



ENTERED  
12/21/2018

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

In re:

COBALT INTERNATIONAL ENERGY, INC., *et al.*<sup>1</sup>

Reorganized Debtors.

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

**STIPULATION AND AGREED ORDER REGARDING PROOFS OF CLAIM  
NOS. 11, 14, 15 AND 16 FILED BY LOUISIANA DEPARTMENT OF REVENUE**

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”), and the Louisiana Department of Revenue (“Claimant” and together with the Plan Administrator, the “Parties”).

**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 deadline for all non-governmental entities holding or wishing to assert a “claim” (as defined in

<sup>1</sup> 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: 945 Bunker Hill Road, Suite 625, Houston, TX 77024.



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**, on February 6, 2018, the Claimant filed *Proof of Claim No. 11* against Cobalt International Energy GP, LLC, asserting a general unsecured claim in the amount of \$898.89 and an administrative priority claim in the amount of \$1,273.16;

**WHEREAS**, on March 1, 2018, Claimant filed *Proof of Claim No. 14* against Cobalt GOM #1 LLC, asserting an administrative priority claim in the amount of \$1,000;

**WHEREAS**, on March 1, 2018, Claimant filed *Proof of Claim No. 15* against Cobalt International Energy, Inc., asserting an administrative priority claim in the amount of \$20,000;

**WHEREAS**, on March 1, 2018, Claimant filed *Proof of Claim No. 16* (together with *Proofs of Claim Nos. 11, 14, and 15*, the “Claims”) against Cobalt International Energy GP, LLC, asserting an administrative priority claim in the amount of \$1,000;

**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 September 13, 2018, the Plan Administrator filed his *Objection to Proofs of Claim Nos. 11, 14, 15, & 16 Filed by Louisiana Department of Revenue* [Dkt. No. 1051] (the “Objection”), wherein the Plan Administrator objected to and sought disallowance and expungement of the Claims filed by Claimant on the basis that the Debtors had no liability for such Claims;

**WHEREAS**, Proof of Claim No. 11 was based on the estimated pre-Petition Date tax liabilities of Cobalt International Energy GP, LLC (formerly CIP GP Corp) for tax returns believed to be due as of the date of the filing of the Proof of Claim No. 11;

**WHEREAS**, Proof of Claim No. 16 was based on the estimated post-Petition Date tax liabilities of Cobalt International Energy GP, LLC (formerly CIP GP Corp) for tax returns believed to be due as of the date of the filing of the Claim;

**WHEREAS**, based on review of documentation provided by the Debtors it was determined by the Louisiana Department of Revenue that returns for the tax periods 12/31/2012 through 12/31/2017 were not due by Cobalt International Energy GP, LLC (formerly CIP GP Corp);

**WHEREAS**, the Louisiana Department of Revenue’s Proofs of Claim Nos. 14 (Cobalt GOM #1 LLC) and 15 (Cobalt International Energy, Inc.) were based on the estimated tax liabilities of the Debtors for tax post-petition returns which had not been filed for the administrative filing period 12/31/2017 as of the date of filing of the Proof of Claim Nos. 14 and 15;

**WHEREAS**, on November 13, 2018, the Cobalt GOM #1 LLC and Cobalt International Energy, Inc. filed the tax returns due for the administrative filing period 12/31/2017;

**WHEREAS**, the tax returns filed by Cobalt GOM #1 LLC and Cobalt International Energy, Inc. on November 13, 2018 for the tax period 12/31/2017 reflect no liabilities due by the Debtors to Claimant;

**WHEREAS**, the time frame for the Internal Revenue Service and the Louisiana Department of Revenue to audit the 12/31/2017 tax period for Cobalt GOM #1 LLC and Cobalt International Energy, Inc. has not elapsed and will not elapse for several years; and

**WHEREAS**, the Parties agree that any federal audit adjustments may affect the amount of state tax due for the 12/31/2017 tax period for the respective Debtors included on Proof of Claim Nos. 14 and 15.

**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. Proofs of Claim Nos. 11 and 16 filed by Claimant are hereby withdrawn with prejudice.
2. Proof of Claims Nos. 14 and 15 filed by Claimant are hereby withdrawn without prejudice.
3. Effective upon entry of this Stipulation and Agreed Order, the Plan Administrator withdraws his Objection with respect to the Claims filed by Claimant without prejudice as to Proofs of Claim Nos. 14 and 15.
4. Claimant shall not be entitled to seek any recoveries on account of its Proofs of Claim Nos. 11 and 16 from the Debtors, the Reorganized Debtors, the Estates and the Plan Administrator, and their respective assets and properties.
5. Claimant shall be entitled to audit and assess Cobalt GOM #1 LLC and Cobalt International Energy, Inc. and to seek any recoveries on account of the tax periods included

within its Proofs of Claim Nos. 14 and 15 in the ordinary course of business pursuant to La. Rev. Stat. Ann. § 47:1561, *et seq.* from the Debtors, the Reorganized Debtors, the Estates and their respective assets and properties; provided, however, that the Debtors, the Reorganized Debtors and the Estates reserve and preserve all rights under any applicable federal, state or local law or in equity to dispute or otherwise contest any future assessment and/or attempt to seek recoveries on account of the tax periods included within Proofs of Claim Nos. 14 and 15; provided further, however, that the Plan Administrator, on behalf of the Debtors, the Reorganized Debtors and the Estates, reserves and preserves the right to object to any future proofs of claim (including any amended proofs of claim) filed by Claimant on account of the tax periods included within Proofs of Claim Nos. 14 and 15 irrespective of whether the Claim Objection Deadline (as defined in the Plan) established in these chapter 11 cases has passed.

6. In the event of such adjustment of the federal returns of Cobalt GOM #1 LLC and/or Cobalt International Energy, Inc. by the Department of the Treasury, Internal Revenue Service, these Debtors shall comply with Louisiana law and file amended returns within the time required and/or the Louisiana Department of Revenue shall be entitled to assess for any resulting tax deficiency in accordance with Louisiana law; specifically, the Louisiana Department of Revenue shall provide Cobalt GOM #1, LLC and Cobalt International Energy, Inc. with any process due under La. Rev. Stat. Ann. § 47:1561, *et seq.*; and the remedies to which Cobalt GOM #1, LLC and Cobalt International Energy, Inc. may be entitled shall be limited to those provided within La. Rev. Stat. Ann. § 47:1561, *et seq.*; provided, however, that the Plan Administrator, on behalf of the Debtors, the Reorganized Debtors and the Estates, reserves and preserves all rights under any applicable federal, state or local law or in equity to dispute or

otherwise contest any future assessment and/or attempt by Claimant to seek recoveries on such assessment.

7. Kurtzman Carson Consultants, LLC, as the Debtors' Claims, Noticing and Solicitation Agent, and the Clerk of the Court are authorized to take all necessary actions to effectuate the relief granted in this Order.

**IT IS SO ORDERED.**

Signed: December 21, 2018

  
Marvin Isgur  
United States Bankruptcy Judge

**STIPULATED AND AGREED TO BY:**

**GREENBERG TRAURIG, LLP**

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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.***

**LOUISIANA DEPARTMENT OF REVENUE**

By: /s/ Florence Bonaccorso-Saenz  
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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on December 19, 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