, Attn.: Patrick L. Hughes, 1221 McKinney, Suite 2100, Houston, Texas, 77010, Email: patrick.hughes@haynesboone.com and Young Conaway Stargatt & Taylor, LLP, Attn.: Edmon Morton, 1000 North King Street, Wilmington, DE 19801, Email: EMorton@ycst.com; and (iv) counsel to Riverstone, White & Case LLP, Attn.: David Turetsky and Andrew Zatz, 1221 Avenue of the Americas, New York, New York 10020, Email: david.turetsky@whitecase.com and azatz@whitecase.com; and (v) the Office of the United States Trustee for the District of Delaware, Attn: Brya Keilson, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Email: Brya.Keilson@usdoj.gov (these procedures are collectively referred to as the

“General Objection Procedures”). Each objection shall state the legal and factual basis of such objection.

PLEASE TAKE FURTHER NOTICE that objections to the conduct of the Auction or proceeding with the Sale to the Successful Bidder(s) or any Backup Successful Bidder(s) must be filed and served by **4:00 p.m. (Eastern Time) on March 11, 2019** (the “Supplemental Objection Deadline”) and must otherwise comply with the General Objection Procedures; provided, however, that Contract Counterparties may object up until the date of the Sale Hearing solely with respect to the issue of adequate assurance of future performance by any Successful Bidder other than a Stalking Horse Bidder (as defined below).

CONSEQUENCES OF FAILING TO TIMELY MAKE AN OBJECTION

ANY PARTY OR ENTITY WHO FAILS TO TIMELY MAKE AN OBJECTION TO THE SALE ON OR BEFORE THE GENERAL OBJECTION DEADLINE OR THE SUPPLEMENTAL OBJECTION DEADLINE, AS APPLICABLE, IN ACCORDANCE WITH THE SALE PROCEDURES ORDER SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE SALE, INCLUDING WITH RESPECT TO THE TRANSFER OF THE ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND OTHER INTERESTS, EXCEPT AS SET FORTH IN THE APPLICABLE PURCHASE AND SALE AGREEMENT RELATED THERETO. IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT CERTAIN OF THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

ANY PARTY OBJECTING TO THE ASSUMPTION AND ASSIGNMENT OF AN ASSUMED AND ASSIGNED CONTRACT AND/OR THE CURE AMOUNT INCLUDING AN OBJECTION TO THE ASSIGNABILITY OF ANY OF THE DEBTORS’ OIL AND GAS ASSETS, CONTRACTS, OR LEASES SHOULD CONSULT THE NOTICE OF (I) DEBTORS’ REQUEST FOR AUTHORITY TO ASSUME AND ASSIGN CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (II) DEBTORS’ PROPOSED CURE AMOUNTS.

PLEASE TAKE FURTHER NOTICE that copies of the Motion, and any exhibits thereto, including the Sale Procedures Order and Bidding Procedures are available upon request to the Debtors’ counsel, Haynes and Boone, LLP, Attn.: Patrick L. Hughes, 1221 McKinney, Suite 2100, Houston, Texas, Email: Patrick.Hughes@haynesboone.com and Young Conaway Stargatt & Taylor, LLP, Attn.: Edmon Morton, 1000 North King Street, Wilmington, DE 19801, Email: EMorton@ycst.com or online at or <https://cases.primeclerk.com/fairwayenergy>.

PLEASE TAKE FURTHER NOTICE that any Contract Counterparty that would like to receive notice of the Successful Bidder(s) by fax or email may make a written request for such notice by providing a fax number or email address to the Debtors’ counsel, Haynes and Boone, LLP, Attn.: Patrick L. Hughes, 1221 McKinney, Suite 2100, Houston, Texas, Email: Patrick.Hughes@haynesboone.com and Young Conaway Stargatt & Taylor, LLP, Attn.: Edmon Morton, 1000 North King Street, Wilmington, DE 19801, Email: EMorton@ycst.com.

