

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

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

**SUMMARY COVER SHEET FOR APPLICATION OF THEGRANTLAWFIRM, PLLC,
ONE OF THE COUNSEL TO EQUITY HOLDER IRA GAINES, A 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:	THEGRANTLAWFIRM, PLLC	
Applicant's Role in Case:	One of the 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 fees requested in this Application:	\$18,305.28	
Total professional fees requested in this Application:	\$15,712.08	
Total actual professional hours covered by this Application:	20.95	
Average hourly rate for professionals:	\$750	
Reimbursable expenses sought in this Application:	\$2,593.20	
Total Amount Requested:	\$18,305.28	

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 (7762); and Cobalt GOM #2 LLC (7316). The Debtors' service address is: 920 Memorial City Way,



**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)
)

) (Jointly Administered)
)

**APPLICATION OF THEGRANTLAWFIRM, PLLC, ONE OF THE 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 THEGRANTLAWFIRM, PLLC (the "Grant Law Firm"), one of the
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

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.

Administrative Expenses Pursuant to 11 U.S.C. § 503(b)(4) (the “Application”) and states as follows:

I. Summary of Application

1. By this Application, the Grant Law Firm seeks the allowance as an administrative expense of fees and expenses in the amount of \$18,305.28, that it incurred while it helped provide 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, the Grant Law Firm, as one of the original lead counsel in the derivative action captioned, *Gaines v. Bryant et al.*, Cause No. 2016-29850 (the “Derivative Action”), who both filed the Derivative Action and obtained a ruling from the Hon. Caroline Baker upholding certain derivative claims, was able to provide the Committee with considerable information and analysis concerning the status and value of the Derivative Action and related actions, and was able to produce documents (through co counsel), including an investigator’s report upon which the Derivative Action was based, which aided the Committee’s efforts in successfully opposing the release of these claims without any consideration.

2. The information, analysis, books and records, and investigation notes, along with the consultation provided by the Grant Law Firm, among others, 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

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

Unsecured Settlement Amount of \$5,000,000.00, which amount is being provided to the Cobalt's estate by the defendants to the Derivative Action and related actions (the "Derivative Action Defendants") as settlement of the Committee's objections. In light of the substantial contribution by the Grant Law Firm to the prosecution of the Committee's objection and to confirmation of the Plan, this Court should award compensation to the Grant Law Firm for the professional services it provided, along with its actual, necessary expenses.

II. Jurisdiction and Venue

3. 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).

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

III. Procedural Background

5. 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.

6. 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.

7. 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.

8. Between December 4, 2017, when the Debtors first filed for bankruptcy, and April 5, 2018, the Grant Law Firm was among the derivative counsel who followed and analyzed the bankruptcy proceedings, determined that as derivative counsel they could aid the Committee in avoiding a release of the derivative claims for no money, and aided the Committee in its efforts. To wit, the Grant Law Firm provided significant information and analysis to the Committee concerning the status and merits of the Derivative Action that Gaines, a client of the Grant Law Firm, brought against the Debtors' present and former officers and directors and which was pending in the District Court of Harris County, Texas, as well as with respect to two additional derivative actions also brought in that Court against the Debtors' officers and directors.

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

10. Between February 28, 2018 and April 4, 2018, the Grant Law Firm prepared for and participated in a number of extensive telephone calls and telephonic conferences with counsel for the unsecured creditors and Lynn Pinker Cox Hurst ("LPCH"), lending its knowledge of the Derivative Action to such calls, after having engaged in significant and extensive analysis of the bankruptcy proceedings and determining that derivative counsel could provide aid to the Committee.

11. The Grant Law Firm not only provided the Committee with extensive analysis of the underlying Derivative Action but participated in discovery by reviewing and producing the documents that the Grant Law Firm, among others, had used to prepare and

litigate the Derivative Action, including a confidential investigator report, and helped prepare Jason Dennis (“Dennis”), a partner with the firm of LPCH, for his deposition.

12. The Grant Law Firm and its co counsel eventually determined that Dennis, a partner of co counsel LPCH, would testify at the hearing on the confirmation of the Debtors’ Plan (the “Confirmation Hearing”) as to the status of and regarding the Derivative Action and the other pending derivative actions against the Debtors’ present and former officers and directors (collectively, the “Derivative Actions”).

