

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

-----X
In re : **Chapter 11**
:
PARAGON OFFSHORE PLC, et al., : **Case No. 16-10386 (CSS)**
:
: **Jointly Administered**
Debtors.¹ :
: **Re: Docket No. 1760**
-----X

**DEBTORS’ MOTION FOR ENTRY OF AN ORDER
SHORTENING NOTICE AND OBJECTION PERIODS REGARDING DEBTORS’
MOTION FOR ORDER (I) AUTHORIZING MODIFICATION OF THE DEBTORS’
FIFTH JOINT PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE
BANKRUPTCY CODE PURSUANT TO SECTION 1127(b) OF THE BANKRUPTCY
CODE AND (II) DETERMINING THAT FURTHER DISCLOSURE AND
RESOLICITATION OF VOTES ARE NOT REQUIRED PURSUANT TO
SECTION 1127(c) OF THE BANKRUPTCY CODE AND
SCHEDULING A HEARING THEREON**

Paragon Offshore plc (in administration) and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), respectfully represent as follows in support of this motion (this “**Motion**”):

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Paragon Offshore plc (in administration) (6017); Paragon Offshore Finance Company (6632); Paragon International Finance Company (8126); Paragon Offshore Holdings US Inc. (1960); Paragon Offshore Drilling LLC (4541); Paragon FDR Holdings Ltd. (4731); Paragon Duchess Ltd.; Paragon Offshore (Luxembourg) S.à r.l. (5897); PGN Offshore Drilling (Malaysia) Sdn. Bhd. (9238); Paragon Offshore (Labuan) Pte. Ltd. (3505); Paragon Holding SCS 2 Ltd. (4108); Paragon Asset Company Ltd. (2832); Paragon Holding SCS 1 Ltd. (4004); Paragon Offshore Leasing (Luxembourg) S.à r.l. (5936); Paragon Drilling Services 7 LLC (7882); Paragon Offshore Leasing (Switzerland) GmbH (0669); Paragon Offshore do Brasil Ltda.; Paragon Asset (ME) Ltd. (8362); Paragon Asset (UK) Ltd.; Paragon Offshore International Ltd. (6103); Paragon Offshore (North Sea) Ltd.; Paragon (Middle East) Limited (0667); Paragon Holding NCS 2 S.à r.l. (5447); Paragon Leonard Jones LLC (8826); Paragon Offshore (Nederland) B.V.; and Paragon Offshore Contracting GmbH (2832). The Debtors’ mailing address is 3151 Briarpark Drive, Suite 700, Houston, Texas 77042. Neville Barry Kahn and David Philip Soden, each of Deloitte LLP, are the joint administrators of Paragon Offshore plc (in administration) (the “**Joint Administrators**”). The affairs, business and property of Paragon Offshore plc (in administration) are managed by the Joint Administrators.



Relief Requested

1. Pursuant to Rule 9006(c)(1) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Local Rule 9006-1(c)-(e), the Debtors request entry of an order: (i) shortening the notice and objection periods for a hearing on the *Debtors’ Motion for Order (I) Authorizing Modification of the Debtors’ Fifth Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code Pursuant to Section 1127(b) of the Bankruptcy Code and (II) Determining That Further Disclosure and Resolicitation of Votes Are Not Required Pursuant to Section 1127(c) of the Bankruptcy Code* (the “**Plan Modification Motion**”), filed contemporaneously herewith;² (ii) scheduling a hearing on or before July 17, 2017 allowing the relief requested in the Plan Modification Motion to be heard (the “**Hearing**”); and (iii) permitting parties to lodge objections, if any, to the relief requested in the Plan Modification Motion at the time of the Hearing.

2. A proposed form of order approving the relief requested herein is annexed hereto as **Exhibit A** (the “**Proposed Order**”).

Jurisdiction

3. This Court has jurisdiction to consider 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. This is a core proceeding pursuant to 28 U.S.C. § 157(b) 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

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

with Article III of the United States Constitution. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

4. On June 7, 2017 the Court entered its *Findings of Fact, Conclusions of Law and Order Confirming the Fifth Joint Chapter 11 Plan of Paragon Offshore plc and its Affiliated Debtors* (Docket No. 1614) confirming the *Debtors' Fifth Joint Chapter 11 Plan of Paragon Offshore plc and its Affiliated Debtors*, dated June 7, 2017 (the “**Plan**”).

