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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. §

**AMENDED APPLICATION FOR ORDER PURSUANT TO SECTIONS 105(a) AND  
363(b) OF THE BANKRUPTCY CODE AUTHORIZING EMPLOYMENT AND  
RETENTION OF ATROPOS, INC. AS RESPONSIBLE PARTY FOR THE DEBTORS,  
EFFECTIVE AS OF THE PETITION DATE**

**NO HEARING WILL BE CONDUCTED HEREON UNLESS A  
WRITTEN RESPONSE IS FILED WITH THE CLERK OF THE  
UNITED STATES BANKRUPTCY COURT AT EARLE CABELL  
FEDERAL BUILDING, 1100 COMMERCE ST., RM. 1254, DALLAS,  
TX 75242-1496 BEFORE CLOSE OF BUSINESS ON NOVEMBER 17,  
2016, WHICH IS AT LEAST 24 DAYS FROM THE DATE OF  
SERVICE HEREOF.**

**ANY RESPONSE SHALL BE IN WRITING AND FILED WITH THE  
CLERK, AND A COPY SHALL BE SERVED UPON COUNSEL FOR  
THE MOVING PARTY PRIOR TO THE DATE AND TIME SET  
FORTH HEREIN. IF A RESPONSE IS FILED A HEARING MAY BE  
HELD WITH NOTICE ONLY TO THE OBJECTING PARTY.**

**IF NO HEARING ON SUCH NOTICE OR MOTION IS TIMELY  
REQUESTED, THE RELIEF REQUESTED SHALL BE DEEMED TO  
BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER  
GRANTING THE RELIEF SOUGHT OR THE NOTICED ACTION  
MAY BE TAKEN.**

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 Pursuant to Sections 105(a) and 363(b) of title 11 of the United States Code (the “Bankruptcy Code”) Authorizing Employment and Retention of Atropos, Inc. as Responsible Party for the Debtors, 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 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. As set forth more fully in the Declaration of Karen Nicolaou in Support of Chapter 11 Petitions [Docket No. 16], 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. PDC serves as operator for each of the wells in which the Debtors have a working interest. PDC markets and sells the oil, gas, and natural gas liquids, pays all applicable operating expenses and royalty interest holders, and thereafter, allocates the net distributable income on each applicable well to the appropriate Debtor and other non-debtor working interest holders. On behalf of each Debtor, PDC then distributes such Debtor's net distributable income to each Debtor's Partners. The Debtors have no operations, no employees and no creditors (other than PDC, to whom the Debtors owe, in any given month, reimbursement for expenses incurred in connection with drilling activities).

7. On December 11, 2015, PDC, in its capacity as managing general partner, appointed Karen Nicolaou as the Debtors' responsible party (the "Responsible Party"). Ms. Nicolaou's financial advisory and consulting services to the Debtors are provided through Atropos, Inc. ("Atropos"). A copy of the engagement letter between Atropos and the Debtors is attached hereto as Exhibit "A" (the "Engagement Letter").

### **RELIEF REQUESTED**

8. By this Application, the Debtors respectfully request entry of an order authorizing the retention of Atropos as the Responsible Party for the Debtors. Attached hereto as Exhibit "B" is a true and correct copy of the Declaration of Karen Nicolaou in Support of Application for Order Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code Authorizing Employment and Retention of Atropos, Inc. as Responsible Party for the Debtors, Effective as of the Petition Date (the "Nicolaou Declaration").

9. The Debtors believe that Atropos and Ms. Nicolaou are well qualified to provide restructuring management services that will enhance the Debtors' efforts to maximize the value

of their respective estates. Ms. Nicolaou is a certified public accountant with over 15 years of experience providing restructuring advisory and management services to companies experiencing financial distress, including those in the oil & gas industry. Atropos and Ms. Nicolaou have provided restructuring and turn-around management services to, among others, Physicians' Resource Group, Inc., ProMedCo Management Company, and Johnson Broadcasting, Inc.

10. In addition, Ms. Nicolaou served as the Responsible Party for twelve (12) similarly situated and related partnerships also managed by PDC in the bankruptcy case styled *In re Eastern 1996D Limited Partnership, et al.*, Case No. 13-34773-HDH-11 (Bankr. N.D. Tex.). Many of the legal issues that arose in that case may arise in this case. As a result, Ms. Nicolaou is familiar with the Debtors' operations, its creditor body, and the issues likely to present themselves during the pendency of these cases. Therefore, Ms. Nicolaou and Atropos are well qualified to serve the Debtors in these chapter 11 cases.

**A. Services to Be Rendered**

11. The services to be rendered to the Debtors by Atropos and Ms. Nicolaou include, but are not limited to, the following:

- (a) managing the chapter 11 bankruptcy process;
- (b) preparing statements of financial affairs, schedules, and other first day motions;
- (c) managing communications with parties in interest;
- (d) preparing monthly operating reports and such other financial analysis as may be necessary as part of the restructuring process;
- (e) representing the Debtors at 341 hearings and providing testimony at other bankruptcy hearings, as necessary;
- (f) overseeing the sale of the Debtors' assets;

- (g) supervising the Debtors' legal advisors; and
- (h) taking such other actions and doing such other things in connection with these chapter 11 cases as may be necessary and appropriate.

12. Subject to this Court's approval, Atropos and Ms. Nicolaou are prepared to serve as the Debtors' Responsible Party and perform the services described above.

**B. Professional Compensation and Reimbursement**

13. In advance of filing, Atropos received \$16,391.19 for prepetition services and expenses incurred on behalf of the Debtors. Atropos also holds a retainer in the amount of \$25,000 for post-petition services and expense reimbursement.

14. As set forth in the Engagement Letter, all professional fees and expenses will be invoiced monthly and payable upon presentment. Atropos will first draw down the retainer balance before seeking payment from the Debtors in the ordinary course. The Debtors understand that Atropos 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 Ms. Nicolaou and other Atropos professionals are set forth in the accompanying Engagement Letter.

15. In addition, Atropos will be entitled to: (i) 3% of the first \$1,000,000.00 in net proceeds received from any sale of Debtors' assets and any other transaction that results in cash being distributed to the limited partners of the Debtors (each such occurrence, a "Transaction"); and (ii) 2% of any additional net proceeds greater than \$1,000,000.00 received in any such Transaction.

16. Because Atropos is not being employed as a professional pursuant to section 327 of the Bankruptcy Code, monthly fee applications will not be filed pursuant to sections 330 and 331 of the Bankruptcy Code. However, upon request, Atropos will provide, to the United States

Trustee or any other party in interest, a quarterly statement summarizing the fees and expenses incurred by Atropos on behalf of the Debtors in the prior quarter.

17. The Debtors believe that the services offered by Atropos are the best available and, given Atropos' prior experience in the *Eastern* case, the most efficient, and the accompanying terms are customary, fair and reasonable. The Debtors believe that the fees charged by Atropos pursuant to the Engagement Letter are comparable with fees charged by Atropos in other engagements, and are also comparable to those charged by other turn-around and restructuring management service providers.

**C. Atropos's Disinterestedness**

18. Even though Atropos is not being retained under section 327(a) of the Bankruptcy Code, Atropos performed a conflicts check in connection with its initial engagement by the Debtors. To the best of the Debtors' knowledge, other than set out in the Nicolaou Declaration, Atropos: (a) does not have any connections with the Debtors, their creditors, equity interest holders, or any other party in interest or their professionals, or which would otherwise create a conflict of interest in this matter; (b) does not have any connection with the Office of the U.S. Trustee, the Court, or any person employed by the Office of the U.S. Trustee or the Court; (c) is a "disinterested person," as that term is defined in section 101(14) of the Bankruptcy Code; and (d) does not hold an interest adverse to the Debtors, as debtors in possession, or their estates in the matters upon which Atropos is to be engaged.

**D. Indemnification**

19. As more fully described in the Engagement Letter, the Debtors seek authority to indemnify Atropos and Ms. Nicolaou from any and all losses, claims, or liabilities in connection with their performance of services in these chapter 11 cases, except where any claims or losses

are due to willful or reckless misconduct, or gross negligence, as determined by a final judgment from which all appeals have been exhausted.

### **ARGUMENTS & AUTHORITIES**

20. Section 363(b) of the Bankruptcy Code, in relevant part, provides that a debtor in possession “after notice of a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate. . .” 11 U.S.C. § 363(b)(1). Further, pursuant to section 105(a) of the Bankruptcy Code, the “court may issue any order, process, or judgment that is necessary to carry out the provisions of this title.” 11 U.S.C. § 105(a).

21. If a debtor’s proposed use of assets pursuant to section 363(b) of the Bankruptcy Code represents a reasonable business judgment on the part of the debtor, such use should be approved. *See, e.g., Institutional Creditors of Cont’l Air Lines, Inc. v. Cont’l Air Lines, Inc. (In re Cont’l Air Lines, Inc.)*, 780 F. 2d 1223, 1226 (5th Cir. 1986) (requiring an “articulated business justification”); *Comm. of Equity Sec. Holders v. Lionel Corp. (In re Lionel Corp.)*, 722 F.2d 1063, 1070 (2d Cir. 1983) (same); *Myers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996) (noting that under normal circumstances, the court defers to the debtor in possession’s judgment so long as there is a “legitimate business justification”); *In re Del. & Hudson R.R. Co.*, 124 B.R. 169, 176 (D. Del. 1991) (courts have applied the “sound business purpose” test to evaluate motions brought pursuant to section 363(b)). Once a debtor articulates a valid business justification, “the business judgment rule ‘is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was in the best interests of the company.’” *In re Integrated Resources, Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)).

22. The retention of interim officers and other temporary employees is proper under section 363 of the Bankruptcy Code. Many courts, including this Court, have recognized and

authorized the retention of temporary officers under section 363. *See, e.g., In re Hallwood Energy, L.P.*, Case No. 09-31253 (Bankr. N.D. Tex. Apr. 22, 2009) [Docket No. 151]; *In re Pilgrims Pride Corp.*, Case No. 08-45664 (Bankr. N.D. Tex. Dec. 30, 2008) [Docket No. 825]; *In re Mirant Corp.*, Case No. 03-46590 (Bankr. N.D. Tex. Sept. 26, 2003) [Docket No. 999]; *In re PRC, LLC*, Case No. 08-10239 (Bankr. S.D.N.Y. Feb. 27, 2008) [Docket No. 182]; *In re Bally Total Fitness of Greater N.Y., Inc.*, Case No. 07-12395 (Bankr. S.D.N.Y. Aug. 21, 2007) [Docket No. 283]; *In re Dana Corp.*, Case No. 06-10354 (Bankr. S.D.N.Y. Mar. 6, 2006) [Docket No. 84]; *In re Penn Traffic Co.*, Case No. 03-22945 (Bankr. S.D.N.Y. May 30, 2003) [Docket No. 31]; *In re Acterna Corp.*, Case No. 03-12837 (Bankr. S.D.N.Y. May 6, 2003) [Docket No. 44].<sup>1</sup>

23. The Debtors respectfully submit that the retention of Atropos under the terms set forth in the Engagement Letter represents the Debtors' sound business judgment and would be of great benefit to the Debtors' estates. Accordingly, the Debtors respectfully request that the Court grant this Application.

#### NOTICE

24. 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 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) authorizing the Debtors to employ and retain Atropos, Inc. as the Debtors' Responsible Party, effective as of the Petition Date, and (ii) granting such other and further relief as may be just and proper.

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<sup>1</sup> Indeed, the Court has previously authorized Atropos' retention on substantially similar grounds in the *Eastern* case. *See* Docket No. 106 in Case No. 13-34773-HDH-11.



Respectfully submitted this 24th 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

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[lwebb@grayreed.com](mailto:lwebb@grayreed.com)

**PROPOSED COUNSEL TO THE DEBTORS**

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the 24th 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

**Exhibit "A"**

**Engagement Letter**



December 11, 2015

**VIA ELECTRONIC MAIL TO: dan.amidon@pdce.com**

Daniel W. Amidon, Esq.

PDC Energy

1775 Sherman Street, Suite 3000

Denver, CO 80203

Re: Resolution and Wind-Down of PDC 2002-B Limited Partnership and PDC 2002-C Limited Partnership (collectively, the "Partnerships")

Dear Mr. Amidon:

You have requested that I, Karen Nicolaou, provide certain financial advisory and managerial services for the Partnerships in relation to analyzing options for a wind-down and/or divestiture of the Partnerships' operations and assets.

Specifically, you have requested that I serve as the Responsible Party ("Responsible Party") for each of the Partnerships and analyze all options available to wind-down the Partnerships, including analyzing all potential restructuring and divestiture options (which include, but are not limited to bankruptcy). As Responsible Party, you have requested that I, an independent fiduciary, serve as the authorized representative for each of the Partnerships with authority to oversee the Partnerships in determining the best course of action to wind-down the Partnerships, including overseeing all actions in connection with a potential bankruptcy filing or an auction and sale of the Partnerships' assets. In the role of Responsible Party, I will have authority to perform all services necessary consistent with my position, including but not limited to:

- Exploring options for divesting of assets of the Partnerships and entering into and executing definitive documents to effect any such sale; and



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Engagement Agreement with Atropos, Inc.  
Page 2

- Analyzing the books and records of the Partnerships and resolving issues related to claims against and interests in the Partnerships;

My services will be provided through Atropos, Inc. ("Atropos"), a company wholly owned by me. PDC Energy, Inc. ("PDC") shall retain all other responsibilities as Managing General Partner of the Partnerships set forth in each Partnership's Partnership Agreement, including, but not limited to, oversight of the Partnerships' oil and gas operations.

PDC, as Managing General Partner of the Partnerships, hereby represents that it is authorized to retain Ms. Nicolaou as Responsible Party pursuant to following sections of each Partnership's Partnership Agreement:

- Section 5.01: PDC has broad authority to manage the affairs of the Partnership in a prudent and businesslike fashion;
- Section 6.02: PDC is authorized to do any act or execute any document or enter into any contract or any agreement of any nature necessary or desirable . . . in pursuance of the purposes of the Partnership;
- Section 6.02(c): PDC is authorized to employ and retain such personnel as it deems desirable for the conduct of the Partnerships' activities, including employees, consultants and attorneys; and
- Section 6.02(j): PDC is authorized to enter into agreements to hire services of any kind or nature.

In consideration for any financial advisory and consulting services, including any services rendered as Responsible Party, and subject to the approval of the United States Bankruptcy Court if a bankruptcy is filed, the Partnerships will compensate Atropos as follows:

1. Atropos will invoice the Partnerships monthly for my services on an hourly fee basis at my standard hourly billing rate of \$250. The hourly rates of Atropos personnel will not increase during the course of this representation. Other employees of Atropos who provide services in relation to the Partnerships will also invoice on an hourly fee basis at such employees' standard hourly billing rates, which range from \$125 to \$175. Upon completion of any sale of the Partnerships' assets and any other transaction that results in cash being distributed to the limited partners of the partnership (each such occurrence, a "Transaction"), Atropos shall be entitled to additional compensation from the proceeds of any such Transaction as follows: (i) 3% of the first \$1,000,000.00 in net proceeds received by such Partnerships from any such Transaction; and (ii) 2% of any additional net proceeds greater than \$1,000,000.00 received by the Partnerships from any such Transaction.



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Page 3

2. In addition to the above compensation, Atropos will be entitled to reimbursement for expenses such as travel (including mileage, parking, airfare, lodging, meals, and ground transportation), messenger and delivery services, photocopying, long distance telephone, telecopying, computer charges and similar items. To the extent that an outside vendor is used, Atropos will be entitled to reimbursement of its actual costs paid to such outside vendors.

