

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

_____)	
In re:)	Chapter 11
)	
EXTRACTION OIL & GAS, INC., <i>et al.</i> , ¹)	Case No. 20-11548 (CSS)
)	
Debtors.)	(Jointly Administered)
_____)	
EXTRACTION OIL & GAS, INC.,)	
)	
)	
Plaintiff,)	Adversary Proceeding
v.)	
)	Adv. Proc. No. 20-50816 (CSS)
)	
GRAND MESA PIPELINE, LLC,)	Re: Docket No. 22
Defendant.)	
_____)	

PLAINTIFF'S MOTION FOR ENTRY OF AN ORDER
AUTHORIZING PLAINTIFF TO FILE UNDER SEAL REPLY IN SUPPORT OF
PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

The above-captioned debtors and debtors in possession (collectively, the "Debtors") respectfully state as follows in support of this motion (this "Motion to Seal"):

Relief Requested

1. The Debtors seek entry of an order (the "Order"), substantially in the form attached hereto as **Exhibit A**, pursuant to sections 105(a) and 107(b) of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"), rule 9018 of the Federal Rules of Bankruptcy

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Extraction Oil & Gas, Inc. (3923); 7N, LLC (4912); 8 North, LLC (0904); Axis Exploration, LLC (8170); Extraction Finance Corp. (7117); Mountaintop Minerals, LLC (7256); Northwest Corridor Holdings, LLC (9353); Table Mountain Resources, LLC (5070); XOG Services, LLC (6915); and XTR Midstream, LLC (5624). The location of the Debtors' principal place of business is 370 17th Street, Suite 5300, Denver, Colorado 80202.



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Procedure (the “Bankruptcy Rules”), and rule 9018-1(d) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Local Rules”): authorizing the Debtors to file under seal *Reply in Support of Plaintiff’s Motion for Summary Judgment*. In support of this Motion to Seal, the Debtors respectfully state as follows:

Jurisdiction and Venue

2. The United States Bankruptcy Court for the District of Delaware (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012 (the “Amended Standing Order”). The Debtors confirm their consent, pursuant to Bankruptcy Rule 7008 and Bankruptcy Local Rule 9013-1(f), to the entry of a final order by the Court in connection with this Motion to Seal to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are section 107(b) of the Bankruptcy Code, Bankruptcy Rule 9018, and Bankruptcy Local Rule 9018-1.

Basis for Relief

5. Pursuant to section 107(b) of the Bankruptcy Code, a bankruptcy court must protect entities from potential harm that may result from the disclosure of certain confidential information. *See* 11 U.S.C. § 107(b). Specifically, section 107(b) of the Bankruptcy Code provides, in relevant part, as follows:

On request of a party in interest, the bankruptcy court shall, and on the bankruptcy court’s own motion, the bankruptcy court may—

(1) protect an entity with respect to a trade secret or confidential research, development, or commercial information;

Id. Section 105(a) of the Bankruptcy Code, in turn, codifies the inherent equitable powers of bankruptcy courts and empowers them to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

6. Bankruptcy Rule 9018 sets forth the procedures by which a party may obtain a protective order authorizing the filing of a document under seal. *See* Fed. R. Bankr. P. 9018. Bankruptcy Rule 9018 provides, in relevant part, that “[o]n motion or on its own initiative, with or without notice, the court may make any order which justice requires (1) to protect the estate or any entity in respect of a trade secret or other confidential research, development, or commercial information[.]” *Id.* Further, Bankruptcy Local Rule 9018-1(d) provides, in relevant part, that “[a]ny party who seeks to file documents under seal must file a motion to that effect.” Del. Bankr. L.R. 9018-1(d).

7. If the material sought to be protected satisfies one of the categories identified in section 107(b) of the Bankruptcy Code, “the court is *required* to protect a requesting party and has no discretion to deny the application.” *Video Software Dealers Ass’n v. Orion Pictures Corp.* (*In re Orion Pictures Corp.*), 21 F.3d 24, 27 (2d Cir. 1994) (emphasis in original); *accord In re Alterra Healthcare Corp.*, 353 B.R. 66, 75–76 (Bankr. D. Del. 2006) (citing *Orion Pictures*); *In re Altegrity, Inc.*, 2015 WL 10963572, at *3 (Bankr. D. Del. July 6, 2015) (“[I]f it is established that the documents sought to be sealed fall within the enumerated statutory exception, the Court must grant the requested relief (or such other relief that protects the moving party).”). Stated differently, section 107(b) of the Bankruptcy Code does not require a party seeking its protections to demonstrate “good cause.” *Orion Pictures*, 21 F.3d at 28. “Courts have supervisory powers over their records and files and may deny access to those records and files to prevent them from being used for an improper purpose.” *In re Kaiser Aluminum Corp.*, 327 B.R. 554, 560 (D. Del. 2005); *see also In re A C & S Inc.*, 775 Fed. Appx. 78, 79 (3d Cir. 2019) (mem.) (finding that

“every court has supervisory power over its own records and files, and access has been denied where court files might have become a vehicle for improper purposes”). Courts are required to provide such protections “generally where open inspection may be used as a vehicle for improper purposes.” *Orion Pictures*, 21 F.3d at 27; accord *In re Motions Seeking Access to 2019 Statements*, 585 B.R. 733, 753 (Bankr. D. Del. 2018) (citing *Orion Pictures*). Indeed, the “authority goes not just to the protection of confidential documents, but to other confidentiality restrictions that are warranted in the interests of justice.” *In re Global Crossing Ltd*, 295 B.R. 720, 724 (Bankr. S.D.N.Y. 2003).

8. “Commercial information”—“information which would result in an unfair advantage to competitors by providing them information as to the commercial operations of the debtor”—is one category of information within the scope of section 107(b) of the Bankruptcy Code. *Alterra Healthcare*, 353 B.R. at 75 (quoting *Orion Pictures*); *Altegrity*, 2015 WL 10963572, at *3; see also *Global Crossing*, 295 B.R. at 725 (holding that the purpose of Bankruptcy Rule 9018 is to “protect business entities from disclosure of information that could reasonably be expected to cause the entity commercial injury”). Commercial information need not rise to the level of a trade secret to be protected under section 107(b) of the Bankruptcy Code. *Orion Pictures*, 21 F.3d at 27–28 (holding that section 107(b)(1) creates an exception to the general rule that court records are open to examination by the public and, under this exception, an interested party has to show only that the information it wishes to seal is “confidential” and “commercial” in nature); accord *Altegrity*, 2015 WL 10963572, at *3 (citing *Orion Pictures*).

9. Sufficient cause exists for the Court to grant the relief requested in this Motion to Seal as the *Reply in Support of Plaintiff's Motion for Summary Judgment* contains confidential information. In particular, the reply references confidential information from the Transportation

Agreement, as defined in the reply. Accordingly, Debtors respectfully request that the *Reply in Support of Plaintiff's Motion for Summary Judgment* be sealed.

Compliance with Bankruptcy Local Rule 9018-1(d)

In accordance with Bankruptcy Local Rule 9018-1(d), Debtors certify that they have conferred with Grand Mesa, who is a Holder of Confidentiality Rights (as defined in Bankruptcy Local Rule 9018-1(d)). As of the time of the filing of this motion, however, that conferral process has not yet concluded. Furthermore, the Debtors certify that they will file the *Notice of Filing of Proposed Redacted Versions of Plaintiff's Reply in Support of Plaintiff's Motion for Summary Judgment* once the conferral process has concluded.

Notice

10. Notice of the hearing on the relief requested in this Motion to Seal will be provided by the Debtors in accordance and compliance with Bankruptcy Rules 4001 and 9014, as well as the Bankruptcy Local Rules, and is sufficient under the circumstances. Without limiting the foregoing, due notice will be afforded, whether by facsimile, electronic mail, overnight courier or hand delivery, to parties-in-interest, including: (a) the United States Trustee for the District of Delaware and (b) counsel for Grand Mesa. Debtors submit that under the circumstances no other or further notice is necessary.

No Prior Request

11. No prior request for the relief sought in this Motion to Seal has been made to this or any other court.

Conclusion

WHEREFORE, the Debtors respectfully request that the Court enter the Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested in this Motion to Seal and granting such other and further relief as is appropriate under the circumstances.

Dated: September 28, 2020
Wilmington, Delaware

/s/ Stephen B. Gerald

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² Whiteford, Taylor & Preston LLC operates as Whiteford Taylor & Preston L.L.P. in jurisdictions outside of Delaware.

Exhibit A

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	
)	Chapter 11
)	
EXTRACTION OIL & GAS, INC., <i>et al.</i> , ¹)	Case No. 20-11548 (CSS)
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Debtors.)	(Jointly Administered)
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EXTRACTION OIL & GAS, INC., <i>et al.</i> ,)	
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v.)	
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GRAND MESA PIPELINE, LLC,)	
)	
Defendant.)	Re: Docket Nos. 22 & ____
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**ORDER AUTHORIZING THE DEBTORS TO FILE UNDER SEAL
REPLY IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY
JUDGMENT**

Upon the motion (the “Motion to Seal”) of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”), (a) authorizing the Debtors to file under seal the *Reply in Support of Plaintiff’s Motion for Summary Judgment* (the “Pleading”); and this Court having jurisdiction to consider the Motion to Seal pursuant to 28 U.S.C. §§ 157 and 1334; and venue being proper before this Court pursuant to 28 U.S.C. §§1408 and 1409; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court

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having found that proper and adequate notice of the Motion to Seal has been provided under the circumstances; and after due deliberation thereon; and there being good and sufficient cause;

IT IS HEREBY ORDERED THAT:

1. The Motion to Seal is granted as set forth herein.
2. Pursuant to sections 105(a) and 107(b) of the Bankruptcy Code, Bankruptcy Rule 9018 and Bankruptcy Local Rule 9018-1(d), Debtors are authorized to file unredacted copies of the Pleading under seal.
3. Unredacted copies of the Pleading shall not be made available to anyone except for this Court, the Office of the United States Trustee, Grand Mesa Pipeline, LLC (“Grand Mesa”), any person or entity upon consent of the Debtors and Grand Mesa, and others upon further Court order.
4. Debtors are authorized to file on this Court’s docket and to serve on all parties a redacted copy of the Pleading.
5. Any Bankruptcy Rule (including Bankruptcy Rule 6004(h)) or Bankruptcy Local Rule that might otherwise delay the effectiveness of this Order is hereby waived, and the terms and conditions of this Order shall be effective and enforceable immediately upon its entry.
6. This Order is without prejudice to the rights of any party in interest to seek to unseal and make public any portion of the material filed under seal.
7. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion to Seal.
8. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.