

Jason S. Brookner
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Lydia R. Webb
Texas Bar No. 24083758
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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 and COLORADO 2002C §
LIMITED PARTNERSHIP, § Jointly Administered
§
Debtors. §

**APPLICATION FOR ORDER AUTHORIZING EMPLOYMENT OF GRAY REED &
McGRAW, P.C. AS COUNSEL TO THE DEBTORS PURSUANT TO SECTIONS 327(a)
AND 329 OF THE BANKRUPTCY CODE AND RULES 2014 AND 2016 OF THE
FEDERAL RULES OF BANKRUPTCY PROCEDURE,
EFFECTIVE AS OF THE PETITION DATE**

Colorado 2002B Limited Partnership and Colorado 2002C Limited Partnership, the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for their Application (the “Application”) for Order Authorizing Employment of Gray Reed & McGraw, P.C. (“Gray Reed”) as Counsel to the Debtors Pursuant to Sections 327(a) and 329 of the Bankruptcy Code and Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure, Effective as of the Petition Date, respectfully represent:

JURISDICTION

1. The Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of this Application is a core proceeding under 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 24, 2016 (the “Petition Date”), each of the Debtors filed with this Court a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

4. The Debtors are continuing to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner or official committee has been appointed.

BACKGROUND

5. The Debtors are West Virginia limited partnerships that own undivided working interests in oil and natural gas wells. PDC Energy, Inc. (f/k/a Petroleum Development Corp.) (“PDC”), a Nevada corporation, is the managing general partner of each of the Debtors and owns approximately 28-29% of the Debtors’ equity interests. In the aggregate, the Debtors have over 800 limited partnership unit holders (collectively with PDC, the “Partners”).

6. The primary business of the Debtors is the operation and development of properties producing oil, gas, and natural gas liquids and the appropriate allocation of cash proceeds, costs, and tax benefits among the Partners.

7. Additional background information may be found in the Declaration of Karen Nicolaou in Support of Chapter 11 Petitions. *See* Docket No. 16.

RELIEF REQUESTED

8. By this Application, the Debtors respectfully request entry of an order authorizing the retention of Gray Reed as counsel. Due to Gray Reed's expertise and experience in bankruptcy and restructuring matters, Gray Reed is well qualified to represent the Debtors in connection with their chapter 11 cases.

9. The services to be rendered to the Debtors by Gray Reed will encompass all aspects of representing a chapter 11 debtor in possession including, but not limited to, the following:

- (a) advising the Debtors concerning their powers and duties as debtors in possession in the continued operations of their businesses and management of their properties;
- (b) acting to help protect, preserve and maximize the value of the Debtors' estates;
- (c) preparing all necessary motions, applications, reports, and pleadings in connection with the Debtors' chapter 11 cases, including preparation and solicitation of a chapter 11 plan and disclosure statement and related documents; and
- (d) performing such other legal services for the Debtors in connection with their chapter 11 cases that the Debtors determine are necessary and appropriate.

10. To the best the Debtors' knowledge, information and belief, Gray Reed and its respective lawyers do not represent any of the Debtors' creditors or other parties in interest, or their respective attorneys or representatives, in connection with these chapter 11 cases or in any matter which is adverse to the interests of the Debtors.

11. To the best of Debtors' knowledge and belief, Gray Reed is "disinterested" as such term is defined in section 101(14) of the Bankruptcy Code. Similarly, Gray Reed does not

hold any interest adverse to the Debtors, as debtors in possession, or their estates in the matters upon which Gray Reed is to be engaged.

12. Gray Reed's compliance with the requirements of sections 327, 329 and 504 of the Bankruptcy Code and Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedures (the "Bankruptcy Rules") is set forth in greater detail in the Statement of Gray Reed & McGraw, P.C. and Declaration of Jason S. Brookner Pursuant to Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure and Sections 327(a), 329 and 504 of the Bankruptcy Code, filed concurrently herewith and attached hereto as Exhibit "A" (the "Brookner Declaration").

13. The Debtors believe that the employment and retention of Gray Reed as counsel is necessary and in the best interests of the Debtors' estates.

COMPENSATION

14. In advance of filing, Gray Reed received aggregate payments of \$70,000.00 for services to be rendered to, and expenses, including filing fees, incurred and to be incurred on behalf of, the Debtors from February 2016 through the Petition Date, with the remainder to be held as a retainer for post-petition services and expense reimbursement as approved by this Court. Gray Reed has been paid \$25,940.96 for all services rendered, and expenses incurred, through the Petition Date, leaving a retainer balance of \$44,059.04. Gray Reed will continue to hold the retainer, and will apply to the Court for allowance of post-petition compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules and Orders of this Court.

