

# Exhibit 36



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IN THE UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF PENNSYLVANIA

In re:	)	Jointly Administered at
	)	Case No. 03-35592 JKF
MID-VALLEY, INC., <i>et al.</i> ,	)	
	)	Chapter 11
Debtors.	)	
	)	Docket No. _____
		Related to Docket Nos. 1511, 1513, 1514, 1544

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**AMENDED ORDER *NUNC PRO TUNC* TO JULY 16, 2004, (I) REPLACING ORDER ENTERED JULY 16, 2004, (II) APPROVING DEBTORS’ DISCLOSURE STATEMENT AND SOLICITATION PROCEDURES AND (III) CONFIRMING DEBTORS’ FOURTH AMENDED AND RESTATED JOINT PREPACKAGED PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE**

This matter comes before this Court on the Motion of Mid-Valley, Inc., DII Industries, LLC, Kellogg Brown & Root, Inc., KBR Technical Services, Inc., Kellogg Brown & Root Engineering Corporation, Kellogg Brown & Root International, Inc., a Delaware corporation, Kellogg Brown & Root International, Inc., a Panamanian corporation, and BPM Minerals, LLC, debtors and debtors-in-possession herein (collectively, the “Debtors”), for an order (I) approving the Debtors’ Disclosure Statement and the procedures used to solicit votes on the Debtors’ prepackaged plan of reorganization and (II) confirming the Debtors’ Fourth Amended and Restated Joint Prepackaged Plan of Reorganization Under Chapter 11 of the United States Bankruptcy Code dated and filed of record on May 17, 2004 (Docket No. 1513), as amended by the First Technical Plan Amendment to the Fourth Amended and Restated Joint Prepackaged Plan of Reorganization Under Chapter 11 of the Bankruptcy Code dated and filed of record on May 27, 2004 (Docket No. 1544) (collectively referred to hereinafter as the “Plan”).<sup>1</sup> This Court

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<sup>1</sup> Capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Uniform Glossary of Defined Terms for Plan Documents filed of record on May 17, 2004 (the “Glossary”) (Docket No. 1514). Any capitalized term used but not defined herein, or in the Glossary, but

has reviewed the briefs submitted in support of, and in opposition to, confirmation of the Plan and approval of the adequacy of the Disclosure Statement and the procedures used to solicit votes on the Plan, listened to the oral arguments of all interested parties appearing at the hearing or their counsel, reviewed the testimony of witnesses and other evidence admitted at the Confirmation Hearing, and taken notice of the pleadings, orders, and proceedings in the Reorganization Cases.

This Court also has reviewed: (i) the Affidavit of The Trumbull Group, LLC by Brendan Halley, Notice Coordinator for The Trumbull Group, L.L.C., sworn to January 27, 2004 (Docket No. 460); (ii) the Certificate of Service of Kirkpatrick & Lockhart LLP by Jeffrey N. Rich dated January 26, 2004 (Docket No. 444), reflecting service of the Debtors' Notice of Disclosure Statement and Chapter 11 Plan Confirmation Hearings and Related Deadlines dated March 19, 2004 (the "Confirmation Notice"); (iii) the Certificates of Publication (Docket Nos. 499, 500, and 501), reflecting publication of notice of Debtors' vote solicitation in the October 3, 2003 edition of USA Today, the October 2003 issue of Mealey's Silica Litigation Report, the October 17, 2003 issue of Mealey's Emerging Toxic Tort Report, and the October 15, 2003 issue of Mealey's Asbestos Litigation Report; (iv) the Affidavit by The Trumbull Group, L.L.C. f/k/a Trumbull Associates of Publication of Debtors' Notice of Disclosure Statement and Chapter 11 Plan Confirmation Hearings and Related Deadlines dated March 19, 2004, reflecting publication of the Confirmation Notice in the February 5, 2004 edition of USA Today and publication in the February 12, 2004 issue of Mealey's Asbestos Bankruptcy Litigation Report of the Confirmation Notice (Docket No. 847); (v) the Affidavit of The Trumbull Group, L.L.C. f/k/a Trumbull Associates, L.L.C. and Trumbull Services, L.L.C. dated March 31, 2004 (Docket No. 932),

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that is defined in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning ascribed to such term in the Bankruptcy Code or the Bankruptcy Rules. Such meanings shall be equally applicable to both the singular and the plural forms of such terms.

reflecting service of the Confirmation Notice on all known potential holders of Class 4 Indirect Asbestos PI Trust Claims and Class 6 Indirect Silica PI Trust Claims and other individual claimants identified on Exhibit C thereto; (vi) the Affidavit of The Trumbull Group, L.L.C. f/k/a Trumbull Associates, L.L.C. and Trumbull Services, L.L.C. dated April 20, 2004 (Docket No. 1078), reflecting service of the Confirmation Notice on all known, or alleged Class 4 and Class 6 asbestos and silica-related personal-injury claimants; and (vi) the Amended Affidavit of Daniel McSwigan dated April 21, 2004 (Docket No. 1104), reflecting service of the Debtors' solicitation packages which included the Plan Documents to all known Class 4 and Class 6 asbestos and silica-related personal-injury claimants and their counsel of record.

After due deliberation and sufficient cause appearing therefore, IT IS HEREBY ORDERED THAT:

**A. General Decrees and Implementation**

1. The Disclosure Statement dated September 18, 2003 (Docket No. 48) and the Supplemental Disclosure Statement dated November 14, 2003 (Docket No. 49) are hereby approved as containing adequate information within the meaning of section 1125 of the Bankruptcy Code.
2. All objections to the Disclosure Statement, other than those withdrawn in writing prior to, or on the record at, the Confirmation Hearing are hereby overruled.
3. The Debtors' solicitation of acceptances of the Plan is approved as being in compliance with all applicable requirements of section 1126(b) of the Bankruptcy Code, Bankruptcy Rules 3017 and 3018, and all applicable non-bankruptcy law.
4. The ballots in the form transmitted with the Disclosure Statement and the ballots in the form transmitted with the Supplemental Disclosure Statement are approved in all respects.

5. The holders of impaired Class 4 and Class 6 Claims have voted to accept the Plan in the numbers and amounts required by section 1126(b) of the Bankruptcy Code. The holders of Class 4 Claims also have voted to accept the Plan in sufficient numbers to meet the requirements of section 524(g)(2)(B)(ii)(iv)(bb) of the Bankruptcy Code. All other Classes of Claims and Interests are unimpaired under the Plan and are deemed pursuant to section 1126(f) of the Bankruptcy Code to have accepted the Plan.

6. All objections related to the Debtors' solicitation process and ballot tabulation procedures, other than those withdrawn in writing prior to, or on the record at, the Confirmation Hearing are hereby overruled.

7. The Plan is hereby confirmed in its entirety, and each and every provision contained therein is approved in its entirety.

8. The Plan Documents, including, without limitation, the Asbestos PI Trust Documents and the Silica PI Trust Documents together with all amendments, modifications, and supplements thereto, and all annexes, exhibits, and schedules thereto, and all terms and conditions thereof, are hereby approved.

9. The Debtors and/or Reorganized Debtors may amend Exhibit 2 to the Plan after the Confirmation Date by filing an amended exhibit with the clerk of the Bankruptcy Court and serving such exhibit on the Official Service List and the 2002 Service List. Upon the filing of such exhibit, the Plan shall be deemed to have been amended without need for further action.

10. All objections to the confirmation of the Plan, other than those withdrawn in writing prior to, or on the record at, the Confirmation Hearing are hereby overruled.

