

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

In re:

AZURE MIDSTREAM
PARTNERS, LP, *ET AL.*,

Debtors.¹

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Chapter 11

Case No. 17-30461 (DRJ)

Jointly Administered

**EXPEDITED MOTION OF DEBTORS FOR ENTRY OF AN ORDER
APPROVING PROCEDURES FOR FILING OMNIBUS CLAIM OBJECTIONS**

A HEARING, IF NECESSARY, WILL BE CONDUCTED ON THIS MATTER ON APRIL 19, 2017 AT 11:00 A.M. (CT) IN COURTROOM 400, 4TH FLOOR, UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS, 515 RUSK AVENUE, HOUSTON, TEXAS 77002.

IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU.

EXPEDITED RELIEF HAS BEEN REQUESTED. IF THE COURT CONSIDERS THE MOTION ON AN EXPEDITED BASIS, THEN YOU WILL HAVE LESS THAN 21 DAYS TO ANSWER. IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EXPEDITED CONSIDERATION IS NOT WARRANTED, YOU SHOULD FILE AN IMMEDIATE RESPONSE.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

Azure Midstream Partners, LP, its subsidiaries, and certain affiliates in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), respectfully represent as follows in support of this motion (this “**Motion**”):

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: Azure Midstream Partners, LP (7595), Azure ETG, LLC (3388), Azure Holdings GP, LLC (0537), Azure Midstream Partners GP, LLC (8089), Azure TGG, LLC (6233), Marlin G&P I, LLC (6073), Marlin Logistics, LLC (8460), Marlin Midstream Finance Corp. (0130), Marlin Midstream, LLC (2587), Murvaul Gas Gathering, LLC (0826), Talco Midstream Assets, Ltd. (7004), and Turkey Creek Pipeline, LLC (1161).



Relief Requested

1. Pursuant to sections 105(a) and 502(b) of title 11 of the United States Code (the “**Bankruptcy Code**”), Rules 3007 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rule 3007-1 of the Local Rules of the United States Bankruptcy Court for the Southern District of Texas (the “**Local Rules**”), the Debtors respectfully request entry of an order, substantially in the form attached hereto as **Exhibit A** (the “**Order**”), approving procedures governing the filing and resolution of objections to claims asserted against the Debtors, as set forth herein and attached to the Order as **Exhibit 1**, (the “**Objection Procedures**”).

Jurisdiction

2. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

3. On January 30, 2017 (the “**Petition Date**”), each of the Debtors commenced with this Court a voluntary case under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases.

4. The Debtors are a publicly-traded master limited partnership organized for the purpose of acquiring, developing, and operating midstream energy assets relating to (i) the gathering, transport, and processing of liquid natural gas and (ii) crude oil logistics services. The Debtors consist of eight operating entities, including Azure Midstream Partners, LP (“**Azure**”) and Azure Midstream Partners GP, LLC (“**Azure General Partner**”), and four non-operating

entities (collectively, with the operating entities, the “**Company**”). Azure General Partner owns the general partnership interest in Azure. Approximately 97.7% of all outstanding limited partner interests in Azure are publicly held. Non-Debtor privately-held affiliate Azure Midstream Energy LLC (“**AME**”) owns all the general partnership interests of Azure General Partner. AME also owns midstream energy assets, independent of its interests in Azure General Partner, either directly or through its affiliates (AME and such non-Debtor affiliates, collectively, the “**Non-Debtor Affiliate Company**”).

5. Additional information regarding the circumstances leading to the commencement of these chapter 11 cases and information regarding the Debtors’ business and capital structure is set forth in the *Declaration of Ed Mosley in Support of the Debtors’ Chapter 11 Petitions and Related Requests for Relief* [Docket No. 15], filed on the Petition Date.

The Claims Reconciliation Process

6. On February 16, 2017, the Debtors filed their statements of financial affairs and schedules of assets, liabilities, current income, expenditures, executory contracts, and unexpired leases, as required by section 521 of the Bankruptcy Code (collectively, the “**Schedules**”).

7. On February 22, 2017, the Court entered an order [Docket No. 113] (the “**Bar Date Order**”), which, among other things, established (a) March 27, 2017 as the deadline to file proofs of claim for all non-governmental entities holding or wishing to assert a “claim” (as defined in section 101(5) of the Bankruptcy Code) against any of the Debtors that arose before the Petition Date, and (b) July 31, 2017 as the deadline to file proofs of claim for all governmental entities holding or wishing to assert a “claim” against any of the Debtors that arose before the Petition Date.

Proposed Objection Procedures

8. To date, approximately 240 proofs of claim have been filed against the Debtors on an aggregate basis. The Debtors, together with their advisors, are in the process of reviewing and reconciling these proofs of claim, as well as the Debtors' scheduled liabilities. To facilitate the claims administration process and to ensure efficient, cost-effective notification thereof, the Debtors seek to implement the Objection Procedures substantially in the form set forth in **Exhibit 1** to the Order. The Objection Procedures describe the key aspects of the Debtors' proposed claims objection process, including, among other things:

- a. the form of omnibus objection (each, an "**Omnibus Objection**") the Debtors may file;
- b. the types of exhibits and supporting documentation that the Debtors will include with an Omnibus Objection;
- c. the form of the notice provided to affected claimants (the "**Objection Notice**");
- d. the information necessary for affected claimants to attempt to resolve an objection to their claims and/or file a formal response thereto, and the implications of failing to timely resolve or respond to an objection;
- e. information relating to filing a formal reply to a filed response; and
- f. information relating to discovery and hearings on Omnibus Objections.

9. To protect the due process rights of claimants, the Debtors will comply with the procedural safeguards for omnibus claim objections set forth in Bankruptcy Rule 3007(e) and Local Rule 3007-1. The Debtors also intend to serve affected claimants with a customized Objection Notice, substantially in the form attached to the Order as **Exhibit 2**, which will include, among other things, (a) the name of the claimant; (b) the proof of claim number;

(c) the basis of the objection to each particular claim; (d) the response date and response procedures; and (e) the date, time, and location of the hearing and related procedures.²

Relief Pursuant to Bankruptcy Rule 3007(c) and Local Rule 3007-1

10. In addition to expecting to object to a number of claims on the grounds enumerated in Bankruptcy Rule 3007(d), the Debtors expect that certain claims may require objections on additional grounds not expressly set forth in the Bankruptcy Rules (collectively, the “**Additional Grounds**”), including that such claims, in whole or in part:

- a. are inconsistent with the Debtors’ books and records;
- b. fail to specify the asserted claim amount (other than “unliquidated”);
- c. seek recovery of amounts for which the Debtors are not liable;
- d. are incorrectly or improperly classified;
- e. have not been formally withdrawn by the claimant through the filing of a withdrawal of proof of claim form, substantially in the form attached to the Order as **Exhibit 3** or through the entry of a Court order indicating withdrawal of the claim;
- f. are filed against non-debtors or are filed against multiple Debtors;
- g. fail to specify a Debtor against whom the claim is asserted;
- h. are disallowed pursuant to section 502 of the Bankruptcy Code;
- i. are disallowed or subordinated to all claims and interests senior to or equal to the asserted claim or interest arising out of the purchase or sale of a security of the debtor or affiliate pursuant to section 510(b) of the Bankruptcy Code; or
- j. fail to sufficiently specify the basis for the claim or provide sufficient supporting documentation therefor.

11. To minimize the cost, confusion, and delay otherwise attendant to preparing and filing individual objections on a claim-by-claim basis, the Debtors seek to object,

² While the Objection Notice generally will be in the form attached to the Order, it may be tailored to address issues specific to particular claimants, claims, or objections, as necessary and appropriate.

as contemplated by Bankruptcy Rule 3007(c), to certain claims on the Additional Grounds outlined above in an omnibus objection format. The relief sought in this Motion will allow the Debtors to complete the claims reconciliation process in a timely, efficient, and cost-effective manner by avoiding the expense and delay attendant in preparing and filing hundreds of individualized objections based on the same or similar underlying grounds. Notably, the Objection Procedures protect claimants' due process rights by implementing the same safeguards for omnibus objections set forth in Bankruptcy Rule 3007(e) and Local Rule 3007-1 and the individualized noticing process described above.

Basis for Relief Requested

12. Section 502 of the Bankruptcy Code provides, in pertinent part, that “[a] claim or interest, proof of which is filed under section 501 of [the Bankruptcy Code], is deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502(a). In addition, under section 1111(a) of the Bankruptcy Code, a proof of claim is deemed to have been filed for any scheduled claim that is not “scheduled as disputed, contingent, or unliquidated.” 11 U.S.C. § 1111(a). Further, Bankruptcy Rule 3001(f) provides that “[a] proof of claim executed and filed in accordance with [the Bankruptcy Rules constitutes] prima facie evidence of the validity and amount of the claim.” FED. R. BANKR. P. 3001(f).

