

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

<b>IN RE:</b>	§	
	§	<b>CASE NO. 15-35615</b>
<b>RAAM GLOBAL ENERGY COMPANY, <i>et al.</i></b>	§	
	§	<b>(Chapter 11)</b>
	§	
<b>DEBTORS.</b>	§	<b>JOINTLY ADMINISTERED</b>

**MOTION TO ESTABLISH PROCEDURES  
FOR MONTHLY AND INTERIM COMPENSATION AND  
REIMBURSEMENT OF EXPENSES FOR CASE PROFESSIONALS**

**A HEARING WILL BE CONDUCTED ON THIS MATTER ON DECEMBER 7, 2015 AT 10:00 A.M. IN COURTROOM 404, 515 RUSK STREET, HOUSTON, TEXAS.**

**IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY-FOUR DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANTED THE RELIEF REQUESTED.**

**REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.**

**TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:**

The above captioned debtors and debtors in possession (collectively, the “Debtors”),<sup>1</sup> file this *Motion to Establish Procedures for Monthly and Interim Compensation and Reimbursement of Expenses for Case Professionals* (the “Motion”) and respectfully submit the following:

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<sup>1</sup> The Debtors are RAAM Global Energy Company [2973], Century Exploration New Orleans, LLC [4948], Century Exploration Houston, LLC [9624], and Century Exploration Resources, LLC [7252].

### **JURISDICTION AND PROCEDURAL BACKGROUND**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 1334 and 157. This Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A).
2. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.
3. On October 26, 2015 (the “Petition Date”), the Debtors each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), thereby commencing the above-captioned bankruptcy cases (the “Cases”).
4. Since the Petition Date, the Debtors have continued to operate and manage their businesses as debtors in possession pursuant to Bankruptcy Code §§ 1107(a) and 1108.
5. On November 9, 2015, an official joint committee of unsecured creditors (the “Committee”) was appointed in the Cases.

### **STATEMENT OF FACTS**

#### **a. General Background**

6. RAAM Global Energy Company (“RAAM”) is an independent oil and natural gas exploration and production company engaged in the exploration, development, production, exploitation, and acquisition of oil and natural gas properties. The other Debtors are wholly-owned subsidiaries of RAAM, and RAAM provides administrative, technical, financial, and strategic planning support to the subsidiaries.
7. The Debtors’ producing assets are located offshore in the Gulf of Mexico and onshore in Louisiana, Texas, Oklahoma, and California, and the Debtors maintain offices in Lexington, Kentucky and New Orleans, Louisiana. Additional information concerning the Debtors can be found in the *Declaration of James R. Latimer, III in Support of First Day Pleadings* [Docket No. 20].

**b. Specific Background**

8. Contemporaneously with this Motion, the Debtors filed applications to retain Vinson & Elkins LLP as counsel; Blackhill Partners, LLC and James R. Latimer, III as chief restructuring officer; Parkman Whaling LLC as financial advisors; Newcor Commercial Real Estate as real estate broker; BMC Group, Inc. as claims, noticing, and balloting agent; and various ordinary course professionals.<sup>2</sup> The Debtors may need to retain additional professionals in connection with the Cases. In addition, the Committee may wish to retain professionals.

**RELIEF REQUESTED**

9. The Debtors submit that establishing orderly procedures for the payment of the Professionals who will be required to file applications for allowance of compensation and reimbursement of expenses pursuant to Bankruptcy Code §§ 330 and 331 (each a “Professional” and collectively, the “Professionals”) will streamline the administration of the Cases and otherwise promote efficiency for the Court, the United States Trustee, and other parties in interest. Moreover, it will provide: (a) the Court and all other parties an effective means to monitor the fees incurred; (b) the Professionals, whose time commitment is expected to be significant, a means to receive interim payments for their services; and (c) the Debtors a means to avoid irregular payments that might result in large depletions of their cash flow. Accordingly, the Debtors request that the Court enter an order establishing procedures for compensating and reimbursing professionals on a monthly basis.

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<sup>2</sup> Contemporaneously herewith, the Debtors filed their *Motion for an Order Authorizing the Retention and Compensation of Professionals Used in the Ordinary Course of Business Nunc Pro Tunc* (the “Ordinary Course Professionals Motion”). If the Ordinary Course Professionals Motion is granted, such professionals will not be required to file individual retention applications and will, subject to certain limitations, be paid in full each month without having to file interim or final fee applications.