5. The Plan contemplates a wholesale reorganization of the Debtors' balance sheet and corporate structure. Among other things, the Plan is premised upon (i) the transfer of certain assets of the Liquidating Subsidiaries to certain Transferred Subsidiaries and/or to the new parent company, Paragon Offshore Limited (“**Reorganized Paragon**”), (ii) the transfer of direct and indirect ownership of the Transferred Subsidiaries from Paragon Parent to Reorganized Paragon, and (iii) the wind down of the Liquidating Subsidiaries that remain under the direct or indirect ownership of Paragon Parent pursuant to applicable local law. Pursuant to the Plan, the Corporate Restructuring must occur on or prior to the Effective Date. Pursuant to the version of the U.K. Implementation Agreement filed on June 5, 2017,³ Prospector Offshore Drilling S.à r.l. (a direct subsidiary of Paragon Parent) and its direct and indirect subsidiaries (the “**Prospector Group**”) are among the subsidiaries that are to be transferred to Reorganized Paragon.

6. The Prospector Group has an interest in two high specification jackup rigs (collectively, the “**Prospector Rigs**”) pursuant to two sale-leaseback agreements (the “**Leases**”) executed with subsidiaries of SinoEnergy (the “**Lessor**”). In connection with the Leases,

³ See **Exhibit C** to the *Notice of Filing of Amended Supplement to Fifth Joint Chapter 11 Plan of Paragon Offshore plc and its Affiliated Debtors* (Doc. No. 1593).

Paragon Parent's shares in Prospector Offshore Drilling S.à r.l. are pledged in favor of the Lessor (the "**Share Pledge**") and, to transfer the Prospector Group to the Reorganized Paragon group, the Debtors are seeking consent to the transfer from the Lessor. The Debtors have been in negotiations with the Lessor since May 2017 with respect to the transfer, but, as of the filing of this Motion, no agreement has yet been reached with the Lessor regarding the transfer of the Prospector Group to Reorganized Paragon. While the Debtors continue to negotiate with the Lessor, they are also exploring alternatives in the near term to preserve the value of the Prospector Group for the benefit of Reorganized Paragon and its equity holders.⁴

7. Accordingly, the Debtors have proposed certain Modifications (as defined in the Plan Modification Motion) to the Plan that will (i) allow the Debtors to emerge from these chapter 11 cases without further delay, (ii) enable Reorganized Paragon to provide its future owners (the Debtors' secured lenders and unsecured bondholders) the economic benefits provided under the Plan without violating the terms of the Leases or the Share Pledge, and (iii) preserve Paragon Parent's ability to transfer the Prospector Group to Reorganized Paragon after the Effective Date. In addition, certain creditors, with the consent of the Creditors' Committee and the Requisite Lenders, have requested certain modifications to the version of the Registration Rights Agreement filed on May 19, 2017. The requested amendments will allow one demand registration to be made by two or more beneficial holders collectively holding 15% or more of the New Equity Interests at an aggregate offering price of at least \$30,000,000, subject to the consent of Reorganized Paragon, with such consent not to be unreasonably withheld, and will provide all other beneficial holders the right to participate. Reorganized Paragon will pay all of the underwriter's discounts and commissions for the registration.

⁴ Absent becoming a permanent waiver, the Debtors' current forbearance with the Lessor expires as early as the outside Effective Date of the Plan.

8. In an effort to conserve estate resources and maximize creditor value, the Debtors wish to present the Modifications for the Court's approval on an expedited basis.

Basis for Relief Requested

9. Generally, all motions must be filed and served at least eighteen days (twenty-one days if served by mail) prior to the hearing date, unless the Federal Rules of Bankruptcy Procedure state otherwise. Del. Bankr. L.R. 9006-1(c)(i). However, Local Rule 9006-1(e) authorizes the Court to schedule a motion for hearing on less notice than is required by the Local Rules or the Bankruptcy Rules on "written motion specifying the exigencies justifying shortened notice." Del. Bankr. L.R. 9006-1(e). Additionally, Bankruptcy Rule 9006(c) states that with regard to any specified period of time required by the Bankruptcy Rules, except with respect to certain rules not applicable here, "the court for cause shown may in its discretion with or without motion or notice order the period reduced." Fed. R. Bankr. P. 9006(c)(1).

