

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION**

<b>In re:</b>	)	<b>Chapter 11</b>
	)	
<b>UAL CORPORATION, et al.,</b>	)	<b>Case No. 02-B-48191</b>
	)	<b>(Jointly Administered)</b>
<b>Debtors.</b>	)	
	)	<b>Honorable Eugene R. Wedoff</b>

**ORDER AUTHORIZING (A) APPLICATION OF PREPETITION  
PAYMENTS TO POSTPETITION FUEL SUPPLY CONTRACTS AND  
PIPELINE AND STORAGE AGREEMENTS; (B) HONORING OF OTHER FUEL  
SUPPLY, PIPELINE, STORAGE, INTO-PLANE FUEL CONTRACTS AND  
OTHER FUEL SERVICE ARRANGEMENTS; AND (C) CONTINUED  
PARTICIPATION IN FUEL CONSORTIA**

Upon the Motion<sup>1</sup> of the debtors and debtors in possession (collectively, the “Debtors”) in the above-captioned Chapter 11 Cases seeking entry of an order authorizing (A) application of prepetition payments to postpetition fuel supply contracts and pipeline and storage agreements; (B) honoring of other fuel supply, pipeline, storage, into-plane contracts and other fuel service arrangements; and (C) continued participation in fuel consortia; and it appearing that the relief requested is in the best interests of the Debtors’ estates, their creditors and other parties in interest; and it appearing that the relief requested is essential to the continued operation of the Debtors’ businesses; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this proceeding is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A); and it appearing that venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and adequate notice having been given; and it appearing that no other notice need be given; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED THAT:

1. The Motion is granted.
2. The Prepaid Fuel Suppliers are authorized to apply or credit any prepayments made (or credits existing) prior to the Petition Date to or against postpetition liftings of jet fuel and the provision of attendant transportation services to the Debtors.
3. The Pipeline and Storage Providers are authorized to apply or credit any prepayments made (or credits existing) prior to the Petition Date to or against postpetition pipeline and storage facility usage by the Debtors.
4. To the extent any such prepayments may be construed as deposits by any of the Prepaid Fuel Suppliers or Pipeline and Storage Providers, this Court authorizes any such Prepaid Fuel Supplier or Pipeline and Storage Provider to use those prepayments to pay any outstanding prepetition obligations and to apply all remaining amounts to postpetition jet fuel liftings, transport services or pipeline and storage facility usage.
5. The automatic stay of Section 362 of the Bankruptcy Code is hereby modified to the extent required to allow the Prepaid Fuel Suppliers and the Pipeline and Storage Providers to apply or credit any prepayments made (or credits existing) prior to the Petition Date to or against any postpetition jet fuel liftings and related transport services provided to the Debtors and to any pipeline and storage facility usage by the Debtors, and the Prepaid Fuel Suppliers and Pipeline and Storage Providers are permitted to exercise such set off and recoupment rights in furtherance thereof pursuant to Section 553 of the Bankruptcy Code.
6. The Debtors are authorized in their discretion to continue honoring, performing, and exercising their rights and obligations (whether prepetition or postpetition) in

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<sup>1</sup> All capitalized terms not defined herein shall be as defined in the Motion.

accordance with any contracts with Other Fuel Suppliers, Prepaid Fuel Suppliers and Pipeline and Storage Providers who are paid in arrears; provided, however, that such honoring, performing, or exercising of such rights and obligations shall not necessarily give rise to administrative claims solely as a result of the entry of this Order.

7. The Debtors are authorized in their discretion to continue honoring, performing, and exercising their rights and obligations (whether prepetition or postpetition) in accordance with the Into-Plane Service Contracts; provided, however, that such honoring, performing, or exercising of such rights and obligations shall not necessarily give rise to administrative claims solely as a result of the entry of this Order.

8. The Debtors are authorized in their discretion to continue honoring, performing, and exercising their rights and obligations (whether prepetition or postpetition) in accordance with the the Other Fuel Service Arrangements; provided however, that such honoring, performing or exercising of such rights and obligations shall not necessarily give rise to administrative claims solely as a result of the entry of this Order.

9. The Debtors are authorized in their discretion to continue participating in the Fuel Consortia in accordance with the established practices thereunder and in the ordinary course of business, and to perform and honor their obligations, whether prepetition or postpetition, to the Fuel Consortia; provided, however, that such participation shall not give rise to administrative claims solely as a result of the entry of this Order.

10. The Debtors are authorized in their discretion to continue honoring, performing and exercising their rights and obligations (whether prepetition or postpetition) in accordance with the Supply Contracts in the ordinary course of business; provided, however,

that such honoring, performing or exercising of such rights and obligations shall not give rise to administrative claims solely as a result of the entry of this Order.

11. The Court considers the Debtors' acts taken in reliance upon this Order with respect to deposits to be within the ordinary course of the Debtors' business pursuant to 11 U.S.C. § 363 for which no court order is necessary.

12. In accordance with this Order and any other order of this Court, each of the banks and financial institutions at which the Debtors maintain their accounts relating to the payment of the claims that the Debtor requests authority to pay in the Motion, is authorized and directed to honor checks presented for payment, and to honor all fund transfer requests made by the Debtors related thereto, to the extent that sufficient funds are on deposit in such accounts.

13. Neither this Order, nor the Debtors' actions, shall be deemed to be an assumption or adoption of an agreement, contract or policy.

14. Any payment pursuant to this Order is not, and shall not be deemed an admission as to the validity of the underlying obligation or a waiver of any rights the Debtors may have to subsequently dispute any obligation.

15. This Court shall retain jurisdiction to hear and determine all matters originating from the implementation of this Order.

16. Notwithstanding the possible applicability of Bankruptcy Rules 6004(g), 7062, 9014, or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

17. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

Dated: Chicago, Illinois  
\_\_\_\_\_, 2002

**ENTERED**

DEC 11 2002

EUGENE R. WEDOFF  
BANKRUPTCY JUDGE

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United States Bankruptcy Judge