11. All transactions effected by the Debtors during the period from the Petition Date, through and including the Confirmation Date, are hereby approved, ratified, and confirmed.

12. Except as otherwise provided in this Order, all payments made or to be made by the Debtors, or by an Entity to the extent, if any, that such Entity issues or delivers securities or acquires property under or pursuant to the Plan, for services or for costs and expenses in or in connection with the Reorganization Cases, or in connection with the Plan and incident to the Reorganization Cases, are hereby approved as reasonable.

13. The record of the Confirmation Hearing is closed.

14. Nothing in this Order shall in any way affect the provisions of article 8.1 of the Plan, which provide that “the Effective Date of the Plan” shall not occur, and that the Plan shall be of no force and effect, until the conditions in article 8.1 of the Plan have been satisfied or, if applicable, waived pursuant to article 8.2 of the Plan.

15. If the Effective Date does not occur, the terms of this Order and all Findings of Fact and Conclusions of Law shall be null and void, and the Debtors and holders of Claims and Interests shall stand in the same position in which such persons would have stood if this Order had not been entered.

**B. Certain Matters Relating to Implementation of the Plan**

**Certain Corporate Filings; Management of the Reorganized Debtors**

16. The managing member, chief executive officer, president, vice president, general counsel, secretary, treasurer, or any other officer of each Debtor shall be authorized, to the extent consistent with each respective Debtor’s constituent documents, to execute, deliver, file, or record such contracts, instruments, settlement agreements, releases, indentures, and other agreements or documents and to take or direct such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The secretary, any assistant secretary, managing member, or officer of a Debtor shall be authorized to certify or attest to any of the foregoing actions.

17. All matters provided for under the Plan involving the corporate structure of the Debtors or the Reorganized Debtors, or any corporate action to be taken by, or required of, the Debtors or the Reorganized Debtors, shall be deemed to have occurred and be effective as provided in the Plan, and shall be authorized and approved in all respects without any requirement for further action by the stockholders or directors of any such entities.

18. On and after the Effective Date, the business and affairs of the Reorganized Debtors will be managed (a) in the case of DII Industries, by HESI, as the managing member of DII Industries, and by the officers of DII Industries serving immediately prior to the occurrence of the Effective Date and (b) in the case of the other Reorganized Debtors, by the respective boards of directors and officers of the Reorganized Debtors serving immediately prior to the occurrence of the Effective Date.

**Vesting of Assets; Continued Corporate Existence**

19. Except as otherwise expressly provided herein or in the Plan, on the Effective Date, the Reorganized Debtors shall be vested with all of the assets and property of their former Estates, free and clear of all Claims, Liens, charges, and other interests of holders of Claims or Interests, except to the extent specifically provided herein, in an order of this Court, or in the Plan, and may operate their businesses free of any restrictions imposed by the Bankruptcy Code.

**Substantive Consolidation for Certain Purposes**

20. Pursuant to article 9.1 of the Plan, the Debtors' Estates shall be substantively consolidated on the Effective Date for purposes of funding the Asbestos PI Trust and the Silica PI Trust. Such substantive consolidation shall not affect the Debtors' obligations to holders of Claims in Classes other than Class 4 and Class 6, which shall continue to be obligations solely of the specific entities that were obligated on a Claim on the Petition Date. Except as provided in article 9.1 of the Plan, the Reorganized Debtors shall continue to maintain their separate

corporate existence for all purposes other than funding the Asbestos PI Trust and the Silica PI Trust.

**Institution and Maintenance of Legal and Other Proceedings**

21. Except as provided in articles 11.4 and 12.1 of the Plan, as of the Effective Date, the Asbestos PI Trust and the Silica PI Trust shall be empowered to initiate, prosecute, defend, settle, and resolve all legal actions and other proceedings related to any asset, liability, or responsibility of the Asbestos PI Trust and the Silica PI Trust, as the case may be. The Asbestos PI Trust and the Silica PI Trust, as the case may be, shall be responsible for the payment of all damages, awards, judgments, settlements, expenses, costs, fees, and other charges incurred by or on behalf of such trust subsequent to the Effective Date arising from, or associated with, any legal action or other proceeding that is the subject of this paragraph.

**Vesting and Enforcement of Causes of Action in Reorganized Debtors**

22. All causes of action shall remain property of the Reorganized Debtors, except to the extent provided in the Plan, and may be pursued or compromised as deemed fit by the Reorganized Debtors in their sole discretion without need for this Court's approval. Proceeds, if any, of such causes of action shall be retained by the Reorganized Debtors for general corporate purposes.

**No Transfer Taxes**

23. Pursuant to section 1146(c) of the Bankruptcy Code, the issuance, transfer, or exchange of any of the securities issued, transferred, or exchanged under, or the transfer of any other assets or property pursuant to, or in connection with, the Plan, or the making or delivery of an instrument of transfer under, or in connection with, the Plan shall not be taxed under any law imposing a stamp tax, transfer tax, or other similar tax.

### **The Asbestos PI Trust**

#### **(a) Establishment and Purpose of Asbestos PI Trust**

24. On the Effective Date, the Asbestos PI Trust shall be established in accordance with the Plan Documents. The Asbestos PI Trust shall be a “qualified settlement fund” within the meaning of regulations issued pursuant to section 468B of the IRC. The purpose of the Asbestos PI Trust shall be to, among other things, (1) liquidate, resolve, pay, and satisfy all Asbestos PI Trust Claims in accordance with the Plan, the Asbestos TDP, procedures to be developed and implemented by the Trustees for the processing of, and where applicable, the liquidation of, Indirect Asbestos PI Trust Claims (as required by the Asbestos TDP and subject to the rights of parties under the applicable TDP), and this Order, and (2) preserve, hold, manage, and maximize the Asbestos PI Trust Assets for use in paying and satisfying Liquidated Asbestos PI Trust Claims in accordance with the terms of the Asbestos PI Trust Agreement.

#### **(b) The Appointment of Trustees, Asbestos TAC Members, and Legal Representative**

25. The initial trustees of the Asbestos PI Trust shall be Mark A. Gleason, Alan R. Kahn, and the Honorable Robert M. Parker.

26. The initial members of the Asbestos TAC shall be Steven Baron, John Cooney, Theodore Goldberg, Steven Kazan, Michael Kelley, Glen Morgan, and Perry Weitz.

27. Eric D. Green shall continue to serve as Legal Representative on and after the Effective Date pursuant to article 5 of the Asbestos PI Trust Agreement.

### **The Silica PI Trust**

#### **(a) Establishment and Purpose of Silica PI Trust**

28. On the Effective Date, the Silica PI Trust shall be established in accordance with the Plan Documents. The Silica PI Trust shall be a “qualified settlement fund” within the

meaning of regulations issued pursuant to section 468B of the IRC. The purpose of the Silica PI Trust shall be to, among other things, (1) direct the liquidation, resolution, payment, and satisfaction of all Silica PI Trust Claims in accordance with the Plan, the Silica TDP, procedures to be developed and implemented by the Trustees for the processing of, and where applicable, the liquidation of, Indirect Silica PI Trust Claims (as required by the Silica TDP and subject to the rights of parties under the applicable TDP), and this Order, and (2) preserve, hold, manage, and maximize the Silica PI Trust Assets for use in paying and satisfying Liquidated Silica PI Trust Claims in accordance with the terms of the Silica PI Trust Agreement.