Dated: Wilmington, Delaware
January __, 2019

HAYNES AND BOONE, LLP
Patrick L. Hughes (admitted *pro hac vice*)
Kelli S. Norfleet (*pro hac vice* admission pending)
Martha Wyrick (admitted *pro hac vice*)
1221 McKinney Street, Suite 2100
Houston, Texas 77010
Telephone: (713) 547-2000
Facsimile: (713) 547-2600

-and-

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/

Edmon L. Morton (No. 3856)
Kenneth J. Enos (No. 4544)
Elizabeth S. Justison (No. 5911)
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

PROPOSED ATTORNEYS FOR THE DEBTORS AND
DEBTORS IN POSSESSION

Exhibit 3

Assumption and Assignment Notice

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

In re	§	Chapter 11
	§	
FAIRWAY ENERGY, LP, et al.,¹	§	Case No. 18-12684 (LSS)
	§	
Debtors.	§	(Jointly Administered)
	§	

**NOTICE OF (I) DEBTORS’ REQUEST FOR AUTHORITY TO ASSUME AND ASSIGN
CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED LEASES,
AND (II) DEBTORS’ PROPOSED CURE AMOUNTS**

TO ALL COUNTERPARTIES TO EXECUTORY CONTRACTS AND UNEXPIRED LEASES
PLEASE TAKE NOTICE THAT:

PLEASE TAKE NOTICE that on November 26, 2018, Fairway Energy, LP, and its debtor affiliates, as debtors and debtors in possession in the above-captioned cases (collectively, the “Debtors”), filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “Court”).

PLEASE TAKE FURTHER NOTICE that the Debtors filed the *Debtors’ Motion for Entry of Orders: (I) (A) Authorizing and Approving Bidding Procedures in Connection with the Sale of Substantially All of the Debtors’ Assets, (B) Approving Procedures for Determining Cure Amounts for Executory Contracts and Unexpired Leases, (C) Approving the Form and Manner of Notices in Connection with the Sale of Substantially All of the Debtors’ Assets and the Assumption and Assignment of Executory Contracts and Leases in Connection Therewith, (D) Scheduling a Hearing on Approval of the Proposed Sale of the Debtors’ Assets, and (E) Granting Related Relief; and (II) (A) Approving the Sale of Substantially All of the Debtors’ Assets Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) Authorizing and Approving the Debtors’ Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection Therewith, and (C) Granting Related Relief* [Docket No. 64] (the “Motion”), seeking, among other things, entry of an order (the “Sale Order”) authorizing and approving: (a) the sale of the Debtors’ Assets free and clear of liens, claims, encumbrances and other interests, with all such liens, claims, encumbrances and other interests attaching with the same validity and priority to the proceeds of such sale, to one or more purchasers submitting the highest or otherwise best offers therefor (the “Sale”); and (b) procedures for the assumption and assignment of executory contracts and unexpired leases (collectively, the “Contracts”). Please note that all capitalized terms used but not defined herein shall have the meanings set forth in the Motion.

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtors’ federal tax identification number, include: Fairway Energy, LP (4200); Fairway Energy Partners, LLC (7914); and Fairway Energy GP, LLC (7808). The location of the Debtors’ service address is Three Riverway, Suite 1550, Houston, Texas 77056.

PLEASE TAKE FURTHER NOTICE THAT on _____, the Court entered an order [Docket No. ____] (the “Sale Procedures Order”) granting certain of the relief sought in the Motion, including, among other things, approving: (a) the bidding procedures for the Sale (the “Bidding Procedures”); and (b) procedures for the assumption and assignment of Contracts (the “Assumption and Assignment Procedures”). Copies of the Sale Procedures Order (which incorporates the Assumption and Assignment Procedures and the Bidding Procedures) are enclosed herein.

PLEASE TAKE FURTHER NOTICE that the Debtors will seek approval of the Sale at a hearing presently scheduled to take place on **March 13, 2019 at 10:30 a.m. (Eastern Time)**, or as soon thereafter as counsel may be heard, before the Honorable Laurie Selber Silverstein, at the United States Courthouse, 824 North Market Street, 6th Floor, Courtroom No. 2, Wilmington, DE 19801, or before any other judge who may be sitting in her place and stead (the “Sale Hearing”).