3. Invoices are payable upon presentment or, if a bankruptcy is pursued, within the terms of any professional procedures order as approved by the Bankruptcy Court in effect at the time the services are rendered or expenses incurred, to the extent such order applies to me as Responsible Party.

4. The Partnerships agree that Atropos will participate fully on a pro-rata basis in any Court-approved "carve-out" of funds from cash collateral to be utilized for the payment of professional fees and expenses in a potential bankruptcy case.

5. The Partnerships agree that Atropos and, if appropriate, Ms. Nicolaou individually, may retain counsel, and such other advisors as deemed reasonably necessary and appropriate, for themselves and for the Partnerships in connection with this engagement. The Partnerships agree to pay for any fees or expenses of such counsel, including any fees and expenses approved by the Bankruptcy Court related to such counsel. The choice of such independent counsel will be at Atropos's sole discretion.

6. In addition to compensation which the Partnerships have agreed to pay for the services to be performed hereunder, PDC agrees to indemnify and hold Atropos and its principal and employees harmless against and from any and all losses, claims, damages or liabilities, joint or several, to which they may become subject in connection with the matters referred to in this letter under any Federal or State statutes or regulations, or at common law or otherwise, and to reimburse them for any legal or other expenses (including the cost of any investigation and preparation) incurred by them arising out of or in connection with the performance of services which are the subject of this letter. Notwithstanding the provisions of the foregoing, PDC will not be obligated to pay any amount determined by a final judgment of court-at-law, from which all appeals have been exhausted, to have been proximately caused by the willful or reckless misconduct, or gross negligence of Atropos, its principal or its employees.

7. This agreement may be terminated only for cause or, in the case of a bankruptcy, by the Bankruptcy Court.

The Partnerships and PDC shall provide Atropos and the Responsible Party with access to all Partnership books and records, data, or other information in their possession necessary to perform the services contemplated by this agreement, as and when requested by the Responsible Party.



December 11, 2015  
Engagement Agreement with Atropos, Inc.  
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Sincerely,

ATROPOS, INC.

A handwritten signature in black ink, appearing to read "Karen Nicolaou", is written over a horizontal line. The signature is stylized and somewhat cursive.

Karen Nicolaou



December 11, 2015  
Engagement Agreement with Atropos, Inc.  
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AGREED TO AND ACCEPTED on this 11<sup>th</sup> day of December, 2015.

PDC 2002-B LIMITED PARTNERSHIP

By: PDC Energy, Inc., as Managing General Partner

Signature: *Daniel W. Amidon*  
Print Name: Daniel W. Amidon  
Title at Managing General Partner: SVP - Corporate Secretary

PDC 2002-C LIMITED PARTNERSHIP

By: PDC Energy, Inc., as Managing General Partner

Signature: *Daniel W. Amidon*  
Print Name: Daniel W. Amidon  
Title at Managing General Partner: SVP - Corporate Secretary

**Exhibit "B"**

**Nicolaou 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.	§	

**DECLARATION OF KAREN NICOLAOU IN SUPPORT OF  
APPLICATION FOR ORDER PURSUANT TO SECTIONS 105(a) AND 363(b)  
OF THE BANKRUPTCY CODE AUTHORIZING EMPLOYMENT AND  
RETENTION OF ATROPOS, INC. AS RESPONSIBLE PARTY FOR  
THE DEBTORS, EFFECTIVE AS OF THE PETITION DATE**

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

1. I am the principal of Atropos, Inc. (“Atropos”), a wholly-owned firm that provides finance and operational solutions to small-cap public and private companies, including restructuring and expert witness services.

2. I submit this Declaration (i) in support of the application (the “Application”) to employ Atropos as the Debtors’ Responsible Party.

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.

