

**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
	)	

**DEBTORS’ MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE DEBTORS TO PREPARE A SINGLE LIST OF CREDITORS IN LIEU OF SUBMITTING A SEPARATE MAILING MATRIX FOR EACH DEBTOR**

The debtors and debtors in possession in the above-captioned chapter 11 cases (collectively, the “Debtors”) respectfully submit this *Debtors’ Motion for Entry of an Order Authorizing the Debtors to Prepare a Single List of Creditors in Lieu of Submitting a Separate Mailing Matrix for Each Debtor* (the “Motion”). In support of the Motion, the Debtors represent and set forth as follows:<sup>2</sup>

**PRELIMINARY STATEMENT**

1. By this Motion, the Debtors seek authority to prepare and maintain a single, consolidated list of creditors in the format already used by the Debtors in the ordinary course of their businesses rather than preparing and submitting a formatted mailing matrix for each Debtor. The Debtors believe that, given the overlapping nature of the Debtors’ businesses, as well as

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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> A detailed description of the Debtors and their businesses, and the facts and circumstances supporting this Motion and the Debtors’ restructuring, are set forth in greater detail in the Declaration of Vanessa Gomez LaGatta in Support of First Day Pleadings (the “First Day Declaration”), filed contemporaneously with the Debtors’ voluntary petitions for relief filed under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

their pre-petition practice of maintaining computerized lists of their creditors and various stakeholders, the relief requested herein will contribute to the efficient administration of these cases and is in the best interest of the Debtors, their estates, and their creditors. Accordingly, the Debtors seek authority to prepare a single consolidated list of creditors instead of a separate matrix for each individual debtor.

### **JURISDICTION**

2. 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).<sup>3</sup>

3. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The predicates for the relief requested herein are Bankruptcy Code sections 105(a) and 521, rule 1007(a)(1) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Local Rules 1007-1 and 2002-1.

### **BACKGROUND**

#### **A. General Background**

5. 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.

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<sup>3</sup> Under rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), the Debtors hereby confirm their consent to the entry of a final order by this Court in connection with this Motion 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.

6. This Motion incorporates by reference the facts set forth in the First Day Declaration as if fully set forth herein. Additional facts specific to this Motion are set forth below.

**B. Specific Background**

7. The Debtors comprise fourteen entities operating as a series of closely-related entities. Prior to the Petition Date, the Debtors' and their agents maintained computerized records of their creditors, interest holders, and other parties in interest. Because of the closely-related nature of their businesses and the fact that many of the Debtors do not have significant operations, many of the Debtors' creditors overlap between the various Debtors.

8. Contemporaneously with the filing of this Motion, the Debtors filed an application to retain Garden City Group, LLC (the "Proposed Claims and Noticing Agent") as their claims and noticing agent in these chapter 11 cases. If that application is granted, the Proposed Claims and Noticing Agent will—among other things—(i) assist with the consolidation of the Debtors' computer records into a creditor database and prepare creditor lists, (ii) mail notices to the parties in the database, including the notice of commencement of these chapter 11 cases, and (iii) undertake any other mailings directed by the Court or the United States Trustee for the District of Delaware (the "U.S. Trustee"), or required by the Bankruptcy Code or the Bankruptcy Rules. The Debtors believe that using the Proposed Claims and Noticing Agent for this purpose will maximize administrative efficiency in these chapter 11 cases and reduce the administrative burdens that would otherwise fall upon the Court and the U.S. Trustee.

9. After consulting with the Proposed Claims and Noticing Agent, the Debtors believe that preparing a single consolidated list of creditors in the format currently maintained by the Debtors in the ordinary course of their businesses will be sufficient to permit the Proposed Claims and Noticing Agent to promptly provide notices to all applicable parties. Indeed, with

the assistance of the Proposed Claims and Noticing Agent, the Debtors will be prepared to provide parties in interest with a computer-readable consolidated list of creditors upon request and will be capable of undertaking all mailings required during the pendency of these chapter 11 cases. Accordingly, the Debtors believe that maintaining a single consolidated list of creditors, rather than preparing a separate matrix for each Debtor, will maximize efficiency, increase accuracy, and reduce costs to the benefit of the Debtors' estates.

### **RELIEF REQUESTED**

10. The Debtors submit this Motion requesting entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Proposed Order"), authorizing the Debtors to prepare and maintain a single, consolidated list creditors in lieu of submitting a formatted mailing matrix for each Debtor.

### **SUPPORTING AUTHORITY**

11. Bankruptcy Code section 521(a), Bankruptcy Rule 1007(a)(1), and Local Rule 1007-2(a) require a debtor in a voluntary chapter 11 case to file a list containing the name and complete address of each creditor. Moreover, Local Rule 1007-1(a) provides that any "[r]equired lists, schedules and statements of financial affairs" must be filed in accordance with the Bankruptcy Code. Finally, Local Rule 2002-1(f)(v) requires each debtor in jointly administered cases to maintain a separate creditor mailing matrix.

