



ENTERED
07/13/2018

**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)
)

**STIPULATION AND AGREED ORDER RESOLVING PROOFS
OF CLAIM FILED BY FORMER DIRECTORS AND OFFICERS**

This stipulation and agreed order (the “Stipulation and Agreed Order”) is made by and between 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”), on the one hand, and the Debtors’ former directors and officers identified in **Exhibit A** hereto (collectively, “D&Os” and together with the Plan Administrator, the “Parties”), on the other hand.

WHEREAS, on December 14, 2017 (the “Petition Date”), Cobalt International Energy, Inc. and certain of its affiliates (collectively, the “Debtors,” and after the Effective Date, the “Reorganized Debtors”) filed voluntary petitions for relief in this Court under chapter 11 of title 11 of the United States Code;

WHEREAS, on February 22, 2018, the Court entered an order [Docket No. 469], which, among other things, established March 19, 2018 at 5:00 p.m. prevailing Central Time as the

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 Reorganized Debtors’ service address is: 920 Memorial City Way, Suite 100, Houston, Texas 77024.



deadline for all non-governmental entities holding or wishing to assert a “claim” (as defined in section 101(5) of the Bankruptcy Code) against any of the Debtors that arose before the Petition Date to file a proof of such claim in writing;

WHEREAS, the D&Os timely filed proofs of claim in these chapter 11 cases, which claims are identified in Exhibit A hereto (collectively, the “Claims”), asserting unliquidated, general unsecured claims for indemnification and advancement of defense fees and expenses against the Debtors in connection with certain litigation involving the D&Os as named defendants²;

WHEREAS, 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], which fourth amended plan of reorganization is attached to the Confirmation Order as Exhibit A (the “Plan”);

WHEREAS, on April 10, 2018, the effective date of the Plan occurred;

WHEREAS, among other things, the Plan provides:

[O]n and after the Effective Date, the Plan Administrator shall have the sole authority: (1) to File, withdraw, or litigate to judgment objections to Claims or Interests; (2) to settle or compromise any Disputed Claim or Disputed Interest without any further notice to or action, Order, or approval by the Bankruptcy Court; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, Order, or approval by the Bankruptcy Court.

Plan Art. VII.B;

WHEREAS, on May 25, 2018, the Plan Administrator filed his First and Second Omnibus Objections to Certain Claims (Satisfied Claims) (collectively, the “Objections”), wherein the Plan Administrator objected to and sought disallowance and expungement of the

² Attachments to each of the filed Claims identify the litigation to which the indemnification and advancement of defense fees and expenses relate, without limiting such claims to the identified litigation.

Claims filed by the D&Os on the basis that such Claims had been satisfied or released during the chapter 11 cases [Docket Nos. 866 & 867];

WHEREAS, with respect to the Claims filed by the D&Os, the Plan provides:

The Debtors shall be deemed to have assumed all of the Debtors' D&O Liability Insurance Policies . . . as of the Effective Date, and coverage for defense and indemnity under any of the D&O Liability Insurance Policies shall remain available to all individuals within the definition of "Insured" in any of the D&O Liability Insurance Policies. . . . Confirmation of the Plan shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such indemnity obligation will be deemed and treated as an Executory Contract that has been assumed by the Debtors under the Plan as to which no Proof of Claim need be filed. Provided, however, that the holder(s) of a Claim for an indemnity obligation will look only to the D&O Liability Insurance Policies for recovery and not the Estates.

Plan Art. IV.P.; and

WHEREAS, as a result of discussions between the Parties concerning the Claims, the Parties have reached an agreement resolving the Plan Administrator's Objections to the Claims filed by the D&Os, as set forth herein.

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated into this stipulation and agreed order, the Parties hereby stipulate and agree as follows:


1. Except as otherwise provided for herein with respect to the Farnsworth Contract Claim (as defined below), the D&Os' Claims identified in Exhibit A hereto shall be allowed in the amount of \$0.00 for distribution purposes only.