13. Bankruptcy Rule 3007(d) enumerates several grounds upon which a debtor may join multiple claims together in an omnibus objection and Bankruptcy Rule 3007(c) permits a debtor to seek approval of additional grounds from the court. *See* FED. R. BANKR. P. 3007(c) (“Unless otherwise ordered by the court or permitted by subdivision (d), objections to more than one claim shall not be joined in a single objection.”). Furthermore, Local Rule

3007-1(f) expressly permits a debtor, subject to prior court approval, to file omnibus objections to claims.

14. Section 105(a) of the Bankruptcy Code provides that a bankruptcy court may “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a). Under section 105(a) the Court has expansive equitable power to fashion any order or decree that is in the interest of preserving or protecting the value of a debtor’s assets, as long as the powers conferred under section 105 of the Bankruptcy Code are “exercised in a manner that is consistent with the Bankruptcy Code.” *Stern v. Stern (In re Stern)*, 204 F.3d 1117 (5th Cir. 1999) (quoting *Chiasson v. J. Louis Matherne & Assocs. (In re Oxford Management, Inc.)*, 4 F.3d 1329, 1334 (5th Cir. 1993)); see also, *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1069 (2d Cir. 1983) (“[A] bankruptcy judge must have substantial freedom to tailor his orders to meet differing circumstances.”).

15. Authorizing the Debtors to file omnibus objections to claims consistent with the Objection Procedures is an appropriate use of the Court’s power under section 105(a) of the Bankruptcy Code and conforms to the spirit of both Bankruptcy Rule 3007 and Local Rule 3007-1, the underlying goal of which is to balance the due process rights of claimants with the efficient administration of large chapter 11 cases.

16. The proposed Objection Procedures provide a cost-effective and efficient framework for the careful review, prosecution, and reconciliation of claims by, among other things: (a) providing greater certainty in administering the objection process; (b) promoting the consensual resolution of claims objections or, alternatively, establishing an efficient and fair mechanism to settle claims objections; and (c) reducing the cost, time, and delay of prosecuting

claims objections. At the same time, the Objection Procedures respect claimants' due process rights by, among other things, implementing the safeguards set forth in Bankruptcy Rule 3007(e) and Local Rule 3007-1, and requiring service of the Objection Notice on affected claimants in compliance with the due process requirements of the Bankruptcy Code.

17. Moreover, allowing the Debtors to object to claims in an omnibus format on the Additional Grounds will promote the efficient and cost-effective administration of the Debtors' estates. Specifically, the relief requested will save the Debtors the time and expense of filing certain individual claim objections, some of which could be duplicative and confusing to claimants. The relief requested will permit the Debtors to run a well-organized, efficient, and cost-effective claims objection process, and all parties in interest will benefit from a streamlined process that will result in fewer pleadings, fewer hearings, and greater efficiency.

Reservation of Rights

18. Nothing contained herein nor any actions taken pursuant to such relief is intended or should be construed as: (a) an admission as to the validity of any prepetition claim against a Debtor; (b) a waiver of any party's right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (f) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable law.

Request for Bankruptcy Rule 6004(h) Waiver

19. To implement the relief requested in the Motion, the Debtors request a waiver of any stay of the order granting the relief requested herein pursuant to Bankruptcy Rule 6004(h).

Notice

20. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases. Notice of this Motion will be provided to (a) the Office of the United States Trustee for the Southern District of Texas; (b) the Debtors' 30 largest unsecured creditors on a consolidated basis; (c) Baker & McKenzie LLP, 452 Fifth Avenue, New York, NY 10018 (Attn: James Donnell, Esq. and Peter S. Goodman, Esq.), counsel to Wells Fargo Bank, N.A., as administrative agent under the Credit Agreement; (d) the Securities and Exchange Commission; (e) the Internal Revenue Service; (f) the United States Attorney's Office for the Southern District of Texas; and (g) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that no other or further notice need be provided.

No Previous Request

21. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request entry of the Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: April 13, 2017
Houston, Texas

/s/ Christopher M. López

Christopher M. López (24041356)
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-and-

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Attorneys for the Debtors and Debtors in Possession

Certificate of Service

I hereby certify that on April 13, 2017, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Christopher M. López

Christopher M. López

Exhibit A

Order

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

In re:

**AZURE MIDSTREAM
PARTNERS, LP, *ET AL.*,**

Debtors.¹

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Chapter 11

Case No. 17-30461 (DRJ)

Jointly Administered

ORDER APPROVING PROCEDURES FOR FILING OMNIBUS CLAIM OBJECTIONS

Upon the motion, dated April 13, 2017 (the “**Motion**”),² of Azure Midstream Partners, LP, its subsidiaries, and certain affiliates in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), seeking entry if an order (this “**Order**”) approving the Objection Procedures attached hereto as **Exhibit 1**, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and it appearing that venue is allowed before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: Azure Midstream Partners, LP (7595), Azure ETG, LLC (3388), Azure Holdings GP, LLC (0537), Azure Midstream Partners GP, LLC (8089), Azure TGG, LLC (6233), Marlin G&P I, LLC (6073), Marlin Logistics, LLC (8460), Marlin Midstream Finance Corp. (0130), Marlin Midstream, LLC (2587), Murvaul Gas Gathering, LLC (0826), Talco Midstream Assets, Ltd. (7004), and Turkey Creek Pipeline, LLC (1161).

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

Motion is in the best interests of the Debtors and their respective estates and creditors; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. Pursuant to Bankruptcy Rule 3007(c) and Bankruptcy Local Rule 3007-1, the Debtors may file Omnibus Objections on any basis provided for in Bankruptcy Rule 3007(d), Local Rule 3007-1, and/or the Additional Grounds.
3. The Debtors shall file and prosecute Omnibus Objections in accordance with the Objection Procedures attached hereto as **Exhibit 1**, which are hereby approved, and the procedural safeguards set forth in Bankruptcy Rule 3007(e) and Local Rule 3007-1.
4. The form of Objection Notice attached hereto as **Exhibit 2** is hereby approved.
5. The withdrawal of proof of claim form attached hereto as **Exhibit 3** is hereby approved.
6. Nothing in this Order shall affect the Debtors' authority to pay claims to the extent authorized by a separate order of the Court.
7. Notwithstanding the relief granted in this Order and any actions taken pursuant to such relief, nothing in this Order, the Motion, or the Objection Procedures shall be deemed: (a) an admission as to the validity of any prepetition claim against a Debtor; (b) a waiver of any party's right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition 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; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (f) a waiver of the Debtors' rights under the Bankruptcy Code or any other applicable law.

8. 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 Local Rules are satisfied by such notice.

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

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

11. This Court shall retain exclusive jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: _____, 2017
Houston, Texas

DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Objection Procedures

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

In re:

AZURE MIDSTREAM
PARTNERS, LP, *ET AL.*,

Debtors.¹

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Chapter 11

Case No. 17-30461 (DRJ)

Jointly Administered

PROCEDURES FOR FILING OMNIBUS CLAIM OBJECTIONS²

1. **Grounds for Omnibus Objections.** In addition to those grounds expressly set forth in Bankruptcy Rule 3007(d), the Debtors may file omnibus objections (each, an “**Omnibus Objection**”) to claims on the grounds that such claims, in part or in whole:

- a. are inconsistent with the Debtors’ book and records;
- b. fail to specify the asserted claim amount (other than “unliquidated”);
- c. recovery of amounts for which the Debtors are not liable;
- d. are incorrectly or improperly classified;
- e. have not been formally withdrawn by the claimant through the filing of a withdrawal of proof of claim form attached to the Order as **Exhibit 3** or through the entry of a Court order indicating withdrawal of the claim;
- f. are filed against non-debtors or are filed against multiple Debtors;
- g. fail to specify a Debtor against whom the claim is asserted;

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number are: Azure Midstream Partners, LP (7595), Azure ETG, LLC (3388), Azure Holdings GP, LLC (0537), Azure Midstream Partners GP, LLC (8089), Azure TGG, LLC (6233), Marlin G&P I, LLC (6073), Marlin Logistics, LLC (8460), Marlin Midstream Finance Corp. (0130), Marlin Midstream, LLC (2587), Murvaul Gas Gathering, LLC (0826), Talco Midstream Assets, Ltd. (7004), and Turkey Creek Pipeline, LLC (1161).

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

- h. are disallowed pursuant to section 502 of the Bankruptcy Code;
- i. are disallowed or subordinated to all claims and interests senior to or equal to the asserted claim or interest arising out of the purchase or sale of a security of the debtor or affiliate pursuant to section 510(b) of the Bankruptcy Code; or
- j. fail to sufficiently specify the basis for the claim or provide sufficient supporting documentation therefor.

2. **Form of Omnibus Objection.** Each Omnibus Objection will be numbered consecutively, regardless of basis.

3. **Supporting Documentation.** To the extent appropriate, Omnibus Objections may include an affidavit or declaration that provides a factual basis for the Debtors' objection to the claims, including an affidavit or declaration from someone with personal knowledge of the Debtors' books and records and the manner in which they are maintained that states that the affiant or the declarant has reviewed the claims included therein and the applicable supporting information and documentation provided therewith, made reasonable efforts to research the claim on the Debtors' books and records, and determined that the books and records do not reflect the debt or the amount of debt that is alleged in the claim.

4. **Claims Exhibits.** An exhibit listing the claims that are subject to a particular Omnibus Objection will be attached thereto. Each exhibit will include only the claims to which there is a common basis for the objection. Claims for which there is more than one basis for the objection will be referenced on the exhibit for each Omnibus Objection applicable thereto. The exhibits will include, without limitation, the following information alphabetized by claimant:

- a. the claims that are the subject of the Omnibus Objection and, if applicable, the proof of claim number related thereto from the claims register;
- b. the asserted amount of the claim;

- c. the grounds for the objection;
- d. a cross-reference to the section of the Omnibus Objection discussing such claim; and
- e. other information, as applicable, including: (i) the proposed classification of claims the Debtors seek to reclassify; (ii) the reduced claim amounts of claims the Debtors seek to reduce; or (iii) the surviving claims of claimants affected by the Omnibus Objection.

5. **Objection Notice.** Each Omnibus Objection will be accompanied by a customized objection notice, substantially in the form annexed to the Order as **Exhibit 2** (the “**Objection Notice**”), tailored, as appropriate, to address a particular claimant, claim, or objection, which will:

- a. describe the basic nature of the objection;
- b. inform claimants that their rights may be affected by the objection;
- c. describe the procedures for filing a written response (each, a “**Response**”) to the objection, including all relevant dates and deadlines related thereto;
- d. identify the date of the Hearing (as defined below), if applicable, and related information; and
- e. describe how copies of proofs of claim, the Omnibus Objection, and other pleadings (each, a “**Pleading**”) filed in the chapter 11 cases may be obtained.

6. **Notice and Service.** Each Omnibus Objection will be filed with the Court and served electronically using the Court’s electronic filing system.

7. **Omnibus Claims Objection Hearings.** Each Omnibus Objection shall be set for hearing no less than 30 days after service of the Omnibus Objection (each, a “**Hearing**”), unless otherwise ordered by the Court. In the Debtors’ sole discretion, and after notice to the affected claimant, the Debtors may (without further order of the Court) adjourn a Hearing on an Omnibus Objection to a subsequent date by filing a notice or statement on the record. For claims

subject to an Omnibus Objection and with respect to which *either* no Response is filed in accordance with the proposed response procedures and no appearance is made at the applicable Hearing or a Response is filed in accordance with the proposed response procedures but such Response is resolved prior to the Hearing, the Debtors may request at such Hearing that the Court enter an order granting the Omnibus Objection with respect to such claim. Contested claims for which a Response is filed in accordance with the proposed response procedures but such Response is not resolved prior to the applicable Hearing and an appearance is made at the Hearing may be heard at the Hearing or adjourned to a subsequent date in the Debtors' sole discretion. If a subsequent hearing is determined to be necessary, the Debtors shall announce such adjournment on the record or file with the Court and serve on the affected claimant(s) a notice of the hearing (the date of which shall be determined in consultation with the affected claimant(s)).

8. **Contested Matter.** Each claim subject to an Omnibus Objection and the Response thereto shall constitute a separate contested matter as contemplated by Bankruptcy Rule 9014, and any order entered by the Court will be deemed a separate order with respect to such claim. The Debtors may, in their discretion and in accordance with other orders of this Court, and the provisions of the Bankruptcy Code and Bankruptcy Rules, settle the priority, amount, and validity of such contested claims without any further notice to or action, order, or approval of the Court.

Responses to Omnibus Objections

9. **Parties Required to File a Response.** Any party who disagrees with an objection is required to file a Response in accordance with the procedures set forth herein and to appear at the applicable Hearing. If a claimant whose claim is subject to an Omnibus Objection

does not file and serve a Response in compliance with the procedures below or fails to appear at the Hearing, the Court may grant the objection with respect to such claim without further notice to the claimant.

10. **Response Contents.** Each Response must contain the following (at a minimum):

- a. a caption stating the name of the Court, the name of the Debtors, the case number, and the Omnibus Objection to which the Response is directed;
- b. a concise statement setting forth the reasons why the Court should not grant the objection with respect to such claim, including the factual and legal bases upon which the claimant will rely in opposing the Omnibus Objection;
- c. a copy of any other documentation or other evidence of the claim, to the extent not already included with the claim, upon which the claimant will rely in opposing the objection; *provided* that the claimant need not disclose confidential, proprietary, or otherwise protected information in the Response; and, *provided, further*, that the claimant shall disclose to counsel to the Debtors all information and provide copies of all documents that the claimant believes to be confidential, proprietary, or otherwise protected and upon which the claimant intends to rely in support of its claim, subject to appropriate confidentiality constraints;
- d. a declaration or other statement of a person with personal knowledge of the relevant facts that support the Response; and
- e. the following contact information for the responding party:
 - (i) the name, address, telephone number, and email address of the responding claimant or the name, address, telephone number, and email address of the claimant's attorney or designated representative to whom the attorneys for the Debtors should serve a reply to the Response, if any; or
 - (ii) the name, address, telephone number, and email address of the party with authority to reconcile, settle, or otherwise resolve the objection on the claimant's behalf.

11. **Filing and Service of the Response.** Unless as otherwise ordered by the Court, a Response will be deemed timely only if it is filed with the Court and served electronically using the Court's electronic filing system *and actually received* by 4:00 p.m. (prevailing Central Time) on the day that is twenty (20) calendar days from the date the Omnibus Objection is served (the "**Response Deadline**") by the following parties (the "**Notice Parties**"):

- a. counsel to the Debtors, Weil, Gotshal & Manges LLP, 700 Louisiana Street, Suite 1700, Houston, TX 77002 (Attn: Christopher M. Lopez, Esq. and Clifford Carlson, Esq.);
- b. counsel to Wells Fargo Bank, N.A., as administrative agent under the Credit Agreement, Baker & McKenzie LLP, 452 Fifth Avenue, New York, NY 10018 (Attn: James Donnell, Esq. and Peter S. Goodman, Esq.); and
- c. the Office of the United States Trustee, 515 Rusk Street, Suite 3516, Houston, Texas 77002 (Attn: Hector Duran, Esq.).

12. **Discovery.** If the Debtors determine that discovery is necessary in advance of a Hearing on an Omnibus Objection, the Debtors will serve notice on the affected claimant and its counsel of record that the scheduled Hearing will be treated as a status conference during which the parties will request that the Court issue a scheduling order to facilitate dismissal or resolution of the litigation. Such notice may be incorporated into the initial agenda letter for the Hearing, or may be provided by separate notice.

13. **Failure to Respond.** A Response that is not filed and served in accordance with the procedures set forth herein may not be considered by the Court at a Hearing. **Absent reaching an agreement with the Debtors resolving the objection to a claim (as described in the Objection Notice), failure to timely file and serve a Response as set forth herein or to appear at the Hearing may result in the Court granting the Omnibus Objection without further notice or hearing.** Upon entry of an order sustaining an Omnibus Objection, affected claimants will be served with such order.

14. **Reply to a Response.** The Debtors shall be permitted to file a reply to any Response no later than two business days before the Hearing with respect to the relevant Omnibus Objection.

Miscellaneous

15. **Additional Information.** Copies of these procedures, the Motion, the Order, or any other Pleadings filed in these chapter 11 cases are available at no cost at the Debtors' restructuring website <http://www.kccllc.net/azuremlp>. You may also obtain copies of any of the Pleadings filed in these chapter 11 cases for a fee at the Court's website at <http://www.txs.uscourts.gov/bankruptcy>. A login identification and password to the Court's Public Access to Court Electronic Records ("PACER") are required to access this information and can be obtained through the PACER Service Center at <http://www.pacer.psc.uscourts.gov>.

16. **Reservation of Rights.** **NOTHING IN ANY OMNIBUS OBJECTION OR OBJECTION NOTICE IS INTENDED OR SHALL BE DEEMED TO CONSTITUTE (A) AN ADMISSION AS TO THE VALIDITY OF ANY PREPETITION CLAIM AGAINST A DEBTOR; (B) A WAIVER OF ANY PARTY'S RIGHT TO DISPUTE ANY PREPETITION CLAIM ON ANY GROUNDS; (C) A PROMISE OR REQUIREMENT TO PAY ANY PREPETITION 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; (E) A REQUEST OR AUTHORIZATION TO ASSUME ANY PREPETITION AGREEMENT, CONTRACT, OR LEASE PURSUANT TO SECTION 365 OF THE BANKRUPTCY CODE; OR (F) A WAIVER OF THE DEBTORS' RIGHTS UNDER THE BANKRUPTCY CODE OR ANY OTHER APPLICABLE LAW.**

Exhibit 2

Objection Notice

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

In re:

AZURE MIDSTREAM
PARTNERS, LP, *ET AL.*,

Debtors.¹

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Chapter 11

Case No. 17-30461 (DRJ)

Jointly Administered

NOTICE OF DEBTORS' [NUMBER] OMNIBUS OBJECTION²

THIS IS AN OBJECTION TO YOUR CLAIM. THE OBJECTING PARTY IS ASKING THE COURT TO DISALLOW THE CLAIM THAT YOU FILED IN THIS BANKRUPTCY CASE. YOU SHOULD IMMEDIATELY CONTACT THE OBJECTING PARTY TO RESOLVE THE DISPUTE. IF YOU DO NOT REACH AN AGREEMENT, YOU MUST FILE A RESPONSE TO THIS OBJECTION AND SEND A COPY OF YOUR RESPONSE TO THE OBJECTING PARTY WITHIN 30 DAYS AFTER THE OBJECTION WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE OBJECTION IS NOT VALID. IF YOU DO NOT FILE A RESPONSE WITHIN 30 DAYS AFTER THE OBJECTION WAS SERVED ON YOU, YOUR CLAIM MAY BE DISALLOWED WITHOUT A HEARING.

A HEARING HAS BEEN SET ON THIS MATTER ON [] [•], 2017 AT [] .M. (CT) IN COURTROOM 400, 4TH FLOOR, UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS, 515 RUSK AVENUE, HOUSTON, TEXAS 77002.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

Important Information Regarding the Objection

Grounds for the Objection. By the Objection, the Debtors are seeking to [disallow/ expunge/ reclassify/ reduce/ subordinate] your claim(s) listed in the table below on the grounds that your

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are: Azure Midstream Partners, LP (7595), Azure ETG, LLC (3388), Azure Holdings GP, LLC (0537), Azure Midstream Partners GP, LLC (8089), Azure TGG, LLC (6233), Marlin G&P I, LLC (6073), Marlin Logistics, LLC (8460), Marlin Midstream Finance Corp. (0130), Marlin Midstream, LLC (2587), Murvaul Gas Gathering, LLC (0826), Talco Midstream Assets, Ltd. (7004), and Turkey Creek Pipeline, LLC (1161).

² All capitalized terms used, but not otherwise defined, herein shall have the meanings ascribed to such terms in the Objection.

claim(s) [is/are] [_____]. The claim(s) subject to the Objection may also be found on the schedules attached to the Objection, a copy of which has been provided with this notice.

Objection Procedures. On [_____] [●], 2017, the United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) entered an order [Docket No. __] approving procedures for filing and resolving objections to claims asserted against the Debtors in these chapter 11 cases (the “**Objection Procedures**”). A copy of the Objection Procedures is included with this notice. **PLEASE REVIEW THE OBJECTION PROCEDURES TO ENSURE YOUR RESPONSE TO THE OBJECTION, IF ANY, IS TIMELY AND CORRECTLY FILED AND SERVED.**

Resolving the Objection

Parties Required to File a Response. If you disagree with the Objection filed with respect to your claim, you must file a response (each, a “**Response**”) with the Court in accordance with the procedures described below and appear at the Hearing (as defined herein).

Response Contents. Each Response must contain the following (at a minimum):

- a. a caption stating the name of the Court, the name of the Debtors, the case number, and the Objection to which the Response is directed;
- b. a concise statement setting forth the reasons why the Court should not grant the objection with respect to such claim, including the factual and legal bases upon which the claimant will rely in opposing the Objection;
- c. copies of documentation or other evidence of your claim not previously filed with proof of such claim on which your Response is based (excluding confidential, proprietary, or other protected information, copies of which must be provided to the counsel to the Debtors, subject to appropriate confidentiality constraints, if any);

- d. a declaration or other statement of a person with personal knowledge of the relevant facts that support the Response; and
- e. the following contact information for the responding party:
 - (i) the name, address, telephone number, and email address of the responding claimant or the name, address, telephone number, and email address of the claimant's attorney or designated representative to whom the attorneys for the Debtors should serve a reply to the Response, if any; or
 - (ii) the name, address, telephone number, and email address of the party with authority to reconcile, settle, or otherwise resolve the objection on the claimant's behalf.

Notice and Service. Your Response must be filed with the Court and served so as to be *actually received* by 4:00 p.m. (prevailing Central Time) on [_____] [●], 2017 (the “**Response Deadline**”) by the following parties (the “**Notice Parties**”):

- a. counsel to the Debtors, Weil, Gotshal & Manges LLP, 700 Louisiana Street, Suite 1700, Houston, TX 77002 (Attn: Christopher M. Lopez, Esq. and Clifford Carlson, Esq.);
- b. counsel to Wells Fargo Bank, N.A., as administrative agent under the Credit Agreement, Baker & McKenzie LLP, 452 Fifth Avenue, New York, NY 10018 (Attn: James Donnell, Esq. and Peter S. Goodman, Esq.); and
- c. the Office of the United States Trustee, 515 Rusk Street, Suite 3516, Houston, Texas 77002 (Attn: Hector Duran, Esq.).

Failure to Respond. A Response that is not filed and served in accordance with the procedures set forth herein may not be considered by the Court at the Hearing. **Absent an agreement with the Debtors resolving the Objection to a claim, failure to timely file and serve a Response as set forth herein and appear at the Hearing may result in the Court granting the Objection without further notice or hearing.** Upon entry of an order, affected claimants will be served with a notice of entry, and a copy, of the order.

Hearing on the Objection

Date, Time, and Location. A hearing (the “**Hearing**”) on the Objection will be held on [_____] [●], 2017, at [___] .m. prevailing Central Time, before the Honorable David R. Jones, United States Bankruptcy Judge, in Courtroom 400, 515 Rusk, Houston, Texas 77002. The Hearing may be adjourned to a subsequent date in these chapter 11 cases in the Debtors’ sole discretion. **You must attend the Hearing if you disagree with the Objection and have filed a Response.** Contested claims for which a Response is filed in accordance with the proposed response procedures, but such Response is not resolved prior to the Hearing, and an appearance is made at the Hearing may be heard at the Hearing or adjourned to a subsequent hearing in the Debtors’ sole discretion. If a subsequent hearing is determined to be necessary, the Debtors shall file with the Court and serve on the affected claimants a notice of the hearing (the date of which shall be determined in consultation with the affected claimant(s)).

Discovery. If the Debtors determine that discovery is necessary in advance of a hearing on an Objection, the Debtors will serve notice on the affected claimant and its counsel of record that the scheduled hearing will be treated as a status conference during which the parties will request that the Court issue a scheduling order to facilitate dismissal or resolution of the litigation. Any such notice may be incorporated into the initial agenda letter for the hearing or may be provided by separate notice.

Additional Information

Questions or Information. Copies of the Objection Procedures and any other pleadings (collectively, the “**Pleadings**”) filed in these chapter 11 cases are available at no cost at the Debtors’ restructuring website <http://www.kccllc.net/azuremlp>. You may also obtain copies of any of the Pleadings filed in these chapter 11 cases for a fee at the Court’s website at

<http://www.txs.uscourts.gov/bankruptcy>. A login identification and password to the Court's Public Access to Court Electronic Records ("PACER") are required to access this information and can be obtained through the PACER Service Center at <http://www.pacer.psc.uscourts.gov>.

Reservation of Rights

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Exhibit 3

Withdrawal of Proof of Claim Form

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

In re:

**AZURE MIDSTREAM
PARTNERS, LP, *ET AL.*,**

Debtors.¹

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Chapter 11

Case No. 17-30461 (DRJ)

Jointly Administered

WITHDRAWAL OF CLAIM NO. XXXX

COMES NOW, the claimant, [CLAIMANT], and hereby withdraws with prejudice its proof of claim no. xxxx, filed in Case No. 17-304XX.

Respectfully submitted this ____ day of [month] 2017.

Print Name: _____
Title: _____

[claimant]
Address:
Address:
City, State, Zip:
Phone:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are: Azure Midstream Partners, LP (7595), Azure ETG, LLC (3388), Azure Holdings GP, LLC (0537), Azure Midstream Partners GP, LLC (8089), Azure TGG, LLC (6233), Marlin G&PI, LLC (6073), Marlin Logistics, LLC (8460), Marlin Midstream Finance Corp. (0130), Marlin Midstream, LLC (2587), Murvaul Gas Gathering, LLC (0826), Talco Midstream Assets, Ltd. (7004), and Turkey Creek Pipeline, LLC (1161).