10. The Debtors respectfully submit that the exigencies of this matter justify expedited consideration of the relief requested in the Plan Modification Motion. As more fully described in the Plan Modification Motion, since the Confirmation Hearing, the Debtors have worked with the Creditors' Committee and the Requisite Lenders to finalize the documentation necessary to consummate the Plan well in advance of July 31, 2017, the outside Effective Date of the Plan. See Plan § 9.3. The Debtors had hoped to consummate the Plan on or prior to July 7, 2017. The Debtors are seeking consent to the transfer from the Lessor and as of the filing of the Plan Modification no agreement has been reached regarding the transfer of the Prospector Group to Reorganized Paragon. As a result, the Debtors have been unable to consummate the Plan.

11. Accordingly, to preserve the emergence timeline contemplated by the Plan and to preserve the value being distributed to creditors under the Plan and to provide additional

benefits under the Registration Rights Agreement to the beneficial holders of New Equity Interests, the Debtors, in consultation with the Creditors' Committee and the Requisite Lenders, have agreed to the Modifications. With agreement of the parties in interest to the Modifications, the Debtors intend to consummate the Plan by July 18, 2017. As a result, the Debtors have requested a hearing on the Plan Modification Motion on or before July 17, 2017 to provide adequate time to start implementing the necessary steps to consummate the Plan on July 18, 2017. The Debtors believe that a short delay (*i.e.* a little over a week) will not affect the benefits of consummation of the Plan before July 31, 2017, but any further delay past July 18, 2017 will adversely affect the value being distributed to creditors as the Debtors continue to incur substantial professional fees and other administrative costs. Accordingly, it is critical that the Plan Modification Motion be heard as soon as possible to avoid these expenses and meet the outside Effective Date.

12. Finally, as set forth in the Plan Modification Motion, the Modifications have the support of the Creditors' Committee and Requisite Lenders and such parties support the Debtors seeking shortened notice of such relief. In addition, the Debtors believe they have authority under the confirmed Plan and Plan Documents to implement the Modifications without further order of the Court. Out of an abundance of caution, however, the Debtors are filing this Motion, and providing notice to the parties that have requested notice under Bankruptcy Rule 2002, for entry of an order expressly authorizing the Modifications. Accordingly, the Debtors submit that providing additional notice of the Plan Modification Motion will not benefit any parties in interest.

13. In addition, Local Rule 9006-1(c) requires that the objection deadline with respect to motions be scheduled to permit all objections to be filed and served at least seven (7)

days before the hearing date. Given that the Debtors are seeking to shorten the notice period so that the relief requested in the Plan Modification Motion can be heard at the Hearing, the Debtors submit that parties in interest should be permitted to object to the relief requested in the Plan Modification Motion at the time of the Hearing.

Notice

14. Notice of this Motion has been provided to (i) the Office of the United States Trustee for the District of Delaware; (ii) members of the Committee of Unsecured Creditors appointed in these chapter 11 cases; (iii) Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017 (Attn: Sandeep Qusba, Esq. and Kathrine A. McLendon, Esq.), counsel to JPMorgan Chase Bank, N.A. (a) as administrative agent under the Senior Secured Revolving Credit Agreement, dated as of June 17, 2014, and (b) as collateral agent under the Guaranty and Collateral Agreement, dated as of July 18, 2014; (iv) Freshfields Bruckhaus Deringer LLP, 601 Lexington Avenue, 31st Floor, New York, NY 10022 (Attn: Scott D. Talmadge, Esq., Mark F. Liscio, Esq., and Madlyn Primoff, Esq.), counsel to Cortland Capital Market Services L.L.C. as administrative agent under the Senior Secured Term Loan Agreement, dated as of July 18, 2014; (v) Morgan, Lewis, & Bockius LLP, 101 Park Avenue, New York, NY 10178 (Attn: James O. Moore, Esq., Glenn E. Siegel, Esq., and Joshua Dorchak, Esq.), counsel to Deutsche Bank Trust Company Americas as trustee under the Senior Notes Indenture, dated as of July 18, 2014, for the 6.75% Senior Notes due 2022 and the 7.25% Senior Notes due 2024; (vi) Paul, Weiss, Rifkind, Wharton, & Garrison LLP, 1285 Avenue of the Americas, New York, NY 10019 (Attn: Andrew N. Rosenberg, Esq. and Samuel E. Lovett, Esq.), counsel to the Creditors' Committee; (vii) the Securities and Exchange Commission; (viii) the Internal Revenue Service; (ix) the United States Attorney's Office for the District of Delaware; and (x) all parties who filed a request for service of notices under Bankruptcy Rule 2002.