15. The Debtors understand that Gray Reed will bill at its established hourly rates and seek reimbursement of expenses, as customarily charged to its non-bankruptcy clients. The

hourly billing rates for attorneys at Gray Reed are set forth in the accompanying Brookner Declaration.

16. The Debtors understand that the rates charged by Gray Reed may be adjusted from time to time and are usually adjusted on an annual basis.

17. Finally, the Debtors respectfully request that the retention of Gray Reed be effective as of the Petition Date.

NOTICE

18. 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 Limited Service List. The Debtors respectfully submit that no other or further notice need be provided.

WHEREFORE, the Debtors respectfully request that this Court enter an Order (i) approving the retention and employment of Gray Reed as counsel to the Debtors on the terms set forth herein, effective as of the Petition Date, and (ii) granting such other and further relief as may be just and proper.

Respectfully submitted this 17th day of October, 2016.

GRAY REED & MCGRAW, P.C.

By: /s/ Jason S. Brookner

Jason S. Brookner

Texas Bar No. 24033684

Lydia R. Webb

Texas Bar No. 24083758

1601 Elm Street, Suite 4600

Dallas, Texas 75201

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Email: jbrookner@grayreed.com

lwebb@grayreed.com

PROPOSED COUNSEL TO THE DEBTORS

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 17th day of October, 2016, she 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/ Lydia R. Webb

Lydia R. Webb

Colorado 2002B and 2002C Limited Partnership
Limited Service List as of 10/17/2016

Atropos, Inc.
Attn: Karen Nicolaou
569 Trianon
Houston, TX 77024

Gray Reed & McGraw, P.C.
Attn: Jason S. Brookner,
1601 Elm Street, Suite 4600
Dallas, TX 75201

Office of the United States Trustee,
Northern District of Texas
Attn: Meredyth A. Kippes
1100 Commerce St., Room 976
Dallas, TX 75242

PDC Energy, Inc.
Attn: Daniel W. Amidon, GC
1775 Sherman St., Suite 3000
Denver, CO 80203

Securities and Exchange Commission
Attn: Sonia Chae
175 W. Jackson Blvd.
Suite 900
Chicago, IL 60604

Andrews Kurth LLP
Attn: Robin Russell
600 Travis, Suite 4200
Houston, TX 77002

Internal Revenue Service
Special Procedures-Insolvency
P.O. Box 7346
Philadelphia, PA 19101-7346

Bencor of S Carolina LLC
James L Corlew Sr
722 College Street
Clarksville, TN 37040

Carol Stipe Separate Prop TR
Carol Stipe TTEE
138 Wentworth Dr
Henderson, NV 89074

Akbar R Tamboli
59 Murano Drive
Princeton Junction, NJ 08550

Coxeter's Survivors Trust
James C Coxeter Ttee
2705 Saklan Indian Dr #7
Walnut Creek, CA 94595

Dean Family Trust 1992
Ralph D & Charlene Bateman Dean
91 East Grand Blvd
Corona, CA 92879

Albert B Mccall Sr
722 Jackson Ave
Carthage, TN 37030

Elaine B Galatz Tst
Elaine B Galatz ttee
7350 N Rainbow Blvd
Las Vegas, NV 89131

Garry N & Cynthia M Nichols
Community Property
2550 W Bard Ranch Rd.
Prescott, AZ 86305

Connie L Douglass 1996 Rev Tr
Tom R & Connie Douglass Ttees
3817 Windover Drive
Edmond, OK 73013

Janis J Lamoreaux
4120 Caruth Blvd
Dallas, TX 75225

Joel Price Trust
Joel Price Ttee
8278 Huffine Lane
Bozeman, MT 59715

Edward F & Judith L Uekerus
JTWROS
9480 Tooke Shore Dr
Weeki Wachee, FL 34613

Jonathan A Quine and Angela P Horne
Community Property
6947 Mountain View Terrace
Browns Valley, CA 95918