2. Except as otherwise provided for herein with respect to the Farnsworth Contract Claim, and in accordance with the Plan, the D&Os shall not be entitled to seek any recoveries on account of their Claims from the Debtors, the Reorganized Debtors, the Estates and the Plan Administrator, and their respective assets and properties.

3. Notwithstanding anything to the contrary herein, Claim Nos. 393 through 398 filed by James W. Farnsworth (collectively, the “Farnsworth Claims”) shall be allowed in the amount of \$0.00 for distribution purposes solely with respect to any indemnity obligations and advancement of defense fees and expenses asserted in the Farnsworth Claims. For the avoidance of doubt, nothing in this Stipulation and Agreed Order shall affect that portion of the Farnsworth Claims asserting a contractual right to receive a \$300,000 lump sum payment from Cobalt International Energy, Inc. (the “Farnsworth Contract Claim”) as a result of the occurrence of an Angola Sale, pursuant to Section 2(d) of that certain Separation Agreement and General Release of Claims dated as of August 24, 2015; provided, however, that this Stipulation and Agreed Order is without prejudice to the rights of the Plan Administrator to object to any portion of the Farnsworth Claims (other than with respect to indemnity obligations and advancement of defense fees and expenses), including without limitation, the Farnsworth Contract Claim, on any grounds whatsoever, and all such substantive or procedural objections are expressly preserved and reserved.

IT IS SO ORDERED.

Signed: July 10, 2018



Marvin Isgur
United States Bankruptcy Judge

STIPULATED AND AGREED TO BY:

GREENBERG TRAURIG, LLP

By: /s/ David R. Eastlake
Shari L. Heyen
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Counsel for Nader Tavakoli, solely in his capacity as the Lead Member and Chairman of the Plan Administrator Committee of Cobalt International Energy, Inc., et al.

QUINN EMANUEL URQUHART & SULLIVAN, LLP

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BAKER BOTTS L.L.P.

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Counsel for D. Jeff van Steenberg, Henry Cornell, J. Hardy Murchison, Jack E. Golden, James W. Farnsworth, John N. Lancaster, John P. Wilkerson, Jon A. Marshall, Kathryn Bailey Hutchison, Kenneth A. Pontarelli, Kenneth W. Moore, Martin H. Young, Jr., Michael G. France, Myles W. Scoggins, Peter R. Coneway, Scott L. Lebovitz, Van Whitfield, and William P. Utt

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on July 9, 2018, a true and correct copy of the foregoing was electronically filed with the Clerk of the United States Bankruptcy Court for the Southern District of Texas, and was served upon the parties eligible to receive notice through the Court's ECF facilities by electronic mail.

/s/ David R. Eastlake
David R. Eastlake

United States Bankruptcy Court
Southern District of Texas

In re:
Cobalt International Energy, Inc.
Official Committee of Unsecured Creditors
Debtors

Case No. 17-36709-mi
Chapter 11

CERTIFICATE OF NOTICE

District/off: 0541-4

User: LinhthuDo
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Total Noticed: 71

Date Rcvd: Jul 13, 2018

Notice by first class mail was sent to the following persons/entities by the Bankruptcy Noticing Center on Jul 15, 2018.

