

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

In re:)	
)	Chapter 11
Quicksilver Resources Inc., <u>et al.</u> , ¹)	Case No. 15-10585 (LSS)
)	
Debtors.)	Jointly Administered
)	
)	Hearing Date: March 25, 2019 at 11:00 a.m. (ET)
)	Obj. Deadline: March 8, 2019 at 4:00 p.m. (ET)

**LIQUIDATION TRUSTEE’S FIFTH MOTION
TO EXTEND THE CLAIM OBJECTION BAR DATE**

Eugene I. Davis, in his capacity as the liquidation trustee (the “Liquidation Trustee”) for the KWK Liquidation Trust (the “Liquidation Trust”) established pursuant to the *First Amended Joint Chapter 11 Plan of Liquidation for Quicksilver Resources Inc. and its Affiliated Debtors* (the “Plan”), seeks entry of an order, substantially in the form attached hereto as **Exhibit A** (the “Proposed Order”), extending the deadline to file objections to the allowance of any claim (the “Claim Objection Bar Date”) filed against the estates of the above-captioned debtor and its subsidiaries (collectively, the “Debtors”) by 180 days through and including August 26, 2019.²

In support of the motion, the Liquidation Trustee respectfully states as follows:

¹ 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.

² To comport with Rule 9006(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Liquidation Trustee is seeking to extend the Claim Objection Bar Date through August 26, 2019, as the one-hundred and eightieth day (August 24, 2019) would otherwise be on a Saturday.

JURISDICTION

1. This 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).
2. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The predicates for the relief requested herein are section 105 of chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), Rule 9006 of the Bankruptcy Rules, and Articles Six and Nine of the Plan.

BACKGROUND

A. General 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. Throughout their chapter 11 cases, the Debtors operated their business and managed their properties as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. These chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Bankruptcy Rule 1015 and Local Rule 1015-1. No request for the appointment of a trustee has been made in these chapter 11 cases. On March 25, 2015, the Acting United States Trustee, Region 3 (the “U.S. Trustee”) appointed the statutory committee of unsecured creditors (the “Committee”) [D.I. 119].
5. On January 27, 2016, the Court entered an order [D.I. 1095] (the “Sale Order”) approving the sale of substantially all of the Debtors’ U.S. assets to BlueStone Natural Resources II, LLC (“Bluestone”) for \$254 million in cash (the “Sale”). The Sale to BlueStone closed on April 6, 2016, effective as of April 1, 2016.

6. On August 16, 2016, the Court entered an order [D.I. 1633] (the “Confirmation Order”) confirming the Plan. The effective date of the Plan occurred on August 31, 2016 (the “Effective Date”). On the Effective Date, the Liquidation Trust was established pursuant to the Plan and the KWK Liquidation Trust Agreement, dated as of August 31, 2016, by and among the Debtors and the Liquidation Trustee. Pursuant to the Plan and the Trust Agreement, the Liquidation Trustee is responsible for reconciling claims asserted against the Debtors, prosecuting objections to Disputed Claims, and making distributions to holders of Allowed Claims. See Plan Arts. 6 and 9; Trust Agreement Art. 3.

B. The Claims Reconciliation Process

7. Pursuant to Article Six of the Plan, any objection to Claims shall be filed and served on or before the later of (i) the date that is 180 days after the effective date and (ii) such other date as may be fixed by the Bankruptcy Court. See Plan § 6.2.2. Pursuant to the terms of the Plan, the original Claim Objection Bar Date was initially set as February 27, 2017 and this Court has approved four prior extensions of the Claims Objection Bar Date, including an extension through February 25, 2019, which the court approved on September 12, 2018 [D.I. 2000, 2091, 2133, 2155].³

8. Prior to the Effective Date, the Debtors commenced a review of the proofs of claim filed against the Debtors’ estates (collectively, the “Proofs of Claim”). As a result of that review and analysis, the Debtors filed three omnibus objections to Disputed Claims. See [D.I. 672, 1133, and 1562]. Since the Effective Date, the Liquidation Trustee, with the assistance of his advisors and professionals, has continued the review and analysis of the Proofs of Claims and

³ Pursuant to Rule 9006-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, the filing of this motion prior to the expiration of the current deadline to object to claims automatically extends such deadline until such time as the Court rules on this motion. See Del. Bankr. L.R. 9006-2.

has filed five additional omnibus objections to Disputed Claims. See [D.I. 1754, 1755, 1815, 2082, and 2083].

C. The Current Status of the Claims Reconciliation Process

9. To date, approximately 633 Proofs of Claim have been filed against the Debtors in these Chapter 11 Cases. The Liquidation Trustee has made significant process to date and has nearly completed the claims reconciliation process. As of the date of this Motion, there are approximately eleven Proofs of Claim that remain under review and which have not been allowed, satisfied, or disallowed. Through the review process, the Liquidation Trustee has determined that certain of the remaining Proofs of Claims should be the subject of an objection and certain Proofs of Claim will likely be resolved as the Trustee completes the wind down of the Debtors' estates. A majority of the remaining Proofs of Claim relate to asserted obligations by taxing or governmental agencies or with respect to the Debtors' surety bond obligations that the Trustee is addressing with the relevant counterparties.

10. The Liquidation Trustee is in active discussions with respect to the remaining Proofs of Claim and requires additional time to complete the claims reconciliation process. Certain of the remaining Proofs of Claim involve complex issues, including certain material tax claims that the Liquidation Trustee cannot effectively resolve within the time remaining under the current Claim Objection Bar Date. With the assistance of his advisors and professionals, the Liquidation Trustee intends to diligently pursue the claims reconciliation process and either allow or object to the remaining Proofs of Claim against the Debtors' estates.

RELIEF REQUESTED

11. The Liquidation Trustee submits this motion, requesting entry of the Proposed Order, pursuant to section 105(a) of the Bankruptcy Code, Bankruptcy Rule 9006, and Articles Six and Nine of the Plan, extending the Claim Objection Bar Date by 180 days through and including February 25, 2019. The Liquidation Trustee further requests that the proposed extension be granted without prejudice to its right to request additional extensions of the deadline.

BASIS FOR RELIEF

12. As stated above, the Plan authorizes the Liquidation Trustee to administer the claims reconciliation process. See Plan Arts. 6 and 9; Trust Agreement Art. 3. In addition, Bankruptcy Rule 9006(b)(1) provides that “when an act is required or allowed to be done at or within a specified period . . . by order of the court, the court for cause shown may at any time in its discretion . . . with or without motion or notice order the period enlarged if the request therefor is made before the expiration of the period originally prescribed”

13. Here, good and sufficient cause exists to extend the Liquidation Trustee’s deadline to file and serve objections to claims. The Liquidation Trustee, together with its professionals and advisors, is in the midst of attempting to resolve, allow, settle, or object to the remaining Proofs of Claim. Discussions to resolve certain of the Proofs of Claim are ongoing, while the Liquidation Trustee continues to evaluate and analyze other Proofs of Claim. Additionally, the Liquidation Trustee and his professionals and advisors are continuing to identify the most effective way to resolve certain complex Disputed Claims. The Liquidation Trustee intends to file additional claim objections, but would benefit from an extension of the Claim Objection Bar Date to consensually resolve other Disputed Claims. The Liquidation Trustee

therefore requests more time to object to claims so that it may continue the claims reconciliation process and preserve value for distribution to stakeholders.

14. For the above reasons, the Liquidation Trustee believes that a 180-day extension of the deadline to file and serve objections to claims, through and including February 25, 2019, is appropriate. Similar relief to that requested herein has been granted in this District. See, e.g., In re Source Home Entm't, LLC, Case No. 14-11553 (KG) (Bankr. D. Del. Sept. 7, 2017) [D.I. 1057] (further extending claim objection deadline by 180 days); In re Lab. Partners, Inc., Case No. 13-12769 (LSS) (Bankr. D. Del. Dec. 3, 2015) [D.I. 834] (90 days); In re Savient Pharm., Inc., Case No. 13-12680 (MFW) (Bankr. D. Del. Aug. 4, 2015) [D.I. 866] (120 days); In re Phoenix Payment Sys., Inc., Case No. 14-11848 (MFW) (Bankr. D. Del. Jan. 11, 2016) [D.I. 810] (120 days); In re QCE Fin., LLC, Case No. 14-10543 (LSS) (Bankr. D. Del. July 15, 2015) [D.I. 698] (120 days).

15. This extension is not sought for the purposes of delay and will not prejudice any claimants. The Liquidation Trustee reserves its right to seek a further extension of the time to file and serve objections to claims upon a motion filed with the Court.

16. The Liquidation Trustee further submits that the requested extension of 180 days is (i) reasonable, (ii) consistent with extensions granted in other chapter 11 cases in the jurisdiction, and (iii) will provide sufficient time for the Liquidation Trustee to pursue consensual resolutions and/or file objections to the remaining Proofs of Claim.

NO PRIOR REQUEST

17. No prior request for the relief requested herein has been made by the Liquidation Trustee to this or any other court.

NOTICE

18. The Liquidation Trustee will provide notice of this motion to (a) the U.S. Trustee, Attn.: Jane Leamy, Esq.; (b) members of the Trust Advisory Board; (c) members of the Unsecured Advisory Group; and (d) any parties entitled to notice pursuant to Local Rule 2002-1(b). In view of the nature of the relief requested in this motion, the Liquidation Trustee respectfully submits that no further notice is necessary.

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CONCLUSION

WHEREFORE, the Liquidation Trustee respectfully requests that the Court enter an order, substantially in the form annexed hereto as **Exhibit A**, extending the Claim Objection Bar Date through and including August 26, 2019, and granting such other and further relief as the Court deems just and proper.

Date: February 22, 2019
Wilmington, Delaware

/s/ Amanda R. Steele
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COUNSEL FOR LIQUIDATION TRUSTEE

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

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Quicksilver Resources Inc., <u>et al.</u> , ¹)	Case No. 15-10585 (LSS)
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Debtors.)	Jointly Administered
)	
)	Hearing Date: March 25, 2019 at 11:00 a.m. (ET)
)	Obj. Deadline: March 8, 2019 at 4:00 p.m. (ET)

NOTICE OF MOTION AND HEARING

PLEASE TAKE NOTICE that on February 22, 2019, Eugene I. Davis, in his capacity as the liquidation trustee (the “Liquidation Trustee”) for the KWK Liquidation Trust (the “Liquidation Trust”) filed the *Liquidation Trustee’s Fifth Motion to Extend the Claim Objection Bar Date* (the “Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that, any responses or objections to the Motion must be filed in writing with the Bankruptcy Court, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801, and served upon and received by the undersigned counsel for the Liquidation Trustee on or before **March 8, 2019 at 4:00 p.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that, if an objection is timely filed, served and received and such objection is not otherwise timely resolved, a hearing to consider such objection and the Motion will be held before The Honorable Laurie Selber Silverstein at the

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Bankruptcy Court, 824 N. Market Street, 6th Floor, Courtroom 2, Wilmington, Delaware 19801
on **March 25, 2019 at 11:00 a.m. (ET)**.

**PLEASE TAKE FURTHER NOTICE THAT, IF NO OBJECTIONS TO
THE MOTION ARE TIMELY FILED, SERVED AND RECEIVED IN ACCORDANCE
WITH THIS NOTICE, THE BANKRUPTCY COURT MAY GRANT THE RELIEF
REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.**

Date: February 22, 2019
Wilmington, Delaware

/s/ Amanda R. Steele

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COUNSEL FOR LIQUIDATION TRUSTEE

EXHIBIT A

Proposed Order

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

In re:)	
)	Chapter 11
Quicksilver Resources Inc., <u>et al.</u> , ¹)	Case No. 15-10585 (LSS)
)	
Debtors.)	Jointly Administered
)	
)	Re: Docket No. _____
)	

FIFTH ORDER EXTENDING THE CLAIM OBJECTION BAR DATE

Upon consideration of the motion (the “Motion”)² of the Liquidation Trustee on behalf of the estates of the above-captioned debtor and its subsidiaries (the “Debtors”), for entry of an order, pursuant to section 105(a) of the Bankruptcy Code, Rule 9006 of the Federal Rules of Bankruptcy Procedure, and the authority granted in Articles Six and Nine of the Plan, extending the Claim Objection Bar Date through and including August 26, 2019, 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 being a core proceeding in accordance with 28 U.S.C. § 157(b)(2); and venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion being adequate and appropriate under the particular circumstances; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors’ estates, the Debtors’ creditors, and other parties in interest and that the legal and factual bases set forth in the

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² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion or the Plan, as applicable.

Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is hereby **ORDERED**:

1. The Motion is granted to the extent provided herein.
2. The Claim Objection Bar Date is extended through and including August 26, 2019.
3. This Order is without prejudice to the rights of the Liquidation Trustee to seek further extensions of the Claim Objection Bar Date upon motion filed with the Court.
4. This Court shall retain jurisdiction over all matters arising from or related to the implementation and interpretation of this Order.