**(b) The Appointment of Trustee, Silica TAC Members, and Legal Representative**

29. The initial trustee of the Silica PI Trust shall be Martin J. Murphy.

30. The initial members of the Silica TAC shall be Steven Baron, Bryan Blevins, and Joseph Rice.

31. Eric D. Green shall continue to serve as the Legal Representative on and after the Effective Date pursuant to article 5 of the Silica PI Trust Agreement.

**C. Insurance**

32. Except for those rights provided to the Asbestos PI Trust in the Asbestos PI Trust Additional Funding Agreement, all rights to recoveries under any insurance policy providing the Debtors, Halliburton, and/or the Halliburton Current Affiliates with coverage for asbestos-related liabilities, the right to control insurance-coverage litigation, negotiations, and settlements shall be vested and remain, as applicable, with the Reorganized Debtors, Halliburton, or the Halliburton Current Affiliates on and after the Effective Date.

33. Article 11.4 of the Plan is incorporated in its entirety into, and made a part of, this Order.

34. The Order Granting Debtors' Motion for an Order Pursuant to 11 U.S.C. § 105(a) and Fed. R. Bankr. P. 9019 (a) Approving (I) Settlement Agreement and Mutual Release Between DII Industries, LLC, Halliburton Company and Certain Underwriters at Lloyd's, London (the "Lloyd's, London Settlement Agreement") and (II) Related Technical Plan Amendment entered on March 10, 2004 (Docket No. 806) is incorporated in its entirety into, and made a part of, this Order. The provisions of the Lloyd's, London Settlement Agreement are binding on the Reorganized Debtors, and the obligations of DII Industries under the agreement shall become the joint and several obligations of the Reorganized Debtors.

35. The Order Granting Debtors' Motion for an Order Pursuant to 11 U.S.C. § 105(a) and Fed. R. Bankr. P. 9019 (a) Approving (I) Settlement Agreement and Mutual Release Between DII Industries, LLC and Liberty Mutual Insurance Company (the "Liberty Mutual Settlement Agreement"), and (II) Related Technical Plan Amendment entered on May 6, 2004 (Docket No. 1410) is incorporated in its entirety into, and made a part of, this Order, and the provisions of the Liberty Mutual Settlement Agreement are binding on the Reorganized Debtors.

36. The Stipulated Order Granting Debtors' Expedited Motion for an Order Pursuant to 11 U.S.C. §§ 105(a) and 365(a) Authorizing Debtors' Assumption of Asbestos and Silica-Related Insurance Coverage-In-Place Agreements entered on May 10, 2004 (Docket No. 1492) is incorporated in its entirety into, and made a part of, this Order.

**D. Discharge and Release**

37. Except as specifically provided in the Plan or in this Order, effective on the Effective Date, to the fullest extent permitted under applicable law, the rights provided in the Plan shall (a) discharge the Debtors and (b) release each of the Halliburton Entities and the Harbison-Walker Entities, in the case of both (a) and (b) from any and all Asbestos Unsecured PI Trust Claims and Silica Unsecured PI Trust Claims, whether or not (i) a Proof of Claim based on

such Claim was filed or deemed filed under section 501 of the Bankruptcy Code, (ii) such Claim is or was Allowed under section 502 of the Bankruptcy Code, (iii) such Claim was listed on the schedules of a Debtor, or (iv) the holder of such Claim has voted on or accepted the Plan.

(a) The Plan proposes 100% payment of asbestos-related and silica-related claims. Approximately \$4.2 billion in funding is being provided under the Plan. Of that amount, more than \$1.8 billion, measured on a net present value basis, is dedicated to payment of unsettled and future asbestos-related personal-injury claims. With respect to the Silica PI Trust, under the Plan, DII Industries and KBR will issue a note, guaranteed by Halliburton, that will provide payment of up to \$450 million over a thirty-year period, and up to \$750 million over a fifty-year period if the Silica PI Trust Note is extended, pursuant to its terms, to ensure that the Silica PI Trust has sufficient assets to meet projected future Demands. Based upon the foregoing, the analyses performed by the professionals of the Debtors and Legal Representative, and the Legal Representative's testimony, the funding provided to the Asbestos and Silica PI Trusts is sufficient to provide 100% payment to all claims liquidated under both trusts.

(b) For Qualifying Settled Asbestos PI Trust Claims, Qualifying Settled Silica PI Trust Claims, Asbestos Final Judgment Claims, and Silica Final Judgment Claims, amendments to the Plan provide that the Payment Percentage will be the Initial Payment Percentage calculated on the 105<sup>th</sup> day after entry of the Confirmation Order by dividing \$2.775 billion by the aggregate dollar value of Qualified Claims. In total, there are \$3.085 billion in claims that potentially could be Qualified Claims based upon agreements with the Asbestos Committee.

(c) As of May 7, 2004, the number of Qualified Claimants totaled 307,632 with claims totaling \$2,557,653,842. While the review of claims is not yet complete, and will not be complete until the 105<sup>th</sup> day after entry of the Confirmation Order, the Debtors' witnesses and the Legal Representative testified that they expect that the Initial Payment Percentage for Qualified Claimants will be 100%. The Court credits the testimony.

(d) For claims liquidated under the Asbestos TDP (other than claims for Disease Level 1 (Other Asbestos Disease)) and claims liquidated under the Silica TDP, the Payment Percentage will be established by the trustee(s) of the respective trust with the consent of the Legal Representative and the Asbestos TAC in the case of Asbestos Unsecured PI Trust Claims, and with the consent of the Legal Representative and the Silica TAC in the case of Silica Unsecured PI Trust Claims. Professor Green testified that the Payment Percentage for these claimants also likely will be 100%.

(e) The DII Industries, LLC. Asbestos PI Trust Distribution Procedures, Plan Exhibit 4, Amended Annex 3, makes certain provisions in Section 4, Payment Percentage; Periodic Estimates. Section 4.1 acknowledges the uncertainty of the Halliburton Entities' and the Harbison-Walker Entities' asbestos personal injury liabilities and notes that there is uncertainty regarding the amounts that the holders of those Asbestos PI Trust Claims will receive. The Silica PI Trust Distribution Procedures, Amended Annex 3 to Silica PI Trust Agreement, Plan Exhibit 10, provides a procedure in Section 4, Resolution of Silica Unsecured PI Trust Claims,

for the processing and payment of silica claims. Based upon the analysis performed by the Debtors and Legal Representative and the Legal Representative's testimony, the Plan is structured so that the Asbestos and Silica PI Trusts are funded sufficiently to provide 100% payment to all claims and demands liquidated under the Trusts.

(f) Under the Halliburton Intercompany Settlement Agreement, Halliburton has agreed, on behalf of itself and the other parties to be protected under the Permanent Channeling Injunction, to:

- issue 59.5 million shares of Halliburton stock which DII Industries will contribute to the Asbestos PI Trust on the Effective Date;
- raise or obtain commitments for the approximately \$2.4 billion that will be needed to fund cash contributions to the asbestos and silica trusts;
- guarantee the obligations of DII Industries under the Asbestos PI Trust Note;
- guarantee the obligations of DII Industries and KBR under the Silica PI Trust Note;
- guarantee the obligations of the Debtors under the Asbestos PI Trust Funding Agreement and the Silica PI Trust Funding Agreement;
- perform various other undertakings in connection with the Plan;
- provide up to \$350 million in DIP financing in order for the Debtors to meet financial obligations during and after the Reorganization Cases; and
- enter into a third-party master letter of credit facility covering draws on approximately \$1.1 billion in letters of credit issued on behalf of various Debtors.