db +Cobalt GOM #1 LLC, 920 Memorial City Way, Suite 100, Houston, TX 77024-2649
db +Cobalt GOM #2 LLC, 920 Memorial City Way, Suite 100, Houston, TX 77024-2649
db +Cobalt GOM LLC, 920 Memorial City Way, Suite 100, Houston, TX 77024-2649
db +Cobalt International Energy GP, LLC, 920 Memorial City Way, Suite 100,
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db +Cobalt International Energy, Inc., 920 Memorial City Way, Suite 100,
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aty +Beth E. Levine, Pachulski Stang et al, 780 Third Ave., 34th Fl.,
New York, NY 10017-2024
aty +Brad Weiland, Kirkland & Ellis LLP, 300 North LaSalle, Chicago, IL 60654-5412
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aty +Lynch Lynch, Wachtell Lipton et al, 51 W. 52nd St., New York, NY 10019-6150
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cr +A2D Technologies, Inc., d/b/a TGS Geological Produ, c/o Andrew A Braun, Suite 4800,
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intp +Ad Hoc First Lien Group, Weil, Gotshal & Manges LLP, 700 Louisiana, Suite 1700,
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intp +Ad Hoc Group of Second Lien Noteholders, c/o Marty L. Brimmage Jr.,
Akin Gump Strauss Hauer & Feld LLP, 1700 Pacific Avenue, Suite 4100,
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intp +Angela Dodd United States Securities & Exchange Co, 175 W. Jackson Blvd., Suite 1450,
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cr Baker Hughes, a GE Company, LLC, P O Box 4740, Houston, TX 77210-4740
 intp +Department Of Justice, Department of Justice - Civil Division, P.O Box 875,
 Ben Franklin Station, Washington, DC 20044-0875
 cr +Discovery Gas Transmission, LLC, c/o Steven W. Soule and Dustin L. Perry,
 Hall, Estill, et al., 320 South Boston Avenue, Suite 200, Tulsa, OK 74103-3705
 cr +Discovery Producer Services, LLC, c/o Steven W. Soule and Dustin L. Perry,
 Hall, Estill, et al., 320 South Boston Avenue, Suite 200, Tulsa, OK 74103-3705
 intp +EnVen Energy Ventures, LLC, c/o Paul J. Goodwine, Looper Goodwine P.C.,
 650 Poydras Street, Suite 2400, New Orleans, LA 70130-6171
 intp +Eni Petroleum US LLC, 1200 Smith Street, Suite 1700, Houston, TX 77002-4372
 intp +Equinor Gulf of Mexico LLC f/k/a Statoil of Mexico, 1050 K Street NW, Suite 950,
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 aud +Ernst & Young LLP, 1401 McKinney Street, Suite 1200, Houston, TX 77010-2017
 op +Kurtzman Carson Consultants LLC, 2335 Alaska Ave, El Segundo, CA 90245-4808
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 Dallas, TX 75201-7919
 op +Nader Tavakoli, solely in his capacity as Lead Mem, c/o Shari L. Heyen,
 Greenberg Traurig, LLP, 1000 Louisiana Street, Suite 1700, Houston, TX 77002-5001
 crcm +Official Committee of Unsecured Creditors, Snow Spence Green LLP, 2929 Allen Parkway,
 Suite 2800, Houston, TX 77019-7100
 cr +Sociedade Nacional de Combustiveis de Angola, c/o Dugger & Associates,
 1401 Enclave Parkway, Suite 125, Houston, TX 77077-2566
 cr +Sonangol Pesquisa e Producao, S.A., c/o Dugger & Associates,
 1401 Enclave Parkway, Suite 125, Houston, TX 77077-2566
 cr +TGS-NOPEC Geophysical Company, L.P., c/o, Andrew A. Braun, Suite 4800,
 701 Poydras Street, New Orleans, LA 70139-7756
 intp +The Grant Law Firm, PLLC, The Grant Law Firm, PLLC, 521 Fifth Avenue, 17th Floor,
 New York, NY 10175-1799
 cr +U.S. Bank National Association, as Second Lien Tru, c/o Waller Lansden Dortch & Davis, LLP,
 Attn: David Lemke, Tyler Layne, 511 Union Street, Suite 2700, Nashville, TN 37219-1791
 cr +Venari Offshore LLC, 15303 North Dallas Pkwy, Tower 2, Suite 1400, Addison, TX 75001-6786
 cr +WesternGeco LLC, Attn: K. Rachelle Goldman, 10001 Richmond Ave, Houston, TX 77042-4205

Notice by electronic transmission was sent to the following persons/entities by the Bankruptcy Noticing Center.

cr E-mail/Text: houston_bankruptcy@LGBS.com Jul 13 2018 20:56:43 Cypress-Fairbanks ISD,
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 intp +E-mail/Text: ddeems@theclarogroup.com Jul 13 2018 20:55:41
 Douglas H. Deems The Claro Group, LLC, 350 S. Grand Ave., Suite 2350,
 Los Angeles, CA 90071-3433
 cr +E-mail/Text: houston_bankruptcy@LGBS.com Jul 13 2018 20:56:43 Harris County,
 Linebarger Goggan Blair & Sampson LLP, c/o Tara L. Grundemeier, P.O. Box 3064,
 Houston, TX 77253-3064

TOTAL: 3

***** BYPASSED RECIPIENTS (undeliverable, * duplicate) *****

intp A2D Technologies, Inc. f/k/a A2D, LP
 cr ACM Ltd.
 intp Ad Hoc Committee of Unsecured Noteholders
 intp Allied World National Assurance Company
 intp Anadarko Petroleum Corporation
 intp Beacon Offshore Energy Development LLC, c/o Jones A Walker
 cr Chevron U.S.A. Inc.
 cr ConocoPhillips Company
 intp Consorcio WesternGeco 176-99
 cr Dril-Quip, Inc.
 intp Enbridge Inc.
 cr FRC Founders Corporation
 cr Fire and Police Retiree Health Care Fund, San Anto
 cr GAMCO Global Gold, Natural Resources & Income Trus
 cr GAMCO Natural Resources, Gold & Income Trust
 intp Halliburton Atlantic Limited
 intp Halliburton Overseas Limited-Sucursal de Angola
 fa Houlihan Lokey Capital, Inc.
 cr INTECSEA, Inc.
 cr J. Joseph Consulting, Inc.
 intp LLOG Exploration Offshore, L.L.C., c/o Jones Walker
 intp Navitas Petroleum US, LLC, C/O Jones Walker
 cr Nexen Petroleum Offshore U.S.A. Inc.
 cr Nexen Petroleum U.S.A. Inc.
 cr Riverstone Holdings LLC
 cr Rowan Companies, Inc.
 intp ShenHai LLC, Jones Walker
 cr Sjunde AP-Fonden
 cr Spring Branch Independent School District
 cr St. Lucie County Fire District Firefighters Pensio
 intp TGS Canada Corp. f/k/a Arcis Seismic Solutions Cor
 intp TGS-NOPEC Geophysical Company (successor in intere
 intp TGS-NOPEC Geophysical Company ASA
 intp TOTAL E&P USA, INC.

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***** BYPASSED RECIPIENTS (continued) *****
cr The Goldman Sachs Group, Inc.
intp United States Of America
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cr Wells Fargo Bank, National Association
intp WesternGeco Seismic Holdings Limited
cr WesternGenco, L.L.C.
intp Whitton Petroleum Services Limited
cr Wilmington Trust, National Association, as Indentu

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Addresses marked '+' were corrected by inserting the ZIP or replacing an incorrect ZIP.
USPS regulations require that automation-compatible mail display the correct ZIP.

Transmission times for electronic delivery are Eastern Time zone.

I, Joseph Speetjens, declare under the penalty of perjury that I have sent the attached document to the above listed entities in the manner shown, and prepared the Certificate of Notice and that it is true and correct to the best of my information and belief.

Meeting of Creditor Notices only (Official Form 309): Pursuant to Fed. R. Bank. P. 2002(a)(1), a notice containing the complete Social Security Number (SSN) of the debtor(s) was furnished to all parties listed. This official court copy contains the redacted SSN as required by the bankruptcy rules and the Judiciary's privacy policies.

Date: Jul 15, 2018

Signature: /s/Joseph Speetjens

CM/ECF NOTICE OF ELECTRONIC FILING

The following persons/entities were sent notice through the court's CM/ECF electronic mail (Email) system on July 13, 2018 at the address(es) listed below:
NONE.

TOTAL: 0