

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

In re:)	Chapter 11
)	
SOUTHCROSS ENERGY PARTNERS, L.P.,)	Case No. 19-10702 (MFW)
<i>et al.</i> ,)	
)	Jointly Administered
Debtors. ¹)	
)	Hearing Date: May 7, 2019 at 11:00 a.m. (ET)
)	Obj. Deadline: Apr. 30, 2019 at 4:00 p.m. (ET)

**MOTION OF DEBTORS FOR EXTENSION OF TIME TO FILE
(I) SCHEDULES OF ASSETS AND LIABILITIES, (II) SCHEDULES OF
CURRENT INCOME AND EXPENDITURES, (III) SCHEDULES OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND
(IV) STATEMENTS OF FINANCIAL AFFAIRS**

Southcross Energy Partners, L.P. (“**Southcross**”), Southcross Energy Partners GP, LLC, and Southcross’s wholly owned direct and indirect subsidiaries, each of which is a debtor and debtor in possession (collectively, the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), hereby file this *Motion of Debtors for Extension of Time To File (i) Schedules of Assets and Liabilities, (ii) Schedules of Current Income and Expenditures, (iii) Schedules of Executory Contracts and Unexpired Leases, and (iv) Statements of Financial Affairs* (this “**Motion**”). In support of this Motion, the Debtors respectfully state as follows:

¹ The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Energy Partners GP, LLC (5141); Southcross Energy Finance Corp. (2225); Southcross Energy Operating, LLC (9605); Southcross Energy GP LLC (4246); Southcross Energy LP LLC (4304); Southcross Gathering Ltd. (7233); Southcross CCNG Gathering Ltd. (9553); Southcross CCNG Transmission Ltd. (4531); Southcross Marketing Company Ltd. (3313); Southcross NGL Pipeline Ltd. (3214); Southcross Midstream Services, L.P. (5932); Southcross Mississippi Industrial Gas Sales, L.P. (7519); Southcross Mississippi Pipeline, L.P. (7499); Southcross Gulf Coast Transmission Ltd. (0546); Southcross Mississippi Gathering, L.P. (2994); Southcross Delta Pipeline LLC (6804); Southcross Alabama Pipeline LLC (7180); Southcross Nueces Pipelines LLC (7034); Southcross Processing LLC (0672); FL Rich Gas Services GP, LLC (5172); FL Rich Gas Services, LP (0219); FL Rich Gas Utility GP, LLC (3280); FL Rich Gas Utility, LP (3644); Southcross Transmission, LP (6432); T2 EF Cogeneration Holdings LLC (0613); and T2 EF Cogeneration LLC (4976). The debtors' mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.



Relief Requested

1. By this Motion, and pursuant to section 521 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 1007(c) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and Rules 1007-1(b) and 9013-1(b) of the Bankruptcy Local Rules for the District of Delaware (the “**Local Rules**”), the Debtors seek entry of an order (the “**Proposed Order**” and, if entered, the “**Order**”) extending the deadline by which the Debtors must file their (a) schedules of assets and liabilities, (b) schedules of current income and expenditures, (c) schedules of executory contracts and unexpired leases, and (d) statements of financial affairs (collectively, the “**Schedules and Statements**”) by 45 days, for a total of 73 days from the Petition Date (as defined below), through and including June 13, 2019, without prejudice to the Debtors’ ability to request additional extensions for cause shown.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the District of Delaware (the “**Court**”) has jurisdiction over this Motion 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.

3. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2) and, pursuant to Local Rule 9013-1(f), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

4. Venue of the Chapter 11 Cases and related proceedings is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

5. On April 1, 2019 (the “**Petition Date**”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors have continued in possession of their property and have continued to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. No request has been made for the appointment of a trustee or examiner, and no official committee has been appointed in the Chapter 11 Cases.

7. Additional information about the Debtors’ businesses and affairs, capital structure, and prepetition indebtedness, and the events leading up to the Petition Date, can be found in the *Declaration of Michael B. Howe in Support of Debtors’ Chapter 11 Proceedings and First Day Pleadings* [D.I. 2], which is incorporated herein by reference.

8. The Chapter 11 Cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and the *Order Directing Joint Administration of Chapter 11 Cases* [D.I. 48] entered by the Court on April 2, 2019 in each of the Chapter 11 Cases.