PLEASE TAKE FURTHER NOTICE THAT upon the closing of the Sale or Sales of the Assets, the Debtors may seek to assume and assign to one or more Successful Bidder(s) for the Assets at the Auction (as defined in the Sale Procedures Order) the Contracts and any modifications thereto set forth on **Exhibit A** hereto (collectively, the “Assumed and Assigned Contracts”). In addition, the cure amounts, if any, necessary for the assumption and assignment of the Assumed and Assigned Contracts (the “Cure Amounts”) are set forth on **Exhibit A**.

PLEASE TAKE FURTHER NOTICE THAT as soon as practicable after the conclusion of the Auction, the Debtors shall file with the Court and serve by first-class mail, facsimile, electronic transmission, or overnight mail on the Contract Counterparty (and its attorney, if known) to each Assumed and Assigned Contract a notice: (a) identifying the Successful Bidder(s); (b) stating which Contract(s) will be assumed and assigned thereto; and (c) containing a statement as to the Successful Bidder(s)’ ability to perform the Debtors’ obligations under the applicable Assumed and Assigned Contracts.

PLEASE TAKE FURTHER NOTICE THAT any Contract Counterparty that would like to receive notice of the Successful Bidder(s) by fax or email may make a written request for such notice by providing a fax number or email address to the Debtors’ counsel, Haynes and Boone, LLP, Attn.: Patrick L. Hughes, 1221 McKinney, Suite 2100, Houston, Texas, Email: Patrick.Hughes@haynesboone.com and Young Conaway Stargatt & Taylor, LLP, Attn.: Edmon Morton, 1000 North King Street, Wilmington, DE 19801, Email: EMorton@ycst.com.

PARTIES LISTED ON **EXHIBIT A** HERETO ARE RECEIVING THIS NOTICE BECAUSE THE DEBTORS, OR OTHER POTENTIAL BIDDER(S), HAVE IDENTIFIED THEM AS A POTENTIAL COUNTERPARTY TO AN ASSUMED AND ASSIGNED CONTRACT. Under the terms of the Assumption and Assignment Procedures, if at any time after the service of this notice the Debtors identify additional prepetition executory Contracts and/or Leases to be assumed and assigned to the Purchaser as Assumed and Assigned Contracts (whether before or after closing of any Sale(s) of relevant Assets), the Debtors shall serve a supplemental Assumption and Assignment Notice by first-class mail, facsimile, electronic transmission, or overnight mail on the Contract Counterparty (and its attorney, if known) to each

supplemental Assumed and Assigned Contract at the last known address available to the Debtors by no later than ten (10) days before the proposed effective date of the assignment. Such Contract Counterparty shall have a period of ten (10) days from receipt of the supplemental Assumption and Assignment Notice to file with the Court any objection to the proposed cure amount or the assumption and assignment of such Contract(s), as applicable, as will be set forth in the supplemental Assumption and Assignment Notice.

Obtaining Additional Information

Copies of the Motion, the Sale Procedures Order, the Bidding Procedures and any other related documents are available upon request to the Debtors' counsel, Haynes and Boone, LLP, Attn.: Patrick L. Hughes, 1221 McKinney, Suite 2100, Houston, Texas, Email: Patrick.Hughes@haynesboone.com and Young Conaway Stargatt & Taylor, LLP, Attn.: Edmon Morton, 1000 North King Street, Wilmington, DE 19801, Email: EMorton@ycst.com or online at or <https://cases.primeclerk.com/fairwayenergy>.

