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ATTORNEYS FOR THE DEBTORS AND DEBTORS-IN-POSSESSION

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

_____)	
In re)	Chapter 11 Case
)	
MIRANT CORPORATION, <u>et al.</u> ,)	Case No. 03-46590 (DML)
)	Jointly Administered
Debtors.)	
)	Date and Time: February 25, 2004
_____)	12:00 p.m.

**ORDER GRANTING DEBTORS' MOTION FOR APPROVAL OF (I) THE
"SETTLEMENT AGREEMENT AND RELEASE" BETWEEN TRANSWESTERN
PIPELINE COMPANY AND MIRANT CORPORATION PURSUANT TO RULE 9019
OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE; AND (II) REJECTION
OF VARIOUS GAS TRANSPORTATION AGREEMENTS BETWEEN MIRANT
CORPORATION AND TRANSWESTERN PIPELINE COMPANY**

Upon the motion,¹ dated February 19, 2004 (the "Motion") of Mirant Corporation ("Mirant") and its affiliated debtors, as debtors-in-possession (collectively, the "Debtors"), for approval of: (i) the "Settlement Agreement and Release," dated February 19, 2004, (the "Settlement Agreement") between Mirant and Transwestern Pipeline Company ("Transwestern")

¹ Unless otherwise defined herein, capitalized terms have the same meaning ascribed to them in the Motion.

pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"); and (ii) as part of the Settlement Agreement, for authority to reject (a) the "Privileged and Confidential Agreement" dated March 23, 1999; (b) the "Firm Transportation Service Request" dated March 16, 1999; and (c) the "Form of Service Agreement – Form M, Rate Schedule FTS-1 (Contract No. 26719)" dated March 17, 1999 (collectively, the "Contracts"), between Mirant and Transwestern, pursuant to section 365(a) of title 11, United States Code (11 U.S.C. §§ 101 et seq., as amended) (the "Bankruptcy Code"); and it appearing that the Court has jurisdiction over this matter; and it appearing that due notice of the Motion has been provided, and that no other or further notice need be provided; upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED:

ORDERED, that the Motion is hereby GRANTED; it is further

ORDERED, that, subject to satisfaction of the condition described in the following paragraph, the Settlement Agreement attached to the Motion is approved and the Debtors are authorized to perform as required thereunder;

ORDERED, that the releases in the Settlement Agreement are effective and the Contracts are rejected effective on the later of: (a) the date hereof; and (b) the date Transwestern releases the pipeline transportation capacity to a third party, as described in paragraph 2 of the Settlement Agreement, but in no event later than March 1, 2004; it is further

ORDERED, that upon satisfaction of the condition set forth in paragraph 2 of the Settlement Agreement, and in full and final satisfaction of all claims of Transwestern arising under or in connection with the Contracts, Mirant will pay Transwestern the amount of \$240,211.57, which shall be satisfied by the application of the remaining \$240,211.57 cash collateral currently held by Transwestern.

IT IS SO ORDERED.

Dated: February 25, 2004

A handwritten signature in black ink, appearing to read "D. Michael Lynn", written over a horizontal line.

D. Michael Lynn,
United States Bankruptcy Judge