

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

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

**PLAN ADMINISTRATOR'S EMERGENCY MOTION TO
IMPLEMENT THE PLAN IN FACILITATION OF ASSET SALES**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. 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. IF YOU OPPOSE THE MOTION 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 MOTION AT THE HEARING.

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

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

¹ The Reorganized Debtors in the Chapter 11 Cases, along with the last four digits of each Reorganized 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.



Nader Tavakoli, solely in his capacity as Lead Member and Chairman of the Plan Administrator Committee of Cobalt International Energy, Inc., *et al.* (the “Plan Administrator”) moves the Court, on an emergency basis, for entry of an order implementing the Plan so that he can expeditiously sell certain assets in furtherance of the confirmed *Fourth Amended Joint Chapter 11 Plan of Cobalt International Energy, Inc. and Its Debtor Affiliates, and (II) Approving the Sale Transaction* [Docket No. 784, Ex. A] (the “Plan”). In support of this Motion, the Plan Administrator respectfully states:

PRELIMINARY STATEMENT

1. Total E&P USA, Inc. (“Total E&P”) and Statoil Gulf of Mexico LLC (“Statoil,” and together with Total E&P, the “Purchasers”) jointly purchased the Debtors’ North Platte assets,² which purchase included certain but not all of the Debtors’ equipment and inventory. The Purchasers, however, now are taking the erroneous position detrimental to the Debtors’ Estates that they are entitled to possession of all of the Debtors’ inventory, and are impeding the Plan Administrator’s ability to dispose of the Debtors’ remaining inventory to third parties and otherwise interfering with the Plan Administrator’s rights, obligations and duties to implement and perform under the Plan. This is a blatant attempt by the Purchasers to grab over \$20 million dollars’ worth of the Debtors’ assets for no consideration on the apparent premise that they can take advantage of a liquidating chapter 11 debtor without consequence.

2. The Plan Administrator has received bids for the Debtors’ inventory that was not subject to the sale of the North Platte assets in furtherance of the requirements of the Plan but

² Total E&P purchased one third and Statoil purchased two thirds of the Debtors’ interest. Post-transaction Total E&P owns 60% and Statoil 40% of the North Platte assets.

cannot consummate these transactions due to the Purchasers' obstructive actions. To the detriment of the creditors, the Debtors' Estates are now in danger of losing the benefit of these sale transactions altogether with the further passage of time. The Plan Administrator thus respectfully requests entry of an order in furtherance and implementation of the Plan that authorizes him to sell the Debtors' remaining inventory consistent with and pursuant to the terms of the confirmed Plan.

JURISDICTION AND VENUE

3. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue is proper in this district pursuant to 28 U.S.C. § 1408. This matter is core under 28 U.S.C. § 157(b)(2).

4. The statutory predicates for the Motion are Sections 105, 363(f) and 1142 of the Bankruptcy Code and Rule 3020(d) of the Federal Rules of Bankruptcy Procedure.

5. The Bankruptcy Court retained jurisdiction over this matter pursuant to the *Order (I) Confirming the Fourth Amended Joint Chapter 11 Plan of Cobalt International Energy, Inc. and Its Debtor Affiliates and (II) Approving the Sale Transaction* [Docket No. 784] (the "Confirmation Order") and the Plan attached thereto. Confirmation Order, ¶ M; Plan, Art. XI.³

BACKGROUND

A. Debtors' Prepetition Operations

6. On December 14, 2017 (the "Petition Date"), Cobalt International Energy, Inc. and certain of its affiliates (collectively the "Debtors" or "Cobalt") filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

³ Capitalized terms used but not defined herein have the meaning given them in the Confirmation Order, including, where applicable, by reference to the definitions in the Plan.

7. Prior to the date it filed for bankruptcy, the Debtors were an operator of one oil and gas field located in the Gulf of Mexico, known as North Platte (“North Platte”). As operator, the Debtors conducted drilling operations associated with capturing oil and gas on behalf of the Debtors and other non-operating working interest holders in the lease (each, a “non-operating party”). The Debtors owned a 60% working interest in North Platte, with the remaining 40% held by Total E&P, as the non-operating party.