No Previous Request

15. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as it deems just and proper.

Dated: July 11, 2017
Wilmington, Delaware

/s/ Amanda R. Steele
RICHARDS, LAYTON & FINGER, P.A.
Mark D. Collins (No. 2981)
Paul N. Heath (No. 3704)
Amanda R. Steele (No. 5530)
Joseph C. Barsalona II (No. 6102)
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7700
Facsimile: (302) 651-7701

-and-

WEIL, GOTSHAL & MANGES LLP
Gary T. Holtzer (admitted pro hac vice)
Stephen A. Youngman (admitted pro hac vice)
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for the Debtors
and Debtors in Possession

EXHIBIT A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

	X		
	:		
In re	:		Chapter 11
	:		
PARAGON OFFSHORE PLC, et al.,	:		Case No. 16–10386 (CSS)
	:		
	:		Jointly Administered
Debtors.¹	:		Re: Docket No. __
	X		

**ORDER SHORTENING NOTICE AND OBJECTION
PERIODS REGARDING DEBTORS’ MOTION FOR ORDER
(I) AUTHORIZING MODIFICATION OF THE DEBTORS’
FIFTH JOINT PLAN OF REORGANIZATION UNDER
CHAPTER 11 OF THE BANKRUPTCY CODE PURSUANT TO SECTION
1127(b) OF THE BANKRUPTCY CODE AND (II) DETERMINING THAT
FURTHER DISCLOSURE AND RESOLICITATION OF VOTES ARE NOT
REQUIRED PURSUANT TO SECTION 1127(c) OF THE BANKRUPTCY CODE
AND SCHEDULING A HEARING THEREON**

Upon the Debtors’ Motion (the “**Motion**”),² for an order pursuant to Bankruptcy Rule 9006(c)(1) and Local Rule 9006-1(c)-(e), requesting shortened notice on the interim relief requested in the Plan Modification Motion, all as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Paragon Offshore plc (in administration) (6017); Paragon Offshore Finance Company (6632); Paragon International Finance Company (8126); Paragon Offshore Holdings US Inc. (1960); Paragon Offshore Drilling LLC (4541); Paragon FDR Holdings Ltd. (4731); Paragon Duchess Ltd.; Paragon Offshore (Luxembourg) S.à r.l. (5897); PGN Offshore Drilling (Malaysia) Sdn. Bhd. (9238); Paragon Offshore (Labuan) Pte. Ltd. (3505); Paragon Holding SCS 2 Ltd. (4108); Paragon Asset Company Ltd. (2832); Paragon Holding SCS 1 Ltd. (4004); Paragon Offshore Leasing (Luxembourg) S.à r.l. (5936); Paragon Drilling Services 7 LLC (7882); Paragon Offshore Leasing (Switzerland) GmbH (0669); Paragon Offshore do Brasil Ltda.; Paragon Asset (ME) Ltd. (8362); Paragon Asset (UK) Ltd.; Paragon Offshore International Ltd. (6103); Paragon Offshore (North Sea) Ltd.; Paragon (Middle East) Limited (0667); Paragon Holding NCS 2 S.à r.l. (5447); Paragon Leonard Jones LLC (8826); Paragon Offshore (Nederland) B.V.; and Paragon Offshore Contracting GmbH (2832). The Debtors’ mailing address is 3151 Briarpark Drive, Suite 700, Houston, Texas 77042. Neville Barry Kahn and David Philip Soden, each of Deloitte LLP, are the joint administrators of Paragon Offshore plc (in administration) (the “**Joint Administrators**”). The affairs, business and property of Paragon Offshore plc (in administration) are managed by the Joint Administrators.

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

being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and upon due and sufficient notice of the Motion having been provided under the particular circumstances, and it appearing that no other or further notice need be provided; and the Court having determined that the relief requested in the Motion to be in the best interests of the Debtors, their estates and creditors, and any parties in interest, and the legal and factual bases set forth in the Motion having established just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. The hearing to consider the Plan Modification Motion and the relief requested therein shall be held on **July __, 2017 at __: ____ (prevailing Eastern Time).**
3. Objections to the relief requested in the Plan Modification Motion, if any, shall be filed at or before the time of the Hearing.
4. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.
5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: _____, 2017
Wilmington, Delaware

THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE