

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

	§	
	§	
In re	§	Chapter 11
	§	
EXPRESS ENERGY SERVICES	§	
OPERATING, LP, <i>et al.</i> ,	§	Case No. 09-____ (____)
	§	
	§	
Debtors.	§	
	§	Joint Administration Requested

**DEBTORS' EMERGENCY MOTION FOR (A) AUTHORITY TO (I) CONTINUE USING EXISTING CENTRALIZED CASH MANAGEMENT SYSTEM (II) HONOR CERTAIN PREPETITION OBLIGATIONS RELATED TO THE USE OF THE CASH MANAGEMENT SYSTEM, AND (III) MAINTAIN EXISTING BANK ACCOUNTS AND BUSINESS FORMS; AND (B) A MODIFICATION OF THE REQUIREMENTS OF SECTION 345(b) OF THE BANKRUPTCY CODE**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Express Energy Services Operating, LP ("**EES**") and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (collectively, the "**Debtors**")<sup>1</sup>, file this emergency motion (the "**Motion**") for (a) authority to (i) continue using the existing centralized cash management system; (ii) honor certain prepetition obligations related to the use of that cash management system; and (iii) maintain existing bank accounts and business forms; and (b) a modification of the requirements of section 345(b) of the Bankruptcy Code (as defined herein) and respectfully represent:

**I.**

**BACKGROUND**

1. On the date hereof (the "**Commencement Date**"), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the

<sup>1</sup> A list of the Debtors in these chapter 11 cases is attached hereto as **Exhibit A**.

**“Bankruptcy Code”**). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Contemporaneously herewith, the Debtors filed a motion seeking joint administration of their chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the **“Bankruptcy Rules”**).

2. Information regarding the Debtors’ business and events leading to the Debtors’ bankruptcy filings can be found in the Declaration of Darron Anderson in Support of First-Day Motions and Applications, filed contemporaneously herewith.

## II.

### **JURISDICTION**

3. Pursuant to 28 U.S.C. §§ 157 and 1334, the Court has jurisdiction to consider and grant the relief requested herein. A proceeding to consider and grant such relief is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

## III.

### **RELIEF REQUESTED**

4. To efficiently and seamlessly manage their business, the Debtors utilize a centralized cash management system (the **“Cash Management System”**) to collect and transfer the funds generated by the Debtors’ operations and disburse the funds necessary to satisfy their obligations and operating expenses. Pursuant to the Cash Management System, the Debtors maintain numerous bank accounts (collectively, the **“Bank Accounts”**) at the banks (collectively, the **“Banks”**) listed on **Exhibit B** annexed hereto and described herein.

5. Pursuant to sections 105(a), 363(c), and 345(b) of the Bankruptcy Code, the Debtors request (a) authority to (i) continue utilizing their existing Cash Management

System, (ii) honor certain prepetition obligations related to the use of that Cash Management System, and (iii) maintain existing Bank Accounts and Business Forms (as defined below); and (b) a modification of the requirements of section 345(b) of the Bankruptcy Code. A proposed order is attached hereto as **Exhibit D**.

#### IV.

#### **THE CASH MANAGEMENT SYSTEM**

6. The Cash Management System allows the Debtors to collect, transfer, and disburse funds generated in the ordinary course of their business operations. In particular, the Cash Management System performs several functions including: (i) collecting payments made to the Debtors; (ii) disbursing payments to the Debtors' vendors, service providers, employees, taxing authorities, and other entities to whom they owe obligations; and (iii) transferring and aggregating funds into a concentration account. The Debtors maintain accounting controls to accurately trace the funds through the Cash Management System to ensure that all transactions are adequately documented and readily ascertainable. A diagram illustrating the Cash Management System is annexed hereto as **Exhibit C**.

##### **A. The JPMorgan Collection and Concentration Accounts**

7. The Debtors have two accounts (collectively, the "**JPMorgan Collection and Concentration Accounts**") with JPMorgan Chase, N.A. ("**JPMorgan**"), consisting of (i) a collection account (the "**JPMorgan Collection Account**") and (ii) a main cash concentration account (the "**JPMorgan Concentration Account**"). The JPMorgan Collection and Concentration Accounts are held in the name of EES.

8. All revenue and other forms of cash collected by the Debtors is ultimately deposited into the JPMorgan Collection Account and swept nightly into the JPMorgan Concentration Account. Cash in excess of \$2 million held in the JPMorgan Concentration

Account is swept overnight into a JPMorgan Prime Fund that enables the Debtors to benefit from a higher interest rate. The Debtors make disbursements from the JPMorgan Concentration Account to, among other things, fund check disbursements, make wire transfers to third parties, pay the Debtors' credit card and fuel card vendors for expenses incurred by employees on corporate credit cards and purchase cards, pay prepetition secured loan payments, and pay corporate reimbursements to employees for approved expenses.

9. JPMorgan is a bank that has been approved by the United States Trustee for the Southern District of Texas (the "**U.S. Trustee**") as an authorized depository (an "**Authorized Depository**"). Accordingly, the Debtors believe that any funds that are deposited with JPMorgan are secure and, thus, the Debtors are in compliance with section 345 of the Bankruptcy Code.

**B. The Coastal Commerce Operating, Payroll, and Money Market Accounts**

10. The Debtors periodically transfer funds from the JPMorgan Concentration Account into a central operating count (the "**EES Operating Account**") located with Coastal Commerce Bank in Houma, Louisiana ("**Coastal Commerce**") and held in the name of EES. Except with respect to (i) D&D Tongs, LP; (ii) Express Energy Services ARK, LP; (iii) Express Energy Services CT, LP; (iv) Express Energy Services P&A, LP; and (v) Express Energy Services WL, LP (collectively, the "**Specific Account Debtors**"), the Debtors make disbursements from the EES Operating Account to satisfy operating expenses of the Debtors and remit taxes to various taxing authorities. To pay operating expenses, make payments to the IRS, remit income withholding and other employee and employer payroll taxes relating to the Specific Account Debtors, EES transfers funds from the EES Operating Account into one of the Debtors' five accounts with Coastal Commerce and held in the name of a Specific Account Debtor

(collectively, the “**Specific Operating Accounts**”). Disbursements from the five Specific Operating Accounts are made by check, ACH transfer, EFT direct debit, and by wire transfer.

11. EES also transfers funds from the EES Operating Account into one of six payroll accounts with Coastal Commerce (collectively, the “**Payroll Accounts**”), consisting of (i) a Payroll Account held in the name of EES and used to make payroll disbursements to employees of EES, and (ii) five separate payroll accounts held in the name of each Specific Account Debtor to make payroll disbursements to employees of the respective Specific Account Debtors. Disbursements from the Payroll Accounts are made by check and ACH transfer. Finally, the Debtors have a de minimis amount of cash deposited in a money-market account with Coastal Commerce.

12. Coastal Commerce is not an Authorized Depository. The Debtors are, however, already in the process of opening new bank accounts with JPMorgan, an Authorized Depository, to among, other things, centralize their operating accounts, centralize their payroll accounts, and segregate trust fund taxes. Once these new JPMorgan accounts are fully operational, the Debtors will no longer transfer funds from the JPMorgan Concentration Account to the EES Operating Account, the Specific Operating Accounts, or the Payroll Accounts. Therefore, the Debtors propose to engage in discussions with the U.S. Trustee regarding the new JPMorgan accounts and request a 30-day extension (or such additional time to which the U.S. Trustee may agree) of the time period in which to either come into compliance with section 345(b) of the Bankruptcy Code or to make other arrangements that would be acceptable to the U.S. Trustee. The Debtors believe that the benefits of the requested extension far outweigh any harm to the estates. See generally In re Serv. Merchandise Co., Inc., 240 B.R. 894 (Bankr. M.D. Tenn. 1999) (noting that some of the factors to consider in determining whether cause exists “for

relief from the strictures of § 345(b)” is whether benefits to the debtor outweigh the harm, if any, to the estate).

**C. Certificate of Deposit**

13. EES also invested cash in a certificate of deposit with JPMorgan in the amount of \$2.5 million. The Debtors granted JPMorgan a lien on the certificate of deposit to secure reimbursement obligations with respect to a letter of credit issued by JPMorgan to AIG Insurance Company relating to certain of the Debtors’ insurance policies. Since JPMorgan is an Authorized Depository, the Debtors believe that the funds in the Certificate of Deposit are secure and, thus, the Debtors are in compliance with section 345 of the Bankruptcy Code.

**V.**

**BASIS FOR RELIEF REQUESTED**

**A. Continuation of the Debtors’ Centralized Cash Management System is in the Best Interests of the Debtors, Their Estates, and All Parties in Interest**

14. The Debtors seek authority to continue to operate their Cash Management System consistent with their prepetition practices and operations. The Cash Management System constitutes an ordinary course and essential business practice providing significant benefits to the Debtors, including, among other things, providing the Debtors with the ability to (i) control corporate funds; (ii) ensure the maximum availability of funds when and where necessary; and (iii) reduce administrative expenses by facilitating the movement of funds and the maintenance of timely and accurate account balance information. Accordingly, the Debtors request that the Court allow them to continue the existing Cash Management System in accordance with their prepetition practices.

15. The relief sought by the Debtors is contemplated by the Bankruptcy Code. In particular, section 363(c)(1) of the Bankruptcy Code authorizes a debtor in possession to “use

property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c)(1). The purpose of section 363(c)(1) of the Bankruptcy Code is to provide a debtor in possession with the flexibility to undertake such ordinary course transactions as are required to operate its business without unneeded oversight by creditors or the court. See, e.g., In re Roth Am., 975 F.2d 949, 952 (3d Cir. 1992) (“Section 363 is designed to strike [a] balance, allowing a business to continue its daily operations without excessive court or creditor oversight and protecting secured creditors and others from dissipation of the estate’s assets.”) (internal quotation omitted). Accordingly, the Debtors seek authority under section 363(c)(1) of the Bankruptcy Code to continue their cash collection, concentration, and disbursement activities pursuant to the Cash Management System.

16. Moreover, the Court may exercise its equitable powers to grant the relief requested herein. Section 105(a) of the Bankruptcy Code empowers the Court to “issue any order, process, or judgment that is necessary to carry out the provisions of this title.” 11 U.S.C. § 105(a). Continuing the Cash Management System without interruption is vital to the efficient and economic administration of the Debtors’ chapter 11 cases.

17. The relief requested herein is also routinely granted in other chapter 11 cases, including in this district. See, e.g., In re Energy Partners, Ltd., Case No. 09-32957 (JB) (Bankr. S.D. Tex. May 8, 2009) (Dkt. No. 88); In re Manchester, Inc., Case No. 08-30703 (BJH) (Bankr. N.D. Tex. Feb. 17, 2008) (Dkt. No. 75). Similar authorization is appropriate in these chapter 11 cases.

**B. Honoring Certain Prepetition Obligations of the Debtors Related to the Cash Management System is in the Best Interests of the Debtors, Their Estates, and All Parties in Interest**

18. In connection with their use of the Cash Management System, the Debtors incur periodic service charges and other fees to the Banks for the maintenance of the Cash Management System (the "Service Charges"). The Debtors believe that as of the Commencement Date there are unpaid prepetition Service Charges in the approximate amount of \$3,600. The Debtors hereby request authority to pay the prepetition Service Charges that remain unpaid as of the Commencement Date. Payment of the prepetition Service Charges is in the best interests of the Debtors, their estates and all parties in interest as it will prevent any disruption to the Cash Management System. Furthermore, since the Banks have setoff rights with respect to the Service Charges, payment of any prepetition Service Charges would not affect unsecured creditors and the issue of paying any prepetition Service Charges would just be a matter of timing.

19. Accordingly, by this Motion, the Debtors seek authority, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004 to pay, at the Debtors' sole discretion, the prepetition Service Charges. The Debtors submit the facts cited herein illustrate that the relief requested is necessary to avoid immediate and irreparable harm to the Debtors and their estates. Based on the foregoing, Bankruptcy Rule 6003 has been satisfied. Furthermore, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the stay of the order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

**C. The Banks Should be Authorized to Honor and Pay Checks Issued, and to Make other Transfers to Pay Service Charges**

20. The Debtors further request that the Court authorize and direct the Banks to receive, process, honor and pay any and all checks drawn or electronic funds transferred to pay a prepetition Service Charge, whether such checks or electronic transfers were presented prior to or after the Commencement Date; provided, however, that such checks or electronic transfers are identified by the Debtors as relating directly to the authorized payment of prepetition Service Charges. The Debtors also seek authority to issue new postpetition checks, or effect new electronic fund transfers, on account of the prepetition Service Charges to replace any prepetition checks or electronic fund transfer requests that may be dishonored or rejected as a result of the commencement of the Debtors' chapter 11 cases.

**D. Compliance with Section 345(b) of the Bankruptcy Code**

21. Section 345 of the Bankruptcy Code governs a debtor's deposit and investment of cash during a chapter 11 case and authorizes such deposits and investments as "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." 11 U.S.C. § 345(a). For deposits or investments that are not "insured or guaranteed by the United States or by a department, agency, or instrumentality of the United States or backed by the full faith and credit of the United States," section 345(b) of the Bankruptcy Code requires the estate to obtain from the entity with which the money is deposited or invested a bond in favor of the United States and secured by the undertaking of an adequate corporate surety, unless the Court for cause orders otherwise. Id.

22. The Debtors believe that funds held in all of the Bank Accounts, which may exceed the amounts insured by the Federal Deposit Insurance Corporation, are secure and that obtaining bonds to further secure these funds would be prohibitively expensive and therefore

detrimental to the Debtors' estates and creditors. Cause exists pursuant to section 345(b) of the Bankruptcy Code to waive this requirement because, among other considerations, (i) the Debtors retain the right to remove funds held at the Banks and establish new bank accounts as needed; (ii) the costs associated with satisfying the requirements of section 345 is burdensome; and (iii) the process of satisfying those requirements would lead to needless inefficiencies in the management of the Debtors' business. The Debtors believe that the benefits of modifying the requirements of section 345(b) far outweigh any harm to the estates. The Debtors also believe that any funds that are deposited in these accounts are secure and, thus, the Debtors are in compliance with section 345 of the Bankruptcy Code.

**E. Maintenance of the Debtors' Existing Bank Accounts and Business Forms is Warranted**

23. Prior to the Commencement Date and in the ordinary course of their business, the Debtors maintained the Bank Accounts identified on **Exhibit B**. The U.S. Trustee has an "Operating Guidelines and Financial Reporting Requirements Required in All Cases Under Chapter 11" (the "**U.S. Trustee Guidelines**") that mandates the closure of the Debtors' prepetition Bank Accounts, the opening of new accounts, and the immediate printing of new checks with a "Debtor in Possession" designation on them. If the Debtors are required to comply with these guidelines, their operations would be severely harmed by the disruption, confusion, delay, and cost that would most certainly result from such compliance. Closure of the Bank Accounts would disrupt the Debtors' cash collection and disbursement activities and potentially cause the Debtors to default on their postpetition obligations to third parties. Such defaults would, in turn, cause vendors and other third parties to cease providing goods and services to the Debtors and would severely harm their estates.

24. The Debtors believe, therefore, that their transition to chapter 11 will be

smoother and more orderly, with minimum disruption and harm to their operations, if the Bank Accounts are continued following the Commencement Date with the same account numbers; provided, however, that checks issued or dated prior to the Commencement Date will not be honored, absent a specific order of the Court. By preserving business continuity and avoiding the disruption and delay to the Debtors' collection and disbursement activities that would necessarily result from closing the Bank Accounts and opening new accounts, all parties in interest, including employees, vendors and customers, will be best served. Accordingly, the Debtors respectfully request authority to maintain the Bank Accounts in the ordinary course of business, to continue utilizing the Cash Management System in a manner consistent with their prepetition practices, and to pay any ordinary course fees that may be incurred in connection with the Bank Accounts prior to or following the Commencement Date.

25. Finally, to minimize expenses, the Debtors request that they be authorized to continue using their existing correspondence and business forms, including, but not limited to, purchase orders, multicopy checks, letterhead, envelopes, promotional materials, and other business forms (collectively, the "**Business Forms**"), substantially in the forms existing immediately before the Commencement Date, without reference to their status as a debtors in possession. If the Debtors are not permitted to continue using their existing Business Forms, the resulting prejudice will include: (i) disruption of the ordinary financial affairs and business operations of the Debtors; (ii) delay in the administration of the Debtors' estates; and (iii) cost to the estates to print new Business Forms.

## VI.

### **NOTICE**

26. The Debtors have served notice of this Motion on (i) the U.S. Trustee; (ii) Credit Suisse, as administrative agent for (a) the Debtors' prepetition secured lenders under the

Credit Agreement dated as of July 11, 2008, as amended, and (b) the Swap Agreement dated as of July 11, 2008; (iii) Akin Gump Strauss Hauer & Feld (Attn: J. Michael Chambers and Charles R. Gibbs), attorneys for Credit Suisse; (iv) the Debtors' 20 largest unsecured creditors (on a consolidated basis); and (v) all applicable government agencies, to the extent required by the Bankruptcy Rules or the Bankruptcy Local Rules for the Southern District of Texas. The Debtors submit that no other or further notice need be provided.

WHEREFORE the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as it deems just and proper.

Dated: October 27, 2009  
Houston, Texas

/s/ Alfredo R. Pérez  
Alfredo R. Pérez (15776275)

WEIL, GOTSHAL & MANGES LLP  
700 Louisiana Street, Suite 1600  
Houston, Texas 77002  
Telephone: (713) 546-5000  
Facsimile: (713) 224-9511

Attorneys for Debtors  
and Debtors in Possession

**EXHIBIT A****LIST OF DEBTORS**

<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
Express Energy Services Operating, LP	7644
Express Energy Services (2008) LLC	3087
Express Energy Services Holding, LP	7122
Express Energy Services GP, LLC	7083
Express Energy Services CT, LP	8432
Express Energy Services Ark, LP	5287
Express Energy Services P&A, LP	8402
Express Energy Services WL, LP	2834
Express – Byrd R&S GP, LLC	7556
Express – Byrd R&S Oilfield Services, L.P.	7580
Express – MBCC GP, LLC	0760
Express – MBCC, Ltd.	0802
Express – Mike Byrd Casing Crews GP, LLC	0852
Express – Mike Byrd Casing Crews, Ltd.	0938
Express – R&S Tong Services GP, LLC	2230
Express – R&S Tong Services, Ltd.	7465
Express – BAH Leasing GP, LLC	0510
Express – BAH Leasing, Ltd.	0708
D&D Tongs GP, LLC	6566
D&D Tongs, L.P.	6586
Express – North Trail Oilfield Services, GP, LLC	7506
Express – North Trail Oilfield Services, Ltd.	7526
Express – Ace Rat Hole Service GP, LLC	6617
Express – Ace Rat Hole Service, Ltd.	6632

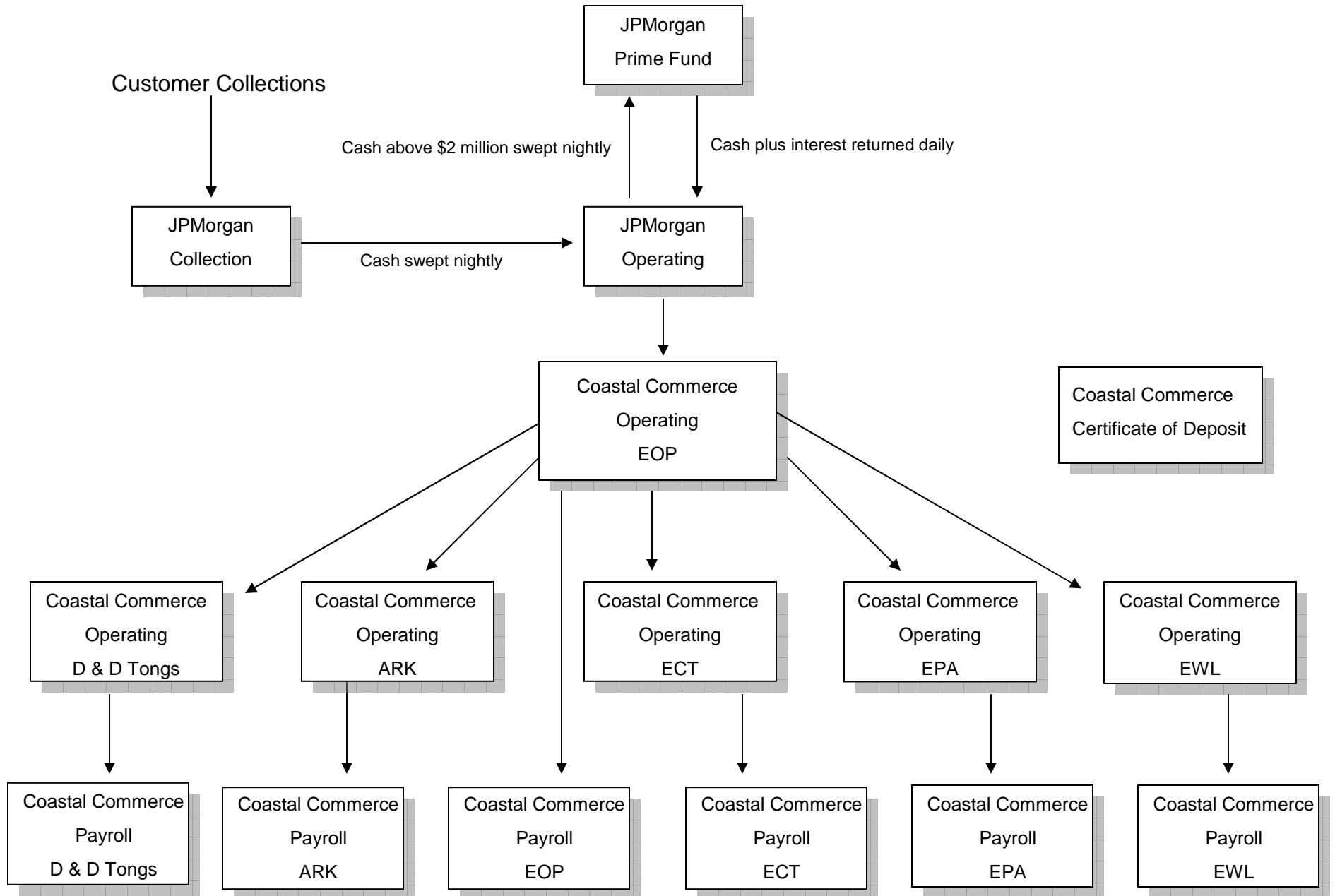
**EXHIBIT B****BANK ACCOUNTS**

<b>ACCOUNT HOLDER</b>	<b>BANK</b>	<b>ACCOUNT TYPE</b>	<b>LAST 4 DIGITS OF ACCOUNT</b>
Express Energy Services Operating, LP	JPMorgan Chase, N.A. Houston, TX	Operating	2157
Express Energy Services Operating, LP	JPMorgan Chase, N.A. Houston, TX	Collection	6840
Express Energy Services Operating, LP	JPMorgan Chase, N.A. Houston, TX	Certificate of Deposit	1423
Express Energy Services Operating, LP	Coastal Commerce Bank Houma, LA	Money Market	6755
Express Energy Services Operating, LP	Coastal Commerce Bank Houma, LA	Operating	1513
Express Energy Services Operating, LP	Coastal Commerce Bank Houma, LA	Payroll	9409
Express Energy Services ARK, LP	Coastal Commerce Bank Houma, LA	Operating	9441
Express Energy Services ARK, LP	Coastal Commerce Bank Houma, LA	Payroll	9714
Express Energy Services CT, LP	Coastal Commerce Bank Houma, LA	Operating	0050
Express Energy Services CT, LP	Coastal Commerce Bank Houma, LA	Payroll	9565
Express Energy Services P&A, LP	Coastal Commerce Bank Houma, LA	Operating	9391
Express Energy Services P&A, LP	Coastal Commerce Bank Houma, LA	Payroll	9573
Express Energy Services WL, LP	Coastal Commerce Bank Houma, LA	Operating	9275
Express Energy Services WL, LP	Coastal Commerce Bank Houma, LA	Payroll	9283
D&D Tongs, L.P.	Coastal Commerce Bank Houma, LA	Operating	0001
D&D Tongs, L.P.	Coastal Commerce Bank Houma, LA	Payroll	9995

**EXHIBIT C**

**CASH MANAGEMENT SYSTEM**

# EES Cash Management System



**EXHIBIT D**

**PROPOSED ORDER**

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

	§	
	§	
<b>In re</b>	§	<b>Chapter 11</b>
	§	
<b>EXPRESS ENERGY SERVICES</b>	§	
<b>OPERATING, LP, et al.,</b>	§	<b>Case No. 09-_____ (___)</b>
	§	
	§	
<b>Debtors.</b>	§	
	§	<b>Joint Administration Requested</b>

**ORDER AUTHORIZING (A) DEBTORS TO (I) CONTINUE THEIR  
EXISTING CASH MANAGEMENT SYSTEM, (II) HONOR  
CERTAIN PREPETITION OBLIGATIONS RELATED TO THE USE OF  
THE CASH MANAGEMENT SYSTEM, AND (III) MAINTAIN EXISTING  
BANK ACCOUNTS AND BUSINESS FORMS, AND (B) MODIFICATION OF THE  
REQUIREMENTS OF SECTION 345(b) OF THE BANKRUPTCY CODE**

Upon the Emergency Motion (the “**Motion**”)<sup>1</sup> of Express Energy Services Operating, LP (“**EES**”) and its affiliated debtors in the above referenced chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”) for an Order Authorizing (A) the Debtors to (I) Continue Using the Existing Centralized Cash Management System; (II) Honor Certain Prepetition Obligations Related to the Use of that Cash Management System; and (III) Maintain Existing Bank Accounts and Business Forms, and (B) Modification of the Requirements of Section 345(b) of the Bankruptcy Code, as more fully set forth in the Motion; and upon consideration of the Declaration of Darron Anderson in Support of the Debtors’ Chapter 11 Petitions and Request for First Day Relief; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the requested relief being a core proceeding the Court can

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<sup>1</sup> Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Motion.

determine pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion and the hearing thereon has been given under the circumstances and that no other or further notice need be provided; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is ORDERED that:

1. The Motion is GRANTED to the extent provided herein.
2. The Debtors are authorized, but not directed, pursuant to sections 105(a) and 363(c)(1) of the Bankruptcy Code, to continue the Cash Management System maintained by the Debtors before the Commencement Date, and to collect, concentrate, and disburse cash in accordance with the Cash Management System.
3. The Debtors are in compliance with section 345(b) of the Bankruptcy Code with respect to the JPMorgan Collection and Concentration Accounts and the Certificate of Deposit.
4. With respect to Bank Accounts that are not located in Banks that are Authorized Depositories, the Debtors shall have 30 days (or such additional time as the U.S. Trustee may agree) from the date of the entry of this Order to either come into compliance with section 345(b) of the Bankruptcy Code or to make such other arrangements as agreed with the U.S. Trustee.
5. The Debtors are authorized, but not directed, to: (i) designate, maintain, and continue to use any or all of their existing Bank Accounts with those Banks listed on Exhibit A annexed hereto, in the names and with the account numbers existing immediately prior to the Commencement Date; (ii) deposit funds into and withdraw funds from such accounts by all usual means including, without limitation, checks, wire transfers, automated transfers and other debits;

and (iii) treat their prepetition Bank Accounts for all purposes as debtor in possession accounts; *provided, however*, that nothing contained herein shall authorize any Bank to honor or pay any check issued or dated prior to the Commencement Date, except as otherwise provided by any order of this Court.

6. Except as otherwise provided in this Order, all Banks are authorized and directed to continue to maintain, service, and administer such Bank Accounts as accounts of the Debtors as debtors-in-possession without interruption and in the usual and ordinary course, and to receive, process, honor and pay any and all checks, drafts, wire transfers, ACH transfers or other debits drawn on any of the Bank Accounts after the Commencement Date by the holders or makers thereof, to the extent funds are available.

7. Any Bank that honors a prepetition check, electronic transfer, or other item drawn on any Bank Account that is the subject of this Order either (i) at the direction of the Debtors to honor such prepetition check, electronic transfer, or item, or (ii) in the good faith belief that the Court has authorized such prepetition check, electronic transfer, or item to be honored, shall not be deemed in violation of this Order and shall not be liable for a prepetition check, electronic transfer or other item drawn on any Bank Account that is the subject of this Order.

8. The Debtors are directed to maintain records of each and every transfer within the Cash Management System occurring on or after the Commencement Date to the same extent maintained by the Debtors prior to the Commencement Date, such that all postpetition transfers and transactions shall be adequately and promptly documented in, and readily ascertainable from, the Debtors' books and records.

9. Nothing contained herein shall prevent the Debtors from opening any additional bank accounts, or closing any existing Bank Account(s), as the Debtors may deem necessary and appropriate, and the Banks, and any other bank the Debtors deem appropriate are authorized to honor the Debtors' requests to open or close, as the case may be, such Bank Accounts or additional bank accounts.

10. The Debtors are authorized, but not directed, to use their existing Business Forms.

11. The Debtors are authorized, but not directed, to (i) pay undisputed prepetition Service Charges and (ii) reimburse the Banks for any claims arising, or chargebacks of deposits made, before or after the Commencement Date in connection with customer checks or other deposits into the Bank Accounts that have been dishonored or returned for any reason, together with any fees and costs in connection therewith, to the same extent that the Debtors were responsible for such items prior to the Commencement Date; provided, however, that none of the Banks shall be required to make transfers from or honor any draws against any of the Bank Accounts except to the extent of collected funds available in such Bank Accounts.

12. Bankruptcy Rule 6003(b) has been satisfied.

13. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) are waived.

14. Notwithstanding the applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon entry of this Order.

15. Within three (3) business days of the entry of this Order, the Debtors shall serve a copy of this Order on the Banks.

16. The Court shall retain jurisdiction to consider all matters arising from the interpretation or implementation of this Order.

Dated: \_\_\_\_\_, 2009  
Houston, Texas

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UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT A****BANK ACCOUNTS**

<b>ACCOUNT HOLDER</b>	<b>BANK</b>	<b>ACCOUNT TYPE</b>	<b>LAST 4 DIGITS OF ACCOUNT</b>
Express Energy Services Operating, LP	JPMorgan Chase, N.A. Houston, TX	Operating	2157
Express Energy Services Operating, LP	JPMorgan Chase, N.A. Houston, TX	Collection	6840
Express Energy Services Operating, LP	JPMorgan Chase, N.A. Houston, TX	Certificate of Deposit	1423
Express Energy Services Operating, LP	Coastal Commerce Bank Houma, LA	Money Market	6755
Express Energy Services Operating, LP	Coastal Commerce Bank Houma, LA	Operating	1513
Express Energy Services Operating, LP	Coastal Commerce Bank Houma, LA	Payroll	9409
Express Energy Services ARK, LP	Coastal Commerce Bank Houma, LA	Operating	9441
Express Energy Services ARK, LP	Coastal Commerce Bank Houma, LA	Payroll	9714
Express Energy Services CT, LP	Coastal Commerce Bank Houma, LA	Operating	0050
Express Energy Services CT, LP	Coastal Commerce Bank Houma, LA	Payroll	9565
Express Energy Services P&A, LP	Coastal Commerce Bank Houma, LA	Operating	9391
Express Energy Services P&A, LP	Coastal Commerce Bank Houma, LA	Payroll	9573
Express Energy Services WL, LP	Coastal Commerce Bank Houma, LA	Operating	9275
Express Energy Services WL, LP	Coastal Commerce Bank Houma, LA	Payroll	9283
D&D Tongs, L.P.	Coastal Commerce Bank Houma, LA	Operating	0001
D&D Tongs, L.P.	Coastal Commerce Bank Houma, LA	Payroll	9995