8. The Debtors were also a non-operating party in three other fields in the Gulf of Mexico - “Heidelberg,” “Shenandoah,” and “Anchor.” Additionally, the Debtors held approximately 111 other leasehold interests in the Gulf of Mexico, of which they were designated operator for 107 of these leases (“Exploration Leases”), and the non-operating party in the reminder. Separate and apart from North Platte, the Debtors also conducted drilling operations on many Exploration Leases, including Ligurian, Criollo, Ligurian 2, Aegean, Ardennes and Goodfellow.

9. Through non-Debtor affiliates, Cobalt held an ownership interest in three blocks in West Africa and has made seven aggregate discoveries offshore Angola and maintain a non-operated interest offshore Gabon, where the Debtors had one discovery.

B. Debtors’ Inventory Process

10. In the normal course of business, the Debtors purchased inventory to utilize as necessary for each of their various exploration and production operations. To do so, the Debtors prepared a Purchasing Strategy & Recommendation (“PS&R”) which enumerated the type and amount of inventory necessary to fulfill the anticipated requirements of the Debtors’ scheduled operations. After approval of the PS&R by the Contract Decision Board, the recommended inventory would be “purchased and carried as inventory until they are issued to the well, at

which point the associated cost (Gross) is transferred from the inventory account to the well AFE.” “AFE” is an abbreviation for “authorization for expenditure”, which documents the cost elements for a specific well. Only after the inventory was assigned to a well were non-operating interest owners issued a joint interest billing for their pro-rata cost of the book value of the assigned inventory.

11. But up to the point where inventory was actually assigned to a well through the AFE process, the Debtors maintained their inventory pool for use in the Gulf of Mexico generically, and without reference or assignment to any specific well or exploration block. Thus, any particular item of the Debtors’ inventory was available to be assigned to or used on any of their operations for which it was the designated operator. This provided the Debtors with the flexibility to deploy inventory as and when needed for each of their various and particular operations.

12. By way of example, in August of 2015, Debtors prepared and approved a PS&R for inventory purchases to support drilling programs with the drilling ship Rowan Reliance in the Gulf of Mexico. This purchase was required to maintain sufficient primary, backup, contingency, and relief well inventory so that a continuous drilling program could be maintained. The drilling schedule attached to the PS&R anticipated the Rowan Reliance could be used alternatively at Rocky Mountain, Goodfellow, North Platte, or South Platte wells. In addition, the Debtors used the general inventory from their historical drilling operations on many of their Exploration Leases. Thus, the inventory was not at this stage assigned to any particular lease or well – that would occur only once the decision to drill a well was made and through a subsequent AFE process.

13. Similarly, in April of 2016, the Debtors prepared and approved another PS&R to replenish their tubular inventory required for wells that would be drilled by the Rowan Reliance. The inventory purchased was not specific for any particular lease or well. Once acquired, the materials would be carried as general-purpose inventory until actually assigned to a particular well through an AFE.

14. Through its working interest in North Platte, Total E&P was intimately familiar with the Debtors' AFE and joint interest billing process.

C. Cobalt's Inventory

15. In January of 2018, Debtors had a total inventory of approximately 265 line items of inventory stored at six yards in Texas and Louisiana, comprised of various types of equipment that had a book value of \$32,592,874.63 ("Inventory").⁴ Some of this Inventory was assigned via the AFE process to North Platte in support of a new well—North Platte #5 ("NP5") that was in the planning stages. The remainder of the Inventory was held generically, and without reference or assignment to any specific well or exploration block.

D. Sale of certain of the Debtors' Assets

16. Beginning in early 2017, the Debtors and their advisors engaged in arm's-length, good faith negotiations with interested parties regarding a potential sale of the assets of the Debtors' Estates.