Basis for Relief

9. Pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, the Debtors are required to file the Schedules and Statements within 14 days after the Petition Date. Local Rule 1007-1(b) automatically extends this deadline to 28 total days after the petition date if the total number of creditors in the debtors’ jointly administered cases exceeds 200. However, pursuant to Bankruptcy Rule 1007(c) and Local Rule 1007-1(b), the Court is authorized to grant an extension to the deadline for filing the Schedules and Statements “for cause.” *See* Fed. R. Bankr. P. 1007(c), Del. Bankr. L.R. 1007-1(b); *see also* Fed. R. Bankr. P. 9006(b).

10. Collectively, the Debtors have greater than 200 creditors. As a result, pursuant to Local Rule 1007-1(b), the Debtors automatically have 28 days from the Petition Date to file their

Schedules and Statements. Sufficient cause exists here for an extension because requiring the Debtors to file the Schedules and Statements in the first 28 days of the Chapter 11 Cases would divert management's time and attention from ensuring a smooth transition into chapter 11.

11. Due to the complexity and scope of their operations, the number of contracts to which the Debtors are party, and the numerous other matters that the Debtors must attend to in connection with filing the Chapter 11 Cases, the Debtors anticipate that they will be unable to complete the Schedules and Statements for the 27 Debtor entities in the 28 days provided under Bankruptcy Rule 1007-1(b).

12. To prepare the Schedules and Statements, the Debtors must compile information from books, records, and documents relating to creditor claims, as well as the Debtors' many assets and executory contracts and unexpired leases. This information is voluminous and located in numerous places throughout the Debtors' organization. Collecting the necessary information requires a significant expenditure of time and effort on the part of the Debtors, their employees, and their professional advisors in the near term, when these resources would be best used to stabilize and improve the Debtors' business operations. Additionally, because all invoices related to prepetition goods and services have not yet been received and/or entered into the Debtors' accounting system, it may be some time before the Debtors have access to all of the required information to prepare the Schedules and Statements.

13. Unavoidably, the Debtors' primary focus has been on seeking to finalize DIP financing, marketing the Debtors' assets for sale, stabilizing the business operations, and reacting to the events surrounding the filing. While the Debtors, with the help of their professional advisors, are mobilizing their employees to work diligently and expeditiously on the preparation of the Schedules and Statements, resources are strained. Not only have the same employees with

the expertise to complete the Schedules and Statements been diligently preparing for the chapter 11 filing, they have also been heavily engaged on numerous other restructuring work streams, including preservation of relationships with creditors and other parties in interest and ensuring the Debtors' smooth transition into chapter 11 during a sensitive time.

14. In view of the amount of work entailed in completing the Schedules and Statements and the competing demands upon the Debtors' employees and professionals to assist in efforts to stabilize business operations during the initial post-petition period, the Debtors will not be able to properly and accurately complete the Schedules and Statements within the required 28-day time period.

15. Accordingly, the Debtors request that the Court extend the 28-day period for an additional 45 days (making the Schedules and Statements due on or before 73 days after the Petition Date), without prejudice to the Debtors' right to request further extensions for cause shown.

16. The proposed extension of the filing deadline will not prejudice creditors and other parties in interest because the Debtors will work with the Office of the United States Trustee for the District of Delaware (the "**U.S. Trustee**") and any official committee appointed in the Chapter 11 Cases to make available sufficient financial data and creditor information to permit at least an initial meeting to be timely held, which has been scheduled for May 7, 2019 at 3:30 p.m. (Prevailing Eastern Time).

17. The Court has authority to grant the requested extension under Bankruptcy Rule 1007(c), which provides that "any extension of time to file schedules, statements, and other documents required under this rule may be granted only on motion for cause shown and on

notice to the United States trustee, any committee . . . trustee, examiner, or other party as the court may direct.” Fed. R. Bankr. P. 1007(c).

18. The Debtors submit that the large amount of information that must be assembled and compiled, the multiple places where the information is located, and the potentially hundreds of employee and professional hours required to complete the Schedules and Statements constitute good and sufficient cause for granting the requested extension of time. In addition, employee efforts during the initial post-petition period are critical, and the Debtors must devote their time and attention to business operations to maximize the value of the Debtors’ estates during the first critical months.

19. Courts in this district have granted similar relief to that requested herein in a number of cases. *See, e.g. In re Claire’s Stores, Inc.*, Case No. 18-10584 (MFW) (granting additional 45-day extension of time for filing schedules and statements); *In re M & G USA Corporation*, Case No. 17-12307 (BLS) (granting additional 60-day extension of time for filing schedules and statements); *In re TSA WD Holding, Inc.*, Case No. 16-10527 (MFW) (Bankr. D. Del. Mar. 24, 2016) (granting additional 45-day extension of time for filing schedules and statements); *In re Cal Dive Int’l Inc.*, Case No. 15-10458 (CSS) (Bankr. D. Del. Mar. 27, 2015) (granting additional 45-day extension of time for filing schedules and statements).

