

ENTERED

September 25, 2024

Nathan Ochsner, Clerk

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

)	
In re:)	Chapter 11
)	
VERTEX ENERGY, INC., <i>et al.</i> , ¹)	Case No. 24-90507 (CML)
)	
Debtors.)	(Jointly Administered)
)	
)	Re: Docket No. 8

**INTERIM ORDER (I) AUTHORIZING THE DEBTORS
TO PAY CERTAIN PREPETITION CLAIMS OF (A) 503(B)(9)
CLAIMANTS, (B) LIEN CLAIMANTS, (C) CRITICAL VENDORS, AND
(D) HSE SUPPLIERS, (II) CONFIRMING ADMINISTRATIVE EXPENSE
PRIORITY OF OUTSTANDING ORDERS, AND (III) GRANTING RELATED RELIEF**

Upon the emergency motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an interim order (this “Interim Order”), (a) authorizing the Debtors to pay, in the ordinary course of business, certain prepetition amounts owing on account of (i) 503(b)(9) Claims, (ii) Lien Claims, (iii) Critical Vendor Claims, and (v) HSE Claims (collectively, the “Trade Claims”), (b) confirming the administrative expense priority status of Outstanding Orders and authorizing, but not directing, the payment of such obligations in the ordinary course of business; and (c) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that venue of this proceeding and the

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ proposed claims and noticing agent at <https://www.veritaglobal.net/vertex>. The location of Debtor Vertex Energy, Inc.’s corporate headquarters and the Debtors’ service address in these chapter 11 cases is 1331 Gemini Street, Suite 250, Houston, Texas 77058.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.



249050724092700000000016

Motion in this district is proper pursuant to 28 U.S.C. § 1408; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the Debtors' notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The final hearing (the "Final Hearing") on the Motion shall be held on October 16, 2024, at 9:00 a.m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Central Time, on October 9, 2024. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

2. The Debtors are authorized in the reasonable exercise of their business judgment to pay all or part of, and discharge, on a case-by-case basis, the prepetition Trade Claims described in the Motion, in the ordinary course of business and consistent with their prepetition practices in an aggregate amount not to exceed \$20.2 million on an interim basis as set forth in the categories and amounts in the Motion and as the Debtors deem necessary in their sole discretion. The Debtors are authorized to pay all undisputed amounts related to the Outstanding Orders in the ordinary course of business consistent with the parties' customary practices in effect prior to the Petition Date. In the event the Debtors will exceed the aggregate amounts in any category as detailed in

the Motion during the interim period, the Debtors shall file a notice with the Court describing the category and overage amount prior to payments. If no objections are filed with the Court and served on the Debtors within five (5) business days, such overage shall be authorized to be paid.

3. As a condition to receiving payment on account of a Trade Claim under this Interim Order, any Trade Claimant that accepts payment pursuant to the authority granted in this Interim Order shall agree to: (a) continue—or recommence—supplying goods and services to the Debtors on Customary Trade Terms, and (b) agree that they shall not be permitted to cancel any contract, agreement, or arrangement pursuant to which they provide such goods and/or services to the Debtors during the course of these chapter 11 cases. The Debtors may require, in their sole discretion, that the Customary Trade Terms be made in writing, including by email or through a trade agreement, as condition to payment. The Debtors reserve the right to require additional favorable trade terms with any Trade Claimant as a condition to payment of any Trade Claim. Any party that accepts payment from the Debtors on account of a Trade Claim shall be provided with a copy of this Interim Order.

4. All undisputed obligations related to the Outstanding Orders are granted administrative expense priority status in accordance with section 503(b)(1)(A) of the Bankruptcy Code.

5. Prior to entry of a Final Order, the Debtors shall not pay any obligations under this Interim Order unless they are due or deemed necessary to be paid in the Debtors' reasonable business judgment to ensure ongoing provision of goods or services or otherwise to avoid an adverse effect on operations.

6. The Debtors shall maintain a matrix/schedule of all amounts directly or indirectly paid under the terms and conditions of this Interim Order (the "Vendor Matrix"), including the

following information: (a) the category of Trade Claims for amount paid, applied, offset or setoff, as further described and classified in the Motion; (b) the amount of the payment, application, offset or setoff by category; (c) the Debtor or Debtors that made the payment, application, offset or setoff; (d) the recipient of the payment, application, offset or setoff; and (e) the date of the payment, application, offset or setoff. The Debtors shall provide a copy of such Vendor Matrix on a confidential basis to the United States Trustee for the Southern District of Texas, counsel to the Consenting Term Loan Lenders, and counsel to any statutory committee appointed in this case no later than ten (10) business days following the last day of each calendar month.