(g) Pursuant to 11 U.S.C. §524(g), in order for Halliburton as an affiliate of the Debtors to receive the benefit of the Permanent Channeling Injunction for claims where Halliburton is alleged to be directly or indirectly liable for the conduct of, claims against, or demands on one or more of the Debtors, the Court must find that the benefits provided by Halliburton to the claimants make it "fair and equitable" to so extend this protection. 11 U.S.C. §524(g)(4)(B)(ii). The evidence has shown that with the contribution being made by Halliburton the Asbestos and Silica PI Trusts are funded sufficiently to provide 100% payment for all claims liquidated under the Trusts. In these circumstances, the Court finds it is fair and equitable for Halliburton to receive the benefit of the Permanent Channeling Injunction.

### **Discharge Injunction**

38. Except as specifically provided in the Plan Documents of this Order to the contrary, the satisfaction, release, and discharge set forth in article 10.1 of the Plan shall operate

as an injunction permanently prohibiting and enjoining the commencement or continuation of any action, the employment of process or any act to collect, recover from, or offset (a) any Claim or Demand against or Interest in the Debtors, the Reorganized Debtors, the Asbestos PI Trust, or the Silica PI Trust by any Entity, including all Claims and Demands discharged and released in article 10.1 of the Plan, and (b) any cause of action, whether known or unknown, against any Halliburton Entity or Harbison-Walker Entity that is derivative of, or based upon, any Claim or Interest discharged and released in article 10.1 of the Plan.

**E. The Permanent Channeling Injunction and the Asbestos/Silica Insurance Company Injunction**

**39. The Permanent Channeling Injunction**

(a) Terms. In order to preserve and promote the settlements contemplated by and provided for in the Plan and to supplement, where necessary, the injunctive effect of the discharge both provided by sections 1141 and 524 of the Bankruptcy Code and pursuant to the exercise of the equitable jurisdiction and power of this Court under sections 524(g) or 105(a) (or both) of the Bankruptcy Code, the Permanent Channeling Injunction set forth in article 10.3(a) of the Plan shall be, and hereby is, issued and approved as of the Effective Date. Pursuant to the Permanent Channeling Injunction, all Entities which have held or asserted, which hold or assert, or which may in the future hold or assert any Asbestos PI Trust Claim, any Silica PI Trust Claim, or Claim or Demand for or respecting any Asbestos PI Trust Expense or Silica PI Trust Expense against any of the Debtor-Affiliated Protected Parties based upon, arising out of, attributable to, or in any way causally connected with, any Released Claim whenever and wherever arising or asserted (including, but not limited to, all such Claims in the nature of or sounding in tort, contract, warranty, or any other theory of law, equity, or admiralty,

whether by common law or by statute) shall be permanently and forever stayed, restrained, and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments, satisfaction, or recovery from any Debtor-Affiliated Protected Party with respect to any Released Claim, including, but not limited to:

(i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including a judicial, arbitration, administrative, or other proceeding) in any forum with respect to any Released Claim against any of the Debtor-Affiliated Protected Parties, or against the property or interests in property of any Debtor-Affiliated Protected Party, with respect to any Released Claim;

(ii) enforcing, levying, attaching (including prejudgment attachment) collecting, or otherwise recovering, by any manner or means, whether directly or indirectly, any judgment, award, decree, or other order against any of the Debtor-Affiliated Protected Parties, or against the property or interests in property of any Debtor-Affiliated Protected Parties, with respect to any Released Claim;

(iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any Lien of any kind against any Debtor-Affiliated Protected Party, or the property or interests in property of any Debtor-Affiliated Protected Party, with respect to any Released Claim;

(iv) except as otherwise specifically provided in the Plan, asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, reimbursement or recoupment of any kind and in any manner, directly or indirectly against any

obligation due any Debtor-Affiliated Protected Party, or against the property or interests in property of any Debtor-Affiliated Protected Party, with respect to any Released Claim; and

(v) proceeding or taking any action, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan Documents, the Asbestos PI Trust Documents, or the Silica PI Trust Documents, relating to any Released Claim.

(b) Reservations. Notwithstanding anything to the contrary above, this Permanent Channeling Injunction shall not enjoin:

(i) the rights of Entities to the treatment accorded them under articles II and IV of the Plan, as applicable, including the rights of Entities with Asbestos PI Trust Claims and Silica PI Trust Claims to assert such Asbestos PI Trust Claims in accordance with the Asbestos TDP and Silica PI Trust Claims in accordance with the Silica TDP;

(ii) the rights of Entities to assert any Claim, debt, obligation, or liability for payment of Asbestos PI Trust Expenses against the Asbestos PI Trust or Silica PI Trust Expenses against the Silica PI Trust;

(iii) the rights of any Reorganized Debtor, Halliburton, or any Halliburton Current Affiliate to prosecute any Asbestos/Silica Insurance Action;

(iv) the rights of Entities to assert any Claim, Demand, debt, obligation, or liability for payment against an Asbestos/Silica Insurance Company that is not a Debtor-Affiliated Protected Party unless otherwise enjoined by order of this Court or estopped by any provision of the Plan;

(v) the rights of the trustees of the Asbestos PI Trust to assert any claim under the Asbestos PI Trust Funding Agreement or the Asbestos PI Trust Additional Funding Agreement or the rights of the trustee of the Silica PI Trust to assert any claim under the Silica PI Trust Funding Agreement;

(vi) the rights of any holder of a Settled Asbestos PI Trust Claim or a Settled Silica PI Trust Claim, whose claim is determined by the Debtors or the Reorganized Debtors not to be a Qualifying Settled Asbestos PI Trust Claim or a Qualifying Settled Silica PI Trust Claim, as the case may be, to exercise any alternative dispute resolution rights under an applicable Asbestos/Silica PI Trust Claimant Settlement Agreement in accordance with article 12.2 of the Plan; or

(vii) the right of the holder, if any, of an Asbestos Secured PI Trust Claim or a Silica Secured PI Trust Claim to exercise the holder's legal, equitable, or contractual rights on account of such Claim, subject to, and in accordance with, the provisions of articles 4.2(e) and (g) of the Plan.

40. **Asbestos/Silica Insurance Company Injunction**

(a) Terms. In order to preserve and promote the property of the Estates, as well as the settlements contemplated by and provided for in the Plan, and to supplement, where necessary, the injunctive effect of the discharge and releases detailed herein, and pursuant to the exercise of the equitable jurisdiction and power of this Court under sections 524(g) or 105(a) (or both) of the Bankruptcy Code, the Asbestos/Silica Insurance Company Injunction set forth in article 10.3(b) of the Plan shall be, and hereby is, issued and approved as of the Effective Date. Pursuant to the Asbestos/Silica Insurance Company Injunction, all Entities which have held or asserted, which hold or assert, or which may in the future hold or assert any Claim, Demand, or cause of action (including,

but not limited to, any Asbestos PI Trust Claim, Silica PI Trust Claim, or any Claim or Demand for or respecting any Asbestos PI Trust Expense or Silica PI Trust Expense), against a Settling Asbestos/Silica Insurance Company based upon, arising out of, attributable to, or in any way connected causally with, any Claim against or relating to Asbestos/Silica In-Place Insurance Coverage, or an Asbestos/Silica Insurance Policy, whenever and wherever arising or asserted (including, but not limited to, all Claims in the nature of or sounding in tort, contract, warranty, or any other theory of law, equity, or admiralty, whether under common law or by statute) shall be permanently and forever stayed, restrained, and enjoined from taking any action for the purpose of directly or indirectly collecting, recovering, or receiving payments, satisfaction, or recovery with respect to any such Claim, Demand, or cause of action, including, but not limited to:

(i) commencing, conducting, or continuing, in any manner, directly or indirectly, any suit, action or other proceeding of any kind (including a judicial, arbitration, administrative, or other proceeding) in any forum with respect to any such Claim, Demand, or cause of action against any Settling Asbestos/Silica Insurance Company, or against the property or interests in property of any Settling Asbestos/Silica Insurance Company, with respect to any such Claim, Demand, or cause of action;

(ii) enforcing, levying, attaching, collecting, or otherwise recovering, by any manner or means, whether directly or indirectly, any judgment, award, decree, or order against any Settling Asbestos/Silica Insurance Company, or against the property or interests in property of any Settling Asbestos/Silica Insurance Company, with respect to any such Claim, Demand, or cause of action;

(iii) creating, perfecting, or otherwise enforcing, in any manner, directly or indirectly, any Lien of any kind against any Settling Asbestos/Silica Insurance Company, or the property or interests in property of any Settling Asbestos/Silica Insurance Company, with respect to any such Claim, Demand, or cause of action;

(iv) except as otherwise specifically provided in the Plan, asserting or accomplishing any setoff, right of subrogation, indemnity, contribution, reimbursement or recoupment of any kind and in any manner, directly or indirectly, against any obligation due any Settling Asbestos/Silica Insurance Company, or against the property or interests in property of any Settling Asbestos/Silica Insurance Company, with respect to any such Claim, Demand, or cause of action; and

(v) taking any act, in any manner, in any place whatsoever, that does not conform to, or comply with, the provisions of the Plan Documents, relating to such Claim, Demand, or cause of action.

(b) Reservations. Notwithstanding anything to the contrary above, this Asbestos/Silica Insurance Company Injunction shall not enjoin:

(i) the rights of Entities to the treatment accorded them under articles II and IV of the Plan, as applicable, including the rights of Entities with Asbestos PI Trust Claims or Silica PI Trust Claims to assert Asbestos PI Trust Claims against the Asbestos PI Trust in accordance with the Asbestos TDP or Silica PI Trust Claims against the Silica PI Trust in accordance with the Silica TDP;

(ii) the rights of Entities to assert any Claim, debt, obligation, or liability for payment of Asbestos PI Trust Expenses against the Asbestos PI Trust or Silica PI Trust Expenses against the Silica PI Trust; or

(iii) the rights of the Reorganized Debtors and the Released Non-Debtor Affiliates to prosecute any Asbestos/Silica Insurance Action subject, however, to the terms of any Asbestos/Silica Insurance Settlement Agreement.

**F. Limitation of Injunctions**

41. Notwithstanding any other provision of the Plan to the contrary, the releases set forth in article 10.1 and the Discharge Injunction, Permanent Channeling Injunction, and the Asbestos/Silica Insurance Company Injunction set forth in articles 10.2 and 10.3, respectively, shall not serve to satisfy, discharge, release, or enjoin claims by any Entity against (a) the Asbestos PI Trust or the Silica PI Trust for the payment of Asbestos PI Trust Claims and Silica PI Trust Claims in accordance with the Asbestos TDP and the Silica TDP, respectively or (b) the Asbestos PI Trust and the Silica PI Trust for the payment of Asbestos PI Trust Expenses and Silica PI Trust Expenses, respectively.

**G. Section 346 Injunction**

42. In accordance with section 346 of the Bankruptcy Code, for purposes of any state or local law imposing a tax, the Debtors or the Reorganized Debtors will not realize income by reason of any forgiveness or discharge of indebtedness resulting from the consummation of the Plan. As a result, each state or local taxing authority is permanently enjoined and restrained, after the Effective Date, from commencing, continuing, or taking any act to impose, collect, or recover in any manner any tax against the Debtors or the Reorganized Debtors, arising by reason of the forgiveness or the discharge of indebtedness under the Plan.

**H. Continuation of Prior Stays and Injunctions**

43. All of the injunctions and/or automatic stays provided for in connection with the Reorganization Cases, whether pursuant to section 105, section 362, or any other provision of the Bankruptcy Code or other applicable law, in existence immediately prior to Confirmation of the

Plan shall remain in full force and effect until the Discharge Injunction, Permanent Channeling Injunction and the Asbestos/Silica Insurance Company Injunction become effective, and thereafter, if so provided by the Plan, this Order, or by their own terms. In addition, on and after the Confirmation Date, the Debtors may seek such further orders as they may deem necessary to preserve the status quo during the time between the Confirmation Date and the Effective Date.

44. The Discharge Injunction, the Permanent Channeling Injunction, and the Asbestos/Silica Insurance Company Injunction shall become effective on the Effective Date and shall continue in effect at all times thereafter.

45. Notwithstanding anything to the contrary contained in the Plan, all actions in the nature of those to be enjoined by the Discharge Injunction, the Permanent Channeling Injunction and the Asbestos/Silica Insurance Company Injunction shall be enjoined during the period between the Confirmation Date and the Effective Date.

**I. Exoneration and Reliance**

46. The Plan-Process Participants shall not be liable other than for willful misconduct or gross negligence to any holder of a Claim, Demand, or Interest, or to any other Entity, with respect to any action, omission, forbearance from action, decision, or exercise of discretion taken at any time through the Effective Date in connection with: (a) the management or operation of the Debtors and/or the Reorganized Debtors, or the discharge of their duties under the Bankruptcy Code, (b) the implementation of any of the transactions provided for, or contemplated in, the Plan or the Plan Documents, (c) any action taken in connection with either the enforcement of the rights of any Debtor against any Entities or the defense of Claims asserted against any such Debtor with regard to the Reorganization Cases, (d) any action taken in the negotiation, formulation, development, proposal, solicitation, disclosure, Confirmation, or implementation of the Plan or the Plan Documents filed in the Reorganization Cases, or (e) the

administration of the Plan or the assets or property to be distributed pursuant to the Plan. The Plan-Process Participants may reasonably rely upon the opinions of their respective counsel, accountants, and other experts or professionals, and such reliance, if reasonable, shall conclusively establish the absence of willful misconduct; provided, however, that a determination that such reliance is unreasonable shall not, by itself, constitute a determination of willful misconduct. In any action, suit, or proceeding by any holder of a Claim or Interest or any other Entity contesting any action by, or non-action of, a Plan-Process Participant, the reasonable attorneys' fees and costs of the prevailing party shall be paid by the losing party, and as a condition to going forward with such action, suit, or proceeding at the outset thereof, all parties thereto shall be required to provide appropriate proof and assurances of their capacity to make such payments of reasonable attorneys' fees and costs in the event they fail to prevail.

**J. Release of Intercompany Settlement Claims**

47. In accordance with the terms of article 10.6 of the Plan and the Halliburton Intercompany Settlement Agreement, neither the Debtors, nor any representative of their Estates, nor the Reorganized Debtors shall commence or prosecute any Intercompany Settlement Claim against a Settlement Released Party. Pursuant to article 10.6 of the Plan, all Intercompany Settlement Claims shall be deemed to have been unconditionally and absolutely released by the Debtors (on behalf of themselves and their Estates) and the Reorganized Debtors, without need for further action, on the Effective Date.