Notice

20. Notice of this Motion will be provided to (a) the U.S. Trustee, (b) each of the Debtors’ 20 largest unsecured creditors on a consolidated basis, (c) Vinson & Elkins LLP, as counsel to Wells Fargo Bank, N.A., the administrative agent under Southcross’s prepetition secured revolving credit facility, (d) (x) Arnold & Porter Kaye Scholer LLP and (y) Duane Morris LLP, as counsel to Wilmington Trust, N.A., the administrative agent under Southcross’s prepetition secured term loan facility and post-petition credit facility, (e) (x) Willkie Farr &

Gallagher LLP and (y) Young Conaway Stargatt & Taylor, LLP, as counsel to the post-petition lenders and an ad hoc group of prepetition lenders, (f) Debevoise & Plimpton LLP, as counsel to Southcross Holdings LP, and (g) any other party that has requested notice pursuant to Bankruptcy Rule 2002 (collectively, the “**Notice Parties**”).

21. A copy of this Motion and any order approving it will also be made available on the Debtors’ case information website located at <http://www.kccllc.net/southcrossenergy>. The Debtors respectfully submit that no further notice is required.

No Prior Request

22. The Debtors have not previously sought the relief requested herein from the Court or any other court.

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WHEREFORE, the Debtors respectfully request that the Court enter the Proposed Order, substantially in the form attached hereto as Exhibit A, granting the relief requested herein and such other and further relief as the Court deems just and proper.

Dated: April 23, 2019
Wilmington, Delaware

Respectfully submitted,
MORRIS, NICHOLS ARSHT & TUNNELL LLP

/s/ Eric W. Moats

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Proposed Counsel to the Debtors and Debtors in Possession

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

Obj. Deadline: Apr. 30, 2019 at 4:00 p.m. (ET)

**NOTICE OF MOTION OF DEBTORS FOR EXTENSION OF TIME TO
FILE (I) SCHEDULES OF ASSETS AND LIABILITIES, (II) SCHEDULES
OF CURRENT INCOME AND EXPENDITURES, (III) SCHEDULES OF
EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND
(IV) STATEMENTS OF FINANCIAL AFFAIRS**

PLEASE TAKE NOTICE that today, the above-captioned debtors and debtors-in-possession (the “Debtors”) filed the **Motion of Debtors for Extension of Time to File (I) Schedules of Assets and Liabilities, (II) Schedules of Current Income and Expenditures, (III) Schedules of Executory Contracts and Unexpired Leases, and (IV) Statements of Financial Affairs** (the “Motion”).

PLEASE TAKE FURTHER NOTICE that objections, if any, to approval of the relief sought in the Application must be (a) in writing and served on or before **April 30, 2019 at 4:00 p.m. (ET)** (the “**Objection Deadline**”); (b) filed with the Clerk of the Bankruptcy Court, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801; and (c) served so as to be received on or before the Objection Deadline by the undersigned counsel.

PLEASE TAKE FURTHER NOTICE THAT only objections made in writing and timely filed and received, in accordance with the procedures above, will be considered by the Bankruptcy Court at such hearing.

¹ The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Energy Partners GP, LLC (5141); Southcross Energy Finance Corp. (2225); Southcross Energy Operating, LLC (9605); Southcross Energy GP LLC (4246); Southcross Energy LP LLC (4304); Southcross Gathering Ltd. (7233); Southcross CCNG Gathering Ltd. (9553); Southcross CCNG Transmission Ltd. (4531); Southcross Marketing Company Ltd. (3313); Southcross NGL Pipeline Ltd. (3214); Southcross Midstream Services, L.P. (5932); Southcross Mississippi Industrial Gas Sales, L.P. (7519); Southcross Mississippi Pipeline, L.P. (7499); Southcross Gulf Coast Transmission Ltd. (0546); Southcross Mississippi Gathering, L.P. (2994); Southcross Delta Pipeline LLC (6804); Southcross Alabama Pipeline LLC (7180); Southcross Nueces Pipelines LLC (7034); Southcross Processing LLC (0672); FL Rich Gas Services GP, LLC (5172); FL Rich Gas Services, LP (0219); FL Rich Gas Utility GP, LLC (3280); FL Rich Gas Utility, LP (3644); Southcross Transmission, LP (6432); T2 EF Cogeneration Holdings LLC (0613); and T2 EF Cogeneration LLC (4976). The debtors' mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE APPLICATION WILL BE HELD ON MAY 7, 2019 AT 11:00 A.M. (ET) BEFORE THE HONORABLE MARY F. WALRATH, AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, 5TH FLOOR, COURTROOM #4, WILMINGTON, DELAWARE 19801.

IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE APPLICATION WITHOUT FURTHER NOTICE OR HEARING.

Dated: April 23, 2019
Wilmington, Delaware

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Eric W. Moats

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Proposed Counsel to the Debtors and Debtors in Possession

Exhibit A

Proposed Order

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

)	
In re:)	Chapter 11
)	
SOUTHCROSS ENERGY PARTNERS, L.P.,)	Case No. 19-10702 (MFW)
<i>et al.</i> ,)	
)	Jointly Administered
Debtors. ¹)	
)	

ORDER EXTENDING TIME TO FILE (I) SCHEDULES OF ASSETS AND LIABILITIES, (II) SCHEDULES OF CURRENT INCOME AND EXPENDITURES, (III) SCHEDULES OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES, AND (IV) STATEMENTS OF FINANCIAL AFFAIRS

Upon the motion (the “**Motion**”)² of Southcross Energy Partners, L.P. (“**Southcross**”), Southcross Energy Partners GP, LLC, and Southcross’s wholly owned direct and indirect subsidiaries, each of which is a debtor and debtor in possession in the Chapter 11 Cases (collectively, the “**Debtors**”), for entry of an order pursuant to section 521 of the Bankruptcy Code, Bankruptcy Rule 1007(c), and Local Rules 1007-1(b) and 9013-1(b), extending the deadline by which the Debtors must file the Schedules and Statements by 45 days, for a total of 73 days from the Petition Date, through and including June 13, 2019, without prejudice to the

¹ The debtors and debtors in possession in these chapter 11 cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Energy Partners GP, LLC (5141); Southcross Energy Finance Corp. (2225); Southcross Energy Operating, LLC (9605); Southcross Energy GP LLC (4246); Southcross Energy LP LLC (4304); Southcross Gathering Ltd. (7233); Southcross CCNG Gathering Ltd. (9553); Southcross CCNG Transmission Ltd. (4531); Southcross Marketing Company Ltd. (3313); Southcross NGL Pipeline Ltd. (3214); Southcross Midstream Services, L.P. (5932); Southcross Mississippi Industrial Gas Sales, L.P. (7519); Southcross Mississippi Pipeline, L.P. (7499); Southcross Gulf Coast Transmission Ltd. (0546); Southcross Mississippi Gathering, L.P. (2994); Southcross Delta Pipeline LLC (6804); Southcross Alabama Pipeline LLC (7180); Southcross Nueces Pipelines LLC (7034); Southcross Processing LLC (0672); FL Rich Gas Services GP, LLC (5172); FL Rich Gas Services, LP (0219); FL Rich Gas Utility GP, LLC (3280); FL Rich Gas Utility, LP (3644); Southcross Transmission, LP (6432); T2 EF Cogeneration Holdings LLC (0613); and T2 EF Cogeneration LLC (4976). The debtors' mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Debtors' ability to request additional extensions for cause shown, as more fully described in the Motion; and the Court having jurisdiction to consider the matters raised in the Motion pursuant to 28 U.S.C. § 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012; and the Court having authority to hear the matters raised in the Motion pursuant to 28 U.S.C. § 157; and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and consideration of the Motion and the requested relief being a core proceeding that the Court can determine pursuant to 28 U.S.C. § 157(b)(2); and due and proper notice of the Motion and opportunity for a hearing on the Motion having been given to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Motion and the Howe Declaration; and the Court having the opportunity to hold a hearing on the Motion; and the Court having determined that the legal and factual bases set forth in the Motion and at the hearing establish just cause for the relief granted herein; and the Court having found that the relief requested in the Motion being in the best interests of the Debtors, their creditors, their estates, and all other parties in interest; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The relief requested in the Motion is hereby granted as set forth herein.
2. Pursuant to section 521 of the Bankruptcy Code, Bankruptcy Rule 1007(c), and Local Rule 1007-1(b), the time by which the Debtors shall file the Schedules and Statements is extended by 45 days, for a total of 73 days from the Petition Date, through and including June 13, 2019.

3. Such extension is without prejudice to the Debtors' right to request a further extension.

4. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

5. Any Bankruptcy Rule or 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. The Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this Order.

7. Proper, timely, adequate, and sufficient notice of the Motion has been provided in accordance with the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, and no other or further notice of the Motion or the entry of this Order shall be required.

8. The Court shall retain exclusive jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: _____, 2019
Wilmington, Delaware

THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE