

Your claim can be filed electronically on KCC's website at <https://epoc.kccllc.net/legacyreserves>.

United States Bankruptcy Court for the Southern District of Texas

Indicate Debtor against which you assert a claim by checking the appropriate box below. **(Check only one Debtor per claim form.)**

| | |
|--|--|
| <input type="checkbox"/> Pinnacle Gas Treating LLC (Case No. 19-33394) | <input type="checkbox"/> Legacy Reserves Operating LP (Case No. 19-33401) |
| <input type="checkbox"/> Legacy Reserves Inc. (Case No. 19-33395) | <input type="checkbox"/> Legacy Reserves Energy Services LLC (Case No. 19-33402) |
| <input type="checkbox"/> Legacy Reserves GP, LLC (Case No. 19-33396) | <input type="checkbox"/> Legacy Reserves Operating GP LLC (Case No. 19-33403) |
| <input checked="" type="checkbox"/> Legacy Reserves LP (Case No. 19-33397) | <input type="checkbox"/> Dew Gathering LLC (Case No. 19-33405) |
| <input type="checkbox"/> Legacy Reserves Finance Corporation (Case No. 19-33398) | <input type="checkbox"/> Legacy Reserves Marketing LLC (Case No. 19-33406) |
| <input type="checkbox"/> Legacy Reserves Services LLC (Case No. 19-33400) | |

Official Form 410 Proof of Claim

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Other than a claim under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for an administrative expense arising after the commencement of the case.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed.

Part 1: Identify the Claim

| | | |
|--|---|--|
| 1. Who is the current creditor? | <u>ACE American Insurance Company</u> Name of the current creditor (the person or entity to be paid for this claim) | |
| | Other names the creditor used with the debtor _____ | |
| 2. Has this claim been acquired from someone else? | <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____ | |
| 3. Where should notices and payments to the creditor be sent? | Where should notices to the creditor be sent? <u>Wendy M. Simkulak, Esquire</u> * and to Claimant <u>Duane Morris LLP</u> per attached addendum Name <u>30 S. 17th Street</u> Number Street <u>Philadelphia PA 19103-4196</u> City State ZIP Code Country _____ Contact phone <u>215-979-1547</u> Contact email <u>wmsimkulak@duanemorris.com</u> | Where should payments to the creditor be sent? (if different) Name _____ Number Street _____ City State ZIP Code _____ Country _____ Contact phone _____ Contact email _____ |
| 4. Does this claim amend one already filed? | <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____ MM / DD / YYYY | |
| 5. Do you know if anyone else has filed a proof of claim for this claim? | <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____ | |

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Uniform claim identifier for electronic payments in chapter 13 (if you use one): _____

- Date Stamped Copy Returned
- No self addressed stamped envelope
- No copy to return



Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? No
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim? \$ See attached addendum. Does this amount include interest or other charges?
 No
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
 Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
 Limit disclosing information that is entitled to privacy, such as health care information.
Insurance policies and related agreements - see attached addendum

9. Is all or part of the claim secured? No
 Yes. The claim is secured by a lien on property.
Nature of property:
 Real estate: If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
 Motor vehicle
 Other. Describe: _____
Basis for perfection: _____
 Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)
Value of property: \$ _____
Amount of the claim that is secured: \$ _____
Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.)

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Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____ %

Fixed
 Variable

10. Is this claim based on a lease? No
 Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? No
 Yes. Identify the property: See attached addendum

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

- No
 Yes. Check all that apply:

Amount entitled to priority

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

- Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). \$ _____
- Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). \$ _____
- Wages, salaries, or commissions (up to \$13,650* earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). \$ _____
- Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). \$ _____
- Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). \$ _____
- Other. Specify subsection of 11 U.S.C. § 507(a)() that applies. \$ _____

* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

- No
 Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- I am the creditor.
- I am the creditor's attorney or authorized agent.
- I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
- I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 10/08/2019
MM / DD / YYYY

 Signature

Print the name of the person who is completing and signing this claim:

Name Adrienne Logan
First name Middle name Last name

Title Legal Analyst, Global Legal

Company Chubb
 Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 436 Walnut Street
Number Street

Philadelphia PA 19106
City State ZIP Code Country

Contact phone _____ Email _____

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HO CHI MINH CITY

Duane Morris[®]

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OMAN
A GCC REPRESENTATIVE OFFICE
OF DUANE MORRIS
ALLIANCES IN MEXICO
AND SRI LANKA

October 9, 2019

VIA FEDEX

Legacy Reserves Claims Processing Center
c/o KCC
222 N. Pacific Coast Highway, Suite 300
El Segundo, CA 90245

**Re: In re Legacy Reserves Inc., et al.
Case No. 19-33395 (Jointly Administered)**

Dear Sir/Madam:

Enclosed for filing please find an original and one (1) copy of eleven (11) Proofs of Claim (collectively, the "Claims") of ACE American Insurance Company. As set forth thereon, one Claim is to be filed in each of the eleven (11) bankruptcy cases listed on the attached list (collectively, the "Cases"). Please file each Claim in the corresponding Case. Kindly acknowledge your receipt of the Claims by returning one (1) stamped copy of each in the enclosed return Federal Express envelope.