17. During these negotiations, the Debtors and their advisors contacted potential buyers, executed nondisclosure agreements, and received indications of interest from certain bidders. On the Petition Date, the Debtors filed their Bid Procedures Motion, which, among other

⁴ The Debtors' Inventory is stored at Blackhawk (Houma, Louisiana), Dril-Quip (Houston, Texas), Hunting (Houston, Texas), US Steel (Houston, Texas), Franks (Lafayette, Louisiana), Tuboscope Houston (Houston, Texas), Tuboscope Amelia (Amelia, Louisiana), and Patterson (Morgan City, Louisiana).

things, established dates and deadlines for the bidding procedures hearing, bid deadline, auction, and sale hearing.

18. Pursuant to the order approving the Bid Procedures Motion, the final bid deadline for all Sale Transactions was February 22, 2018. The Debtors received bids from six different parties for certain of the Debtors' Gulf of Mexico assets, and on March 6, 2018, the Debtors held an auction. Following the auction, the Debtors named four successful bidders for different asset packages: (a) Navitas Petroleum US, LLC ("Navitas") was declared the successful bidder for the Shenandoah prospect; (b) W&T Offshore, Inc. ("W&T") was declared the successful bidder for the Heidelberg prospect; (c) Total E&P and Statoil submitted a joint bid and were declared the successful bidder for the North Platte prospect; and (d) Total E&P was declared the successful bidder for the Anchor prospect and 13 of the Exploration Leases. The total aggregate purchase price for the purchased assets is approximately \$575 million.

E. The Plan and Confirmation

19. On April 5, 2018, the Court entered the Confirmation Order confirming the Plan. The effective date of the Plan was April 10, 2018 (the "Effective Date").

20. Pursuant to the terms of the Plan and the Confirmation Order, the Court approved the sale transactions for the Gulf of Mexico assets and instructed the Debtors to transfer: (a) the Heidelberg assets to W&T; (b) the Shenandoah assets to ShenHai LLC and Beacon Offshore Energy Development LLC (as nominee for Navitas); (c) the North Platte assets to Total E&P and Statoil; and (d) the Anchor and certain other exploratory assets to Total E&P. Confirmation Order at ¶ 79.

F. The Debtors Transfer North Platte assets to Purchasers Consistent with the APA

21. The Asset Purchase Agreement (the “APA”) between the Debtors as sellers and Total E&P and Statoil as buyers provides that Total E&P purchased one third (1/3) and Statoil purchased two thirds (2/3) of the Debtors’ “Assets,” as the term is defined in the APA, in exchange for \$339,000,000. *See* [Docket No. 594-2] at 20, APA, § 2.1, § 3.1. The APA defined “Assets” as “all right, title and interest of Seller in, to or under the following, less the Excluded Assets:

- (i) the Leases described in Exhibit A, together with any and all other rights, titles, and interests of Seller in and to the leasehold estates created thereby, including royalty interests, overriding royalty interests, production payments, net profits interests, farmout interests, carried interests, reversionary interests, and all other interests of any kind or character described in Exhibit A, subject to any depth restrictions and retained interests described in Exhibit A, along with all pools and units that include all or any part of any Lease (the “Units”), including without limitation, Seller’s right, title and interest in Hydrocarbon production from any Unit, regardless of whether such Unit production is derived from wells located on or off a Lease (collectively, the “Assigned Leases and Interests”);
- (ii) all oil and gas wells (whether producing, inactive, temporarily or permanently abandoned, shut-in or otherwise) and any water injection wells located on the Assigned Leases and Interests (collectively, and including the wells set forth in Exhibit B, the “Wells”, and together with the Assigned Leases and Interests, the “Properties”);

Id. § 2.1(b).

22. The Leases described in Exhibit A of the APA included four leases identified as OCS-G 30869, OCS-G 30870, OCS-G 32460 and OCS-G 30876 which were designated by the prospect name of “North Platte.” *See* [Docket No. 594] at 174. Oil and gas wells described in Exhibit B of the APA included 11 wells, all of which are located in the North Platte prospect area. [Docket No. 594] at 175. Accordingly, the “Properties,” as defined by the APA, included the four leases and eleven wells located in North Platte.