7. If any party accepts payment hereunder for a prepetition obligation of the Debtors, and the party thereafter fails to comply with Customary Trade Terms or other such terms as agreed to by the Debtors, then: (a) any payment on account of a prepetition claim received by such party shall be deemed, in the Debtors' sole discretion, an improper postpetition transfer and, therefore, immediately recoverable by the Debtors in cash upon written request by the Debtors; (b) upon recovery by the Debtors, any prepetition claim of such party shall be reinstated as if the payment had not been made; and (c) if there exists an outstanding postpetition balance due from the Debtors to such party, the Debtors may elect to recharacterize and apply any payment made pursuant to the relief requested by the Motion to such outstanding postpetition balance and such supplier or vendor will be required to repay to the Debtors such paid amounts that exceed the postpetition obligations then outstanding without the right of any setoffs, claims, provisions for payment of any claims, or otherwise; and (d) the Debtors may pursue any other available remedy available to them under this Interim Order, applicable law, or any executed writing with such party.

8. Notwithstanding anything to the contrary herein, prior to making any payment pursuant to this Interim Order to a Trade Claimant on account of an Outstanding Order, the Debtors

shall provide a copy of this Interim Order to the applicable party (unless previously provided to such Trade Claimant). Any party that accepts payment from the Debtors on account of a Trade Claim shall be deemed to have agreed to the terms and provisions of this Interim Order.

9. For the avoidance of doubt, this Interim Order does not authorize payments to insiders (as such term is defined in section 101(31) of the Bankruptcy Code) of the Debtors.

10. Notwithstanding anything to the contrary set forth herein, any payment made hereunder, and any authorization contained herein, shall be subject to the requirements imposed under any interim or final orders authorizing the Debtors' use of cash collateral and/or postpetition debtor-in-possession financing (any such order, a "DIP Order") and any approved budget in connection therewith. To the extent there is any inconsistency between the terms of any DIP Order (including any approved budget in connection therewith) and any approval or action taken or proposed to be taken hereunder, the terms of the DIP Order shall control.

11. Notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the amount of, basis for, or validity of any claim against a Debtor entity under the Bankruptcy Code or other applicable nonbankruptcy law; (b) a waiver of the Debtors' or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in the Motion or any order granting the relief requested by the Motion or a finding that any particular claim is an administrative expense claim or other priority claim; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; (g) a waiver or limitation of

the Debtors', or any other party in interest's, rights under the Bankruptcy Code or any other applicable law; or (h) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) that may be satisfied pursuant to the relief requested in the Motion are valid, and the rights of all parties in interest are expressly reserved to contest the extent, validity, or perfection or seek avoidance of all such liens.

12. Nothing in the Motion or this Interim Order, nor the Debtors' implementation of the relief granted in this Interim Order, shall be deemed to modify or waive any of the Debtors' rights with respect to goods and services requested or received from the Critical Vendors, including the Debtors' rights to (a) cancel a purchase order, (b) decline the acceptance of goods and/or services, (c) return any defective, nonconforming or unacceptable goods, or (d) contest the amount of any invoice or claim on any grounds.

13. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Interim Order.

14. The Debtors are authorized to issue postpetition checks, or to effect postpetition fund transfer requests, in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 cases with respect to prepetition amounts owed in connection with the relief granted herein.

15. The contents of the Motion satisfy the requirements of Bankruptcy Rule 6003(b).

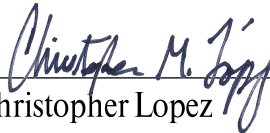
16. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Bankruptcy Local Rules are satisfied by such notice.

17. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Interim Order are immediately effective and enforceable upon its entry.

18. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

19. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

Signed: September 25, 2024



Christopher Lopez
United States Bankruptcy Judge

United States Bankruptcy Court
Southern District of Texas

In re:
Vertex Energy, Inc.
Debtor

Case No. 24-90507-cml
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0541-4
Date Rcvd: Sep 25, 2024

User: ADIuser
Form ID: pdf002

Page 1 of 3
Total Noticed: 2

The following symbols are used throughout this certificate:

Symbol	Definition
+	Addresses marked '+' were corrected by inserting the ZIP, adding the last four digits to complete the zip +4, or replacing an incorrect ZIP. USPS regulations require that automation-compatible mail display the correct ZIP.

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Sep 27, 2024:

Recip ID	Recipient Name and Address
db	+ Vertex Energy, Inc., 1331 Gemini Street, Suite 250, Houston, TX 77058-2764

TOTAL: 1

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

Electronic transmission includes sending notices via email (Email/text and Email/PDF), and electronic data interchange (EDI). Electronic transmission is in Eastern Standard Time.

Recip ID	Notice Type: Email Address	Date/Time	Recipient Name and Address
op	+ Email/Text: kccnoticing@kccllc.com	Sep 25 2024 20:00:00	Kurtzman Carson Consultants, LLC dba Verita Global, 222 N. Pacific Coast Highway, Suite 300, El Segundo, CA 90245-5614

TOTAL: 1

BYPASSED RECIPIENTS

The following addresses were not sent this bankruptcy notice due to an undeliverable address, *duplicate of an address listed above, *P duplicate of a preferred address, or ## out of date forwarding orders with USPS.

Recip ID	Bypass Reason	Name and Address
tr		U.S. Bank in its Capacity as the Indenture Trustee
cr		Ad Hoc Group of Consenting Term Loan Lenders

TOTAL: 2 Undeliverable, 0 Duplicate, 0 Out of date forwarding address

NOTICE CERTIFICATION

I, Gustava Winters, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed .R. Bank. P.2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Sep 27, 2024

Signature: /s/Gustava Winters

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on September 25, 2024 at the address(es) listed below:

Name	Email Address
Andrew Jimenez	on behalf of U.S. Trustee US Trustee andrew.jimenez@usdoj.gov
Evan Gershbein	

District/off: 0541-4
Date Rcvd: Sep 25, 2024

User: ADIuser
Form ID: pdf002

Page 2 of 3
Total Noticed: 2

on behalf of Other Prof. Kurtzman Carson Consultants LLC dba Verita Global ECFpleadings@kccllc.com,
ECFpleadings@kccllc.com

James S Carr

on behalf of Trustee U.S. Bank in its Capacity as the Indenture Trustee for the 6.25% Convertible Senior Notes Due 2027
KDWBankruptcyDepartment@kelleydrye.com;MVicinanza@ecf.inforuptcy.com

Jana Smith Whitworth

on behalf of U.S. Trustee US Trustee jana.whitworth@usdoj.gov

Jason Gary Cohen

on behalf of Debtor Vertex Energy Operating LLC jason.cohen@bracewell.com, mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Vertex Acquisition Sub LLC jason.cohen@bracewell.com, mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Bango Oil LLC jason.cohen@bracewell.com mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Vertex Recovery L.P. jason.cohen@bracewell.com, mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Tensile-Heartland Acquisition Corporation jason.cohen@bracewell.com mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Tensile-Myrtle Grove Acquisition Corporation jason.cohen@bracewell.com mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor H&H Oil L.P. jason.cohen@bracewell.com, mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Vertex Recovery Management LLC jason.cohen@bracewell.com, mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Crystal Energy LLC jason.cohen@bracewell.com, mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor HPRM LLC jason.cohen@bracewell.com mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Vertex Renewables LLC jason.cohen@bracewell.com mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Vertex Renewables Alabama LLC jason.cohen@bracewell.com mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Vertex Refining Myrtle Grove LLC jason.cohen@bracewell.com mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Vertex Splitter Corporation jason.cohen@bracewell.com mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Vertex Energy Inc. jason.cohen@bracewell.com, mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Vertex II GP LLC jason.cohen@bracewell.com, mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Vertex Refining LA LLC jason.cohen@bracewell.com, mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Vertex Merger Sub LLC jason.cohen@bracewell.com, mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Vertex Refining NV LLC jason.cohen@bracewell.com, mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Cedar Marine Terminals LP jason.cohen@bracewell.com, mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Vertex Marine Fuel Services LLC jason.cohen@bracewell.com mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Vertex Refining Alabama LLC jason.cohen@bracewell.com mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Crossroad Carriers L.P. jason.cohen@bracewell.com, mary.kearney@bracewell.com

Jason Gary Cohen

on behalf of Debtor Vertex Refining Texas LLC jason.cohen@bracewell.com mary.kearney@bracewell.com

Maegan Quejada

District/off: 0541-4

User: ADIuser

Page 3 of 3

Date Rcvd: Sep 25, 2024

Form ID: pdf002

Total Noticed: 2

on behalf of Creditor Ad Hoc Group of Consenting Term Loan Lenders mquejada@sidley.com
txefilingnotice@sidley.com;maegan-quejada-3302@ecf.pacerpro.com;efilingnotice@sidley.com

US Trustee

USTPRegion07.HU.ECF@USDOJ.GOV

TOTAL: 30