12. The Debtors submit that permitting them to maintain a single consolidated list of creditors, in lieu of filing a separate creditor matrix for each Debtor, is warranted under the circumstances of these chapter 11 cases. More specifically, maintaining a single consolidated list of creditors will benefit the Debtors and their estates by allowing the Debtors to more efficiently provide required notices to parties in interest and reduce the potential for duplicate mailings. As explained above, many of the Debtors' creditors overlap. Thus, to the extent that

the Debtors were required to maintain separate mailing matrices for each Debtor, a substantial number of parties would likely received multiple copies of the same notice.

13. Permitting the Debtors to maintain a consolidated list of their creditors in electronic format only, in lieu of filing a creditor matrix, is warranted under the circumstances of these chapter 11 cases. Indeed, because the Debtors have thousands of potential creditors, converting the Debtors' computerized information to a format compatible with the matrix requirements would be an exceptionally burdensome task and would greatly increase the risk and recurrence of error with respect to information already intact on computer systems maintained by the Debtors or their agents.

14. Accordingly, the Debtors, working with the Proposed Claims and Noticing Agent, have prepared a single, consolidated list of the Debtors' creditors in electronic format. To ensure that no parties in interest are prejudiced, the Debtors will make their consolidated list of creditors available, in readable electronic format, to any party in interest who so requests (or in non-electronic format at such requesting party's sole cost and expense). The Debtors therefore submit that the preparation and maintenance of a single consolidated creditor list is warranted under the facts and circumstances present here.

15. Finally, this Court has granted relief similar to the relief requested herein since the modifications to Local Rule 2002-1(f)(v) took effect. *See In re RadioShack Corp.*, Case No. 15-10197 (Bankr. D. Del., Feb. 9, 2015); *In re Entegra Power Grp. LLC*, Case No. 14-11859 (Bankr. D. Del., Aug. 6, 2014); *In re GSE Environmental, Inc.*, Case No. 14-11126 (Bankr. D. Del., May 6, 2014); *In re MACH Gen, LLC*, Case No. 14-10461 (Bankr. D. Del., Mar. 5, 2014);

*In re Optim Energy, LLC*, Case No. 14-10262 (Bankr. D. Del., Feb. 2, 2014); *In re Ormet Corporation, et al.*, No. 13-10334 (Bankr. D. Del., Feb. 27, 2013).<sup>4</sup>

**DEBTORS' RESERVATION OF RIGHTS**

16. Nothing contained herein is intended or should be construed as an admission as to the validity of any claim against the Debtors, a waiver of the Debtors' rights to dispute any claim, or an approval or assumption of any agreement, contract, or lease under Bankruptcy Code section 365. Likewise, if this Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended and should not be construed as an admission as to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

**NOTICE**

17. No trustee, examiner, or creditors' committee has been appointed in the Debtors' chapter 11 cases. The Debtors have provided notice of this Motion 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, the Debtors respectfully submit that no further notice is necessary.

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<sup>4</sup> Because of the voluminous nature of the orders cited herein, such orders are not attached to the Motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

WHEREFORE, for the reasons set forth herein, the Debtors respectfully request that the Court (a) enter the Proposed Order substantially in the form annexed hereto as **Exhibit A** granting the relief requested in the Motion and (b) grant such other and further relief as may be just and proper.

Wilmington, Delaware  
Date: March 17, 2015

/s/ Paul N. Heath

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

**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> , <sup>1</sup>	)	Case No. 15-10585 ( )
	)	
Debtors.	)	Joint Administration Requested
	)	

**ORDER AUTHORIZING THE DEBTORS TO PREPARE A SINGLE LIST OF CREDITORS IN LIEU OF A FORMATTED MAILING MATRIX FOR EACH DEBTOR**

Upon the Motion<sup>2</sup> of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for entry of this Order pursuant to Bankruptcy Code sections 105(a) and 521, Bankruptcy Rule 1007(a)(1), and Local Rules 1007-1 and 2002-1 (a) authorizing the Debtors to prepare a single list of creditors in lieu of a formatted mailing matrix for each Debtor, all as further described in the Motion; the Court having jurisdiction to consider this Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; consideration of the Motion and the relief requested therein being a core proceeding in accordance with 28 U.S.C. § 157(b)(2); venue being proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409; due and proper notice of the Motion being adequate and appropriate under the particular circumstances; a hearing having been held to consider the relief requested in the Motion; upon the First Day Declaration, the record of the hearing and all proceedings had before the Court; the

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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> All capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Motion.

Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and any objections to the requested relief having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

1. The Motion is granted to the extent provided herein.
2. Notwithstanding Local Rule 2002-1(f)(v), in lieu of submitting a formatted mailing matrix for each Debtor, the Debtors shall prepare and maintain, with the assistance of Garden City Group, LLC, a single, consolidated list of all of the Debtors' creditors in electronic format.
3. The Debtors shall make such list available in readable electronic format (or in non-electronic format as such requesting party's sole cost and expense) upon reasonable request by parties in interest.
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. The Court retains jurisdiction with respect to all matters arising from or related to the interpretation or implementation of this Order.

Wilmington, Delaware  
Date: \_\_\_\_\_, 2015

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United States Bankruptcy Judge