**a. Overview**

10. As set forth below, the requested monthly compensation process would allow (but not require) all Professionals retained in the Cases to present to the Debtors invoices showing services rendered and expenses incurred for the prior month period (each, a “Period”). If no timely objection is filed, the Debtors would promptly pay eighty percent (80%) of the amount of fees requested for the Period and one hundred percent (100%) of out-of-pocket expenses for the Period. These payments would be subject to the Court’s interim and final approval.

**b. Procedures**

11. The Debtors propose that the payment of monthly and interim compensation and reimbursement of expenses be structured as follows:

- a. Each Professional may serve invoices showing services rendered and expenses incurred during a prior month (“Monthly Fee Statement”) upon (i) the Debtors, (ii) the Debtors’ counsel, (iii) counsel to the Committee, (iv) counsel for Highbridge Principal Strategies, LLC; and (v) the Office of the United States Trustee. The invoices may be reasonably redacted to preserve attorney-client privileges and protect confidential information. Each party receiving an invoice will have fourteen (14) days after the date of receipt of such invoice(s) (the “Objection Period”) to raise written objections, if any. At the expiration of the Objection Period, the Debtors shall promptly pay eighty percent (80%) of the fees and one hundred percent (100%) of the out-of-pocket expenses requested in each Monthly Fee Statement, except such fees or expenses to which an objection has been served by one of the parties.
- b. In the event that one of the parties has an objection to a Monthly Fee Statement, such party shall, within the Objection Period, serve upon the parties a written notice of objection (“Objection Notice”), setting forth the precise nature of the objection and the amount at issue. Thereafter, the objecting party and the Professional to whose Monthly Fee Statement an objection has been served shall attempt to reach an agreement regarding the correct payment to be made. If the parties are unable to reach an agreement on the objection within ten (10) days after receipt of such objection, the Professional whose Monthly Fee Statement is subject to an objection shall have the option of (i) filing the objection, together with a request for payment of the disputed amount, with the Court, or (ii) foregoing payment of the disputed amount until the next interim fee application hearing, at which time the Court will consider and dispose of the objection if payment of the disputed amount is requested. However, the Debtors will be

required to pay promptly any portion of the fees and disbursements requested that are not the subject of an Objection Notice.

- c. Any Professional who fails to file a Monthly Fee Statement for a particular month may subsequently submit a consolidated Monthly Fee Statement for such month(s).
- d. Approximately every four (4) months, each of the Professionals may file with the Court an application for interim approval and allowance, pursuant to Bankruptcy Code § 331, of compensation and reimbursement of expenses incurred during the prior four (4) months (“Interim Fee Application”). Interim Fee Applications for all attorneys who have been or are hereafter retained pursuant to Bankruptcy Code §§ 327 or 1103, unless an ordinary course professional is required to file a fee application under such Court order or Bankruptcy Local Rule, or who have been authorized to receive compensation from the Debtors’ estates and who have been designated by order of the Court as being subject to the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under United States Code by Attorneys in Larger Chapter 11 Cases* (the “Complex Chapter 11 Guidelines”), shall comply with the following procedures set forth in the Complex Chapter 11 Guidelines:
  - (i) Electronic Billing Records: The billing records (detailed time and service entries) substantiating the application should be provided in an open and searchable electronic data format, such as ASCII .txt delimited format aka LEDES: (i) with the applications to the Court, the debtor-in possession (or trustee), official committees, the United States Trustee, and any fee review committee, fee examiner, or fee auditor; and (ii) upon request, to any other party in interest. The applicant may provide the electronic data in the manner in which it maintains it. An applicant that does not maintain billing data electronically is encouraged to consult with the United States Trustee about providing paper copies of such information. The applicant's submission of electronic data does not relieve the applicant of its obligations under the Code, local rules, and any applicable compensation or case management orders, including any obligation to provide paper copies.
  - (ii) Project Categories for Billing Records: To facilitate effective review of the Interim Fee Applications, all time and service entries shall be arranged by the project categories. Only one category should be used for a given activity. Professionals should make their best effort to be consistent in their use of categories, whether within a particular firm or by different firms working on the same case. All professionals may appropriately discuss the categories in advance and agree generally on how activities will be categorized. The project categories set forth below should be used to the extent applicable. The following list is not exclusive, and applicants are encouraged to consult with the United States Trustee regarding the

need to formulate case-specific project billing with respect to a particular case.

- (1) *Asset Analysis and Recovery*: Identification and review of potential assets including causes of action and non-litigation recoveries.
- (2) *Asset Disposition*: Sales, leases (Bankruptcy Code § 365 matters), abandonment and related transaction work related to asset disposition.
- (3) *Assumption and Rejection of Leases and Contracts*: Analysis of leases and executory contracts and preparation of motions specifically to assume or reject.
- (4) *Avoidance Action Analysis*: Review of potential avoiding actions under Sections 544-549 of the Code to determine whether adversary proceedings are warranted.
- (5) *Budgeting (Case)*: Preparation, negotiation, and amendment to budgets for applicant.
- (6) *Business Operations*: Issues related to debtor-in-possession operating in chapter 11 such as employee, vendor, tenant issues and other similar problems.
- (7) *Case Administration*: Coordination and compliance activities not specifically covered by another category.
- (8) *Claims Administration and Objections*: Specific claim inquiries; bar date motions; analyses, objections and allowances of claims.
- (9) *Corporate Governance and Board Matters*: Preparation for and attendance at Board of Directors meetings; analysis and advice regarding corporate governance issues, including trustee, or examiner issues; review and preparation of corporate documents (*e.g.*, articles and bylaws, etc.).
- (10) *Employee Benefits and Pensions*: Review and preparation related to employee and retiree benefit issues, including compensation, bonuses, severance, insurance benefits, and 401K, pensions, or other retirement plans.
- (11) *Employment and Fee Applications*: Preparation of employment and fee applications for self or others; motions to establish interim procedures.

- (12) *Employment and Fee Application Objections*: Review of and objections to the employment and fee applications of others.
- (13) *Financing and Cash Collateral*: Matters under Bankruptcy Code §§ 361, 363, and 364 including cash collateral and secured claims; loan document analysis.
- (14) *Litigation*: Contested Matters and Adversary Proceedings (not otherwise within a specific project category), each identified separately by caption and adversary number, or title of motion or application and docket number, and using the Uniform Task Based Management System Litigation Task Code Set.
- (15) *Meetings and Communications with Creditors*: Preparation for and attendance at Bankruptcy Code § 341(a) meeting and any other meetings with creditors and creditors' committees.
- (16) *Non-Working Travel*: Non-working travel where the court reimburses at less than full hourly rates.
- (17) *Plan and Disclosure Statement*: Formulation, presentation and confirmation; compliance with the plan confirmation order, related orders and rules; disbursement and case closing activities, except those related to the allowance and objections to allowance of claims.
- (18) *Real Estate*: Review and analysis of real estate-related matters, including purchase agreements and lease provisions (e.g., common area maintenance clauses).
- (19) *Relief from Stay and Adequate Protection*: Matters relating to termination or continuation of automatic stay under Bankruptcy Code § 362 and motions for adequate protection under Bankruptcy Code § 361.
- (20) *Reporting*: Statement of financial affairs, schedules, monthly operating reports, and any other accounting or reporting activities; contacts with the United States Trustee not included in other categories.
- (21) *Tax*: Analysis of tax issues and preparation of federal and state tax returns.
- (22) *Valuation*: Appraise or review appraisals of assets.



- (iii) Expense Categories for Billing Records: All expense entries should be arranged by expense categories. The following expense categories should be used to the extent applicable: (1) *Copies*; (2) *Outside Printing*; (3) *Telephone*; (4) *Facsimile*; (5) *Online Research*; (6) *Delivery Services/Couriers*; (7) *Postage*; (8) *Local Travel*; (9) *Out-of-Town Travel, separated by Transportation, Hotel, Meals, Ground Transportation, and Other (specify)*; (10); *Meals (local)*; (11) *Court Fees*; (12) *Subpoena Fees*; (13) *Witness Fees*; (14) *Deposition Transcripts*; (15) *Trial Transcripts*; (16) *Trial Exhibits*; (17) *Litigation Support Vendors*; (18) *Experts*; (19) *Investigators*; (20) *Arbitrators/Mediators*; and (21) *Other (specify)*. Unusual items require more detailed explanations and should be allocated where practicable to specify projects.
  - (iv) Billing Increments; Prohibition on Block Billing and Lumping: All time entries shall be recorded in increments of .1 of an hour. All discrete tasks should be recorded separately. Each timekeeper, however, may record one daily entry that combines tasks for a particular project that total a de minimis amount of time if those tasks do not exceed .5 hours on that day.
  - (v) Budgets and Staffing Plans: All attorneys subject to the Complex Chapter 11 Guidelines shall formulate budgets and staffing plans as soon as feasible after entry of an order granting this Motion or such attorney's retention. Attorneys are encouraged to follow the model budget (Exhibit C-1) and staffing plan (Exhibit C-2) attached to the Complex Chapter 11 Guidelines. Budgets and staffing plans should be agreed to between the attorney and client. Budgets can and should be amended as necessary to reflect changed circumstances or unanticipated developments. The appropriate budget period should be decided between the attorney and client. For example, the budget could be provided for the next month, the next 120-day interim period, or for any other time period as agreed. The staffing plan should use the same planning period as the budget. In the staffing plan, the number of professionals expected to work on the matter during the budget period may be disclosed either by category of timekeeper (*e.g.*, 25 associates) or by years of experience (*e.g.*, 15 attorneys with 8-14 years of experience). Attorneys should attach the client-approved budget and staffing plan to the Interim Fee Applications or final fee applications, as applicable, for the time period covered thereby. Both the original and any amended budgets and staffing plans should be included. Unless otherwise ordered by the Court, the disclosure of budgets and staffing plans by attorneys shall be retrospective only.
- e. The pendency of an objection or a Court order stating that payment of compensation or reimbursement of expenses was improper as to a particular Monthly Fee Statement or Interim Fee Application shall not disqualify a Professional from the future payment of monthly and interim compensation or reimbursement of expenses as set forth above, except as otherwise directed by an order of this Court.



- f. Neither the payment of or the failure to pay, in whole or in part, fees and expenses requested in a Monthly Fee Statement, nor the filing of or the failure to file an Objection to any Monthly Fee Statement, will bind any party in interest or the Court with respect to the allowance of interim or final compensation for services rendered and reimbursement of expenses of Professionals.
- g. The Debtors will include all payments to Professionals on their monthly operating reports, detailed so as to state the amount paid to each of the Professionals.

**BASIS FOR REQUESTED RELIEF**

12. Pursuant to Bankruptcy Code § 331, all professionals employed by the Debtors in bankruptcy cases are entitled to submit applications for interim compensation and reimbursement of expenses every 120 days “or more often if the Court permits.” 11 U.S.C. § 331. Absent an order of this Court, Bankruptcy Code § 331 limits payment of fees and expenses to the Professionals rendering services in the Cases to only three times per year.

13. In enacting Bankruptcy Code § 331, Congress anticipated that the circumstances of a case may require more frequent payments of fees and expenses to professionals:

The court may permit more frequent applications if the circumstances warrant, such as in very large cases where the legal work is extensive and merits more frequent payments. The court is authorized to allow and order disbursement to the applicant of compensation and reimbursement that is otherwise allowable under section 330.

H.R. Rep. No. 595, 95th Cong. 1st Sess. 330 (1977); S. Rep. No. 989, 95<sup>th</sup> Cong., 2d Sess. 41-42 (1978).

14. Bankruptcy Code § 105(a) provides, in pertinent part, that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

15. The compensation procedures set forth herein will enable all parties to closely monitor each Professional’s fees and expenses while simultaneously allowing Professionals to receive interim payments for their services. The Debtors submit that the compensation

procedures herein are appropriate and consistent with interim compensation procedures established in other large chapter 11 cases in the Fifth Circuit. *See, e.g., ATP Oil and Gas Corp.*, No. 12-36187, Docket No. 480 (Bankr. S.D. Tex. Sept. 27, 2012); *In re Dune Energy, Inc., et al.*, No. 15-10336, Docket No. 141 (Bankr. W.D. Tex. Apr. 2, 2015).

### **PRAYER**

The Debtors respectfully request that the Court (a) enter an order authorizing the Professionals to receive monthly and interim compensation and reimbursement of expenses in accordance with the procedures described herein; and (b) granting such other and further relief which they may be justly entitled.

Dated: November 13, 2015

Respectfully submitted,

**VINSON & ELKINS LLP**

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**PROPOSED ATTORNEYS FOR THE  
DEBTORS**

**CERTIFICATE OF SERVICE**

I certify that on November 13, 2015, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Reese A. O'Connor  
One of Counsel