

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

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

MOTION FOR STATUS CONFERENCE REGARDING DISTRIBUTIONS
PURSUANT TO PLAN SETTLEMENT FOR
CLASS 5 SUBSIDIARY GENERAL UNSECURED CLAIMS

Baker Hughes, a GE Company, LLC (“Baker Hughes”) files this *Motion for Status Conference Regarding Distributions Pursuant to Plan Settlement for Class 5 Subsidiary General Unsecured Claims* as follows:

Background

1. Baker Hughes previously served as a member of the Official Committee of Unsecured Creditors (the “Committee”) in these cases (Docket No. 117).²
2. Leading up to and during the confirmation hearing in these cases, the Committee negotiated a settlement with the Debtors and their lenders (the “Committee Settlement”), which was implemented through the Confirmed Plan. The Committee Settlement involved multiple components including: (i) an \$8 million payment for Class 5 trade creditors of Cobalt International

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

² The Committee was dissolved on April 10, 2018, the “Effective Date” under the *Fourth Amended Joint Chapter 11 Plan (with Technical Modifications) of Cobalt International Energy, Inc. and its Debtor Affiliates* (“Confirmed Plan”), which was attached as Exhibit A 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* (“Confirmation Order”) (Docket No. 784).



Energy, LP (defined in the Confirmed Plan as the “Subsidiary GUC Settlement Amount”)³; (ii) a \$5 million payment for Class 6 non-second lien deficiency general unsecured creditors of Cobalt International Energy, Inc. (defined in the Confirmed Plan as the “Cobalt GUC Settlement Amount”); and (iii) payment of fees and expenses of the indenture trustee for the unsecured noteholders. *See* paragraphs 99-104 of Confirmation Order. The Committee Settlement is referenced in paragraph 99 of the Confirmation Order as follows:

“The Plan constitutes a final and good faith compromise and settlement of any and all disputes and controversies between the Debtors, the Committee, and the Second Lien Noteholders, and such settlement and compromise is hereby approved pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 as fair and reasonable and in the best interests of each of the Debtors, the Estates and creditors” (Docket No. 784).

3. Further, paragraph 100 of the Plan Confirmation Order provides that:

“On the Effective Date (or as soon thereafter as is reasonably practicable), the Debtors shall deposit the Subsidiary GUC Settlement Reserve Amount in the Subsidiary GUC Settlement Reserve for the benefit of holders of Allowed Subsidiary General Unsecured Claims in accordance with Articles III and IV.G of the Plan” (Docket No. 784).

4. The Effective Date of the Plan occurred on April 10, 2018 (Docket No. 804).

5. Thereafter, Whitton Petroleum Services Limited elected to opt out of the Subsidiary GUC Settlement Reserve on April 16, 2018, thereby (i) fixing the amount of the Subsidiary GUC Settlement Reserve Amount at \$8 million; and (ii) excluding the Whitton claim from the claim pool for the Subsidiary GUC Settlement Reserve (Docket No. 815). The Whitton claim was subsequently resolved (Docket No. 1157).

³ The Committee Settlement provided that the Subsidiary GUC Settlement Amount would be (a) \$23 million if Whitton opted in and (b) \$8 million if Whitton opted out.

6. In addition, the Court's docket reflects that on November 1, 2018, the Court entered a Stipulation and Agreed Order (Docket No. 1154) resolving the \$205 million unsecured proof of claim filed by the Department of Interior, on behalf of BSEE, against Cobalt International Energy, LP relating to decommissioning obligations.

7. Based on available information, the scheduled and filed claims which constitute Class 5 Subsidiary General Unsecured Claims are not more than \$8 million, the amount of the Subsidiary GUC Settlement Reserve. Accordingly, while Article III.B.5 references holders of Allowed Subsidiary General Unsecured Claims receiving a pro-rata share of the Subsidiary GUC Settlement Reserve, it appears based on available information that Class 5 trade claims will be paid in full from the Subsidiary GUC Settlement Reserve funds, which was the intent of the Committee Settlement.

8. The Committee Settlement as incorporated through the Confirmed Plan contemplated that the distributions to Class 5 creditors from the Subsidiary GUC Settlement Reserve funds would occur promptly and as reasonably practicable after the Effective Date. *See* Article III.B.5. To Baker Hughes' knowledge, distributions to Class 5 creditors from the Subsidiary GUC Settlement Reserve funds have not been made to date.

Relief Requested

One of the enumerated matters in Article XI. of the Confirmed Plan, "Retention of Jurisdiction", addresses the Court's retention of jurisdiction relating to distributions under the Plan. Baker Hughes requests that the Court hold a status conference regarding the status of distribution of the Subsidiary GUC Settlement Reserve funds and enter an appropriate order regarding same.

Dated: February 11, 2019

By: /s/ Kenneth Green
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CERTIFICATE OF SERVICE

I certify that on February 11, 2019, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Kenneth Green
Kenneth Green