

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

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| In re: COBALT INTERNATIONAL ENERGY, INC. <i>et al.</i>,¹ Debtors. |))))))) | Chapter 11 Case No. 17-36709 (MI) (Jointly Administered) |
|---|---------------------------------|--|

**SUMMARY COVER SHEET FOR APPLICATION OF LYNN PINKER COX HURST,
COUNSEL TO EQUITY HOLDER IRA GAINES AS TRUSTEE FOR THE PARADISE
WIRE AND CABLE DEFINED BENEFIT PENSION PLAN DATED 11/11/84,
FOR ALLOWANCE OF ADMINISTRATIVE
EXPENSES PURSUANT TO 11 U.S.C. § 503(b)(4)**

| | | |
|---|--|----------------------|
| Name of Applicant: | Lynn Pinker Cox Hurst | |
| Applicant's Role in Case: | Counsel to Equity Holder Ira Gaines as Trustee for the Paradise Wire and Cable Defined Benefit Plan dated 11/11/84 | |
| | Beginning of Period | End of Period |
| Time period covered by this Application: | December 14, 2017 | April 5, 2018 |
| Total attorney and paralegal fees requested in this Application: | \$91,400 | |
| Total actual attorney and paralegal hours covered by this Application: | 150.7 | |
| Average hourly rate for attorneys: | \$600 | |
| Average hourly rate for paralegals: | \$210 | |
| Reimbursable expenses sought in this Application: | \$4,497.58 | |
| Total Amount Requested: | \$95,897.58 | |

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Cobalt International Energy, Inc. (1169); Cobalt International Energy GP, LLC (7374); Cobalt International Energy, L.P. (2411); Cobalt GOM LLC (7188); Cobalt GOM # 1 LLC (7262); and Cobalt GOM # 2 LLC (7316). The Debtors' service address is: 920 Memorial City W



**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

COBALT INTERNATIONAL ENERGY, INC. *et al.*,²

Debtors.

)
) Chapter 11
)
) Case No. 17-36709 (MI)
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) (Jointly Administered)
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**APPLICATION OF LYNN PINKER COX HURST, LLP, COUNSEL TO EQUITY
HOLDER IRA GAINES AS TRUSTEE FOR THE PARADISE WIRE AND CABLE
DEFINED BENEFIT PENSION PLAN DATED 11/11/84, FOR ALLOWANCE OF
ADMINISTRATIVE EXPENSES PURSUANT TO 11 U.S.C. § 503(b)(4)**

THIS APPLICATION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE APPLICATION, 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 APPLICATION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE APPLICATION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE APPLICATION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

TO THE HONORABLE MARVIN ISGUR, UNITED STATES BANKRUPTCY JUDGE:

COMES NOW Lynn Pinker Cox Hurst, LLP (“LPCH”), counsel for equity holder Ira Gaines (“Gaines”) as Trustee for the Paradise Wire and Cable Defined Benefit Pension Plan dated 11/11/84, and files its Application for Allowance of Administrative Expenses Pursuant to 11

² The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Cobalt International Energy, Inc. (1169); Cobalt International Energy GP, LLC (7374); Cobalt International Energy, L.P. (2411); Cobalt GOM LLC (7188); Cobalt GOM # 1 LLC (7262); and Cobalt GOM # 2 LLC (7316). The Debtors’ service address is: 920 Memorial City Way, Suite 100, Houston, Texas 77024.

U.S.C. § 503(b)(4) (the “Application”) and states as follows:

I. SUMMARY OF APPLICATION

1. By this Application, LPCH seeks the allowance as an administrative expense of fees and expenses in the amount of \$95,897.58 it incurred while providing valuable assistance to the Official Committee of Unsecured Creditors (the “Committee”) of Cobalt International Energy, Inc. *et al.*, (the “Debtors”) in prosecution of the Committee’s objection to the Debtors’ Fourth Amended Joint Chapter 11 Plan of Cobalt International Energy, Inc. and Its Debtor Affiliates (the “Plan”). Specifically, and as described in greater detail below, LPCH provided the Committee with considerable information and analysis concerning the status and value of Derivative Actions (defined below), which the Debtors sought in their Plan to release without any consideration. The information, consultation, and testimony provided by LPCH led to a negotiated resolution of the Committee’s objections to the Debtors’ plan pursuant to which, *inter alia*, holders of Allowed General Unsecured Claims³ of Cobalt International Energy, Inc. (“Cobalt”) that are not Second Lien Notes Deficiency Claims are to share pro rata in the Cobalt General Unsecured Settlement Amount of \$5,000,000.00, which amount is being provided to the Cobalt’s estate by the defendants to the Derivative Actions (the “Derivative Action Defendants”) as settlement of the Committee’s objections. In light of the substantial contribution by LPCH to the prosecution of the Committee’s objection and to confirmation of the Plan, this Court should award compensation to LPCH for the professional services it provided, along with its actual, necessary expenses.