Assumed and Assigned Contract Objection Procedures

Pursuant to the Assumption and Assignment Procedures, all objections to the assumption and assignment of any Lease or Contract, including without limitation any objection to the Debtors' proposed Cure Amount or the provision of adequate assurance of future performance under any Lease or Contract pursuant to Section 365 of the Bankruptcy Code ("Adequate Assurance") (other than objections filed in response to any supplemental Assumption and Assignment Notice, as set forth above) must: (a) be in writing; (b) be signed by counsel or attested to by the objecting party; (c) be in conformity with the Bankruptcy Rules and the Local Rules; (d) be filed with the Clerk of the Court for the District of Delaware, 824 North Market Street, Wilmington, DE 19801, by no later than **4:00 p.m. (Eastern Time) on February 12, 2019** or other applicable deadline as indicated in the Sale Procedures Order; (e) served in accordance with the Local Rules so as to be received on or before the relevant objection deadline by the following: (i) the Debtors, Fairway Energy, LP, Attn.: Robert Flavin, 3 Riverway, Suite 1550, Houston, TX 77056, Email: robert.flavin@fairwaymidstream.com; (ii) Piper Jaffray & Co., Attn.: Spencer Rippstein and Richard Shinder, 345 Park Avenue, Suite 1200, New York, NY 10154, E-mail: spencer.w.rippstein@pjc.com and richard.j.shinder@pjc.com; (iii) counsel for the Debtors, Haynes and Boone, LLP, Attn.: Patrick L. Hughes, 1221 McKinney, Suite 2100, Houston, Texas, 77010, Email: patrick.hughes@haynesboone.com and Young Conaway Stargatt & Taylor, LLP, Attn.: Edmon Morton, 1000 North King Street, Wilmington, DE 19801, Email: EMorton@ycst.com; and (iv) counsel to Riverstone, White & Case LLP, Attn.: David Turetsky and Andrew Zatz, 1221 Avenue of the Americas, New York, New York 10020, Email: david.turetsky@whitecase.com and azatz@whitecase.com; and (v) the Office of the United States Trustee for the District of Delaware, Attn: Brya Keilson, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Email: Brya.Keilson@usdoj.gov; (f) identify the Lease or Contract to which the objector is party; (g) describe with particularity any cure the claimant contends is required under Section 365 of the Bankruptcy Code (the "Cure Claim") and identify the basis(es) of the alleged Cure Claim under the Contract or Lease; (h) attach all documents supporting or evidencing the Cure Claim; and (i) if the response contains an objection to

Adequate Assurance, state with specificity what the objecting party believes is required to provide Adequate Assurance.

CONSEQUENCES OF FAILING TO TIMELY FILE AND SERVE AN OBJECTION

ANY COUNTERPARTY TO AN ASSUMED AND ASSIGNED CONTRACT WHO FAILS TO TIMELY FILE AND SERVE AN OBJECTION TO THE PROPOSED ASSUMPTION AND ASSIGNMENT OF AN ASSUMED AND ASSIGNED CONTRACT AND/OR THE CURE AMOUNT SET FORTH ON EXHIBIT A IN ACCORDANCE WITH THE SALE PROCEDURES ORDER AND THE ASSUMPTION AND ASSIGNMENT PROCEDURES SHALL BE FOREVER BARRED FROM ASSERTING ANY OBJECTION TO THE ASSUMPTION AND ASSIGNMENT OF THE ASSUMED AND ASSIGNED CONTRACT AND/OR THE CURE AMOUNT SET FORTH ON EXHIBIT A, INCLUDING OBJECTING TO THE ASSIGNABILITY OF ANY OF THE DEBTORS' OIL AND GAS ASSETS, CONTRACTS, OR LEASES, OR ASSERTING ADDITIONAL CURE AMOUNTS WITH RESPECT TO THE ASSUMED AND ASSIGNED CONTRACT RELATING TO ANY PERIOD PRIOR TO THE TIME OF ASSUMPTION AND ASSIGNMENT.

Dated: Wilmington, Delaware
January __, 2019

HAYNES AND BOONE, LLP
Patrick L. Hughes (admitted *pro hac vice*)
Kelli S. Norfleet (*pro hac vice* admission pending)
Martha Wyrick (admitted *pro hac vice*)
1221 McKinney Street, Suite 2100
Houston, Texas 77010
Telephone: (713) 547-2000
Facsimile: (713) 547-2600

-and-

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ _____
Edmon L. Morton (No. 3856)
Kenneth J. Enos (No. 4544)
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1000 North King Street
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Telephone: (302) 571-6600
Facsimile: (302) 571-1253

PROPOSED ATTORNEYS FOR THE DEBTORS AND
DEBTORS IN POSSESSION

EXHIBIT A

Cure Amount Schedule

Contract Counterparty	Description of Contract or Lease	Proposed Cure Amount