

**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 8, 2021 at 11:30 a.m. (ET)
)	Obj. Deadline: March 1, 2021 at 4:00 p.m. (ET)

**LIQUIDATION TRUSTEE’S NINTH 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 23, 2021.² In support of the motion, the Liquidation Trustee respectfully states as follows:

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).

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 23, 2021, as the one-hundred and eightieth day (August 21, 2021) would otherwise be on a Saturday.

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 [D.I. 119].

5. On January 27, 2016, the Court entered an order [D.I. 1095] 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] 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 (as defined in the Plan), 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 set as February 27, 2017 and this Court has approved eight prior extensions of the Claim Objection Bar Date, including an extension through February 22, 2021, which the court approved on September 17, 2020 [D.I. 2240].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 has filed six additional omnibus objections to Disputed Claims. See [D.I. 1754, 1755, 1815, 2082, 2083, and 2178].

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 and the Liquidation Trustee has nearly completed the claims reconciliation

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.

process. As of the date of this Motion, however, there are approximately five Proofs of Claim that remain under review and which have not been allowed, satisfied, or disallowed.

10. The Liquidation Trustee and its advisors are currently working to address the remaining Disputed Claims and all other matters necessary to complete the claims reconciliation process, collect and distribute remaining assets, and take all other actions necessary to terminate the Liquidating Trust and close the chapter 11 cases. The primary outstanding matter in these chapter 11 cases relates to the collection of a significant federal tax refund and the ability of the Liquidation Trustee to collect such refund has been aided by certain tax law changes arising out of the Coronavirus Aid, Relief, and Economic Security (“CARES”) Act. Although the Liquidating Trustee has timely requested the federal tax refund pursuant to prompt refund procedures under Bankruptcy Code Section 505(a) and Rev. Proc. 2010-27, the IRS continues to experience significant delays in processing tax returns as a result of the COVID-19 pandemic and the Liquidating Trust has not yet received the anticipated refund. The Liquidating Trustee and his advisors continue to seek appropriate assistance and guidance from the IRS relating to the status of the tax refund and, if necessary, may seek the assistance of the Bankruptcy Court to timely collect the tax refund and conclude these chapter 11 cases. Upon the completion of the claims reconciliation process and collection of remaining assets, including the tax refund and certain related Disputed Claims, the Liquidation Trustee will commence final distributions to Liquidation Trust Beneficiaries as required pursuant to the Plan and Trust Agreement.

11. To complete the claims reconciliation process and proceed with distributions in the most efficient manner possible, the Liquidation Trustee is seeking to consensually resolve the limited remaining Disputed Claims. Certain of the remaining Disputed Claims, however, involve complex issues 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 reach a mutually agreeable resolution of the Disputed Claims or, if necessary, object to the remaining Disputed Claims against the Debtors' estates.

RELIEF REQUESTED

12. 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 August 23, 2021. The Liquidation Trustee further requests that the proposed extension be granted without prejudice to his right to request additional extensions of the deadline.

BASIS FOR RELIEF

13. 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”

14. 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 his professionals and advisors, is in the midst of attempting to resolve, allow, settle, or object to the remaining Proofs of Claim. Discussions to resolve the remaining Proofs of Claim are ongoing and the Liquidation Trustee and his professionals are continuing to identify the most effective way to resolve certain complex Disputed Claims, collect and distribute remaining assets, and close the chapter 11 cases. The Liquidation Trustee may be required to file additional claim objections but would benefit from

an extension of the Claim Objection Bar Date to consensually resolve the Disputed Claims. The Liquidation Trustee therefore requests more time to object to claims so that he may complete the claims reconciliation process and preserve value for distribution to stakeholders.

15. 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 August 23, 2021, 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).

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

17. 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

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

NOTICE

19. 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.

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 23, 2021, and granting such other and further relief as the Court deems just and proper.

Date: February 19, 2021
Wilmington, Delaware

/s/ Amanda R. Steele

RICHARDS, LAYTON & FINGER, P.A.

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COUNSEL FOR LIQUIDATION TRUSTEE

**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)
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Debtors.)	Jointly Administered
)	
)	Hearing Date: March 8, 2021 at 11:30 a.m. (ET)
)	Obj. Deadline: March 1, 2021 at 4:00 p.m. (ET)

NOTICE OF MOTION AND HEARING

PLEASE TAKE NOTICE that on February 19, 2021, 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 Ninth 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 in writing and filed with the Clerk of the Court, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 on or before **March 1, 2021 at 4:00 p.m. (prevailing Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that, if any objections to the Motion are received, the Motion and such objections shall be considered at a hearing before The Honorable Laurie

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.

Selber Silverstein at the Bankruptcy Court, 824 N. Market Street, 6th Floor, Courtroom 2, Wilmington, Delaware 19801 on **March 8, 2021 at 11:30 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 19, 2021
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. _____
)	

NINTH 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 23, 2021, 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’ creditors and other parties in interest

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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.

and that the legal and factual bases set forth in the 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 23, 2021.
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.