Please feel free to contact me with any questions. Thank you for your attention to this matter.

Very truly yours,


Drew S. McGehrin

DSM
Enclosures

DUANE MORRIS LLP

30 SOUTH 17TH STREET PHILADELPHIA, PA 19103-4196
DM3/6121808.1

PHONE: +1 215 979 1000 FAX: +1 215 979 1020

| | Debtor Name | Case No. |
|-----|-------------------------------------|-----------------|
| 1. | Pinnacle Gas Treating LLC | 19-33394 |
| 2. | Legacy Reserves Inc. | 19-33395 |
| 3. | Legacy Reserves GP, LLC | 19-33396 |
| 4. | Legacy Reserves LP | 19-33397 |
| 5. | Legacy Reserves Finance Corporation | 19-33398 |
| 6. | Legacy Reserves Services, LLC | 19-33400 |
| 7. | Legacy Reserves Operating LP | 19-33401 |
| 8. | Legacy Reserves Energy Services LLC | 19-33402 |
| 9. | Legacy Reserves Operating GP LLC | 19-33403 |
| 10. | Dew Gathering LLC | 19-33405 |
| 11. | Legacy Reserves Marketing, LLC | 19-33406 |

**ADDENDUM TO PROOF OF CLAIM OF
ACE AMERICAN INSURANCE COMPANY**

1. This Addendum is attached to and a part of the proof of claim (the “Proof of Claim”) filed by ACE American Insurance Company (together with its U.S.-based affiliates and successors, the “Claimant” or the “ACE Companies”)¹ against Legacy Reserves Inc. and the other entities set forth on Exhibit “A” attached hereto (collectively, the “Debtors”) in their respective bankruptcy cases. As the documents supporting this claim are voluminous and contain confidential, personal and/or commercial information, Claimant has not attached them to Claimant’s Proof of Claim. Copies of such documents are or should be, upon information and belief, in the possession of the Debtors. Claimant will provide copies of such documents to other parties upon request provided that appropriate steps can be taken to ensure their confidentiality, as necessary or appropriate.

2. On June 18, 2019 (the “Petition Date”), the Debtors filed their respective voluntary petitions for bankruptcy relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (the “Court”).

3. Prior to the Petition Date, the ACE Companies issued certain insurance policies (as renewed, amended, modified, endorsed or supplemented from time to time, collectively, the “Policies”) to the Debtors as named insureds.

4. Under the Policies and any agreements related thereto (collectively, the “ACE Insurance Program”), the ACE Companies provide, *inter alia*, corporate directors and officers

¹ For purposes of this Proof of Claim, the ACE Companies shall refer to those entities related to ACE American Insurance Company prior to January 14, 2016 (the date on which the ACE Companies completed an acquisition of the Chubb group of companies).

and certain other insurance for specified policy periods subject to certain limits, deductibles, retentions, exclusions, terms and conditions, as more particularly described therein; and the insureds, including one or more of the Debtors, are required to pay to the ACE Companies certain amounts including, but not limited to, insurance premiums (including audit premiums), deductibles, funded deductibles, expenses, taxes, assessments and surcharges, as more particularly described in the ACE Insurance Program (collectively, the “Obligations”).²

5. To the extent that a Debtor is an insured under the ACE Insurance Program and has in the past or the present received, or in the future receives, any benefit – directly or indirectly – under the ACE Insurance Program including, but not limited to, any payment by any of the ACE Companies to or on behalf of the Debtor with respect to a claim made under the ACE Insurance Program, then the Debtor is jointly and severally liable with other insureds for the Obligations arising with respect to such claim under the ACE Insurance Program.

6. As of this Proof of Claim, the Debtors are liable to the ACE Companies in a contingent and unliquidated amount (the “Claim”) for the Obligations. The Claim is currently contingent, unliquidated, and subject to further and future adjustments and estimations by the Claimant, from time to time, in accordance with the terms of the ACE Insurance Program including, without limitation, additional amounts that may become due for premium, deductibles, expenses, taxes, assessments and surcharges.

² For the avoidance of doubt, the Obligations shall include any non-monetary obligations that the insureds, including one or more of the Debtors, may have. The ACE Companies specifically reserve and preserve all rights with respect to such non-monetary obligations including, but not limited to, the right to amend this Proof of Claim to assert a claim for amounts incurred by the ACE Companies based on any failure of the insureds to satisfy such non-monetary obligations.

7. The Claim is evidenced by the ACE Insurance Program, including, without limitation, those Policies listed on Exhibit "B" hereto.³

8. A portion of the Claim is or may be entitled to administrative expense priority under 11 U.S.C. §§ 503(b) and 507(a)(2).

