

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

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In re:	)	
	)	Chapter 11
Quicksilver Resources Inc., <u>et al.</u> , <sup>1</sup>	)	
	)	Case No. 15-10585 ( )
Debtors.	)	
	)	Joint Administration Requested
	)	<b>Re: Docket No. 17</b>

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**DEBTORS’ MOTION TO SHORTEN NOTICE AND OBJECTION  
PERIODS REGARDING DEBTORS’ APPLICATION FOR AN ORDER  
AUTHORIZING THE EMPLOYMENT AND RETENTION  
OF ERNST & YOUNG LLP AS INDEPENDENT AUDITOR  
FOR THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE**

The debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) respectfully move the Court for the entry of an order, pursuant to Rule 9006(c)(1) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 9006-1(c)-(e) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), (i) setting a hearing to consider the *Debtors’ Application for an Order Authorizing the Employment and Retention of Ernst & Young LLC as Independent Auditor for the Debtors Nunc Pro Tunc to the Petition Date* [Docket No. \_\_\_\_] (the “Application”) <sup>2</sup> on or before March 30, 2015; (ii) permitting parties to file objections, if any, to the Application at such time determined by the Court; and (iii) granting such other and further relief to the Debtors as the Court deems appropriate. In support of this

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Quicksilver Resources Inc. [6163], Barnett Shale Operating LLC [0257], Cowtown Drilling, Inc. [8899], Cowtown Gas Processing L.P. [1404], Cowtown Pipeline Funding, Inc. [9774], Cowtown Pipeline L.P. [9769], Cowtown Pipeline Management, Inc. [9771], Makarios Resources International Holdings LLC [1765], Makarios Resources International Inc. [7612], QPP Holdings LLC [0057], QPP Parent LLC [8748], Quicksilver Production Partners GP LLC [2701], Quicksilver Production Partners LP [9129], and Silver Stream Pipeline Company LLC [9384]. The Debtors’ address is 801 Cherry Street, Suite 3700, Unit 19, Fort Worth, Texas 76102.

<sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Application.

motion (the “Motion to Shorten”), the Debtors respectfully state as follows:

**JURISDICTION**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).<sup>3</sup>
2. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The bases for the relief requested herein are Rule 9006(c)(1) of the Bankruptcy Rules and Rules 9006-1(c)-(e) of the Local Rules.

**BACKGROUND**

4. On March 17, 2015 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in this Court. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases. No committees have been appointed or designated.
5. Contemporaneously herewith, the Debtors have filed the Application seeking entry of an order (a) authorizing the Debtors to employ and retain Ernst & Young LLP (“EY”) as their independent auditor *nunc pro tunc* to the Petition Date pursuant to that certain engagement letter dated March 17, 2015 (the “Engagement Letter”), by and between EY and Quicksilver Resources Inc. and each of its direct and indirect subsidiaries (collectively, the “Company”); (b) approving the terms of the Engagement Letter; and (c) granting related relief.
6. Prior to the Petition Date, EY served as the Debtors’ auditors and provided a

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<sup>3</sup> Under Local Rule 9013-1(f), the Debtors hereby confirm their consent to the entry of a final order by this Court in connection with this Motion to Shorten if it is later determined that this Court, absent consent of the parties, cannot enter final orders or judgments in connection therewith consistent with Article III of the United States Constitution.

variety of audit-related services (the “Audit Services”). As set forth in the Application, the Debtors have engaged EY to complete a crucial, time-sensitive project. Under the Securities and Exchange Act of 1934 and applicable regulations promulgated by the SEC for public companies, the Debtors are required to file their annual report for the year ended December 31, 2014 on Form 10-K on or before March 31, 2015. To complete the Form 10-K, the Debtors require EY to perform the Audit Services related to auditing and reporting on the Debtors’ consolidated financial statements, as well as, the effectiveness of the Debtors’ internal control over financial reporting for the year ended December 31, 2014 (collectively, the “Audit Completion Work”).

7. EY cannot issue an audit report without this Court’s approval of the Engagement Letter’s terms and conditions, which delineate the scope of work and other terms and conditions that apply and serve for the benefit of both EY and the Debtors. In view of Bankruptcy Code section 327 and cases interpreting it, and notwithstanding the Company’s execution of the Engagement Letter, EY cannot be assured that the Engagement Letter is effective with respect to the Debtors absent an order from this Court approving its retention and the terms of the Engagement Letter. Accordingly, in the absence of this Court’s approval of the Engagement Letter before the 10-K filing deadline, EY will not issue the very deliverable for which the Debtors seek to retain EY. In the event the Debtors are unable to timely file their 10-K, they will be required to issue a long form audit, which will result in significantly increased costs to the Debtors’ estates.

#### **RELIEF REQUESTED**

8. By this Motion to Shorten, the Debtors respectfully request entry of an order, substantially in the form attached hereto as Exhibit A, (i) shortening the notice period with respect to the relief requested by the Application so that the Application may be heard at a hearing on or before March 30, 2015; (ii) permitting parties to raise objections, if any, to the

Application at such time determined by the Court; and (iii) granting such other and further relief to the Debtors as the Court deems appropriate.

**BASIS FOR RELIEF REQUESTED**

9. Local Rule 9006-1(c) requires that all motion papers be filed and served at least eighteen days (twenty-one days if service is by first class mail; nineteen days if service is by overnight delivery) prior to a hearing date scheduled for such motion, unless approval of shortened notice is granted by the Court pursuant to Bankruptcy Rule 9006(c) and Local Rule 9006-1(e). A court may, however, shorten such notice periods pursuant to Bankruptcy Rule 9006(c) and Local Rule 9006-1(e) for cause shown. Specifically, Bankruptcy Rule 9006(c)(1) provides that “when an act is required or allowed to be done at or within a specified time by these rules or by a notice given thereunder or by order of court, 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); see also Del. Bankr. L.R. 9006-1(e) (stating that “[n]o motion will be scheduled on less notice than required by these Local Rules or the Fed. R. Bankr. P. except by order of the Court, on written motion . . . specifying the exigencies justifying shortened notice”).

10. As set forth above and in the Application, the Debtors are required to file their 10-K on or before March 31, 2015. The Debtors engaged EY to perform their Audit Completion Work and EY substantially completed such work prior to the Petition Date, however, EY cannot issue an audit report without this Court’s approval of the Engagement Letter. Accordingly, it is important that the Debtors receive the Court’s approval to retain EY on or prior to March 30, 2015 so that EY can issue an audit report and the Debtors’ can timely file their 10-K. The Debtors failure to timely file their 10-K will result in significantly increased costs to the Debtors’

estates. As a result, the Debtors submit that cause exists to shorten the notice periods pursuant to Bankruptcy Rule 9006(c)(1) and Local Rule 9006-1(e) to the extent set forth herein.

**NOTICE**

11. No trustee, examiner, or creditors' committee has been appointed in the Debtors' chapter 11 cases. The Debtors have provided notice of this Motion to Shorten to (a) the Office of the United States Trustee for the District of Delaware, Attn: Jane Leamy, Esq.; (b) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) counsel to the agents under the Debtors' pre-petition credit facilities; (d) counsel to the Ad Hoc Group of Second Lienholders; (e) counsel to the indenture trustees under the Debtors' pre-petition indentures; (f) the United States Securities and Exchange Commission; (g) the United States Internal Revenue Service; and (h) any parties entitled to notice pursuant to Local Rule 9013-1(m). In light of the nature of the relief requested in this Motion to Shorten, the Debtors respectfully submit that no further notice is necessary.

WHEREFORE, for the reasons set forth above, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as Exhibit A, granting (i) the relief requested herein, and (ii) such other and further relief to the Debtors as the Court may deem proper.

Wilmington, Delaware  
Date: March 17, 2015

/s/ Paul N. Heath

**RICHARDS, LAYTON & FINGER, P.A.**

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– and –

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**PROPOSED COUNSEL FOR DEBTORS AND  
DEBTORS IN POSSESSION**

**EXHIBIT A**

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

In re:	)	
	)	Chapter 11
Quicksilver Resources Inc., <u>et al.</u> , <sup>1</sup>	)	Case No. 15-10585 ( )
	)	
Debtors.	)	Joint Administration Requested
	)	Re: Docket Nos. 17 & __

**ORDER SHORTENING NOTICE AND OBJECTION PERIODS  
FOR DEBTORS’ APPLICATION FOR AN ORDER  
AUTHORIZING THE EMPLOYMENT AND RETENTION  
OF ERNST & YOUNG LLP AS INDEPENDENT AUDITOR  
FOR THE DEBTORS *NUNC PRO TUNC* TO THE PETITION DATE**

Upon the Motion to Shorten,<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) to shorten the notice and objection periods with respect to the Application; the Court having reviewed the Motion to Shorten; the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue is proper in this district pursuant to 28 U.S.C. § 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b) and (iv) notice of the Motion to Shorten was sufficient under the circumstances; and the Court having determined that the legal and factual bases set forth in the Motion to Shorten establish just cause for the relief granted herein;

IT IS HEREBY ORDERED THAT:

1. The Motion to Shorten is GRANTED.

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Quicksilver Resources Inc. [6163], Barnett Shale Operating LLC [0257], Cowtown Drilling, Inc. [8899], Cowtown Gas Processing L.P. [1404], Cowtown Pipeline Funding, Inc. [9774], Cowtown Pipeline L.P. [9769], Cowtown Pipeline Management, Inc. [9771], Makarios Resources International Holdings LLC [1765], Makarios Resources International Inc. [7612], QPP Holdings LLC [0057], QPP Parent LLC [8748], Quicksilver Production Partners GP LLC [2701], Quicksilver Production Partners LP [9129], and Silver Stream Pipeline Company LLC [9384]. The Debtors’ address is 801 Cherry Street, Suite 3700, Unit 19, Fort Worth, Texas 76102.

<sup>2</sup> Capitalized terms not otherwise defined herein have the meanings given to them in the Motion to Shorten.



2. The hearing with respect to the Application and any objections thereto shall be held on March \_\_, 2015 at \_\_:00 \_\_.m. (Eastern Time).

3. Any objections to the Application must be filed and served by no later than March \_\_, 2015 at \_\_:00 \_\_.m. (Eastern Time).

4. The Court shall retain jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

Wilmington, Delaware

Dated: March \_\_, 2015

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UNITED STATES BANKRUPTCY JUDGE