**K. Treatment of Executory Contracts and Unexpired Leases**

**Assumption and Rejection of Certain Unexpired Leases and Executory Contracts**

48. Except as otherwise provided in the Plan Documents, pursuant to article 6.1 of the Plan, any unexpired lease or executory contract that has not been expressly assumed or rejected by the Debtors with approval of this Court on or prior to the Confirmation Date shall, as of the

Confirmation Date (subject to the occurrence of the Effective Date), be deemed to have been assumed by the Debtors under sections 365(a) and 1123 of the Bankruptcy Code; provided, however, that this provision shall not apply to (a) Asbestos/Silica PI Trust Claimant Settlement Agreements, to the extent executory, or (b) agreements, to the extent executory, providing for indemnification of third parties for Asbestos PI Trust Claims and Silica PI Trust Claims. To the extent executory, all Asbestos/Silica PI Trust Claimant Settlement Agreements set forth on Exhibit 3 to the Plan and agreements providing for indemnification of third parties for Asbestos PI Trust Claims and Silica PI Trust Claims shall be deemed rejected by operation of law or entry of this Order unless expressly identified and assumed pursuant to other order of this Court. Upon rejection, each Claimant under an Asbestos/Silica PI Trust Settlement Agreement shall be deemed to have a claim for damages equal to the amount payable to such Claimant under the applicable agreement subject to the satisfaction of the preconditions to payment.

#### **Compensation and Benefits Program**

49. Unless otherwise agreed to by the affected parties, all of the Debtors' obligations under employment and severance policies, and all compensation and benefit plans, policies, and programs of the Debtors applicable to their present and former employees, officers, and directors, including, but not limited to, all savings plans, retirement plans, health care plans, disability plans, severance benefit plans, incentive plans, and life, accidental death, and dismemberment insurance plans, shall be deemed to be, and shall be treated as though they are, executory contracts that are deemed assumed under the Plan, and the Debtors' obligations under such plans, policies, and programs shall be deemed assumed pursuant to sections 365(a) and 1123 of the Bankruptcy Code, survive Confirmation of the Plan, remain unaffected thereby, and shall not be discharged in accordance with section 1141 of the Bankruptcy Code. Any defaults

existing as of the Effective Date under any of such plans, policies, and programs shall be cured promptly after the Debtors become aware of them.

**Letters of Credit, Surety Bonds, Corporate Guaranties, Indemnity Agreements, and Post-Petition Contracts**

50. Unless otherwise agreed to by the affected parties, all of the Debtors' obligations under letters of credit, surety bonds, corporate guaranties, and indemnity agreements (except for agreements providing for indemnification for liabilities related to Asbestos PI Trust Claims and Silica PI Trust Claims) existing immediately prior to the Effective Date (including guaranties or contractual obligations related to letters of credit and/or surety bonds issued on behalf of the Debtors or on behalf of subsidiaries of the Debtors), and post-petition contracts entered by the Debtors after the Petition Date, shall be deemed to be, and shall be treated as though they are, executory contracts that are assumed under the Plan. The Debtors' obligations under such letters of credit and surety bonds, corporate guaranties, indemnity agreements, and post-petition contracts shall be deemed assumed pursuant to sections 365(a) and 1123 of the Bankruptcy Code, survive entry of this Order, and occurrence of the Effective Date, remain unaffected thereby (except as provided in this paragraph and article 6.3 of the Plan), and not be discharged in accordance with section 1141 of the Bankruptcy Code. The Reorganized Debtors shall have the right to cure any defaults existing as of the Effective Date under any such letters of credit and surety bonds (including guaranties or contractual obligations related to letters of credit and/or surety bonds issued on behalf of the Debtors or on behalf of subsidiaries of the Debtors), corporate guaranties, indemnity agreements (except to the extent such indemnity agreements provide indemnification for liabilities related to Asbestos PI Trust Claims or Silica PI Trust Claims), or post-petition contracts in the ordinary course of the Debtors' business promptly after any such default becomes known to the Debtors or the Reorganized Debtors and, if disputed,

established pursuant to applicable law. All letters of credit, surety bonds, corporate guaranties, indemnity agreements, and post-petition contracts of the Debtors shall be deemed reinstated on the Effective Date notwithstanding any default therein by the Debtors, any delay in the cure thereof by the Debtors, or the filing or existence of the Reorganization Cases, or any action taken in connection therewith, and shall be binding upon, and enforceable against all parties thereto, subject to any rights and defenses existing thereunder; provided, however, that such reinstatement shall not apply to guarantees and indemnity agreements related to Claims to be addressed by the Asbestos PI Trust or the Silica PI Trust.

**L. Claims Bar Dates**

**Professionals and Administrative Claims**

51. Unless otherwise ordered by the Bankruptcy Court, the bar date for filing and serving requests for allowance of Administrative Claims (including requests for compensation or reimbursement of expenses pursuant to sections 327, 328, 330, or 503(b) of the Bankruptcy Code and requests based upon an asserted substantial contribution in the Reorganization Cases) shall be the forty-fifth (45th) day after the Effective Date (the “Administrative Claims Bar Date”). Other than Professional Persons required to do so pursuant to the terms of their retention, Claimants holding Administrative Claims that have arisen in the ordinary course of Debtors’ business shall not be required to submit a Request for Payment of Administrative Expense, unless otherwise ordered by this Court. The notice of Confirmation to be delivered pursuant to Bankruptcy Rules 2002 and 3020(c) will set forth such date and constitute notice of the Administrative Claims Bar Date. The Reorganized Debtors and any other party in interest will have thirty (30) days after the Administrative Claims Bar Date to review and object to such Claims before a hearing for determination of such Administrative

Claims is held by this Court, provided that such thirty (30) day period of review may be extended by this Court upon the request of the Reorganized Debtors.

**Resolution of Disputed Claims**

52. On the Effective Date, the parties who accepted the Plan agree that the Reorganized Debtors shall have the sole and exclusive authority to file objections to Claims, other than Asbestos Unsecured PI Trust Claims and Silica Unsecured PI Trust Claims, in accordance with article 12.1 of the Plan. Non-accepting creditors may file objections to claims. 11 U.S.C. § 502.

**M. Retention of Jurisdiction**

53. Pursuant to sections 105(a) and 1142 of the Bankruptcy Code, this Court shall retain and shall have exclusive jurisdiction over any matter (a) arising under the Bankruptcy Code, (b) arising in or related to the Reorganization Cases or the Plan for which the reference has not been withdrawn to the District Court, or (c) that relates to any of the matters set forth in articles 13.1, 13.2, and 13.3 of the Plan. Without limiting the preceding, this Court shall retain jurisdiction to correct any defect, cure any omission, reconcile any inconsistency, or make any other necessary changes or modifications in or to the Asbestos TDP and the Silica TDP, including procedures to be developed and implemented by the Trustees for the processing of, and where applicable, the liquidation of, Indirect Asbestos PI Trust Claims and Indirect Silica PI Trust Claims, in accordance with the procedures set forth in the Asbestos PI Trust Agreement and the Silica PI Trust Agreement. Notwithstanding the foregoing, nothing in this Order or article 13.3 of the Plan shall be construed to give this Court exclusive jurisdiction over any Asbestos/Silica Insurance Action.

54. The Asbestos PI Trust and the Silica PI Trust shall be subject to the continuing jurisdiction of this Court in accordance with the requirements of regulations issued pursuant to section 468B of the IRC.

55. Except as may have been agreed to between the Asbestos PI Trust or the Silica PI Trust, as the case may be, and the holder of an Asbestos Unsecured PI Trust Claim or Silica Unsecured PI Trust Claim, pursuant to the Plan, the parties have agreed that the District Court shall have exclusive jurisdiction to conduct a trial to liquidate the Asbestos PI Trust Claim or the Silica PI Trust Claim of any holder of an Asbestos Unsecured PI Trust Claim or Silica Unsecured PI Trust Claim who elects, pursuant to the Asbestos TDP or the Silica TDP, to have the amount of such Claim determined through a jury trial.

**N. Miscellaneous**

56. On the Confirmation Date, the Debtors shall be empowered and authorized to take or cause to be taken, prior to the Effective Date, all actions necessary to enable them to implement effectively (a) the provisions of the Plan, (b) the creation of the Asbestos PI Trust, and (c) the creation of the Silica PI Trust.

57. All fees payable pursuant to 28 U.S.C. § 1930, as determined herein, shall be paid by the Debtors on or before the Effective Date.

58. The Debtors, the Reorganized Debtors, the Legal Representative, the Trustees of the Asbestos PI Trust and the Silica PI Trust, and any beneficiary of the Permanent Channeling Injunction or the Asbestos/Silica Insurance Company Injunction, if, and to the extent necessary, may seek such orders, judgments, injunctions, and rulings that any of them deems necessary to carry out the intentions and purposes of, and to give full effect to the provisions of, the Plan or any Plan Document.

59. The failure to reference or discuss any particular provision of the Plan in this Order shall have no effect on the validity, binding effect, and/or enforceability of such provision and such provision shall have the same validity, binding effect, and enforceability as every other provision of the Plan.

60. Unless this Order is stayed pending appeal, its reversal or modification shall not affect the validity of the Plan, the Plan Documents, or any other agreement, document, instrument, or action authorized by this Order or under the Plan as to the Debtors, the Reorganized Debtors, the Asbestos PI Trust, the Silica PI Trust, or any other Entity acting in good faith, whether or not that Entity knows of the appeal.

61. The performance of all obligations due and owing on the Effective Date, pursuant to the terms of the Plan, shall constitute substantial consummation of the Plan within the meaning of section 1101(2) of the Bankruptcy Code.

62. All funds held in escrow pursuant to this Court's (i) Order Authorizing Debtors and Debtors in Possession to Pay Prepetition Claims of Creditors Incurred in the Ordinary Course of Business entered on December 18, 2003 (Docket No. 114) and (ii) Order Authorizing (A) The Debtors to Pay Prepetition Wages, Salaries, Other Compensation, and Employee Benefits, (B) The Debtors to Reimburse Prepetition Employee Business Expenses, and (C) Applicable Banks and Other Financial Institutions to Receive, Process, Honor, and Pay All Checks Presented for Payment Made by the Debtors Relating to the Foregoing entered on December 18, 2003 (Docket No. 115), shall be released on the Effective Date.

63. In the event of any inconsistency between the Plan and any other agreement, instrument, or document intended to implement the provisions of the Plan, the provisions of the Plan shall govern unless otherwise expressly provided for in such agreements, instruments, or documents. In the event of any inconsistency between and/or among the Plan and this Order, the provisions of this Order shall govern, unless another order expressly provides that it will have precedence over this Order. This Order shall supersede any orders of this Court issued prior to the date hereof that may be inconsistent herewith.

**O. Notice of Entry of Order and Administrative Claims Bar Date**

64. Pursuant to Bankruptcy Rules 2002(f)(7) and 3020(c), the Debtors hereby are directed to serve a notice of the (a) the entry of this Order and (b) the bar date for filing and serving applications for allowance of Administrative Claims, substantially in the form of Exhibit A attached hereto and incorporated by reference herein (the “Confirmation Order Notice”), on all holders of Claims and Professional Persons, in the same manner as service of the notice of the Confirmation Hearing, and on all persons or entities on the Debtors’ Official Service List and 2002 List Service List as of the date hereof, not later than thirty (30) days after the Confirmation Date; provided, however, that the Debtors shall be obligated to serve the Confirmation Order Notice only on the record holders of such Claims or Interests, or on their counsel of record.

65. The Debtors hereby are directed to publish the Confirmation Order Notice once in USA Today and Mealey's Asbestos Bankruptcy Litigation Report, not later than thirty (30) days after the Confirmation Date.

ORDERED in Pittsburgh, Pennsylvania on July 21, 2004. This Amended Order shall replace in its entirety the Confirmation Order entered by this Court on July 16, 2004, and shall be deemed effective, *nunc pro tunc*, to July 16, 2004.

Judith K. Fitzgerald  
Judith K. Fitzgerald  
Chief United States Bankruptcy Judge

THIS ORDER IS HEREBY DECLARED TO BE IN RECORDABLE FORM AND SHALL BE ACCEPTED BY ANY RECORDING OFFICER FOR FILING AND RECORDING PURPOSES WITHOUT FURTHER OR ADDITIONAL ORDERS, CERTIFICATIONS, OR OTHER SUPPORTING DOCUMENTS.

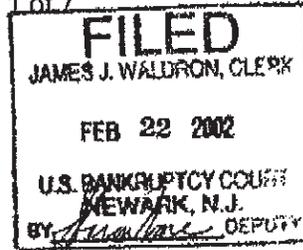
Copies to:

Jeffrey N. Rich  
Michael G. Zanic  
Counsel to the Debtors and Debtors-in-Possession

FILED  
JUL 20 2004  
JUDITH K. FITZGERALD  
BANKRUPTCY JUDGE

# **Exhibit 37**

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Martin J. Bienenstock (MB 3001)

Co-counsel for Plaintiff, G-I Holdings Inc.

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY

In re:

G-I HOLDINGS INC., f/k/a GAF  
CORPORATION,

Debtor.

G-I HOLDINGS INC., f/k/a GAF  
CORPORATION,

Plaintiff,

v.

THOSE PARTIES LISTED ON EXHIBIT A  
TO COMPLAINT, and JOIN DOES 1-250,

Defendants.

HONORABLE ROSEMARY  
GAMBARDELLA, CHIEF JUDGE

Chapter 11  
Case No. 01-30135 (RG)

Hearing Date: October 10, 2001

Adversary Proceeding No. 01-3013 (RG)

**ORDER GRANTING PRELIMINARY  
INJUNCTION**

7

Upon the complaint of G-I Holdings Inc., chapter 11 debtor in possession ("G-I" or the "Debtor"), dated January 8, 2001, the affidavit of Richard A. Weinberg, sworn to January 9, 2001, Plaintiff's Memorandum of Law in Support of its Motion for a Preliminary Injunction (the "Memorandum"), the Statutory Committee of Asbestos Claimants' (the "Committee") Memorandum of Law in Opposition to the Debtor's Motion for a Preliminary Injunction Enjoining Assertion of Asbestos Claims Against BMCA dated May 15, 2001 (the "Objection"), and G-I's response thereto; and a hearing having been held on June 8, 2001; and the Court having considered the Objections and G-I's reply; and after due consideration and sufficient cause appearing therefor and the Court having rendered its decision on the record on June 22, 2001; pursuant to Bankruptcy Code sections 105(a), 524(g) and 1129 and Bankruptcy Rule 7065,

IT IS on this 22<sup>nd</sup> day of February, 2002,

ORDERED that Defendants, their officers, agents, servants, employees and attorneys and those persons in active concert or participation with them who receive notice of this Order by personal service or otherwise<sup>1</sup> and all entities are enjoined, pursuant to 11 U.S.C. § 105(a), from further prosecuting (a) Pending Actions which are defined as those actions pending prior to the commencement of this adversary proceeding including, but not limited to, those actions identified on Exhibit A to the Complaint, that seek damages against the Debtor and BMCA for alleged personal injuries purportedly