**QUALIFICATIONS**

4. I have been asked to serve as the Debtors’ Responsible Party. I am a certified public accountant with over 15 years of experience providing restructuring advisory and management services to companies experiencing financial distress, including those in the oil &

gas industry. I and Atropos have provided restructuring and turn-around management services to, among others, Physicians' Resource Group, Inc., ProMedCo Management Company, Johnson Broadcasting, Inc., and the twelve (12) related limited partnerships debtors in *In re Eastern 1996D Limited Partnership, et al.*, Case No. 13-34773-HDH-11 (Bankr. N.D. Tex.). In addition, I have served as an expert witness on financial and restructuring issues in various other matters.

### **ATROPOS'S DISCLOSURE PROCEDURES**

5. In preparing this Declaration, either I or someone under my supervision and direction reviewed my and Atropos's transaction history to determine whether there were 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; and
- (e) The individuals employed in the office of the U.S. Trustee for Region 6 in Dallas and Fort Worth.

6. A list of each of the entities searched is attached hereto as Schedule 1. Other than as set forth on Schedule 2, Atropos has no relationship with, or connection to, any of such entities. Under my supervision, Atropos 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, Atropos will promptly file supplemental disclosures.

### **COMPENSATION AND REIMBURSEMENT**

7. Attached to the Application as Exhibit "A" is the engagement letter between Atropos and the Debtors (the "Engagement Letter"), which sets forth the scope and terms of the

engagement.

8. In advance of filing, Atropos received \$16,391.19 for prepetition services and expenses incurred on behalf of the Debtors. Atropos also holds a retainer in the amount of \$25,000 for post-petition services and expense reimbursement.

9. As set forth in the Engagement Letter, all professional fees and expenses will be invoiced monthly and payable upon presentment. Atropos will bill at its established hourly rates and seek reimbursement of expenses, as customarily charged to its non-bankruptcy clients. My standard hourly billing rate is \$250. Other Atropos employees who may provide services to the Debtors have standard hourly billing rates that range from \$125 to \$175.

10. In addition, Atropos will be entitled to: (i) 3% of the first \$1,000,000.00 in net proceeds received from any sale of Debtors' assets and any other transaction that results in cash being distributed to the limited partners of the Debtors (each such occurrence, a "Transaction"); and (ii) 2% of any additional net proceeds greater than \$1,000,000.00 received in each Transaction.

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

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

*/s/ Karen Nicolaou*

\_\_\_\_\_  
Karen Nicolaou

**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

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 Atropos Has A Connection**

**List of Connections**

1. Atropos has previously worked with Andrews Kurth LLP, and has previously been involved in transactions with Andrews Kurth LLP.

2. Atropos has previously served as the Responsible Party for each of the entities identified as the “Related Debtors” in Schedule 1.

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

**Exhibit "C"**

**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 THE EMPLOYMENT OF ATROPOS, INC. AS  
RESPONSIBLE PARTY FOR THE DEBTORS  
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 Pursuant to Sections 105(a) and 363(b) of title 11 of the United States Code (the “Bankruptcy Code”) Authorizing Employment and Retention of Atropos, Inc. as Responsible Party for the Debtors, Effective as of the Petition Date;<sup>1</sup> and upon the Declaration of Karen Nicolaou in Support of Application For Order Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code Authorizing Employment and Retention of Atropos, Inc. as Responsible Party for the Debtors, Effective as of the Petition Date (the

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

“Nicolaou Declaration”); 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 of the Debtor and Atropos made in the Application and the Nicolaou Declaration that Atropos is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code; and it appearing that the employment of Ms. Nicolaou as Responsible Party 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. The Engagement Letter between the Debtors and Atropos is hereby approved.
3. The Debtors are authorized to employ Atropos and Ms. Nicolaou as their Responsible Party, pursuant to section 363(a) of the Bankruptcy Code to provide the services described in the Application.
4. Atropos shall be compensated and reimbursed for services performed on a monthly basis, as set forth in the Engagement Letter, without the need to file fee applications, or for any further Order of this Court.

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