9. The Claim may be secured by letters of credit, cash collateral, paid loss deposit funds, or other amounts.

10. The Claimant reserves and preserves the right: (a) to file and seek payment of additional claims for (i) administrative expenses, (ii) attorneys' fees and costs, and (iii) cure amounts or rejection damages; (b) to estimate contingent claims and assert additional claims if contingent claims are estimated or liquidated; and (c) to assert any other claims the Claimant may have against the Debtors relating to or incidental to the Obligations and the documents referenced herein. The Claimant reserves and preserves all rights to assert any and all defense, setoff and/or recoupment against the Debtors. The Claimant reserves the right to amend and/or further supplement this Proof of Claim to, *inter alia*, (a) adjust the amount of the Claim to reflect an updated actuarial review and/or financial analysis and/or (b) include additional collateral required as a result thereof.

11. The filing of this Proof of Claim is not intended to be, and should not be construed as (a) an election of remedies; (b) a waiver of any past, present or future default or event of default; (c) a waiver or limitation of the Claimant's rights or defenses; (d) a waiver of

³ Exhibit B is non-exhaustive and may include Policies under which amounts are not yet nor ever may become due and owing. However, because the Policies are part of the ACE Insurance Program, the ACE Companies have included them herein and reserve all rights with respect thereto including, but not limited to, amending this Proof of Claim to assert any amounts that may become due thereunder. Additionally, and for the avoidance of doubt, although the ACE Companies have filed a number of proofs of claim against the Debtors, the ACE Companies do not expect that any liquidated amounts of the Claim will be paid in the aggregate by each Debtor to each of the ACE Companies.

the Claimant's claims against the Debtors or any of the Debtors' subsidiaries or affiliates; (e) a waiver of the Claimant's right to draw on any collateral or security; (f) a waiver of the Claimant's claims against any other parties liable to it (whether under the ACE Insurance Program or otherwise); (g) a determination as to coverage or entitlements to benefits as to coverage under the ACE Insurance Program or a submission to the jurisdiction of this Court for the determination of any coverage issues; (h) a waiver of the ACE Companies' rights under the ACE Insurance Program, including the right to require arbitration; (i) a waiver or release of the right to request withdrawal of the reference with respect to the subject matter of the Proof of Claim, any objection thereto, any other proceeding commenced with respect thereto, or any other proceeding that may be commenced in this case against or otherwise involving the Claimant; (j) a waiver or release of the ACE Companies' right to trial by jury in this Court or any other court or forum as to any and all matter so triable herein, whether or not the same be designated legal or private rights or in any case, controversy or proceeding related hereto, notwithstanding the designation or not of such matters as "core proceedings" pursuant to 28 U.S.C. § 157(b)(2), and whether or not such jury trial right is under a statute or the United States Constitution; or (k) a waiver or release of the ACE Companies' right to have any and all final orders in any and all non-core matters or proceedings entered only after *de novo* review by a United States District Court Judge.

12. All notices to the Claimant relating to this Proof of Claim should be sent to the Claimant as follows:

c/o Chubb f/k/a ACE
436 Walnut Street
Philadelphia, PA 19106
Attention: Collateral Manager

With a copy to counsel for the Claimant:

Wendy M. Simkulak, Esquire
DUANE MORRIS LLP
30 S. 17th Street
Philadelphia, PA 19103

13. This Proof of Claim is filed as a separate claim from other claims that may be filed by or on behalf of the Claimant or any of its affiliates against the Debtor, and does not replace or supersede such other claims.

EXHIBIT A

DEBTOR NAMES

| | Debtor Name | Case No. |
|-----|-------------------------------------|-----------------|
| 1. | Pinnacle Gas Treating LLC | 19-33394 |
| 2. | Legacy Reserves Inc. | 19-33395 |
| 3. | Legacy Reserves GP, LLC | 19-33396 |
| 4. | Legacy Reserves LP | 19-33397 |
| 5. | Legacy Reserves Finance Corporation | 19-33398 |
| 6. | Legacy Reserves Services, LLC | 19-33400 |
| 7. | Legacy Reserves Operating LP | 19-33401 |
| 8. | Legacy Reserves Energy Services LLC | 19-33402 |
| 9. | Legacy Reserves Operating GP LLC | 19-33403 |
| 10. | Dew Gathering LLC | 19-33405 |
| 11. | Legacy Reserves Marketing, LLC | 19-33406 |

EXHIBIT B

The ACE Companies' Claim is evidenced by, without limitation, the Policies, and includes, without limitation, the following and all other documents, instruments, agreements or policies, and any and all endorsements, addenda, amendments, renewals, supplements and modifications to any of the following:

Policies include, but are not limited to:

| Policy Number | Policy Period | Insurer | Type of Coverage |
|----------------------|-----------------------|--------------------------------|-------------------------|
| G27879408 | 09/20/2017-09/20/2018 | ACE American Insurance Company | Corporate D&O |
| G27879408 | 09/20/2018-09/20/2019 | ACE American Insurance Company | Corporate D&O |
| G27879408 | 09/20/2019-05/25/2025 | ACE American Insurance Company | Corporate D&O |

Reservation of Rights

The brief summary of the Policies contained herein is for descriptive purposes only and is not intended to be binding on the ACE Companies or constitute their position with respect to the proper interpretation and meaning thereof. For a complete and accurate explanation of the terms and conditions of the Policies, reference should be made to the actual Policies.