23. The definition of “Assets” also included the following subsection:

- (iv) all equipment, machinery, fixtures and other real, personal, and mixed property, operational and nonoperational, known or unknown, located on, or used or **held for use in connection with, the Properties** or the other Assets described above as of the Effective Time (except for any Excluded Asset, collectively, the “Equipment”);

[Docket No. 594-2] at 21, APA § 2.1 (b) (iv) (emphasis added).

24. The Properties were transferred to the Purchasers consistent with the APA when the sale closed on April 10, 2018.

25. To effectuate the sale of the inventory “held for use in connection with the Properties”, on April 6, 2018 and on April 24, 2018, the Debtors informed the storage yards that the ownership of certain items of Inventory should be transferred to Purchasers. The Debtors’ inventory transferred to Purchasers included the NP5 Wellhead Systems and additional inventory—all of which were previously specifically allocated to the North Platte operations on the Debtors’ book and records.

26. The total sum of the Debtors’ Inventory in January of 2018 had a book value of \$32,592,874.63. Pursuant to the APA, the North Platte-related inventory the Debtors transferred to Purchasers had a book value of \$8,634,666.96.

G. Total E&P claims the Debtors’ Inventory was part of the North Platte APA and Interferes with the Plan Administrator’s Sale Process

27. Consistent with his obligations under the Plan, the Plan Administrator has continued to market all of the Debtors’ remaining significant and valuable inventory that was not “used or held for use” in connection with the Properties subject to the APA (the “Remaining Inventory”), and has received significant interest from a number of parties (collectively, the “Interested Parties”). The Interested Parties have expressed a desire to close the acquisition of

the Remaining Inventory as soon as possible, as their offers and bids are based upon current market conditions, drilling plans and prices.

28. Apparently unsatisfied with only the inventory related to North Platte to which it was entitled under the APA, the Purchasers now assert that the Debtors' remaining general inventory was acquired under the APA. The Purchasers have demanded that the Plan Administrator cease any third-party sales, and have repeatedly threatened to seek injunctive relief if he proceeds with the sales of the Remaining Inventory. *Id.*

29. Time is of the essence as the market for Debtors' Remaining Inventory fluctuates rapidly. Some of the parties seeking to acquire the Remaining Inventory plan to use it for specific projects or resell it to other parties. If the Purchasers continue to interfere with the Plan Administrator's ability to in good faith liquidate the Remaining Inventory, the Interested Parties will simply acquire this equipment from another source and withdraw their offers to the significant detriment of the Estates and their creditors.

ARGUMENT AND AUTHORITIES

A. The Court Should Enforce the Plan Provisions Authorizing the Plan Administrator to Sell Assets

30. By this Motion, the Plan Administrator seeks to enforce the provisions of the Plan that authorize him to sell the Remaining Inventory and distribute the proceeds in accordance with the Plan. Court intervention on an emergency basis is required given the Purchasers' threatened interference with these sales that is actively hindering the Plan Administrator's efforts to monetize Estate assets for the benefit of creditors.

31. Pursuant to Section 1142(a) of the Bankruptcy Code, "any entity organized for the purposes of carrying out a plan," such as the Plan Administrator, "shall carry out the plan" Furthermore, pursuant to Section 1142(b) of the Bankruptcy Code, "the court may direct the

debtor and any necessary party to execute or deliver or to join in the execution or delivery of any instrument required to effect a transfer of property dealt with by a confirmed plan and to perform any other action . . . that is necessary for consummation of the plan.” Finally, pursuant to Bankruptcy Rule 3020(d), “[n]otwithstanding the entry of the order of confirmation, the court may issue any other order necessary to administer the estate.” By this Motion, the Plan Administrator seeks to enforce his authority to sell the Remaining Inventory in further administration and implementation of the Plan pursuant to Section 1142 of the Bankruptcy Code and Bankruptcy Rule 3020(d).

32. The Plan specifically authorizes the Plan Administrator to sell the Remaining Inventory free and clear of all liens, claims, interests and encumbrances. Pursuant to Article IV.D.2, the Plan Administrator Assets, which includes the Remaining Inventory to be sold, are vested “automatically in the Debtors under the control of the Plan Administrator free and clear of all Liens, claims, encumbrances and other interests.”

