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**PROPOSED COUNSEL TO THE DEBTORS**

**IN THE UNITED STATES BANKRUPTCY COURT FOR THE  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
COLORADO 2002B LIMITED	§	Case No. 16-33743-BJH-11
PARTNERSHIP,	§	
	§	
Debtor.	§	
<hr/>		
In re:	§	Chapter 11
	§	
COLORADO 2002C LIMITED	§	Case No. 16-33744-SGJ-11
PARTNERSHIP,	§	
	§	
Debtor.	§	

**EXPEDITED MOTION PURSUANT TO 28 U.S.C. § 1404, RULE 1015(b) OF THE  
FEDERAL RULES OF BANKRUPTCY PROCEDURE AND LOCAL BANKRUPTCY  
RULE 1015-1 FOR AN ORDER (I) DIRECTING JOINT ADMINISTRATION OF CASES  
AND (II) TRANSFERRING CASES**

Colorado 2002B Limited Partnership (“Colorado 2002B”) and Colorado 2002C Limited Partnership (“Colorado 2002C”, and together with Colorado 2002B, the “2016 Debtors”) for their Expedited Motion Pursuant to 28 U.S.C. § 1404, Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 1015-1 of the Local Bankruptcy Rules

of the United States Bankruptcy Court for the Northern District of Texas (the “Local Rules”) for an order (i) Directing Joint Administration of Cases and (ii) Transferring Cases (the “Motion”), respectfully represent:

### **JURISDICTION AND VENUE**

1. The Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).
2. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

### **INTRODUCTION**

3. On September 16, 2013, Eastern 1996D Limited Partnership and 11 related debtors (collectively, the “2013 Debtors” and together with the 2016 Debtors, the “Debtors”) each filed with this Court a petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).<sup>1</sup> The 2013 Debtors’ chapter 11 cases are being jointly administered before the Honorable Harlin D. Hale under Case No. 13-34773-HDH-11 (the “2013 Main Case”).
4. On September 24, 2016 (the “Petition Date”), the 2016 Debtors each filed with this Court a petition for relief under chapter 11 of the Bankruptcy Code. The 2016 Debtors’ cases are pending under Case Nos. 16-33743 and 16-33744, respectively (together, the “2016 Cases”).
5. As discussed herein, the Debtors are all related entities with a shared general partner, a substantial number of shared creditors, a similar proposal for reorganization and similar legal issues. Accordingly, and in an effort to maximize judicial economy, on the Petition

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<sup>1</sup> The 2013 Debtors, and the last four digits of their respective federal tax identification numbers, are: (i) Eastern 1996D Limited Partnership (1154); (ii) Eastern 1997D Limited Partnership (4713); (iii) Eastern 1998D Limited Partnership (7539); (iv) CO and PA 1999D Limited Partnership (8545); (v) Colorado 2000B Limited Partnership (3050); (vi) Colorado 2000C Limited Partnership (3437); (vii) Colorado 2000D Limited Partnership (4071); (viii) Colorado 2001A Limited Partnership (9061); (ix) Colorado 2001B Limited Partnership (9832); (x) Colorado 2001C Limited Partnership (3219); (xi) Colorado 2001D Limited Partnership (5051); and (xii) Colorado 2002A Limited Partnership (9674).

Date, the 2016 Debtors each filed a *Motion Pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure and Local Bankruptcy Rule 1015-1 for an Order Directing Joint Administration of Cases* [Docket No. 717 in Case No. 13-34773; Docket No. 4 in Case No. 16-33743; Docket No. 4 in Case No. 16-33744] (the “Joint Administration Motions”).

6. On October 4, 2016, Judge Hale heard the Joint Administration Motions and denied the relief requested therein, determining that while transfer of the 2016 Cases to his court might be appropriate for the sake of judicial efficiency, the 2013 Cases are ready to be closed and therefore, joint administration of the 2016 Cases with the soon-to-be-closed 2013 Cases would be inappropriate. Instead, Judge Hale suggested that the proper avenue for relief would be for the 2016 Debtors to file the present Motion in the 2016 Cases with this Court (given that this Court was assigned the low case number, per the Local Rules). Judge Hale further commented that he would be happy to preside over the 2016 Cases given their relationship to the 2013 Cases, but that ultimately, the decision of whether to transfer rests with this Court.

7. Accordingly, and in an effort to conserve judicial resources and efficiency, the 2016 Debtors respectfully request that this Court enter an order jointly administering the 2016 Cases and transferring the same to Judge Hale.

### **BACKGROUND**

8. The 2016 Debtors are oil and gas limited partnerships formed under the laws of West Virginia. They share a common general partner, PDC Energy, Inc. (f/k/a Petroleum Development Corp.) (“PDC”), and a common responsible party, Karen Nicolaou. They are part of the same overall oil and gas investment structure as the 2013 Debtors and their cases will involve legal issues and a plan of reorganization that are substantially similar to the legal issues and plan that were raised and presented in the 2013 Main Case. In addition, the 2016 Debtors

have a significant overlap of their limited partnership unit holders with those of the 2013 Debtors: approximately 40% of Colorado 2002C's unit holders overlap, and over 50% of Colorado 2002B's unit holders overlap.

9. The Debtors are operating their businesses and managing their properties as debtors in possession, pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

10. Additional background information may be found in the Declaration of Karen Nicolaou in Support of Chapter 11 Petitions (the "Nicolaou Declaration"), filed contemporaneously herewith.

### **RELIEF REQUESTED**

11. Each of the Debtors are related entities, in that (as set forth above): they share a common general partner and responsible party, are part of the same overall oil and gas investment structure as the 2013 Debtors, and have a significant overlap of their limited partnership unit holders with those of the 2013 Debtors. As a result, the 2016 Debtors respectfully request that their cases be jointly administered with each other, for procedural purposes only, and that the jointly administered case be transferred to the Judge Hale. The Debtors respectfully submit that, given the overall relationship among themselves and the 2013 Debtors, and the commonality of legal issues, and Judge Hale's familiarity with the overall issues and structure, judicial economy will be served by granting the relief requested herein.<sup>2</sup>

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<sup>2</sup> As the Court likely knows, when filing a new chapter 11 petition in the Northern District of Texas, the ECF system does not provide for the ability to indicate, during the filing process, that a new debtor is "related to" or an affiliate of an existing debtor. Despite this ECF system limitation, it is nevertheless appropriate for the cases of related debtors to be administered by the same court. *See, e.g. In re Raytech Corp.*, 222 B.R. 19 (Bankr. D. Conn. 1998).

**ARGUMENT AND AUTHORITY**

**A. Joint Administration**

12. Bankruptcy Rule 1015(b) provides, in relevant part:

If a joint petition or two or more petitions are pending in the same court by or against . . . a debtor and an affiliate, the court may order a joint administration of the estates.

FED. R. BANKR. P. 1015. The Local Rules provide that a motion for joint administration may be filed by related debtors. N.D. Tex. L.B.R. 1015-1. Indeed, the Local Rules expand Bankruptcy Rule 1015(b) by authorizing the joint administration of debtors who are “related,” rather than solely “affiliated.” See N.D. Tex. L.B.R. 1015-1 (“[w]hen a case is filed for or against a debtor *related to* a debtor with a case pending in this Bankruptcy Court . . . . Motions for joint administration will be assigned for determination to the bankruptcy judge presiding over the first *related case* filed in this district . . . .” (emphasis added)). Courts in other jurisdictions have likewise allowed the joint administration of the estates of related, but not affiliated, debtors where joint administration would provide for the efficient and expeditious administration of the estates. See *In re Raytech Corp.*, 222 B.R. 19 (Bankr. D. Conn. 1998) (relying on 11 U.S.C. § 105(a) to jointly administer cases where the debtor entities were not statutory affiliates, but had a shared creditor pool, were financially intertwined and where joint administration would eliminate the risk of competing decisions on legal issues).

