

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

)	
In re:)	Chapter 11
)	
SWIFT ENERGY COMPANY, <i>et al.</i> ,)	Case No. 15-12670 (MFW)
)	
Debtors. ¹)	Re: Docket Nos. 17 & 57
)	

LIMITED OBJECTION OF THE BRACKEN GROUP TO MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO (A) OBTAIN POST-PETITION FINANCING ON A SUPER-PRIORITY, SECURED BASIS AND (B) USE CASH COLLATERAL, (II) GRANTING (A) LIENS AND SUPER-PRIORITY CLAIMS AND (B) ADEQUATE PROTECTION TO CERTAIN PREPETITION LENDERS, (III) MODIFYING THE AUTOMATIC STAY, (IV) SCHEDULING A FINAL HEARING AND (V) GRANTING RELATED RELIEF

R. A. Bracken Children’s Partnership, Ltd., Perot Minerals, Ltd., Rocking Fork, Ltd., Sally P. Fischer and James J. Fischer, Trustees of the Samantha Fischer Skaran 2004 Trust, Sally P. Fischer and James J. Fischer, Trustees of the James J. Fischer II 2004 Trust, Sotex Partners, Ltd., Two Rivers Dogtown, LP, Lawrence Consolidated Enterprises, Ltd., Genda Bracken Williams Investments, Ltd., S. Evans, Ltd., Will B. Evans 2000 Trust, Glenn B. Evans 2000 Trust, Linda Bracken West 2000 Trust, PLC O&G Properties, L.P., Bryan 2007 Dynasty Trusts, and Price Partners, Ltd. (collectively, “The Bracken Group”), by and through undersigned counsel, hereby file this limited objection to the Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Post-Petition Financing on a Super-Priority, Secured Basis and (B) Use Cash Collateral, (II) Granting (A) Liens and Super-Priority Claims and (B) Adequate Protection to Certain Prepetition Lenders, (III) Modifying the Automatic Stay,

¹ The Debtors are the following nine entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Swift Energy Company (0661); Swift Energy International, Inc. (6721); Swift Energy Group, Inc. (8150); Swift Energy USA, Inc. (8212); Swift Energy Alaska, Inc. (6493); Swift Energy Operating, LLC (2961); GASRS LLC (4381); SWENCO-Western, LLC (0449); and Swift Energy Exploration Services, Inc. (2199). The address of each of the Debtors is 17001 Northchase Drive, Suite 100, Houston, Texas 77060.



(IV) Scheduling a Final Hearing and (V) Granting Related Relief (the “DIP Finance Motion”) and respectfully states as follows:

Brief Background

1. The Bracken Group owns fee simple interests in 11,741.8957 acres in McMullen County, Texas (the “Leased Premises”). On March 1, 2008, The Bracken Group signed an oil and gas lease (the “Lease”) covering the Premises to Swift Energy Operating, LLC.² A memorandum of the Lease is recorded in Volume 459, Page 128 of the Official Records of McMullen County, Texas (the “Official County Records”), as amended on December 9, 2011 in amendments recorded in Volume 41, Page 193 and Volume 62, Page 31.

2. Texas law creates a statutory lien, automatically perfected, on proceeds from the sale of production inuring to the benefit of one or more of The Bracken Group: Texas Business and Commerce Code Section 9.343 (TEX. BUS. & COM. CODE §9.343).

Objection

8. The Bracken Group does not object to the Debtors obtaining post-petition financing, however the Bracken Group objects to the Debtors granting liens in the Leases or rights under the Leases and objects to language in the proposed final Order approving DIP Financing that does not comport with the express terms of the Leases, or otherwise alters The Bracken Group’s rights under the Leases or to the Leased Premises, including but not limited to its lien rights under the Leases or under Texas law.

9. Section 364 authorizes the Debtors to obtain financing, but it does not authorize the Debtors to alter lease provisions, or pre-empt The Bracken Group’s rights to its property. Provisions that restrict the ability to encumber leases are critical to The Bracken Group’s ability

² One or more members of The Bracken Group may have other leases with one or more of the Debtors that should also be covered by this Limited Objection (collectively with the Lease, the “Leases”). The term “Leased Premises” refers to any and all property owned by any one of the members of The Bracken Group in any of the Leases.

(a) to control its property, (b) preserve clear title to the Leased Premises, (c) comply with its own investments requirements, and (d) effectively market the Leased Premises if the Lease is terminated.

WHEREFORE, for the reasons set forth herein, the Bracken Group respectfully requests that any Order approving the DIP Financing Motion comport with, and not alter provisions of the Leases, preserve the Bracken Group's clear title to its Leases and all its rights under the Leases, and not prevent or otherwise prohibit the Bracken Group from accessing and controlling its property.

Dated: January 25, 2016

RHOADS & SINON LLP

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

In re)	Chapter 11
Swift Energy Company, <i>et al.</i> ,)	Case No. 15-12670 (MFW)
Debtors.)	(Jointly Administered)
)	
)	Re: Docket Nos. 17 & 57

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of this **LIMITED OBJECTION OF THE BRACKEN GROUP TO MOTION OF DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO (A) OBTAIN POST-PETITION FINANCING ON A SUPER-PRIORITY, SECURED BASIS AND (B) USE CASH COLLATERAL, (II) GRANTING (A) LIENS AND SUPER-PRIORITY CLAIMS AND (B) ADEQUATE PROTECTION TO CERTAIN PREPETITION LENDERS, (III) MODIFYING THE AUTOMATIC STAY, (IV) SCHEDULING A FINAL HEARING AND (V) GRANTING RELATED RELIEF** was served on January 25, 2016, on the electronic service list and on the following via first class mail:

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January 25, 2016