Joseph P & Nancy E Collins
3 Ocean Bluff
Newport Coast, CA 92657

James M Williams Jr
712 Coventry Road
Knoxville, TN 37923-2456

John & Lynn Deshon
1859 Sagle Road
Sagle, ID 83860

Martin & Ruth Ann Inde
26711 Oak Hill Drive
Spring, TX 77386

Manohar Jain
4800 S Apopka Vineland Road
Orlando, FL 32819

Ora C Ingram
2122 Stillwater Drive
Mesquite, TX 75181-1792

Mary Ann Heitkotter
1314 Walnut Ridge Drive
Montgomery, IL 60538

Michael R & Kristine C Dobbs
1431 S Gay Street
Auburn, AL 36830

Robert & Grace Kile
KC Properties LLP
Robert B & Grace E Kile Ttees
1520 Pioneer Avenue
Emmett, ID 83617

Paul Murray Marital GST NE Tr
Raymond James Trust, NA, TTEE
PO Box 14407
St Petersburg, FL 33733

Rebecca J Hartman
29809 E 235th St
Pleasant Hill, MO 64080

Russell W & Sandra M Ford
6575 Plantation Ln
Boise, ID 83703

Robert A Cook
TOD Allen R Cook & Jeffrey L Cook
1520 Pioneer Avenue
Emmett, ID 83617

Robert M Lamoreaux
4120 Caruth Boulevard
Dallas, TX 75225

Tom & Valerie Del Monte
1502 Elmhurst Way
Upland, CA 91784

Stephen A & Joann Berry Trust
Stephen A & Joann Berry Ttees
957 Germany Creek Road
Longview, WA 98632

Steven E Nelson Trust
Steven E Nelson Ttee
PO Box 306
Clinton, IA 52732

Valow Family Tr dtd 3 20 08
Vivian Valow Ttee
14 Doe Drive
Suffern, NY 10901

Exhibit "A"

Brookner Declaration

**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 and COLORADO 2002C	§	
LIMITED PARTNERSHIP,	§	Jointly Administered
	§	
Debtors.	§	

**STATEMENT OF GRAY REED & McGRAW, P.C. AND DECLARATION
OF JASON S. BROOKNER PURSUANT TO BANKRUPTCY RULES 2014 AND 2016(b)
AND SECTIONS 327, 329 AND 504 OF THE BANKRUPTCY CODE**

JASON S. BROOKNER declares under penalty of perjury, pursuant to 28 U.S.C. §1746, as follows:

1. I am a Shareholder of the law firm of Gray Reed & McGraw, P.C. ("Gray Reed" or the "Firm"). Gray Reed maintains offices in Houston and Dallas, Texas. With more than 120 attorneys, the Firm provides a full range of legal services to clients throughout Texas and the United States.

2. I submit this Declaration (i) in support of the Debtors' application (the "Application") to employ Gray Reed as their counsel and (ii) to provide disclosures required under Fed. R. Bankr. P. 2014(a) and sections 329 and 504 of the Bankruptcy Code.

3. I have personal knowledge of the facts set forth herein unless otherwise indicated. To the extent any information disclosed herein requires amendment or modification, I will submit a supplemental declaration.

4. Neither I, Gray Reed, nor any lawyer at the Firm represents any party in interest (or its attorneys or accountants) in the Debtors' chapter 11 cases.

5. Gray Reed has not represented, and will not represent, any party other than the Debtors in connection with the Debtors' chapter 11 cases.

GRAY REED'S DISCLOSURE PROCEDURES

6. In preparing this Declaration, either I, or someone under my supervision and direction, searched Gray Reed's client database to determine whether Gray Reed had any relationships with the following parties in interest:

- (a) The Debtors and all aliases;
- (b) The debtors in the *Eastern 1996D* case (Case No. 13-34773-HDH-11);
- (c) The Debtors' managing general partner and its counsel;
- (d) The directors and officers of the Debtors' managing general partner;
- (e) The Debtors' Responsible Party; and
- (f) The individuals employed in the office of the U.S. Trustee for Region 6 in Dallas and Fort Worth.

7. A list of each of the entities searched is attached hereto as Schedule 1. Other than as set forth on Schedule 2, Gray Reed has no relationship with, or connection to, any of such entities. Under my supervision, Gray Reed will continue to monitor the relationships of the parties in these chapter 11 cases and as additional information becomes available or additional connections are discovered, Gray Reed will promptly file supplemental disclosures.

GRAY REED'S RATES AND BILLING PRACTICES

8. Gray Reed's current customary hourly rates presently range from \$225.00 to \$850.00 per hour for attorneys and \$175.00 to \$250.00 for paraprofessionals. Hourly rates are periodically adjusted in the normal course of the Firm's business, often due to the increased experience of a particular professional. The attorneys primarily responsible for this engagement and their respective hourly rates are as follows: Jason S. Brookner, shareholder: \$600.00 per hour; Lydia R. Webb, associate: \$325.00 per hour; Jason M. Brown, associate: \$275.00 per hour. These attorneys will be assisted by other professionals and paraprofessionals at Gray Reed as

necessary. The Debtors understand that the hourly rates charged by Gray Reed may be adjusted from time to time on an annual basis.

9. In advance of filing, Gray Reed received aggregate payments of \$70,000.00 for services to be rendered to, and expenses, including filing fees, incurred and to be incurred on behalf of, the Debtors from February 2016 through the Petition Date, with the remainder to be held as a retainer for post-petition services and expense reimbursement as approved by this Court. Pursuant to section 329 of the Bankruptcy Code, Gray Reed discloses that from the time Gray Reed was retained in connection with the potential filing of these chapter 11 cases through the Petition Date, it has been paid \$25,940.96 by the Debtors for pre-petition services rendered to, and expenses incurred on behalf of, the Debtors in connection with restructuring, reorganization, and bankruptcy matters. Gray Reed will not draw on the remaining retainer balance of \$44,059.04 unless and until authorized to do so by this Court.

10. No promises have been received by Gray Reed or any member, counsel or associate thereof as to payment or compensation in connection with these chapter 11 cases other than in accordance with the provisions of the Bankruptcy Code and Orders of this Court. Gray Reed has no agreement with any other entity to share with such entity any compensation received by Gray Reed, other than among the attorneys at Gray Reed.

11. The Debtors' Application requests approval of Gray Reed's retention on the terms and conditions Gray Reed charges its non-bankruptcy clients, namely, prompt payment of its hourly rates as adjusted from time to time and reimbursement of actual out-of-pocket expenses at the actual cost incurred by Gray Reed, or based upon formulas that approximate the actual cost where the actual cost is not easily ascertainable. Subject to these terms and conditions, Gray Reed intends to apply for compensation for professional services rendered in these Chapter 11

cases and for reimbursement of actual and necessary expenses incurred in connection therewith, in accordance with the provisions of the Bankruptcy Code and Orders of this Court.

12. The attorneys at Gray Reed who will be working on this engagement are familiar with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedures, and the Local Bankruptcy Rules for this District, and shall comply therewith.

13. I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed at Dallas, Texas on this 17th day of October, 2016.

/s/ Jason S. Brookner
Jason S. Brookner

Schedule 1

List of Entities Searched

The Debtors

Colorado 2002B Limited Partnership f/k/a/
PDC 2002-B LP
Colorado 2002C Limited Partnership f/k/a/
PDC 2002-C LP

The Related Debtors

Eastern 1996D Limited Partnership f/k/a
PDC 1996-D LP
Eastern 1997D Limited Partnership f/k/a
PDC 1997-D LP
Eastern 1998D Limited Partnership f/k/a
PDC 1998-D LP
CO & PA 1999D Limited Partnership f/k/a
PDC 1999-D LP
Colorado 2000B Limited Partnership f/k/a
PDC 2000-B LP
Colorado 2000C Limited Partnership f/k/a
PDC 2000-C LP
Colorado 2000D Limited Partnership f/k/a
PDC 2000-D LP
Colorado 2001A Limited Partnership f/k/a
PDC 2001-A LP
Colorado 2001B Limited Partnership f/k/a
PDC 2001-B LP
Colorado 2001C Limited Partnership f/k/a
PDC 2001-C LP
Colorado 2001D Limited Partnership f/k/a
PDC 2001-D LP
Colorado 2002A Limited Partnership f/k/a
PDC 2002-A LP

Debtors' Managing General Partner &
Counsel

PDC Energy, Inc. f/k/a Petroleum
Development Corporation
Andrews Kurth LLP

Debtors' Responsible Party

Atropos, Inc.
Karen Nicolaou

Directors & Officers of Debtors' Managing
General Partner

Barton R. Brookman, Jr.
Lance Lauck
Daniel W. Amidon
Scott J. Reasoner
Darwin L. Stump
David McHenry
Gysle R. Shellum
R. Scott Meyers
Jeffrey C. Swoveland
Joseph E. Casabona
Anthony J. Crisafio
Larry F. Mazza
David C. Parke
James M. Trimble
Kimberly Luff Wakim

Office of the U.S. Trustee for the Northern
District of Texas

William Neary
Lisa L. Lambert
Mary Frances Durham
Meredyth Kippes
Nancy S. Resnick
Erin Schmidt
Elizabeth Ziegler
Kara Croop
Ruby Curry
Christi C. Flanagan
C. Marie Goodier
Marina J. Lopez
LaSharion F. McClellan
Sandra F. Nixon
Felicia P. Palos
Bradley D. Perdue
Kendra M. Rust
Joseph W. Spearanza
Jule Vega
Cheryl H. Wilcoxson
Cindy Worthington
Gale Wright
Susan G. Young

Schedule 2

List of Entities Searched With Whom Gray Reed Has A Connection

List of Connections

1. Jason S. Brookner was a partner in the Dallas office of Andrews Kurth LLP from January 2003 until March 20, 2013. While at Andrews Kurth, Mr. Brookner had no involvement or contact with the Debtors' managing general partner, PDC Energy, Inc. ("PDC"), in any way, he did not know that PDC was a client of the firm, and he did not have access to, or receive any information about PDC, whether confidential or otherwise.

2. Gray Reed currently serves as Debtors' counsel for each of the entities identified as the "Related Debtors" in Schedule 1.

3. Jason Brookner and Gray Reed have in the past worked on other cases where Karen Nicolaou and Atropos were clients or otherwise involved in the case. The most recent is the chapter 11 cases of the related debtors presiding before Judge Hale.

4. Jason Brookner has been a member of the American Bankruptcy Institute ("ABI") for over twenty (20) years and has served in various leadership roles over the years. Currently, he is a co-chair of the Texas and Southwest Region of the ABI Endowment Committee. In that capacity, and through general ABI membership, Mr. Brookner has developed numerous professional relationships with any number of bankruptcy judges. It is possible that other ABI members from different law firms and professional firms may appear in these chapter 11 cases. In addition, Mr. Brookner is aware that Judge Houser is presently the Vice President – Research/Grants. None of these professional relationships will in any way impact Gray Reed's representation of the Debtors in these chapter 11 cases.

Exhibit "B"

Proposed Order

**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 and COLORADO 2002C	§
LIMITED PARTNERSHIP,	§ Jointly Administered
	§
Debtors.	§

**ORDER AUTHORIZING EMPLOYMENT OF GRAY REED & MCGRAW, P.C. AS
COUNSEL TO THE DEBTORS PURSUANT TO SECTION 327(a) OF THE
BANKRUPTCY CODE AND RULES 2014 AND 2016 OF THE FEDERAL RULES OF
BANKRUPTCY PROCEDURE, EFFECTIVE AS OF THE PETITION DATE**

Upon the Application (the “Application”) of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for Order Authorizing Employment of Gray Reed & McGraw, P.C. (“Gray Reed”) as Counsel to the Debtors Pursuant to Section 327(a) of the Bankruptcy Code and Rules 2014 and 2016 of the Federal Rules of Bankruptcy Procedure, Effective as of the Petition Date;¹ and upon the Statement of Gray Reed & McGraw, P.C. and Declaration of Jason S. Brookner Pursuant to Rules 2014 and 2016 of the Federal Rules of

¹ Capitalized terms used but not defined herein have the meanings set forth in the Application.

Bankruptcy Procedure and Sections 327(a), 329 and 504 of the Bankruptcy Code (the “Rule 2014 Statement”); 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 upon the representations made by the Debtors and Gray Reed in the Application and the Rule 2014 Statement that Gray Reed represents no interest adverse to the Debtors and their respective estates with respect to the matters upon which Gray Reed is to be engaged and that Gray Reed is “disinterested” as that term is defined in section 101(14) of the Bankruptcy Code; and it appearing that the employment of Gray Reed is appropriate and in the best interests of the Debtors and their respective estates and parties in interest; and it appearing that sufficient notice of the Application has been given, and that no other or further notice is required; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED AS FOLLOWS:

1. The Application is granted, as set forth herein.
2. Pursuant to section 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014, the Debtors are authorized to employ Gray Reed as their counsel, effective as of the Petition Date, to provide the services described in the Application.
3. Gray Reed shall be compensated and reimbursed in accordance with the customary hourly rates as set forth in the Application.
4. Gray Reed shall apply to the Court for allowance of compensation and reimbursement of expenses in accordance with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules and Orders of this Court.

END OF ORDER