13. Though the 2016 Debtors may not technically be “affiliates,” as defined in section 101(2) of the Bankruptcy Code, they are unquestionably “related” to each other, as stated above: they share a common general partner and responsible party, are part of the same overall oil and gas investment structure, have a significant overlap of their limited partnership unit holders and have a similar plan for successfully exiting chapter 11. PDC also holds limited partnership

interests in each Debtor, owning in the aggregate between 27% and 29% of the outstanding partnership interests in each of the 2016 Debtors (as compared to approximately 20% of each of the 2013 Debtors).

14. The 2016 Debtors' chapter 11 cases should be jointly administered because joint administration will obviate the need for duplicative notices, motions, applications and orders, thereby saving considerable time and expense for all of the Debtors and their respective estates. *See In re McKenzie Energy Corp.*, 228 B.R. 854, 874 (Bankr. S.D. Tex. 1998) ("Joint administration is designed in large part to promote procedural convenience and cost efficiencies which do not affect the substantive rights of claimants or the respective debtor estates"). Moreover, the 2016 Debtors have a global strategy to sell their respective assets and have their plugging and abandonment liability assumed. Due to the relationship of the 2016 Debtors and their global strategy for liquidation, and given the identity of the parties and the nature of the overall investment structure, similar issues involving each of the 2016 Debtors (and the 2013 Debtors) will likely arise during their chapter 11 cases.

15. The rights of 2016 Debtors' respective equity holders will not be adversely affected by the proposed joint administration of these cases because each such holder may still file its proof of interest against a particular estate. In fact, the rights of all parties in interest will be enhanced by the reduction in costs resulting from joint administration. In addition, this Court and the Clerk's office will be relieved of the burden of entertaining duplicate motions, entering duplicative orders and maintaining duplicative files, and supervision of the administrative aspects of the chapter 11 cases by the Office of the United States Trustee will be simplified.

16. For these reasons, the 2016 Debtors respectfully submit that the interests of the 2016 Debtors, their respective estates, and parties in interest would be best served by the joint administration of the Debtors' chapter 11 cases.<sup>3</sup>

**B. Intra-Division Transfer**

17. The United States Code and Local Bankruptcy Rules authorize this Court to transfer these chapter 11 cases to Judge Hale for the expedient and efficient resolution thereof. Indeed, 28 U.S.C. § 1404(a) permits the Court to transfer a civil action to any division or district in which it might have been brought, and 28 U.S.C. 1404(c) authorizes the Court to “order any civil action to be tried at any place within the division in which it is pending.” 11 U.S.C. § 1404. Likewise, and as noted above, Local Bankruptcy Rule 1015-1 authorizes courts in this District to transfer cases where a transfer would ensure that related cases are presided over by the same judge. The necessary and obvious consequence of allowing the assignment of related cases to the same judge is the preservation of judicial economy and the prevention of multiple judges ruling on similar motions or legal issues.

18. Here, the 2016 Debtors are substantially related to the 2013 Debtors. They are part of the same investment structure, they share a related managing general partner, they will share a similar plan for exiting chapter 11, and they will likely face the same legal issues. The 2013 Debtors overcame a number of legal hurdles before ultimately confirming their joint chapter 11 plan. It is possible that many of these same issues may arise in the 2016 cases. Accordingly, in light of the significant relationship between the Debtors and Judge Hale's

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<sup>3</sup> A motion for entry of a final decree in the 2013 Cases is pending.

familiarity with the 2013 Cases, judicial economy would be best served by allowing Judge Hale to also preside over the substantially related 2016 Cases.<sup>4</sup>

**NOTICE**

19. Notice of this Motion has been provided to: (i) the Office of the United States Trustee for the Northern District of Texas; and (ii) certain other parties appearing on the attached Certificate of Service.

20. The 2016 Debtors respectfully submit that no other or further notice need be provided.

WHEREFORE, Colorado 2002B and Colorado 2002C respectfully request that the Court enter an Order: (i) directing joint administration the 2016 Cases, (ii) transferring the jointly administered 2016 Cases and (ii) granting such other and further relief as may be just and proper.

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<sup>4</sup> As the Court knows, although not a regular occurrence, it is not unheard of for new related entity cases to be filed months, and sometimes years, after an original jointly administered case is filed. In those circumstances, the original presiding judge typically presides over the new cases as well. *See, e.g., In re Mirant Corp.*, No. 03-46590 DML, 2005 WL 6443614, at \*3 (Bankr. N.D. Tex. Dec. 9, 2005) (jointly administering multiple cases filed by related entities more than four months after the main case petition date and one case filed more than two years after the main case petition date).

Respectfully submitted this 6th day of October, 2016.

**GRAY REED & McGRAW, P.C.**

By: /s/ Jason S. Brookner

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**PROPOSED COUNSEL TO THE DEBTORS**

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 6th day of October, 2016, he caused a true and correct copy of the foregoing document to be served on the parties appearing on the attached Limited Service List via first class United States mail, postage prepaid and, where possible, via electronic mail.

/s/ Jason S. Brookner

Jason S. Brookner

**Limited Service List**

Atropos, Inc.  
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569 Trianon  
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Attn: Sonia Chae  
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**IN THE UNITED STATES BANKRUPTCY COURT FOR THE  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
COLORADO 2002B LIMITED PARTNERSHIP,	§	Case No. 16-33743-BJH-11
	§	
Debtor.	§	

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In re:	§	Chapter 11
	§	
COLORADO 2002C LIMITED PARTNERSHIP,	§	Case No. 16-33744-SGJ-11
	§	
Debtor.	§	

**ORDER PURSUANT TO 11 U.S.C. § 1404, RULE 1015(b) OF  
THE FEDERAL RULES OF BANKRUPTCY PROCEDURE AND LOCAL  
BANKRUPTCY RULE 1015-1 DIRECTING JOINT ADMINISTRATION OF CASES  
AND TRANSFERRING CASES**

Upon the Expedited Motion of Colorado 2002B Limited Partnership (“Colorado 2002B”) and Colorado 2002C Limited Partnership (“Colorado 2002C” together with Colorado 2002B, the “Debtors”) Pursuant to 28 U.S.C. § 1404, Rule 1015(b) of the Federal Rules of Bankruptcy

Procedure (the “Bankruptcy Rules”) and Rule 1015-1 of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas (the “Local Rules”) for an order (i) Directing Joint Administration of Cases and (ii) Transferring Cases (the “Motion”);<sup>1</sup> and the Court having jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A); and it appearing that the relief requested by the Motion is in the best interest of the Debtors’ estates; and it appearing that sufficient notice of the Motion and the hearing hereon has been given and that no other or further notice is necessary; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is hereby granted, to the extent provided herein; and it is further

ORDERED that the Debtors’ chapter 11 cases shall be jointly administered with each other and transferred to the Honorable Harlin D. Hale, under the following caption, for procedural purposes only:

**IN THE UNITED STATES BANKRUPTCY COURT FOR THE  
NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
COLORADO 2002B LIMITED	§	Case No. 16-33743-HDH-11
PARTNERSHIP and COLORADO 2002C	§	
LIMITED PARTNERSHIP,	§	Jointly Administered
	§	
Debtors.	§	

And it is further

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<sup>1</sup> Capitalized terms not otherwise defined herein have the same meanings ascribed to them in the Motion.

ORDERED that a docket entry shall be made in each of the Debtors' cases, substantially as follows:

An order has been entered in this case directing the procedural consolidation, joint administration, and judicial transfer of the chapter 11 cases of Colorado 2002B Limited Partnership and Colorado 2002C Limited Partnership. The docket in Case No. 16-33743-HDH-11 should be consulted for all matters affecting this case.

**### END OF ORDER ###**