II. JURISDICTION AND VENUE

2. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157(b) and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b).

³ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan.

3. The statutory predicates for the relief requested in this Application are Bankruptcy Code §§ 503(b)(3)(D) and (b)(4).

III. PROCEDURAL BACKGROUND

4. The Debtors are a publicly-held offshore oil exploration and production company incorporated in the state of Delaware with headquarters in Houston, Texas and operations primarily located off the coast of the United States in the deepwater of the Gulf of Mexico and offshore Angola and Gabon in West Africa.

5. On December 14, 2017 (the “Petition Date”), each of the Debtors filed a voluntary petition with this Court under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in these cases.

6. On December 21, 2017, the Office of the United States Trustee appointed the Official Committee (the “Committee”) of Unsecured Creditors of Cobalt International Energy, Inc. and its affiliated Debtors (the “Debtors”) pursuant to section 1102 of the Bankruptcy Code. The Committee consists of the following three members: (a) Wells Fargo Bank, National Association; (b) Baker Hughes, a GE Company; and (c) Schlumberger Technology Corporation.

7. Between January 15, 2018 and April 5, 2018, LPCH provided significant information and analysis to the Committee concerning the status and merits of the derivative action (the “Gaines Action”) Gaines brought against the Debtors’ present and former officers and directors and which was pending in the District Court of Harris County, Texas and two additional derivative actions also brought in that Court against the Debtors’ officers and directors.

8. On March 8, 2018, the Debtors filed the Plan. [Docket No. 561].

9. On March 20, 2018, the Committee identified Jason Dennis (“Dennis”), a partner at LPCH, as a witness who would testify at the hearing on the confirmation of the Debtors’ Plan

(the “Confirmation Hearing”) as to the status of and regarding the Gaines Action and the other pending derivative actions against the Debtors’ present and former officers and directors (collectively, the “Derivative Actions”).

10. On March 23, 2018, the Debtors served upon Dennis a subpoena (the “Dennis Subpoena”) to testify at a deposition in Houston, Texas and to produce documents in advance of the deposition.

11. Between March 23, 2018 and March 26, 2018, Dennis and his colleagues gathered documents in his and LPCH’s custody and control that were responsive to the Dennis Subpoena.

12. On March 27, 2018, Dennis, and his counsel, Samuel Hardy (“Hardy”), a partner at LPCH, met with counsel for the Committee to prepare for Dennis’s deposition.

13. On March 28, 2018, in advance of the Confirmation Hearing, the Debtors conducted Dennis’s deposition in Houston, Texas. Hardy defended the deposition.

14. On March 29, 2018, the Committee filed its Objection of the Official Committee of Unsecured Creditors to the Fourth Amended Joint Chapter 11 Plan of Cobalt International Energy, Inc. and its Debtor Affiliates (the “Committee Plan Objection”). Docket No. 676.

15. In the Committee Plan Objection, the Committee objected, *inter alia*, to the Plan’s contemplated releases without consideration of the Debtors’ former and current officers and directors, which releases would release the claims asserted in the Derivative Actions.

16. On April 2, 2018, Dennis and Hardy met with counsel for the Committee to prepare for Dennis’s testimony at the Confirmation Hearing.

17. The Confirmation Hearing began on April 3, 2018.

18. On April 4, 2018, counsel for the Committee and Counsel for the Debtors announced to the Court that after extensive negotiations, they had resolved the Committee Plan Objection by, among other things, providing for \$5,000,000.00 to be paid by the Derivative Action

Defendants for the benefit of holders of Allowed Cobalt General Unsecured Claims that are not Second Lien Notes Deficiency Claims.

19. On April 5, 2018, this Court entered its Order (I) Confirming the Fourth Amended Joint Chapter 11 Plan of Cobalt International Energy, Inc. and Its Debtor Affiliation and (II) Approving the Sale Transaction. Docket No. 784.

IV. FACTUAL BACKGROUND

A. The Derivative Actions

20. The Derivative Actions include three separate actions pending in the District Court for Harris County, Texas.

21. On May 6, 2016, Gaines, as trustee for the Paradise Wire and Cable Defined Benefit Pension Plan dated 11/11/84, commenced the Gaines Action, a shareholder derivative action against certain of the Debtors' past and present officers and directors and controlling shareholders in the District Court of Harris County, Texas. The Gaines Action, styled as *Gaines v. Bryant et al.*, Cause No. 2016-29850, alleges, *inter alia*, breaches of fiduciary duty and unjust enrichment against the Debtors' officers, directors, and control parties.

22. On November 29, 2016, Karen McDonaugh commenced a shareholder derivative action (the "McDonaugh Action") against certain of the Debtors' past and present officers and directors in the District Court of Harris County, Texas. The McDonaugh Action, styled as *McDonaugh v. Bryant et al.*, Cause No. 2016-82186, alleges, *inter alia*, breaches of fiduciary duty, unjust enrichment, abuse of control, and misappropriation of information against the Debtors' officers and directors.

23. On April 5, 2017, Dr. Michael Hafkey commenced a shareholder derivative action (the "Hafkey Action") against certain past and present officers and directors in the District Court of Harris County, Texas. The Hafkey Action, styled as *Hafkey v. Bryant et al.*, Cause No. 2017-

23329, alleges, *inter alia*, breaches of fiduciary duty, corporate waste, and unjust enrichment against the Debtors' officers and directors. The Derivative Actions include each of the Gaines, McDonough, and Hafkey Actions.

B. The Plan's Contemplated Release of the Officers and Directors

24. The Plan proposed to providing broad, gratuitous direct releases from the Debtors (the "Debtor Release") and non-debtors (the "Third Party Release" and, together with the Debtor Release, the "Releases") running to a lengthy list of released parties including the Debtors' current and former officers and directors. The Releases contemplated the release all of the claims asserted in the Derivative Actions against the Debtors' present and former directors, officers and control parties.

C. The Committee's Objection to the Plan's Contemplated Release of the Officers and Directors

25. The Committee filed the Committee Plan Objection on March 29, 2018. The Committee Plan Objection contained several grounds for objection, including the assertion that the Releases contemplated were impermissible. *See*, Committee Objection at ¶¶ 22-47. In the Committee Plan Objection, the Committee argued, among other things, that many of the Released Parties (as that term was defined the Plan), including, without limitation, the equity sponsors, former directors and officers and certain current directors and officers, had provided no consideration in exchange for the Releases. The Committee also argued that pursuant to the Plan, the Debtors proposed to release valuable estate claims, including those asserted in the pending Derivative Actions and that the release of such claims was inappropriate.

26. The Committee was prepared to call Dennis as a witness at the Confirmation hearing to testify to the procedural posture and regarding the Gaines Action and the Other Derivative Actions and that if the Committee were granted standing to prosecute the Gaines action

on behalf of the Debtors' estates, LPCH would agree to represent the Committee pursuant to a contingency fee arrangement.

D. Resolution of the Committee's Objection

27. As detailed above, the Debtors conducted Dennis's deposition in the week prior to the Confirmation Hearing. At that deposition, Mr. Dennis, represented by Hardy, testified for approximately six hours regarding the status and merits of the Derivative Actions. At the commencement of the second day of the Confirmation Hearing, and prior to Dennis's testimony at the hearing, the Committee and the Debtors announced to the Court that they had reached a settlement of the Committee Objection pursuant to which, among other things, the holders of Allowed Cobalt General Unsecured Claims that were not Second Lien Note Deficiency Claims would receive a settlement in the amount of \$5,000,000.00 from the Derivative Action Defendants in which they would share pro rata.

28. LPCH submits that the information, analysis, and deposition testimony it provided was a substantial factor in the ability to reach a negotiated resolution which significantly improved the position of Cobalt's unsecured creditors. The information and testimony provided by Dennis and his partners at LPCH underscored the value of the Derivative Actions and bolstered the Committee's arguments that the granting of the Releases without any consideration was entirely inappropriate.

E. Fees and Expenses Incurred by LPCH

29. In the period between the Petition Date and April 5, 2018, LPCH devoted considerable time in resources in connection with the Debtors' chapter 11 cases. Its activities included:

- a. consultation with the counsel for the Committee concerning the status and regarding the Derivative Actions;
- b. producing documents in response to the Debtors' subpoena;

- c. preparing for and attending the Dennis deposition; and
- d. preparing for testimony at the Confirmation hearing.

30. In connection with its efforts, LPCH incurred professional fees in the amount of \$91,400.00 and expenses in the amount of \$4,497.58.

V. AUTHORITIES & ARGUMENT

31. Legal Authorities. Equity security holders who make a “substantial contribution” to a bankruptcy case may seek the recovery of their “actual, necessary expenses” and “reasonable compensation for professional services rendered by an attorney” that represents the creditor. 11 U.S.C. §§ 503(b)(3)(D) & (b)(4). Substantial contributions are contributions that are “considerable in amount, value or worth.” *Hall Fin. Group, Inc. v. DP Partners Ltd. (In re DP Partners Ltd.)*, 106 F.3d 667, 673 (5th Cir. 1997). Although courts must determine whether a substantial contribution was made on a “case-by-case basis,” they should “[a]t a minimum ... weigh the cost of the claimed fees and expenses against the benefits conferred upon the estate which flow directly from those actions.” *Id.* Once a court determines that an equity security holder made a substantial contribution to a case, it must determine whether “the claimed expenses were actual and necessary and that any fees are reasonable.” *Id.* Expenses with a “causal connection” to the substantial contribution are compensable, and the “*Johnson v. Georgia Highway Express* attorneys’ fees analysis ... govern[s] an award of fees” *Id.* at 674 (citing *In re Lawler*, 807 F.2d 1207 (5th Cir. 1987)).

F. LPCH Made a Substantial Contribution

32. LPCH provided a substantial contribution to this case. Specifically, as a result of its efforts, the Committee ultimately reached a settlement pursuant to which holders of Allowed Cobalt General Unsecured Claims that are not Second Lien Notes Deficiency Claims received a

\$5,000,000.00 settlement payment from the Derivative Action Defendants in which they will share pro rata.

33. Bankruptcy courts in the Northern and Southern Districts of Texas rely on the following factors to determine whether a creditor made a substantial contribution to a bankruptcy case:

- a. “whether the services involved in the contribution provided a benefit to the estate;”
- b. “whether the services involved in the contribution were undertaken just for the applicant alone or for the benefit of all parties in the case;”
- c. “whether the applicant would have undertaken the same approach absent the expectation of compensation from the bankruptcy estate;”
- d. “whether the benefit conferred through the applicant’s contributions exceeds the cost which the applicant seeks to assess against the estate;”
- e. “whether the efforts of the applicant were duplicative of efforts undertaken by statutory fiduciaries;”
- f. “whether the applicant profited from the situation or rather faced substantial loss if it had not undertaken the approach that it did;” and
- g. “whether the applicant had a negative effect on the case, such as making questionable objections to pleadings filed by the debtor or engaging in improper conduct in some other fashion which caused the debtor to incur costs or which delayed resolution of the case.”

In re Energy Partners, LTD., 422 B.R. 68, 80 (Bankr. S.D. Tex. 2009) (citing *In re Mirant*, 354 B.R. 113, 132-35 (Bankr. N.D. Tex. 2006)). Each factor is met here.

34. Factor No. 1: Whether LPCH’s Efforts Benefitted the Estate.

Had LPCH not acted, it is unlikely that the ultimate recovery for Cobalt’s general unsecured creditors would have been as high. LPCH provided valuable information to the Committee regarding the Derivative Actions. Moreover, the Debtors’ Plan initially contemplated that the Releases, including of the Derivative Actions, would be granted without any consideration. The Committee objected to the Plan and to the Releases of the Debtors’ present and former

directors and of the claims asserted in the Derivative Actions. After the Dennis deposition and prior to his taking the stand at the Confirmation Hearing, the Debtors and the Committee reached a settlement pursuant to which these creditors received a \$5,000,000.00 settlement payment in which to share pro rata.

35. Factor No. 2: LPCH's Efforts Benefitted All Parties. The negotiated settlement will benefit all holders of Allowed Cobalt General Unsecured Claims that are not Second Lien Notes Deficiency Claims.

36. Factor No. 3: LPCH Did Not Expect Compensation. When LPCH, as counsel for Gaines in the Gaines Action, began consulting with the Committee, it did not expect to obtain an administrative claim for its efforts. Rather, it only sought to preserve assets for distribution to all of Cobalt's creditors.

37. Factor No. 4: Cost Benefit Analysis. The amount sought by LPCH equals about two percent (2%) of the value of the increase in the distribution to Cobalt's unsecured creditors.

38. Factor No. 5: LPCH's Efforts Were Not Duplicative of Estate Professionals. LPCH provided value to the Debtors' estates distinct from that provided by any estate professionals. LPCH provided background and analysis regarding the Derivative Actions that, as counsel of record in the Gaines Action, it was uniquely positioned to provide. Similarly, Dennis gave testimony that, as Gaines's counsel in the Gaines Action, he was uniquely situated to provide, and Hardy represented him when he gave that testimony.

39. Factor No. 6: Neither Gaines Nor LPCH Has Profited From the Situation More Than Any Other Estate Creditor. Gaines obtained no special treatment on account of LPCH's efforts. Indeed, as a shareholder of Cobalt, Gaines will not receive any distributions under the Plan.

40. Factor No. 7: LPCH's Positive Impact on This Case. LPCH's contributions had a significant impact on these chapter 11 cases. As noted above, after resolution of the Committee's Plan Objection, the Derivative Action Defendants provided a \$5,000,000.00 settlement to Cobalt's estate.

G. The Attorneys' Fees Sought Are Reasonable

41. "In determining what is reasonable for attorneys' fees, bankruptcy courts must follow a three-step process outlined in *First Colonial*: (1) ascertain the nature and extent of the services supplied by the attorney with reference to the time records submitted; (2) assess the value of the services; and (3) briefly explain the findings and reasons upon which the award is based, including a discussion of how each of the twelve factors from *Johnson* affected the court's decision." *In re Energy Partners, LTD.*, 422 B.R. at 88 (citing *In re First Colonial Corp. of Am.*, 544 F.2d 1291, 1299-1300 (5th Cir. 1977)).

1. The Nature and Extent of the Services Supplied Were Appropriate.

42. During the compensation period, which covered almost five (5) months, the LPCH expended a total of 150.7 hours relating to these chapter 11 cases. The services rendered during this time period can be broken down into the following categories:

- a. Case Analysis. LPCH provided the Committee's Attorneys with background information and analysis regarding the Derivative Actions.

LPCH spent 15.3 hours under this category.

- b. Discovery. LPCH engaged in several tasks relating to the subpoena served upon Dennis by the Debtors including the review and gathering of documents responsive to the subpoena, preparation for the Dennis Deposition, and the appearance at and defense of the Dennis Deposition.

LPCH spent 101.4 hours under this category.

- c. Trial Preparation. LPCH prepared for Dennis's anticipated testimony at the Confirmation Hearing, including meeting with counsel for the Committee.

LPCH spent 34 hours under this category.

43. Detailed descriptions of the legal services rendered by LPCH during the compensation period and the invoices for those services are attached hereto as **Exhibit 1**. A breakdown of the expenses sought by LPCH is included in **Exhibit 1**.

2. Value of the Services.

44. LCPH's services contributed to an increased recovery to the Debtors' General Unsecured Creditors in the amount of \$5,000,000.00.

3. LPCH's Fees Are Reasonable.

45. To determine whether fees are reasonable, the Court must consider the twelve (12)

Johnson factors:

- a. the time and labor involved;
- b. the novelty and difficulty of the questions involved;
- c. the skill required to perform the legal services;
- d. the preclusion of other employment by the attorney due to acceptance of the case;
- e. the customary fee;
- f. whether the fee was fixed or contingent;
- g. the time limitations imposed by the client or other circumstances;
- h. the amount involved and the results obtained;
- i. the experience, reputation, and ability of the attorneys;
- j. the undesirability of the case;
- k. the nature and lengthy of the professional relationship with the client; and
- l. awards in similar cases.

See Johnson v. Georgia Highway Express, Inc., 488 F.2d 714, 717-19 (5th Cir. 1974).

46. LPCH expended time and effort in consulting with Committee counsel, responding to discovery requests, preparing for and testifying at a deposition and preparing to testify at the Confirmation Hearing. While the issues presented were not necessarily complex, the LPCH was uniquely situated to deal with them. Accordingly, the first three (3) *Johnson* factors weight in favor of granting the Application.

47. LPCH's (1) average hourly rate for attorneys of \$600, and (2) average hourly rate for paralegals of \$210 are similar to or less than the rates charged by other similarly-experienced attorneys, and the fees for which LPCH seeks reimbursement are minor in relation to the benefit obtained by the estate. Although its engagements in this matter were not undesirable and did not necessarily preclude it from working on other matters, LPCH was required to perform within tight time limitations, and it relied on its experience and reputation to obtain the results achieved. Accordingly, the remaining *Johnson* factors also weigh in favor of granting the Application.

H. The Expenses Sought Were Reasonable and Necessary

48. LPCH also seeks reimbursement of \$4,497.58 in expenses. To award reimbursement, the Court must find that these expenses were "actual and necessary." 11 U.S.C. § 503(b)(4). The expenses for which LPCH seeks reimbursement were incurred in connection with, *inter alia*, its travel to Houston to prepare and sit for testimony. These expenses were necessary to the services provided by LPCH as detailed above. Accordingly, the expenses sought were indispensable to achieving the results described herein and should be awarded.

VI. NOTICE

49. Notice of this Motion shall be given to (a) the Office of the United States Trustee for the Southern District of Texas; (b) counsel for the Debtors; (c) counsel for the Committee; (d) the indenture trustee for the Debtors' first lien notes; (e) the indenture trustee for the Debtors' second lien notes; (f) the indenture trustee of the Debtors' 2.625% senior convertible notices; (g)

the indenture trustee for the Debtors' 3.125% senior convertible notes; (h) counsel to the parties referenced in clauses (d) to (g); (i) the United States Attorney's Office for the Southern District of Texas; (j) the Internal Revenue Services; (k) the United States Securities and Exchange Commission; (l) the state attorneys general for states in which the Debtors conduct business; and (m) any party that has requested notice pursuant to Bankruptcy Rule 2002 at the time of noticing. LPCH submits that no other or further notice need be provided.

VII. NO PRIOR REQUEST

50. No previous request for the relief sought herein has been sought by Gaines.

PRAYER

WHEREFORE, LPCH respectfully requests that this Court grant this Application and such other and further relief as is just and proper.

Dated: May 9, 2018

/s/ Christopher J. Schwegmann

Christopher J. Schwegmann

Texas Bar No. 24051315

So. Dist. No. 609501

Samuel B. Hardy, IV

Texas Bar No. 24074360

So. Dist. No. 1514644

LYNN PINKER COX & HURST, LLP

2100 Ross Avenue, Suite 2700

Dallas, Texas 75201

Telephone: (214) 981-3800

Facsimile: (214) 981-3839

CERTIFICATION OF COUNSEL

The undersigned hereby certifies that he has read the foregoing Application, that to the best of his knowledge, information and belief, formed after reasonable inquiry, that the compensation and reimbursement sought in this Application: (a) is in general conformity with the Court's guidelines; (b) is billed at rates in accordance with practices no less favorable than those customarily employed by Counsel for clients in similarly situated and generally accepted by Counsel's other clients; and (c) meets the reasonableness requirement of Bankruptcy Code Section 503(b)(4).

/s/ Samuel B. Hardy, IV
Samuel B. Hardy, IV

CERTIFICATE OF SERVICE

The undersigned certifies that a true and correct copy of the above and foregoing document has been served on all counsel of record via the Court's ECF system on May 9, 2018.

/s/ Samuel B. Hardy, IV
Samuel B. Hardy, IV

LYNN PINKER COX & HURST, L.L.P.

Attorneys and Counselors
 2100 ROSS AVE., SUITE 2700
 Dallas, TX 75201
 214-981-3800

May 9, 2018

Invoice submitted to:

Cobalt International Energy Inc.
 Unsecured Creditors Co.

Invoice #: 20180858

Tax I.D.#: 75-2507536

TERMS: NET 30 DAYS

In Reference

To:

Professional services

| | | | <u>Hours</u> | <u>Amount</u> |
|------------|-----|---|--------------|---------------|
| 12/15/2017 | SBH | Telephone and email conference with co-counsel regarding bankruptcy filing and next steps. | 1.00 | 550.00 |
| 1/9/2018 | EJD | Discuss Cobalt with Mr. Hardy and Mr. Kathman; attention to potential case strategy. | 2.00 | 1,300.00 |
| 1/11/2018 | EJD | Research Cobalt bankruptcy. | 2.00 | 1,300.00 |
| 1/16/2018 | EJD | Correspondence with Mr. Kathman and bankruptcy counsel regarding Cobalt D and O case. | 0.50 | 325.00 |
| 1/17/2018 | EJD | Correspondence regarding Cobalt bankruptcy; conference with Mr. Hardy regarding same and setting up call with bankruptcy attorneys. | 1.00 | 650.00 |
| 1/19/2018 | SBH | Telephone conference with creditors' committee counsel Mr. Kornfeld and Ms. Levine and co-counsel in state court derivative lawsuit, Ms. Grant, regarding assisting creditors' counsel in preserving and prosecuting claims against directors and officers in the bankruptcy proceedings; prepare for same. | 1.00 | 550.00 |
| 2/8/2018 | EJD | Correspondence regarding obtaining right to bring derivative suit. | 0.50 | 325.00 |
| 2/9/2018 | EJD | Correspondence with Mr. Kathman regarding derivative suit; conference call regarding same; meet with Mr. Hardy regarding same. | 1.00 | 650.00 |



Cobalt International Energy Inc.

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| | | <u>Hours</u> | <u>Amount</u> |
|-----------|--|--------------|---------------|
| 2/28/2018 | EJD Conference call regarding case; attention to case filings. | 1.00 | 650.00 |
| 3/1/2018 | IMS Receipt and review of case correspondence and bankruptcy filings; set up and organize electronic case file; prepare notebooks of case documents for Messrs. Dennis and Hardy. | 1.10 | 220.00 |
| 3/12/2018 | EJD Conference call with Mr. Hardy, Ms. Levine, Mr. Kornfeld and Ms. Grant; follow-up call with Mr. Hardy. | 1.00 | 650.00 |
| | SBH Telephone conference with Ms. Levine and Mr. Kornfeld regarding assisting committee as potential advocate or witness at confirmation hearing; prepare for same. | 1.30 | 715.00 |
| 3/14/2018 | EJD Conference call with Mr. Hardy and Ms. Grant. | 0.50 | 325.00 |
| | SBH Telephone conference with Ms. Grant regarding evaluation of best witness or attorney from state court derivative team to appear for deposition and/or at hearing. | 1.20 | 660.00 |
| 3/15/2018 | EJD Case correspondence regarding follow-up call. | 0.20 | 130.00 |
| 3/16/2018 | EJD Conference call with Mr. Hardy, Ms. Grant, Ms. Levine, and Mr. Kornfeld; correspondence regarding designation of witness. | 0.50 | 325.00 |
| | SBH Telephone conference with Ms. Levine and Mr. Kornfeld and Mr. Dennis and Ms. Grant regarding Mr. Dennis's deposition and trial testimony for confirmation hearing objections as to releases of directors and officers from liability; discuss merits of action and contents of anticipated testimony; office conference with Mr. Dennis in preparation for same; review pleadings and file for same. | 3.50 | 1,925.00 |
| 3/17/2018 | EJD Correspondence with Ms. Levine. | 0.20 | 130.00 |
| 3/18/2018 | EJD Correspondence with Ms. Levine. | 0.20 | 130.00 |
| 3/19/2018 | EJD Review documents to prepare for upcoming deposition; correspondence with Ms. Levine regarding update on testimony. | 4.50 | 2,925.00 |

Cobalt International Energy Inc.

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| | | <u>Hours</u> | <u>Amount</u> |
|-----------|-----|--|----------------|
| 3/20/2018 | EJD | Conference call with Pachulski regarding production and deposition testimony; review file from co-counsel. | 4.70 3,055.00 |
| | SBH | Telephone conference with Ms. Grant and Mr. Dennis regarding review of background facts underlying claims in derivative lawsuits as well as documents needed to be gathered and produced in advance of deposition; prepare for same. | 1.10 605.00 |
| 3/21/2018 | EJD | Correspondence with Ms. Levine regarding location of deposition; continue preparation. | 1.70 1,105.00 |
| 3/22/2018 | EJD | Prepare for deposition; meet with Mr. Hardy. | 4.00 2,600.00 |
| 3/23/2018 | EJD | Prepare for deposition; review subpoena; attention to additional collection of documents and production; research various issues; correspondence with Ms. Levine. | 7.80 5,070.00 |
| 3/24/2018 | EJD | Continue preparing for deposition. | 5.00 3,250.00 |
| 3/25/2018 | EJD | Correspondence with Ms. Levihe regarding subpoena production; attention to same; prepare for upcoming deposition. | 4.00 2,600.00 |
| 3/26/2018 | EJD | Gather additional documents for production; prepare for deposition; meet with Mr. Hardy regarding deposition preparation; case correspondence regarding upcoming deposition. | 8.50 5,525.00 |
| | SBH | Gather and review documents for production in bankruptcy proceeding in anticipation of the deposition of Mr. Dennis. | 5.00 2,750.00 |
| 3/27/2018 | EJD | Continue preparing for deposition; meet with Mr. Hardy, Mr. Kornfeld, Ms. Levine and others; case correspondence regarding case; review timeline and players list. | 10.00 6,500.00 |
| | SBH | Prepare Mr. Dennis for deposition testimony regarding facts and strength of claims in state court derivative proceeding; review and select documents for same; conference with | 9.50 5,225.00 |

Cobalt International Energy Inc.

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| | | <u>Hours</u> | <u>Amount</u> |
|---------------|---|--------------|---------------|
| | Messrs. Dennis and Kornfeld and Ms. Levine regarding same. | | |
| 3/27/2018 EJK | Review and analyze Shareholder Derivative Petition to determine all parties, their titles and positions, years of service, and how they are all affiliated with entities in preparation of deposition of Jason Dennis; prepare list of all parties, their titles and positions, years of service, and how they are affiliated with entities in preparation of deposition of Jason Dennis. | 3.00 | 675.00 |
| 3/28/2018 EJD | Continue preparing for and sit for deposition; conference with counsel following deposition. | 12.50 | 8,125.00 |
| SBH | Continue to prepare Mr. Dennis for deposition testimony; attend and defend his deposition. | 8.00 | 4,400.00 |
| 3/29/2018 EJD | Return to Dallas; conference call regarding issues raised in deposition; review hearing transcript; correspondence with Ms. Levine; correspondence with Mr. Kornfeld. | 3.20 | 2,080.00 |
| 3/30/2018 EJD | Conference call with Mr. Kornfeld and Mr. Hardy regarding confirmation hearing testimony; continue reviewing deposition transcript. | 4.50 | 2,925.00 |
| 4/1/2018 SBH | Review outline from creditor's committee attorney for direct examination of Mr. Dennis at final confirmation hearing; analyze same for mock cross examination and direct testimony preparation of same. | 2.00 | 1,100.00 |
| 4/2/2018 EJD | Review witness outline; prepare for hearing; review transcript of deposition testimony; conference with Messrs. Kornfeld and Hardy to prepare for hearing; conference with Mr. Hardy regarding the same; continue reviewing potential exhibits; review motion to strike. | 10.50 | 6,825.00 |
| SBH | Assist preparation of Mr. Dennis for confirmation hearing testimony, including direct and cross-examination preparation, legal research, deposition review, and document gathering and review for same; review debtor's | 10.00 | 5,500.00 |

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| | | <u>Hours</u> | <u>Amount</u> |
|---|--|---------------|--------------------|
| | motion to exclude testimony of Mr. Dennis and plan response to same. | | |
| 4/2/2018 | EKJ Prepare documents and materials to review by counsel regarding testifying by Jason Dennis. | 1.00 | 225.00 |
| 4/3/2018 | EJD Prepare for hearing testimony; standby to be called as witness; conference with attorneys for Pachulski. | 10.00 | 6,500.00 |
| 4/4/2018 | EJD Correspond regarding settlement of continuance objectives. | 0.50 | 325.00 |
| For professional services rendered | | 150.70 | \$91,400.00 |
| Additional charges: | | | |
| 4/11/2018 | Reimbursement to Mr. Dennis for hotel in Houston, TX during deposition. | | 506.58 |
| 4/21/2018 | Lunch for Mr. Dennis and Mr. Hardy for deposition preparation 03/22/18. | | 37.87 |
| | Airfare for Mr. Dennis 03/23/18 from Dallas/Houston for deposition. | | 482.86 |
| | Lunch for Mr. Dennis for deposition. | | 17.10 |
| | Taxi for Mr. Dennis from hotel to deposition preparation hearing 03/27/18. | | 5.18 |
| | Taxi for Mr. Dennis from hearing to hotel 03/27/18. | | 19.06 |
| | Hotel for Mr. Dennis in Houston, TX for deposition 03/29/18. | | 526.01 |
| | Taxi for Mr. Dennis from hotel to deposition 03/29/18. | | 41.79 |
| | Taxi for Mr. Dennis from deposition to hotel 03/29/18. | | 5.60 |
| | Hotel for Mr. Dennis in Houston, TX for deposition 03/30/18. | | 487.80 |
| | Airfare for Mr. Dennis 03/30/18 from Dallas/Houston for confirmation hearing. | | 482.97 |
| | Hotel for Mr. Dennis in Houston, TX for hearing 04/02/18. | | 614.74 |

Cobalt International Energy Inc.

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Amount

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|---|--------------------|
| 4/21/2018 Parking for Mr. Dennis at airport while traveling for hearing 04/03/18. | 51.00 |
| Coffee for Mr. Dennis at airport for hearing 04/03/18. | 2.44 |
| Airfare charge for Mr. Dennis for hearing 04/03/18. | 24.99 |
| Lunch for Mr. Dennis in Houston, TX for hearing 04/03/18. | 8.51 |
| Taxi for Mr. Dennis from airport to hotel for hearing 04/03/18. | 17.25 |
| Taxi for Mr. Dennis from hotel to hearing 04/03/18. | 5.60 |
| Hotel for Mr. Hardy in Houston, TX to attend client meeting 03/29/18. | 583.78 |
| Parking for Mr. Hardy at airport to attend client meeting 03/29/18. | 53.00 |
| Team Dinner in Houston, TX on 03/29/18. | 523.45 |
| Total costs | \$4,497.58 |
| Total amount of this invoice | \$95,897.58 |
| BALANCE DUE | \$95,897.58 |

ATTY/EMPLOYEE Summary

| <u>Name</u> | <u>Hours</u> | <u>Rate</u> | <u>Amount</u> |
|-------------------------------|--------------|-------------|---------------|
| E. Jason Dennis - Partner | 102.00 | 650.00 | \$66,300.00 |
| Samuel B. Hardy, IV - Partner | 43.60 | 550.00 | \$23,980.00 |
| Ewelina Johnson - Paralegal | 4.00 | 225.00 | \$900.00 |
| Ivy Sweeney - Paralegal | 1.10 | 200.00 | \$220.00 |

Lynn Pinker Cox & Hurst, L.L.P. - Tax I.D. #: 75-2507536.