13. 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.

14. 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.

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

16. 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.

17. 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

18. After making numerous demands on Cobalt's board of directors for action, which Gaines contended were refused, Gaines filed the first derivative action on May 6, 2016, as trustee for the Paradise Wire and Cable Defined Benefit Pension Plan dated 11/11/84.

19. The Derivative Action asserted derivative claims 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, unjust enrichment and insider trading against the Debtors' officers, directors, and control parties.

20. By order dated October 14, 2016, after a hearing, the Hon. Caroline Baker, of the District Court for Harris County, denied the special exceptions by certain of Cobalt's controlling shareholders.

21. 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.

22. 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.

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

23. 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

24. 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.

25. The Committee was prepared to call Dennis as a witness at the Confirmation hearing to testify to the procedural posture and regarding the Derivative Action and the Other derivative actions and that if the Committee was granted standing to prosecute the Gaines action on behalf of the Debtors' estates, LPCH, the Grant Law Firm and other co counsel would agree to represent the Committee pursuant to a contingency fee arrangement.

D. Resolution of the Committee's Objection

26. As detailed above, the Debtors conducted Dennis's deposition in the week prior to the Confirmation Hearing. At that deposition, Mr. Dennis, represented by LPCH partner, Sam Hardy ("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.

27. The Grant Law Firm submits that the information, analysis, consultation, preparation and participation in discovery, including the documents that it reviewed and produced, was one of the substantial factors in the ability to reach a negotiated resolution which significantly improved the position of Cobalt's unsecured creditors. The information provided underscored the value of the Derivative Action (and the other pending 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 the Grant Law Firm

28. In the period between the Petition Date and April 5, 2018, the Grant Law Firm devoted time and resources in connection with the Debtors' chapter 11 cases. Its activities included:

- a. Engaging in a rigorous analysis of the bankruptcy filings, and legal analysis of the impact of the investigation performed by the Debtors' counsel, Kirkland & Ellis, among others;
- b. Reaching out to counsel for the Committee to offer aid in opposing any release of the claims asserted in the Derivative Action and

related actions, and the basis for opposing such a release for no monetary compensation;

- c. Engaging in discovery in connection with the subpoena issued to Dennis, and his deposition and anticipated trial testimony; and
- d. Consulting with the counsel for the Committee concerning the status and regarding the Derivative Action and related actions.

29. In connection with its efforts, the Grant Law Firm incurred professional fees in the amount of \$15,712.08 and expenses in the amount of \$2,593.20⁴.

V. Authorities & Argument

30. 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)).

⁴ This includes \$2,500 which was paid for the investigation, a copy of which report was provided to counsel for the Committee. The report, however, was performed prior to the filing of the Petition.

F. The Grant Law Firm Made a Substantial Contribution

31. The Grant Law Firm provided a substantial contribution to this case. Specifically, in part, 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.

32. 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.

33. Factor No. 1: Whether the Grant Law Firm's Efforts Benefitted the Estate. Had the Grant Law Firm not acted, it is unlikely that the ultimate recovery for Cobalt's general unsecured creditors would have been as high. The Grant Law Firm provided valuable information and consultation 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.

34. Factor No. 2: The Grant Law Firm'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.

35. Factor No. 3: The Grant Law Firm Did Not Expect Compensation. When the Grant Law Firm, as counsel for Gaines in the Derivative 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.

36. Factor No. 4: Cost Benefit Analysis. The amount sought by the Grant Law Firm is less than 3% (exclusive of expenses) of the value of the increase in the distribution to Cobalt's unsecured creditors.

37. Factor No. 5: The Grant Law Firm's Efforts Were Not Duplicative of Estate Professionals. The Grant Law Firm provided value to the Debtors' estates distinct from that provided by any estate professionals. The Grant Law Firm provided background and analysis regarding the Derivative Actions that, as counsel of record in the Derivative Action, it was uniquely positioned to provide.

38. Factor No. 6: Neither Gaines Nor The Grant Law Firm Has Profited From the Situation More Than Any Other Estate Creditor. Gaines obtained no special treatment on account of The Grant Law Firm's efforts. Indeed, as a shareholder of Cobalt, Gaines will not receive any distributions under the Plan. In fact, the Grant Law Firm expended over \$200,000 in time in litigating the underlying Derivative Action for which it seeks no compensation.

39. Factor No. 7: The Grant Law Firm's Positive Impact on This Case. The Grant Law Firm'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

40. "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.

41. During the compensation period, which covered almost five (5) months, the Grant Law Firm expended a total of 20.95 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. The Grant Law Firm expended significant time and resources analyzing the bankruptcy filings, the scope of the releases, and the impact of the investigation performed by Kirkland and Ellis upon the claims asserted in the Derivative Action and related actions. Specifically, the Grant Law Firm expended 10.5 hours under this category.

- b. Consultation with LPCH and Counsel for the Committee. The Grant Law Firm provided Dennis and the Committee's Attorneys with background information and analysis regarding the Derivative Actions. The Grant Law Firm spent 5.12 hours under this category.
- c. Discovery. The Grant Law Firm engaged in gathering, reviewing and producing many of the documents upon which the Derivative Action was based, and that were produced pursuant to the subpoena served upon Dennis, as well as in in telephonic deposition preparation of Dennis. The Grant Law Firm spent 5.33 hours under this category.

42. Detailed descriptions of the legal services rendered by the Grant Law Firm during the compensation period for those services are attached hereto as **Exhibit 1**. A breakdown of the expenses sought by the Grant Law Firm derived from the firm's contemporaneous time and expense records and ledgers is attached as **Exhibit 2**.

2. *Value of the Services.*

43. The Grant Law Firm's services helped contribute to an increased recovery to the Debtors' General Unsecured Creditors in the amount of \$5,000,000.00.

3. *The Grant Law Firm's Fees Are Reasonable.*

44. 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).

45. The Grant Law Firm expended time and effort in consulting with Committee counsel, responding to discovery requests, helping to prepare the testimony for deposition and trial. The issues presented were complex, but the Grant Law Firm as derivative counsel was uniquely situated to deal with them. Accordingly, the first three (3) *Johnson* factors weigh in favor of granting the Application.

46. The Grant Law Firm's hourly rate of \$750 is similar to or less than the rates charged by other similarly-experienced attorneys, and the fees for which the Grant Law Firm 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, the Grant Law Firm 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

47. The Grant Law Firm also seeks reimbursement of \$2,593.20⁵ 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 the Grant Law Firm seeks reimbursement were incurred in connection with the documents and analysis provided to the counsel for the Committee. These expenses were necessary to the services provided by the Grant Law Firm as

⁵ This includes \$2,500 which was paid for the investigation, a copy of which report was provided to counsel for the Committee. The report, however, was performed prior to the filing of the Petition.

detailed above. Accordingly, the expenses sought were indispensable to achieving the results described herein and should be awarded.

VI. Notice

48. 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 notes; (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. The Grant Law Firm submits that no other or further notice need be provided.

VII. No Prior Request

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

Prayer

WHEREFORE, the Grant Law Firm respectfully requests that this Court grant this Application and such other and further relief as is just and proper.

Dated: May 10, 2018

/s/Lynda J. Grant

Lynda J. Grant

THEGRANTLAWFIRM, PLLC

521 Fifth Avenue, 17th floor

New York, NY 10175

t/212-292-4441

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e/lgrant@grantfirm.com

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/

[REDACTED]

EXHIBIT 1

5/9/2018
10:53 AMTHEGRANTLAWFIRM
Slip Listing

Page 1

Selection Criteria

Slip.Transaction Dat 12/14/2017 - 4/5/2018
 Clie.Selection Include: Cobalt Intern'l Energy
 Time.Selection Include: Lynda J. Grant
 Slip.Classification Open

Rate Info - identifies rate source and level

Slip ID	Dates and Time	Timekeeper	Units	Rate	Slip Value
Posting Status		Activity	DNB Time	Rate Info	
Description		Client	Est. Time	Bill Status	
		Reference	Variance		
9089	TIME	Lynda J. Grant	3.50	750.00	2625.00
12/14/2017		Case Research	0.00	T@1	
WIP		Cobalt Intern'l Energy	0.00		
Review of First Day filings and Adversary Proceeding by securities case. Drafted detailed email to co counsel with analysis of filings; including review of potential stay of securities case, and status of derivative actions.			0.00		
9111	TIME	Lynda J. Grant	1.00	750.00	750.00
1/4/2018		Case Research	0.00	T@1	
WIP		Cobalt Intern'l Energy	0.00		
Exchange of emails with co counsel re: bankruptcy filings, including status of bankruptcy, consideration of approaching trustee, role of derivative action in bankruptcy.			0.00		
9157	TIME	Lynda J. Grant	2.00	750.00	1500.00
2/8/2018		Case Research	0.00	T@1	
WIP		Cobalt Intern'l Energy	0.00		
Review and analysis of bankruptcy filings, and emails to co counsel with analysis of same.			0.00		
9176	TIME	Lynda J. Grant	2.50	750.00	1875.00
2/23/2018		Case Research	0.00	T@1	
WIP		Cobalt Intern'l Energy	0.00		
Review and analysis of bankruptcy filings, including disclosure statement, and analysis of release language. Emails to co counsel re: bar dates, 2/22 hearing, and circulation of most significant bankruptcy filings with recommendation as to future actions.			0.00		
9180	TIME	Lynda J. Grant	1.50	750.00	1125.00
2/28/2018		Case Research	0.00	T@1	
WIP		Cobalt Intern'l Energy	0.00		
Review and analysis of bankruptcy filings. Analysis of implications of Kirkland investigation for derivative claims. Preparation for telephone call with co counsel re: same issues.			0.00		

5/9/2018
10:53 AMTHEGRANTLAWFIRM
Slip Listing

Page 2

Slip ID Dates and Time Posting Status Description	Timekeeper Activity Client Reference	Units DNB Time Est. Time Variance	Rate Rate Info Bill Status	Slip Value
9203 3/14/2018 WIP Conference call with co counsel re: bankruptcy and contacting Pachulski firm, and role of derivative counsel in obtaining relief for debtor.	TIME Lynda J. Grant Counsel Cobalt Intern'l Energy	0.50 0.00 0.00 0.00	750.00 T@1	375.00
9207 3/16/2018 WIP Conference call with Pachulski firm and co counsel re: role of derivative counsel in obtaining relief for debtor and merits of underlying derivative action.	TIME Lynda J. Grant Counsel Cobalt Intern'l Energy	2.33 0.00 0.00 0.00	750.00 T@1	1750.00
9210 3/20/2018 WIP Gathering and reviewing documents for production pursuant to subpoena to J. Dennis. Telephone call to B. Levine re: same.	TIME Lynda J. Grant Document Discovery Cobalt Intern'l Energy	2.12 0.00 0.00 0.00	750.00 T@1	1587.08
9212 3/19/2018 WIP Conference call with co counsel and Pachulski firm re: deposition of derivative counsel, trial witness, substance of testimony, and likely questions. Attention to review of documents for production pursuant to anticipated subpoena.	TIME Lynda J. Grant Deposition Prep Cobalt Intern'l Energy	3.00 0.00 0.00 0.00	750.00 T@1	2250.00
9223 3/29/2018 WIP Conference call with co counsel re: deposition results and preparation for trial.	TIME Lynda J. Grant Counsel Cobalt Intern'l Energy	1.50 0.00 0.00 0.00	750.00 T@1	1125.00
9229 4/4/2018 WIP Telephone call with S. Hardy; emails to and from co counsel re: status of hearing and proceedings.	TIME Lynda J. Grant Counsel Cobalt Intern'l Energy	1.00 0.00 0.00 0.00	750.00 T@1	750.00
Grand Total	Billable Unbillable Total	20.95 0.00 20.95		15712.08 0.00 15712.08

EXHIBIT 2

TheGrantLawFirm, PLLC: Expenses

Legal Research/Court Searches	\$93.20
Expert Fee (investigator)	\$2,500
Total:	\$2593.20