<sup>1</sup> Any party who commences an action or engages in any act in violation of the preliminary injunction order who has not heretofore received notice of the preliminary injunction shall, upon receiving actual notice of the injunction, take all such actions necessary to comply with the preliminary injunction order, including the withdrawal of any action commenced against BMCA pertaining to its alleged asbestos liability.

arising out of exposure to asbestos or asbestos-containing products, and (b) Future Actions which are defined to include actions that may be brought by prospective plaintiffs against BMCA any time after the filing of the Complaint and during the pendency of G-I's chapter 11 case that seek damages for alleged personal injuries purportedly arising out of their or their decedent's exposure to asbestos or asbestos-containing products; and it is further

ORDERED that BMCA shall promptly serve the Committee with a copy of its press releases and filings with the Securities and Exchange Commission; and it is further

ORDERED that upon the Committee's entry into a Confidentiality Agreement with BMCA, in the form attached hereto, BMCA will promptly furnish to the Committee the information it is currently required to provide its lenders under its existing Credit Agreement dated as of December 4, 2000 and the Amended and Restated Credit Agreement dated as of December 4, 2000 (together, the "Credit Agreements"); provided, however, that information furnished to lenders pursuant to the last clause of section 7.1 or the last clause of section 7.2 thereof, but not required to be furnished to lenders under other provisions of such agreements need not be furnished. The foregoing shall not limit the Committee's other rights under this Agreement; and it is further

ORDERED that upon the Committee's entry into the Confidentiality Agreement, BMCA will generally make itself available to the Committee; its co-counsel and retained professionals in G-I's chapter 11 case to answer questions about its operations and financing; provided, however, that as to projected pricing, marketing

information, business plans and other information deemed by the Debtor and BMCA to be sensitive with respect to BMCA's competitive position, the Debtor and BMCA may designate particular disclosures as being available only to the Committee's counsel, its other professionals, and the tort counsel representing members of the Committee who do not also represent any claimant then serving on the official committee of asbestos claimants in the pending chapter 11 case of Owens Corning, provided further that the Committee may challenge such designation and limitation by application to this Court; and it is further

ORDERED that on consent and agreement of BMCA, all statutes of limitations and statutes of repose that had not expired as of January 5, 2001, with respect to any and all claims against BMCA or any of its subsidiaries arising out of alleged exposure to asbestos or asbestos containing products of GAF Corporation or its predecessors or affiliates, including, without limitation, claims based on theories of successor liability, alter ego, fraudulent conveyance, or piercing the corporate veil are tolled until sixty days after the above captioned Adversary Proceeding and Adversary Proceeding No. 01-3066, sometimes referred to as the Declaratory Relief Action, have been disposed of by final, non-appealable judgments, orders or decrees; and it is further

ORDERED that the Debtor and BMCA shall be estopped to deny the tolling of statutes of limitation and statutes of repose as set forth above; and it is further

ORDERED that subject to the next decretal paragraph, without thirty (30) days' prior written notice to the Committee, BMCA shall not:

- (a) refinance or replace the Credit Agreements or waive in any material respect any covenant or other provisions of the Credit Agreements;

(b) except as permitted under Articles 8 and 11 of the existing Credit Agreements refinance, replace or amend or waive in any material respect, any covenant or other provision of the receivables financing facility, notes, indentures, security agreements or related instruments or enter into any new notes, indentures, receivables financing facility, security agreements, or related instruments;

(c) make any pre-payments on senior notes or indentures, provided that interest payments, payments falling due under the existing terms of the senior notes or indentures or payments made in the ordinary course of business consistent with past practice, are not deemed pre-payments;

(d) make any transfer or incur any obligation to any affiliate or any other entity owned or controlled, directly or indirectly, by Samuel J. Heyman, other than (i) payments to G-I (ii) payments pursuant to BMCA's existing Amended and Restated Management Agreement, amended as of June 27, 2001, (iii) payments pursuant to the Amended and Restated Supply Agreement between ISP Mineral Products Inc. and BMCA, dated as of March 26, 2001, and (iv) other transfers and obligations permitted by the Credit Agreements, receivables financing facility, notes and indentures in effect on the date hereof;

(e) amend or replace the Amended and Restated Management Agreement or the Amended or Restated Supply Agreement referred to in subparagraph (d) above;

(f) make any transfer, or incur any new obligation to any insider except for payments made in the ordinary course of business for (i) directors fees, employee salaries, or employee benefits, (ii) reimbursement of business expenses incurred for the benefit of BMCA, (iii) hiring and relocation bonuses, (iv) employee severance payments, (v) payments made under the BMCA Long Term Incentive Plan, (vi) in any calendar year, make any payments in aggregate of over \$3 million under the GAFMC Executive Compensation Plan, and (vii) other ordinary course employee payments of a like nature;

(g) in any calendar year, grant over 100,000 Incentive Units under the BMCA Long Term Incentive Plan;

(h) pay any claim, or permit any claim to be paid, out of the proceeds of any insurance that is or may be applicable for indemnity or defense costs with respect to asbestos-related personal injuries or asbestos-related property damages, whether or not G-I is a co-insured with respect to such insurance; and it is further

ORDERED that if BMCA needs to consummate one of the transactions encompassed in paragraphs (a) through (h) in less than thirty (30) days, it shall give the

maximum notice practicable under the circumstances and consent to a telephonic or in person hearing on four (4) hours' notice if the Committee requests a hearing; and it is further

ORDERED that BMCA shall, as soon as practicable under the circumstances, provide notice after the effective date of all non-material amendments or waivers to its Credit Agreements, notes, indentures, security agreements or related instruments not encompassed by paragraphs (a) through (h) above; and it is further

ORDERED that nothing in this Order shall detract from the Committee's rights to seek information from BMCA pursuant to Bankruptcy Rule 2004 or applicable discovery rules; and it is further

ORDERED that, if necessary, a hearing will be held before this Court on or around June 30, 2003 to determine if, following expiration of BMCA's existing Credit Agreements (which are set to expire on August 18, 2003), conditions in addition to those imposed under this Order are necessary for the continuance of the preliminary injunctive relief herein; and it is further

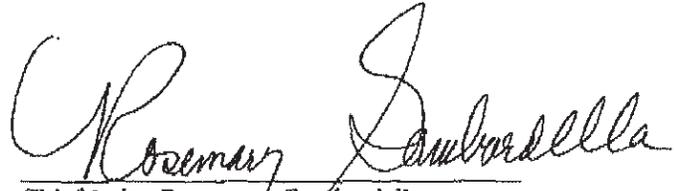
ORDERED that all notices and service of all documents and information to the Committee shall be directed to Elisha Inselbuch and Trevor Swett of Caplin & Drysdale, and to Kenneth Rosen and Jeffrey D. Proll of Lowenstein, Sandler at their respective addresses of record; and it is further

ORDERED that the Committee fully reserves its right to appeal from the granting of this preliminary injunction; and it is further

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ORDERED that all references to "BMCA" in this Order and in the attached form of Confidentiality Agreement include BMCA Holdings Corporation, Building Materials Corporation of America, and all direct and indirect subsidiaries of Building Materials Corporation of America, whether or not its interest in a given subsidiary is carried on the balance sheet of Building Materials Corporation of America.

ORDERED that the terms affiliate, insider and transfer shall have the meanings ascribed to them under section 101 of the Bankruptcy Code.

  
Chief Judge Rosemary Gambardella

3121578.01

IT IS THE DIRECTION OF THIS COURT THAT THE  
SUCCESSFUL PARTY SERVE A FILED COPY OF THIS  
ORDER UPON ALL PARTIES TO THIS ACTION.