

ENTERED

April 22, 2022

Nathan Ochsner, Clerk

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

STRIKE, LLC, *et al.*¹

Debtors.

)
) Chapter 11
)
) Case No. 21-90054 (DRJ)
)
) (Jointly Administered)
)
) (Docket No. 994)**STIPULATION AND AGREED ORDER MODIFYING THE AUTOMATIC STAY**

The above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) and Gulf & Ship Island Railroad, LLC (“**G&S**”), a wholly-owned subsidiary of Rock Island Rail (“**Rock Island**,” and together with G&S and the Debtors, the “**Parties**”), hereby enter into this stipulation (the “**Stipulation**”) and agree as follows:

WHEREAS, on December 6, 2021 (the “**Petition Date**”), the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) commencing the chapter 11 cases (the “**Chapter 11 Cases**”);

WHEREAS, G&S and Rock Island allege that they suffered damages caused by Debtor Delta Directional Drilling, LLC (“**Delta Directional**”) and other non-Debtor parties prior to the Petition Date;

WHEREAS, Delta Directional has not scheduled G&S’s or Rock Island’s alleged claims

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Strike, LLC (2120); STH ShellCo LLC (*f/k/a* Strike HoldCo, LLC) (0607); Delta Directional Drilling, LLC (9896); SGH ShellCo LLC (*f/k/a* Strike Global Holdings, LLC) (4661); CIS ShellCo LLC (*f/k/a* Capstone Infrastructure Services, LLC) (0161); and Crossfire, LLC (7582). The location of Debtor Strike, LLC’s principal place of business and the Debtors’ service address is: 460 Wildwood Forest Dr., Suite 350N, Spring, TX 77380. Additional information regarding this case may be obtained on the website of the Debtors’ claims and noticing agent at <https://dm.epiq11.com/StrikeLLC>.

against Delta Directional;

WHEREAS, Debtor Strike, LLC scheduled a contingent, unliquidated, and disputed claim in an undetermined amount for Rock Island;

WHEREAS, G&S and Rock Island did not file a proof of claim in the Chapter 11 Cases;

WHEREAS, G&S and Rock Island desire to seek a legal remedy for the alleged damages and have requested that the Debtors agree to lift the automatic stay applicable in the Chapter 11 Cases to allow G&S and Rock Island to commence litigation in state court (such prospective lawsuit, the “**G&S Action**”) to seek to recover from, among other sources, the Debtors’ available liability insurance policies;

WHEREAS, the Debtors’ liability insurance policies do not contain an unexhausted self-insured retention which the Debtors would be required to expend prior to such policies covering any judgment or settlement in the G&S Action;

WHEREAS, the Parties agree to modify the automatic stay pursuant to section 362 of the Bankruptcy Code pursuant to the terms set forth in this Stipulation.

NOW, THEREFORE, IT IS STIPULATED BY THE PARTIES AND HEREBY ORDERED THAT:

1. *Modification of the Automatic Stay.* Upon approval of this Stipulation by the Court, the automatic stay pursuant to section 362 of the Bankruptcy Code shall be modified solely to the extent necessary to allow G&S and Rock Island to commence and prosecute the G&S Action. If G&S or Rock Island obtain a final judgment against Delta Directional or any other Debtor for which any applicable appeal period has expired or final settlement in either of their favor, G&S and Rock Island agree to seek payment *only* from available insurance proceeds and applicable insurance carriers, and not from property of the Debtors’ estates or any other property of the

Debtors or their successors. Without in any way limiting the foregoing or releasing any applicable insurance carriers, G&S and Rock Island hereby release the Debtors and their successors from any obligation to satisfy a final judgment or settlement in the G&S Action beyond any available insurance coverage, and G&S and Rock Island agree that they shall not have a claim in the Chapter 11 Cases. All of the Debtors' insurance carriers' rights and defenses relating to the G&S Action are expressly reserved.

2. *Scope of Stay Relief.* Except to the extent set forth in Paragraph 1, the provisions of section 362 of the Bankruptcy Code, including, without limitation, those provisions prohibiting the execution, enforcement, or collection of any award or judgment obtained against the Debtors, and against any assets or property of the Debtors' estates (as defined in section 541 of the Bankruptcy Code), shall remain in full force and effect. Nothing contained in this Stipulation shall constitute or operate as a waiver or modification of the automatic stay so as to permit any party in interest other than G&S or Rock Island to prosecute any claim against the Debtors or property of the Debtors' estate.

3. *Bankruptcy Court Approval.* This Stipulation is subject to the approval of the Court and shall be of no force and effect unless and until an order approving the same is entered. If this Stipulation is not approved by the Court, it shall be null and void and shall not be referred to, or used for any purpose, by any of the Parties except as to this Paragraph 3.

4. *Exclusive Jurisdiction.* The Court shall have sole and exclusive jurisdiction over the enforcement of the terms of this Stipulation as well as with respect to all matters arising from or related to the implementation of this Stipulation, and the Parties hereby consent to such jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation. Any motion or application brought before the Court to resolve a dispute arising from or related to this

Stipulation shall be brought on notice as provided by and in accordance with the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules for the Southern District of Texas.

5. *Reservation of Rights, Claims, and Defenses.* By entering into this Stipulation, the Parties are not waiving and shall not be deemed to have waived any available claims or defenses, including at law, equity, or otherwise, except as otherwise provided in this Stipulation.

6. *Modification of Stipulation.* This Stipulation shall not be modified, altered, amended, or vacated without written consent of all Parties hereto.

Signed: April 21, 2022.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

Houston, Texas
April 18, 2022

/s/ Matthew D. Cavanaugh

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