33. Finally, the Plan Administrator is responsible for promptly liquidating the Plan Administrator Assets and generating additional cash proceeds for distribution to creditors. Pursuant to Article IV.D.1 of the Plan, the Plan Administrator is responsible for winding down the Debtors’ businesses and affairs, making all distributions in accordance with the Plan, and administering the Plan in an efficacious manner. Moreover, the Confirmation Order provides that “after the Effective Date, the Debtors, each Purchaser, and the Plan Administrator, as applicable, shall be entitled to enforce the terms of this Confirmation Order and the Plan.” Confirmation Order at ¶ 140.

34. Accordingly, the Plan Administrator is authorized to sell the Remaining Inventory free and clear of all liens, claims, encumbrances and other interests. These sales will quickly

generate additional cash proceeds for the benefit of the Estates and their creditors. But, the Purchasers are interfering with the Plan Administrator's process. The Court should exercise its authority to enforce the Plan to prevent the Purchasers from scuttling these valuable asset sale transactions.

B. The North Platte APA did not include the Debtors' Remaining Inventory

35. The plain language of the APA and the Debtors' inventory process demonstrate that the Remaining Inventory was not sold, nor intended to be sold, to Purchasers under the APA.

36. The Debtors ran an orderly sale process with respect to the North Platte prospect. As part of that process, an inventory list was provided to the Purchasers prior to closing of the sale. The inventory list described the inventory that would be transferred to the Purchasers at the closing of the sale, and the inventory that would not be transferred to the Purchasers and would remain the property of the Debtors. Some of the inventory that was listed as being transferred to the Purchasers at the closing of the sale was backup equipment that the Purchasers had previously specifically discussed with the Debtors and confirmed would be included in the sale. By contrast, there was no further request or discussion presented by the Purchasers prior to closing regarding the inventory listed as remaining the property of the Debtors. To now argue that the North Platte assets acquired by the Purchasers somehow now includes the remaining inventory is not only specious but also disingenuous.

1. Only equipment that was "held for use in connection with" North Platte was included in the APA.

37. The APA provides that the Purchasers purchased the "Properties," as defined by the APA -- the four leases and eleven wells located in the North Platte. Included in the purchase were "all equipment, machinery, fixtures and other real, personal, and mixed property,

operational and nonoperational, known or unknown, located on, or used or **held for use in connection with, the Properties.**” [Docket No. 594-2] at 21, APA § 2.1 (b) (iv) (emphasis added).

38. Thus, assets conveyed to the Purchasers by the APA only included equipment “held for use in connection with” the North Platte Properties. This encompassed those portions of the Inventory that were assigned to the Properties through the AFE process and designated on the Debtors’ books and records as such. Equipment that was not held for use at the North Platte Properties – i.e., inventory generally held by the Debtors and not assigned to a particular project through the AFE process – were thus not conveyed. This interpretation is consistent with Texas law that governs the APA.⁵

39. “Contract terms are given their plain, ordinary, and generally accepted meanings unless the contract itself shows them to be used in a technical or different sense.” *Valance Operating Co. v. Dorsett*, 164 S.W.3d 656, 662 (Tex. 2005). Language should be given its plain grammatical meaning unless it definitely appears that the intention of the parties would thereby be defeated. *Fox v. Thoreson*, 398 S.W.2d 88, 92 (Tex. 1966); *Reilly v. Rangers Management, Inc.*, 737 S.W.2d 527, 529 (Tex. 1987).

40. The plain language of section 2.1(b)(iv) of the APA is clear. Only equipment that was “held for use in connection with” North Platte was included in the transaction. The Court should not allow the Purchasers to continue to interfere with the Plan process based upon their flawed premise that the APA’s “held for use in connection with” limitation is meaningless.

⁵ The APA provides that it shall be “governed and construed in accordance with, the laws of the State of Texas applicable to contracts made and to be performed entirely in such state without regard to principles of conflicts or choice of laws or any other law that would make the laws of any other jurisdiction other than the State of Texas applicable hereto.” [Docket No. 594-2] at 167, APA § 13.10 (a).

2. Purchasers Should Not Obtain a Windfall at Creditors' Expense

41. The Debtors' inventory in January of 2018 had a book value of \$32,592,874.63. Pursuant to the APA, the Debtors transferred the North Platte related inventory to Purchasers which has a book value of \$8,634,666.96. If the Purchasers' interpretation of the APA is adopted such that the Debtors' entire inventory was included, Purchasers would receive a windfall of the Debtors' Remaining Inventory which has a book value of \$23,958,207.67 for which it paid no consideration. This inequitable result should be rejected.

42. Courts construe contracts "from a utilitarian standpoint bearing in mind the particular business activity sought to be served," and "will avoid when possible and proper a construction which is unreasonable, inequitable, and oppressive." *Frost Nat'l Bank v. L & F Distributors, LTD.*, 165 S.W.3d 310, 312 (Tex. 2005) (quoting *Reilly v. Rangers Mgmt., Inc.*, 727 S.W.2d 527, 530 (Tex. 1987)).

43. The business activity sought to be served by the APA was to transfer the leases and the equipment that was held for use in connection with continued development and drilling activity of the field, North Platte, to the Purchasers. Allowing inventory that was not assigned to North Platte to be included as part of the APA would be a windfall to Purchasers at the direct expense of the creditors of the Debtors' Estates.

CERTIFICATION OF EMERGENCY

44. Pursuant to the Bankruptcy Local Rules, the attached Declaration of Michael Jadick certifies the accuracy of the facts relating to the need for emergency relief. *See* Exhibit A.

NOTICE

45. The Plan Administrator will provide notice of this Motion to: (a) the Purchasers; (b) Total E&P through its counsel; (c) Statoil through its counsel; (d) Office of the United States

Trustee for the Southern District of Texas; and (e) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Plan Administrator submits that, in light of the nature of the relief requested, no other or further notice need be given.

CONCLUSION

WHEREFORE, the Plan Administrator respectfully requests entry of an order in the form attached hereto enforcing the provisions of the Plan that authorize him to sell the Remaining Inventory and distribute the proceeds in accordance with the Plan, and grant the Plan Administrator such other and further relief as may be just and equitable.

Dated: June 1, 2018.

GREENBERG TRAURIG, LLP

By: /s/ Shari L. Heyen
Shari L. Heyen (SBN 09564750)
HeyenS@gtlaw.com
David R. Eastlake (SBN 24074165)
EastlakeD@gtlaw.com
Anthony Guerino (SBN 00792552)
GuerinoA@gtlaw.com
Paul B. Kerlin (SBN 24044480)
Kerlinp@gtlaw.com
1000 Louisiana Street, Suite 1700
Houston, Texas 77002
Telephone: (713) 374-3500
Facsimile: (713) 374-3505

***Counsel for Nader Tavakoli, solely in his
capacity as Lead Member and Chairman of
the Plan Administrator Committee of
Cobalt International Energy, Inc., et al.***

EXHIBIT A

Declaration of Michael Jadick

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

In re:

COBALT INTERNATIONAL ENERGY, INC., *et al.*¹

Reorganized Debtors

)
) Chapter 11
)
) Case No. 17-36709 (MI)
)
) (Jointly Administered)
)

**DECLARATION OF MICHAEL JADICK IN SUPPORT OF THE PLAN
ADMINISTRATOR'S EMERGENCY MOTION TO
IMPLEMENT THE PLAN IN FACILITATION OF ASSET SALES**

I, Michael Jadick, submit this Declaration in support of the Plan Administrator's Emergency Motion to Implement the Plan in Facilitation of Asset Sales and hereby declare:

1. I am the Senior Procurement & Contracts Advisor and Logistics Manager with Cobalt International Energy, LP ("Cobalt") and have held these positions for approximately eight years. I have led procurement, contracting and logistics activities for offshore exploration, appraisal, and development of well programs in the Gulf of Mexico and Angola for Cobalt. I have also been responsible for inventory control functions including procurement, forecasting, transaction management, reconciliations and audit accountability. All facts set forth in this Declaration are based upon my personal knowledge of Cobalt's inventory; its process for acquiring and assigning inventory to specific exploration and production operations; post-petition efforts to market Cobalt's inventory for disposition; and the interest Cobalt has received from multiple third parties interested ("Interested Parties") in purchasing Cobalt's inventory.

¹ The Debtors in the 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.

2. On April 5, 2018, the Court entered the Order (I) Confirming the Fourth Amended Joint Chapter 11 Plan of Cobalt International Energy, Inc. and Its Debtor Affiliates and (II) Approving the Sale Transaction [Docket No. 784] (the “Confirmation Order”) and the Chapter 11 Plan attached thereto, (the “Plan”).²

3. In furtherance of the Plan and in accordance with the Plan Administrator’s direction, I have been marketing Cobalt’s inventory for disposition.

4. Cobalt has received numerous bids and offers to purchase its inventory. However, Total E&P USA, Inc. (“Total E&P”) and Statoil Gulf of Mexico LLC (“Statoil”, collectively, the “Purchasers”) have interfered with Cobalt’s efforts to sell its remaining inventory by claiming the remaining inventory was part of the transaction for the sale of the North Platte assets (“North Platte”).

5. Various Interested Parties have expressed a desire to close the acquisition of the Remaining Inventory as soon as possible, as their offers and bids are based upon current market conditions, drilling plans and prices.

6. Some of the Interested Parties seek to acquire the remaining inventory for use in current projects or to resell it to other parties. If the Purchasers continue to interfere with the Plan Administrator’s efforts to sell the remaining inventory, the Interested Parties will need to acquire this equipment from other source(s) and withdraw offers and bids that have been submitted to Cobalt. One party has informed Cobalt that because of the timing of their drilling plans, if this issue is not resolved in the next week or weeks, they will have to find this equipment from another source. Thus, Cobalt will lose the potential sales of the remaining inventory to the Interested Parties to the detriment of the Estates and their creditors.

² Capitalized terms used but not defined herein have the meaning given them in the Confirmation Order, including, where applicable, by reference to the definitions in the Plan.

7. Cobalt would then be required to again market and solicit offers for the remaining inventory for which it would incur additional expenses and result in a delay of the implementation of the Plan. The value of the remaining inventory would be subject to market fluctuations, changes in operational needs and drilling plans that could diminish its value.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: May 31 2018
Houston, Texas

By: _____

A handwritten signature in black ink, appearing to be "Michael Jadick", written over a horizontal line.

Michael Jadick

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

In re:

COBALT INTERNATIONAL ENERGY, INC., *et al.*,¹

Reorganized Debtors.

)
) Chapter 11
)

) Case No. 17-36709 (MI)

) (Jointly Administered)
)
)

**ORDER GRANTING PLAN ADMINISTRATOR'S EMERGENCY MOTION TO
IMPLEMENT THE PLAN IN FACILITATION OF ASSET SALES**

[Relates to Docket No. ____]

Upon consideration of the *Plan Administrator's Emergency Motion to Implement the Plan in Facilitation of Asset Sales* (the "Motion")² filed by the Plan Administrator and the applicable law, and the Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334, and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the Court having found that proper and adequate notice of the Motion and hearing thereon has been given and that no other or further notice is necessary; and the Court having found that good and sufficient cause exists for the granting of the relief requested in the Motion in all matters after having given due deliberation upon the Motion and all of the proceedings had before the Court in connection with the Motion,

ACCORDINGLY, it is hereby FOUND, DETERMINED AND ORDERED that:

1. The Motion is GRANTED as set forth herein.

¹ The Reorganized 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.

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

2. The APA between the Debtors, as sellers, and Total E&P and Statoil, as buyers, did not transfer the Remaining Inventory to buyers.

3. The Plan Administrator is authorized to sell the Remaining Inventory consistent with and pursuant to the Plan.

4. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

5. The Plan Administrator is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

6. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation, implementation and enforcement of this Order.

Signed: _____, 2018

HONORABLE MARVIN ISGUR
UNITED STATES BANKRUPTCY JUDGE