

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

IN RE:	§	
	§	
RAAM GLOBAL ENERGY COMPANY, <i>et al.</i>	§	CASE NO. 15-35615
	§	
	§	(Chapter 11)
	§	(Joint Administration Requested)
DEBTORS.	§	(Emergency Hearing Requested)

**EMERGENCY MOTION (A) AUTHORIZING DEBTORS TO (I) PAY PRE-PETITION
WAGES AND SALARIES TO EMPLOYEES AND INDEPENDENT CONTRACTORS
AND (II) PAY PRE-PETITION BENEFITS AND TO CONTINUE BENEFIT
PROGRAMS IN THE ORDINARY COURSE AND (B) DIRECTING BANKS
TO HONOR PRE-PETITION CHECKS FOR PAYMENT
OF PRE-PETITION OBLIGATIONS**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

EMERGENCY RELIEF HAS BEEN REQUESTED. IF THE COURT CONSIDERS THE MOTION ON AN EMERGENCY BASIS, THEN YOU WILL HAVE LESS THAN 21 DAYS TO ANSWER. IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU SHOULD FILE AN IMMEDIATE RESPONSE.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

**EMERGENCY MOTION (A) AUTHORIZING DEBTORS TO (I) PAY PRE-PETITION
WAGES AND SALARIES TO EMPLOYEES AND INDEPENDENT CONTRACTORS
AND (II) PAY PRE-PETITION BENEFITS AND TO CONTINUE BENEFIT PROGRAMS
IN THE ORDINARY COURSE AND (B) DIRECTING BANKS TO HONOR PRE-PETITION
CHECKS FOR PAYMENT OF PRE-PETITION OBLIGATIONS**

US 3410254v.19

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

The above-captioned debtors and debtors in possession (collectively, the “Debtors”),¹ file this *Emergency Motion (a) Authorizing Debtors to (i) Pay Pre-Petition Wages and Salaries to Employees and Independent Contractors and (ii) Pay Pre-Petition Benefits and to Continue Benefit Programs in the Ordinary Course and (b) Directing Banks to Honor Pre-Petition Checks for Payment of Pre-Petition Obligations* (the “Motion”), and respectfully state as follows:

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. As of the date hereof, an official committee of unsecured creditors has not been appointed in the Cases.

EMERGENCY CONSIDERATION

6. The Debtors request emergency consideration of this Motion. The Debtors believe an immediate and orderly transition into chapter 11 is critical to the viability of their

¹ 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].

operations. Any delay in granting the relief requested could hinder the Debtors' operations and cause irreparable harm. As such, the Debtors believe that emergency consideration is necessary and request that this Motion be heard at the Debtors' First Day Hearings.

STATEMENT OF FACTS

A. Business Overview

7. 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 their subsidiaries.

8. 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. As of September 30, 2015, the Debtors had estimated total proved oil and natural gas reserves of 8,570 MMBoe (26% oil). For the six months ended June 30, 2015, the Debtors' net daily production averaged 7,116 barrels of oil equivalent per day (BOEPD), which generated revenue of approximately \$33.4 million.

9. The Debtors have traditionally focused on acquiring assets in and around the United States Gulf Coast. Over the last decade the Debtors have worked to diversify their asset base through the acquisition and development of both conventional onshore assets and long-lived unconventional resource plays that are capable of supporting sustainable growth. The Debtors' projects during 2014 and the first half of 2015 were focused on three main areas: shallow waters offshore, onshore conventional assets in Texas, and conventional and unconventional assets in

California and the Mid-Continent area. In recent years, the Debtors have invested close to \$100 million on large 3-D seismic surveys in the Gulf of Mexico and onshore in Louisiana and Texas in order to enhance their prospect generation capabilities, and the Debtors have invested over \$1.5 billion in developing oil and gas assets since their inception.

10. The Debtors' current drilling program focuses on their core area in Breton Sound located offshore in State of Louisiana waters. This has historically been a very successful field for the Debtors, and the Debtors recently completed a successful well that is currently in production. The Debtors presently have an ongoing development portfolio of prospects that it desires to drill.

11. Additional information concerning the Debtors and their financial condition and results of operations, on a consolidated basis, can be found in RAAM's annual, quarterly, and current reports filed with the Securities and Exchange Commission ("SEC") through May 5, 2015, which can be accessed at www.sec.gov and at RAAM's website, <http://www.raamglobal.com/>.²

B. Common Stock

12. RAAM is a privately held company, and as of September 30, 2015, RAAM had 61,433 outstanding shares of common stock. Howard Settle, RAAM's Chairman, and former Chief Executive Officer and President, holds approximately 48% of RAAM's outstanding common stock. As of that date, RAAM's directors and executive officers as a group (eight persons that include Mr. Settle) held approximately 66% of RAAM's common stock.

² On May 5, 2015, RAAM filed Form 15 with the SEC to notify the Commission of its desire to terminate the filing of registration statements and related reports required under the Securities Exchange Act of 1934. Prior to that time, RAAM was a voluntary filer with the SEC.

C. Secured Debt

13. On September 12, 2014, Century Exploration New Orleans, LLC, Century Exploration Houston, LLC, and Century Exploration Resources, LLC entered into a Fifth Amended and Restated Credit Agreement with Wilmington Trust, National Association, as administrative agent and the lenders party thereto (the “Fifth Amended and Restated Credit Agreement”), and RAAM entered into the Fourth Amended and Restated Guaranty in connection therewith. The Fifth Amended and Restated Credit Agreement provides the Debtors with an \$85.0 million term loan facility (the “Term Loan Facility”) that is secured by a first lien on substantially all of the Debtors’ real and personal property (with certain exceptions). As of September 30, 2015, approximately \$63.8 million was outstanding under the Term Loan Facility.

14. On September 24, 2010, RAAM completed an offering of \$150.0 million senior secured notes at a coupon rate of 12.5% (the “Original Notes”). On July 15, 2011, RAAM completed the issuance and sale of \$50.0 million aggregate principal amount of additional 12.5% Senior Notes (the “Additional Notes”). The Additional Notes have identical terms, other than the issue date and issue price, and constitute part of the same series as the Original Notes.

15. On April 11, 2013, RAAM successfully completed the issuance and sale of \$50.0 million aggregate principal amount of additional 12.5% senior secured notes due 2015 (the “New Additional Notes,” and together with the Original and Additional Notes, the “Notes”). The New Additional Notes are additional notes issued pursuant to the indenture dated as of September 24, 2010 (the “Base Indenture”), pursuant to which RAAM issued the Original and Additional Notes, as supplemented by the First Supplemental Indenture dated as of July 15, 2011 (the “First Supplemental Indenture”), the Second Supplemental Indenture dated as of April 11, 2013 (the

“Second Supplemental Indenture”), and the Third Supplemental Indenture dated as of April 11, 2013 (the “Third Supplemental Indenture,” and together with the Base Indenture, First Supplemental Indenture and the Second Supplemental Indenture, the “Indenture”). The New Additional Notes have identical terms, other than the issue date and issue price, and constitute part of the same series as the Original and Additional Notes. As of September 30, 2015, a total of \$238.0 million notional amount of the Notes was outstanding.

16. The Notes are guaranteed on a senior secured basis by Century Exploration New Orleans, LLC, Century Exploration Houston, LLC, and Century Exploration Resources, LLC. The Notes and the guarantees are secured by a security interest in substantially all of the Debtors’ assets to the extent they constitute collateral under the Term Loan Facility, subject to certain exceptions. Pursuant to an Intercreditor Agreement, the lien securing the Notes is subordinated and junior to liens securing the Term Loan Facility.

17. The Debtors did not make the scheduled interest payment to the holders of the Notes that was due on April 1, 2015 which was a default under the Indenture. This non-payment also constituted a default under the Fifth Amended and Restated Credit Agreement. Total unpaid and accrued interest at July 31, 2015 was \$25.4 million.

18. On April 30, 2015, the Debtors entered into the *Forbearance Agreement to 12.50% Senior Secured Notes Indenture* with holders of approximately 94% of the face value of the Notes and the *Forbearance Agreement and Second Amendment to the Fifth Amended and Restated Credit Agreement* with Wilmington Trust, National Association, as administrative agent, and the lenders under the Term Loan Facility (collectively, and as amended, the “Forbearance Agreements”). The Forbearance Agreements expired on September 14, 2015.

D. Other Significant Obligations

19. The Debtors have a promissory note dated August 8, 2005 with GE Commercial Finance Business Property Corporation (“GECF”) related to the construction of their Houston office building. On October 1, 2012, EverBank purchased GECF and is now known as Business Property Lending, Inc. The balance owed to EverBank was \$2.3 million at September 30, 2015. The note requires monthly installments of principal and interest in the amount of approximately \$27,000 until September 1, 2025.

20. Century Exploration New Orleans, LLC and the Bureau of Ocean Energy Management (“BOEM”) entered into various leasing agreements for specific exploration and production activity. Century Exploration New Orleans, LLC is required to obtain one or more surety bonds in order to secure Century Exploration New Orleans, LLC’s performance under the obligations relating to such leasing agreements. Ace American Insurance Company (“ACE”) agreed to issue certain of such bonds in the estimated aggregate amount of \$39,630,000 in favor of BOEM and as required by BOEM under the leasing agreements. In connection with its issuance of such bonds, ACE and Century Exploration New Orleans, LLC entered into the Funds Disbursing Agreement dated October 23, 2014, and a related Escrow Agreement with Bank of America as escrow agent (collectively, the “ACE Bonding Agreement”), that requires Century Exploration New Orleans, LLC to provide funds for the escrow as security for ACE. The ACE Bonding Agreement contemplates the Debtors funding \$750,000 per month until March 31, 2017 into an escrow account for the benefit of ACE, and the balance of such escrow account is approximately \$9.9 million as of September 30, 2015. As of the Petition Date, the Debtors believe they are fully in compliance with the applicable regulatory requirements.

21. In the ordinary course of business, the Debtors utilize an assortment of vendors, including drilling contractors, labor and repair contractors, parts and equipment suppliers, pipeline companies, heavy machinery and equipment lessors, hydrocarbon transporters, laborers, professionals, and employee benefits providers. As of the Petition Date, unsecured trade and vendor claims aggregate approximately \$3.3 million for all of the Debtors, which amount excludes deficiency claims for any secured creditors, if any.

E. Events Leading to Chapter 11

22. A confluence of factors in 2014 and 2015 led to the Debtors' need to pursue a financial restructuring.

23. First, there has been a historic decline in the prices of crude oil and natural gas since the summer of 2014. These declines have adversely affected the Debtors' revenues and cash flows from operations. The Debtors' realized pricing is primarily driven by market prices for crude oil and natural gas. The Debtors historically engaged in derivative activities that primarily included the use of floors, costless collars, and futures transactions in order to minimize the downside risk from adverse price movements but allow for the realization of upside profits if available. The Debtors' derivative counterparties were limited to their secured lenders, which helped to minimize any potential non-performance risk. On April 20, 2015, the Company liquidated its hedge positions for \$10.8 million and used those funds to reduce the outstanding amount owed under the Term Loan Facility.

24. Second, although the Debtors have actively worked with investment banking advisors to refinance the Notes, due to the current economic environment the Debtors have been

unable to raise cash or identify capital resources from other sources such as bank funding, private investment, or the public debt and equity markets.

25. Third, during September 2013, the Debtors determined that they could not meet the financial certifications required to obtain permits to develop its offshore Ewing Banks 920 (EB 920) Project in the Gulf of Mexico, due in large part to the substantially increased Worst Case Discharge assumptions imposed by BOEM. As a result, the proved undeveloped reserves associated with the EB 920 Project no longer met the requirements of reasonable certainty to remain booked as proved reserves at the end of the third quarter of 2013 which adversely impacted the Debtors' reserves and impacted the Debtors' ability to refinance the Notes. This resulted in a write-off of 8.4 million barrels of oil and largely contributed to a ceiling test write-down of \$277 million and an after-tax loss of \$186 million for the nine months ended September 30, 2013.

26. Fourth, in May of 2013, the Flipper Field in Texas suffered a catastrophic collapse. In December 2012, this field was producing 1,960 BOEPD and in May 2013, after all four wells were severely damaged, the Field was producing 166 BOEPD – a loss of 1,794 BOEPD. Furthermore, the Company was forced to direct much of its technical efforts and drilling capital in 2013 and 2014 to drilling new wells to reestablish production, hold the leases, and maintain the reserves.

27. The combination of these factors has impaired the Debtors' liquidity and compelled the Debtors to seek a restructuring of their liabilities in order to maximize the value of their assets for the benefit of their creditors and other constituencies.

28. The Debtors previously sought to restructure their liabilities pursuant to an exchange offer and consent solicitation that was initiated on June 4, 2015 (the “Exchange Offer”). The Exchange Offer contemplated, among other terms, that if holders of all Notes tendered their Notes in the Exchange Offer, such holders of Notes would receive their pro rata share of \$50,000,000 in the aggregate principal amount of new notes maturing on June 30, 2019 and an aggregate amount of 1.17 million shares of RAAM’s common stock, which would represent 95% of the outstanding shares of RAAM’s common stock following the Exchange Offer, subject to dilution pursuant to the exercise of certain warrants. The closing of the Exchange Offer was conditioned, among other things, on at least 99% of the aggregate principal amount of outstanding Notes having been validly tendered and not validly withdrawn in the Exchange Offer (the “Minimum Tender Condition”).

29. The Exchange Offer terminated on August 20, 2015. Holders of approximately 94.77% of the principal amount of outstanding Notes tendered their Notes to be exchanged; however, this was insufficient to meet the Minimum Tender Condition.

30. The combination of the factors noted above and the failure of a sufficient number of holders of Notes to tender their Notes in the Exchange Offer to meet the Minimum Tender Condition compelled the Debtors to negotiate with their creditors regarding chapter 11 proceedings in order to address liquidity concerns and maximize the value of their assets for the benefit of their creditors and other constituencies.

31. For the last several months, the Debtors and their investment bankers have undertaken a thorough marketing process seeking third party stalking horse bidders. The Debtors were at one point close to finalizing a purchase agreement with a stalking horse bidder

for a portion of its assets, but the potential agreement fell through due to market conditions. While there remains interest in the Debtors' assets by third parties, the Debtors have been unable to secure an acceptable third party stalking horse bid at this time after a significant marketing process.

32. The Debtors are presently negotiating a credit bid stalking horse purchase agreement with the holders of approximately 99% of the outstanding debt under the Term Loan Facility, and the Debtors are seeking to present a credit bid stalking horse purchase agreement and bid procedures to the Court before November 6, 2015. Such credit bid stalking horse purchase agreement and bid procedures will create a defined sale process, and the Debtors hope that interested parties will bid on its assets in such process to maximize the value of their estates.

F. Pre-Petition Wages and Salaries

33. As of the Petition Date, the Debtors employed thirty-six individuals,³ each of whom are salaried employees and paid on a semi-monthly basis. As of the Petition Date, the aggregate semi-monthly payroll for the Debtors' employees is approximately \$348,500.⁴

34. In addition, the Debtors utilize from time to time eleven independent contractors that provide crucial and highly specialized geological, engineering, accounting, and related services, all of which the Debtors depend upon for the continued operation of their businesses. The hourly rates for such independent contractors range primarily from \$25 to \$200 per hour,

³ Each of the Debtors has its own employees. However, all of the employees are participants in plans sponsored by RAAM Global Energy Company.

⁴ Historically, the aggregate semi-monthly payroll for the Debtors' employees has been approximately \$278,000. The Debtors are in the process of shutting down their Lexington, Kentucky office (the "Lexington Office"), and as part of the Lexington employees' agreement to remain working to facilitate the closing down of the Lexington Office, the Debtors have agreed to pay such employees 150% of their then-existing salaries. The Debtors anticipate the Lexington Office will be fully closed by the end of 2015.

and the aggregate monthly expenditure for such independent contractors is approximately \$200,000.

35. The Debtors use ADP, LLC (“ADP”) to process their payroll and payroll tax obligations. Each pay period, the Debtors transfer the appropriate amounts to their respective payroll accounts⁵ in advance of the employees’ scheduled pay date, and ADP withdraws the funds to remit payment to the employees on the scheduled pay date.⁶ The independent contractors are paid on a monthly and bi-monthly basis through the Debtors’ accounting system upon submission of their invoices and approval by the appropriate manager.

36. As compensation for its payroll processing and related services, ADP submits an invoice to the Debtors approximately two weeks after each payroll period for charges incurred, and approximately two weeks thereafter (*i.e.*, the end of the month following the month for which payroll processing services were rendered), ADP automatically debits such charges from the Debtors’ payroll bank accounts.

37. The Debtors fund their respective payrolls approximately five days before each payroll pay date. The employees’ next pay date for which funds are required will be on or around November 15, 2015. The Debtors believe that only one independent contractor is owed in excess of the \$12,475 statutory priority provided by Bankruptcy Code § 507(a) as a result of pre-petition wages. The Debtors do not believe any employees are owed in excess of \$12,475 as of the Petition Date.

⁵ For more information on the Debtors’ payroll and other bank accounts, refer to the Debtors’ *Emergency Motion to (i) Approve Maintenance of Certain Pre-Petition Bank Accounts and Cash Management System and (ii) Continue use of Existing Checks and Business Forms* filed contemporaneously herewith.

⁶ ADP uses a direct deposit program for all payroll remittances to employees. As set forth below, ADP also provides employees with certain employee assistance services.

G. Benefits

38. As described more fully below, in the ordinary course of business, the Debtors provide employees with certain benefits, including: (a) medical insurance; (b) dental insurance; (c) vision insurance; (d) life and accidental death and dismemberment insurance; (e) long-term disability benefits; (f) workers' compensation; (g) a cafeteria plan (the "Cafeteria Plan") in which employees can elect to participate in flexible spending accounts or purchase ancillary products from AFLAC (the "Voluntary Products");⁷ (h) a 401(k) retirement savings plan; (i) PTO benefits; and (j) in certain circumstances, severance pay upon termination.

H. The APORRI Plan⁸

39. The Debtors provide certain key employees an opportunity to participate in the After Payout Overriding Royalty Plan (the "APORRI Plan"), an incentive plan developed by the Debtors in 2004. Currently, eleven of the Debtors' employees participate in the APORRI Plan. Under the APORRI Plan, eligible employees are assigned an overriding royalty in applicable wells after such wells have hit payout. The total royalty to be received by each of the

⁷ The Voluntary Products comprise, *inter alia*, short-term disability benefits, cancer policies, accident plans, sickness plans, life insurance, and critical illness insurance.

⁸ The Debtors are not requesting authority to continue the APORRI Plan (defined below) at this time; however, the Debtors reserve the right to request authority to continue the APORRI Plan at a later date. Pursuant to the *Emergency Motion for Authority to Pay Royalty and Working Interest Obligations, Lease Operating Expenses, JIBs, and Trade, and Potential Holders of Statutory Liens* filed contemporaneously herewith, the Debtors have requested authority to pay overriding royalty interests that have been (a) granted to the Debtors' employees pursuant to the APORRI Plan prior to the Petition Date and (b) recorded in the applicable real property records prior to the Petition Date.

participating employees ranges from 0.125% – 0.250%, with a total aggregate royalty payout to the APORRI Plan participants of 3.00%.⁹

40. The Incentive Committee administers the day-to-day functions of the APORRI Plan, but does not make decisions regarding the distributions that will be made pursuant to the APORRI Plan. Rather, royalty interest payments are distributed pursuant to the APORRI Plan only when the applicable well¹⁰ is successfully producing profits. Thus, the APORRI Plan will payout with respect to a particular well when the Debtors have received net revenues from the production of hydrocarbons from such well (after deduction of production taxes, excise taxes, lessor's royalties, and any existing third party burdens created prior to the time that the Debtors acquired their interests in the well) equal to: (a) the Debtors' entire monetary investment in the well (including drilling, testing, completion, repair, recompletion, construction, equipping, and operating costs);¹¹ and (b) with respect to the first well drilled on any prospect, the Debtors' share of the leasehold acquisition costs for such project.¹²

⁹ The employees' APORRI percentage is calculated on a well-by-well basis, based on the percentage of APORRI units granted to the employee in his or her employment agreement, to the total of all APORRI units granted by the Incentive Committee for any well. As of January 1, 2015, nine employees have been granted one hundred APORRI units, and two employees have been granted fifty APORRI units. The interests granted pursuant to the APORRI Plan are non-forfeitable ownership interests to the employee participant following the initial grant.

¹⁰ The wells covered by the plan (a) include wells that are drilled after the effective date of the APORRI Plan (December 1, 2004) (the "Effective Date") and (b) exclude development wells that are drilled for the purpose of producing proved reserves established prior to the Effective Date, and pre-plan reserve wells. The participants in each well are only those participants at the date on which the well is spud.

¹¹ As determined by the accounting procedures attached to the applicable operating agreement or, if no operating agreement applies, the COPAS accounting procedures.

¹² Thus, the royalty interest payments comprise a variable element of compensation that depends solely on the performance of the applicable well.

I. PTO Structure and Severance Payments

41. As it applies to the New Orleans office, the Debtors offer fifteen PTO days¹³ to their employees¹⁴ and provide employees with a minimum of eight holidays¹⁵ per year.¹⁶ PTO must be taken in the calendar year it was earned. Unused PTO cannot be carried over to the following year. The Debtors do not allow employees to “cash out” unused PTO days at the end of the calendar year; however, in the ordinary course of business, employees are paid for their unused accrued PTO—up to fifteen days—upon the termination of their employment.

42. In certain circumstances, the Debtors pay employees a two-week severance payment (“Severance Payment”) upon the termination of their employment. The Severance Payment is equal to one half of the employee’s then-existing base monthly salary.

RELIEF REQUESTED

43. Because of the filing of the Cases, the Debtors are unable to pay pre-petition claims, including salaries, wages, benefits, and reimbursable business expenses incurred before the Petition Date, absent specific Court authorization.

44. In order to avoid the undue hardship that would undoubtedly befall the Debtors’ employees and independent contractors if they remain unpaid, the Debtors request that the Court enter an interim order (the “Interim Order”), and subsequently a final order (the “Final Order”), under Bankruptcy Code §§ 105(a), 363, 507(a)(4), 541, 1107, and 1108 authorizing, but not

¹³ PTO days are to be used for vacation, sick, or personal time needs.

¹⁴ PTO days for newly hired employees are calculated on a pro rata basis for the year in which they are hired.

¹⁵ Normally observed holidays include January 1, Mardi Gras (for the New Orleans office only), Memorial Day, July 4, Labor Day, Thanksgiving, the day after Thanksgiving, Christmas Day, and a floating holiday (for the Lexington and Houston offices only).

¹⁶ The Debtors also grant employees called into military service an unpaid leave of absence and re-employment rights as provided by federal law.

directing, the Debtors, in their discretion and in the exercise of their business judgment, subject to any order authorizing the use of the Debtors' cash collateral: (a) to pay all pre-petition and post-petition obligations of the Debtors owing to or on behalf of employees (the "Employee Claims")¹⁷ and independent contractors (the "Independent Contractor Claims"), whether accrued or currently due and payable;¹⁸ (b) to pay the above-referenced pre-petition benefits (including, but not limited to, PTO and Severance Payments),¹⁹ whether accrued or currently due and payable, and to continue the Debtors' various employee benefit plans and programs post-petition in the ordinary course (the "Employee Benefits"), including payment of all applicable plan administrators and other service providers; (c) to continue to pay ADP for payroll processing and related services on a post-petition basis in the ordinary course of business; and (d) directing all financial institutions to honor pre-petition checks for payment of the Employee Claims, the Independent Contractor Claims, the Employee Benefits, the American Express bills, other business expense reimbursements, and the Miscellaneous Benefits (defined below) (collectively, the "Obligations") and prohibiting such financial institutions from placing any holds on, or

¹⁷ Including, but not limited to, compensation, commissions, expense reimbursements, PTO, Severance Payments, and benefits. The Debtors also seek authority to pay all federal, state, local, and foreign income withholding, payroll, employment, unemployment, social security, and similar taxes, whether withheld from employees' wages or paid directly by ADP (or any successor payment processor) to governmental authorities, as well as other employee withholdings, including, *inter alia*, charitable contributions and garnishment contributions, if any. For purposes of this Motion, the defined term "Employee Claims" includes all such payments.

¹⁸ Nothing herein shall be deemed to be an assumption of any executory contract that could bind the Debtors in the future. Authorization to pay amounts on account of the Employee Claims and the Independent Contractor Claims shall not be deemed to constitute a post-petition assumption or adoption of any contract, program, or policy pursuant to Bankruptcy Code § 365. Moreover, authorization to pay amounts on account of Employee Claims and the Independent Contractor Claims shall not affect the Debtors' rights to contest the amount or validity of any such claims.

¹⁹ By filing this Motion, the Debtors are not seeking authority to continue the APORRI Plan. The Debtors reserve the right to request authority to continue the APORRI Plan at a later date.

attempting to reverse, any transfers made to satisfy the Obligations.²⁰ Assuming the Debtors are granted authority to use cash collateral as the Debtors have separately requested, the Debtors have sufficient funds available to pay all requested amounts as and when due, and all payments made on account of the Obligations will be made in accordance with any budgeted use of cash collateral approved by the Court.

45. Bankruptcy courts in the Fifth Circuit have granted authority for a debtor's payment of obligations similar to the Obligations. *See, e.g., In re Daisytek, Inc.*, No. 03-34762, Docket No. 48 (Bankr. N.D. Tex. May 12, 2003); *In re ASARCO LLC*, No. 05-21207, Docket No. 21 (Bankr. S.D. Tex. Aug. 10, 2005); *In re ATP Oil & Gas Corp.*, No. 12-36187, Docket No. 136 (Bankr. S.D. Tex. Aug. 21, 2012); *In re Univ. Gen. Health Sys., Inc., et al.*, No. 15-31086, Docket No. 35 (Bankr. S.D. Tex. Mar. 2, 2015).²¹

46. Payment of the Obligations and continuation of the Employee Benefits is necessary for the Debtors' to effectively and efficiently operate in chapter 11. The Debtors believe that it is critical for employee productivity, stability, and morale that all of the Employee Benefits—and payments of the Obligations—remain current and are continued post-petition. If

²⁰ During the period between entry of the Interim Order and the Final Order, the Debtors anticipate paying the following estimated amounts on account of the above-referenced Obligations: (a) \$415,000 on account of the Employee Claims; (b) \$200,000 on account of the Independent Contractor Claims; (c) \$145,000 on account of the Employee Benefits; and (d) \$6,700 to ADP for payroll processing and related services.

²¹ Although the "necessity of payment" doctrine has been widely accepted, the Court in *In re CoServ, L.L.C.*, 273 B.R. 487, 497 (Bankr. N.D. Tex. 2002) developed an alternative test to determine whether payment of certain pre-petition unsecured claims prior to confirmation of a plan of reorganization would be appropriate. Under the *CoServ* test, a debtor must show that (a) it is critical that the debtor deal with the claimant; (b) unless the debtor deals with the claimant, the debtor risks the probability of harm, or alternatively, loss of economic advantage to the estate of the debtor's going concern value, which is disproportionate to the amount of the claimant's pre-petition claim; and (c) there is no practical or legal alternative by which the debtor can deal with the claimant other than by payment of the claim. *Id.*; *see also In re Scotia Dev., LLC*, Case No. 07-20027, 2007 WL 2788840 (Bankr. S.D. Tex. Sept. 21, 2007). Although the *CoServ* analysis appears to be applicable only to the treatment of pre-petition vendor claims, the payment of the Employee Claims would satisfy the *CoServ* test.

the Obligations are not paid in the ordinary course of business, or if any of the Employee Benefits are discontinued, employee morale will deteriorate, which, in turn, will adversely impact the Debtors' ability effectively and efficiently operate in chapter 11.

47. Further, if the Employee Benefits are not paid in the ordinary course of business, the employees would suffer personal hardship and would not receive needed medical and related services. This will hurt the employees, destabilize the Debtors, and materially impact the Debtors' business operations.

48. Any loss of employees and independent contractors would disrupt the Debtors' operations and would deplete the value of their estates. The competition in the onshore and offshore oil and natural gas industry, particularly for skilled employees and independent contractors, makes the Debtors' employees and independent contractors particularly mobile. Accordingly, the Debtors seek authorization to pay, subject to any order authorizing the use of the Debtors' cash collateral, all pre-petition Obligations and to maintain the Employee Benefits and continue paying the Obligations post-petition in the ordinary course of business.

A. Employee Salary and Independent Contractor Wage Obligations

49. Bankruptcy Code §§ 507(a)(4) and (5) provide priority status for pre-petition claims for wages, salaries, commissions, severance pay, vacation pay, sick leave pay, and contributions to employee benefit plans in an amount not to exceed \$12,475 per employee. 11 U.S.C. §§ 507(a)(4) & (5). Information provided by each of the Debtors indicates that, as of the Petition Date: (a) no employees are owed in excess of \$12,475; and (b) only one independent contractor has accrued pre-petition wages that are due and owing on excess of \$12,475.

50. As stated previously, the competition in the onshore and offshore oil and natural gas industry, particularly for skilled employees and independent contractors, makes the Debtors' employees and independent contractors particularly mobile. Because the Debtors require the continuing, uninterrupted services of their employees and independent contractors, the Debtors seek authority to pay any and all pre-petition amounts due and owing to their employees and independent contractors, and to continue to utilize and pay their employees and independent contractors post-petition in the ordinary course of business, in each case, subject to any order authorizing the use of the Debtors' cash collateral.

B. PTO and Severance Payments

51. The Debtors seek authority to pay, in their absolute discretion and subject to any order authorizing the use of the Debtors' cash collateral, accrued PTO as and when it becomes due in the ordinary course of business. As previously specified, in the ordinary course of business, the Debtors pay employees for unused PTO days on cessation of employment, up to fifteen days.²²

52. The Debtors also seek authority to pay, in their absolute discretion and in accordance with any order authorizing the use of the Debtors' cash collateral, the Severance Payments to certain terminated employees in the ordinary course of business and under ordinary business practices. As previously stated, in certain circumstances, the Debtors pay employees a two-week severance payment upon termination of employment.

²² Employees are not allowed to roll over unused PTO days from prior years.

C. Reimbursement of Expenses

53. The Debtors seek authority to reimburse their employees for expenses incurred on behalf of the Debtors in the ordinary course of business and under ordinary business practices, subject to any order authorizing the use of the Debtors' cash collateral.²³ The Debtors have provided American Express cards to approximately ten employees to which such employees charge business-related expenses. The American Express cards help to streamline the reimbursement process and they significantly decrease the amount and number of reimbursements sought by the Debtors' employees. As such, the Debtors can write one check to cover several different reimbursable expenses, rather than having to handle requests for reimbursement on an individual basis. Although the charges may fluctuate from month to month, the Debtors expend approximately \$10,000 to \$20,000 per month to pay off the charges made to American Express cards.

54. The expenses incurred by the Debtors' employees through use of the American Express cards and other means are ordinary course business expenses that employees incur in performing their job functions and conducting the Debtors' operations. It is essential for the continued operation of the Debtors' businesses that the Debtors be authorized to continue paying the American Express bills and reimbursing employees for business-related expenses that are not paid directly with the American Express cards.

55. Accordingly, to prevent the Debtors' employees from incurring any personal liability as a result of the Debtors' nonpayment of the American Express bills, the Debtors seek

²³ The Debtors have instituted certain written policies and procedures pursuant to which they reimburse employees for business-related expenses.

authorization to pay any pre-petition amounts owed on account of the American Express cards and to continue paying the American Express cards in the ordinary course of business. Additionally, to the extent any employees have incurred any pre-petition business-related expenses other than through the use of the American Express cards, the Debtors seek authorization to reimburse such employees for such pre-petition expenses.

D. Payment of Payroll Taxes

56. The Debtors are required by law to withhold from each employee's wages all applicable federal, state, and local income taxes, social security taxes, and Medicare taxes. In addition, the Debtors are required to: (a) pay the employer portion of social security and Medicare taxes with respect to each employee's wages; (b) based on a percentage of gross payroll, pay additional amounts for state and federal unemployment insurance; and (c) remit these payroll taxes to various taxing authorities.

57. The failure to make such payments might subject the Debtors and their officers to federal or state liability. *See City of Farrell v. Sharon Steel Corp.*, 41 F.3d 92, 98-99 (3d Cir. 1994) (state law requiring debtor to withhold city income tax from its employees' wages created trust relationship between debtor and city for payment of withheld taxes); *DuCharmes & Co. v. Mich. (In re DuCharmes & Co.)*, 852 F.2d 194, 194-96 (6th Cir. 1988) (noting the special liabilities for failure to pay trust fund taxes); *In re Chabrand*, 301 B.R. 468, 475-81 (Bankr. S.D. Tex. 2003) (same). Further, under Bankruptcy Code § 541, such funds are not property of the Debtors' estates, and therefore, the funds are not subject to the normal bankruptcy prohibitions against payment. *See Begier v. IRS*, 496 U.S. 53, 59 (1990) (because the debtor does not own an

equitable interest in property he holds in trust for another, that interest is not “property of the estate”).

58. Accordingly, the Debtors seek authorization to withhold and pay all taxes attributable to pre-petition wages as required by state and federal law, in the ordinary course of business. As stated previously, the Debtors use ADP to process their payroll and payroll tax obligations, and the Debtors fund their respective payroll accounts from which ADP withdraws funds prior to each pay date. To the extent that any taxes attributable to pre-petition wages are being held by the Debtors or any tax equalization or reconciliation is required in the ordinary course of the Debtors’ business, the Debtors seek to collect and pay such taxes in the ordinary course of business.

E. Payment of Employee Benefits and Plan Expenses

59. The Debtors sponsor several plans and arrangements that provide various benefits, including: (a) medical insurance; (b) dental insurance; (c) vision insurance; (d) life and accidental death and dismemberment insurance; (e) long-term disability benefits; (f) workers’ compensation; (g) the Cafeteria Plan; (h) retirement benefits; (i) PTO benefits; and (j) in certain circumstances, severance benefits (collectively the “Benefit Plans”).²⁴ The following table summarizes the Benefit Plans (excluding PTO and severance benefits, which are discussed above) and lists the applicable plan providers:²⁵

²⁴ As set forth above, the Debtors offer their employees an opportunity to purchase the Voluntary Products (which are 100% employee-paid) through AFLAC.

²⁵ Because most plan providers are paid in advance, and are currently paid through the Petition Date, the Debtors estimate that they have no significant pre-petition liabilities on account of unpaid premiums or expenses associated with the Benefit Plans. However, to the extent any pre-petition liabilities exist, the Debtors seek approval to pay those amounts through this Motion, subject to any order authorizing the use of the Debtors’ cash collateral.

Benefit Plan	Provider(s)
Medical and Rx Insurance	Anthem
Dental Insurance	Guardian
Vision Insurance	Guardian
The Cafeteria Plan (Flexible Spending Accounts and Voluntary Products)	WageWorks and AFLAC
Life Insurance	Guardian
Accident Death and Dismemberment Insurance	Guardian
Long-Term Disability	Guardian
401(k) Retirement Savings	CMC Interactive/Charles Schwab
Workers' Compensation	Great American Insurance

60. The Debtors request authorization to pay any pre-petition amounts owed to providers of the Benefit Plans and to continue to pay all post-petition amounts relating to the Benefit Plans in the ordinary course of business as they become due and payable, in each case, subject to any order authorizing the use of the Debtors' cash collateral.

i. Medical, Dental, and Vision Coverage

61. The Debtors offer medical and prescription drug insurance (the "Health Insurance Plan") to their employees through Anthem Insurance Companies, Inc. ("Anthem").

62. The Health Insurance Plan is fully insured and administered by Anthem. Anthem bills the Debtors monthly for the insurance premiums. The Debtors pay all of the premiums associated with the Health Insurance Plan, including the premiums for spouses and eligible dependents.²⁶ The premiums are calculated at the beginning of each year by Anthem's underwriters. Employees are eligible for the Health Insurance Plan on the first day of

²⁶ Approximately ten of the Debtors' former employees are COBRA participants. Such employees pay the full cost of the COBRA benefits (including the applicable administration fees).

employment. The annual cost of the Health Insurance Plan to the Debtors is approximately \$1,100,000. The Debtors do not believe that any significant pre-petition amounts are owed on account of the Health Insurance Plan.

63. The Debtors also offer a dental plan (the “Dental Plan”) that is fully insured and administered by The Guardian Life Insurance Company of America (“Guardian”). The Debtors pay 100% of the premiums for each employee, including the premiums for spouses and eligible dependents. The annual cost of the Dental Plan to the Debtors is approximately \$48,500. The Debtors do not believe that any significant pre-petition amounts are owed on account of the Dental Plan.

64. The Debtors offer a vision plan (the “Vision Plan”) that is fully insured and administered by Guardian. The annual cost of the Vision Plan to the Debtors is approximately \$8,500. The Debtors do not believe that any significant pre-petition amounts are owed on account of the Vision Plan.

ii. The Cafeteria Plan (Flexible Spending Accounts and the Voluntary Products)

65. Under the Cafeteria Plan, the Debtors’ offer flexible spending accounts that are administered by WageWorks, Inc. (“WageWorks”). Flexible spending accounts provide employees with the opportunity to pay for their share of unreimbursed qualified medical and dependent care expenses with pre-tax dollars. Under the flexible spending accounts offered by the Debtors, the Debtors withhold 100% of each participating employee’s monthly contribution to their flexible spending accounts from each employee’s paycheck. When an employee submits a claim for reimbursement, WageWorks processes the claim and pulls from the Debtors’ payroll

accounts the funds needed to reimburse the employee—up to the total amount elected by the employee—to his or her flex spending account for the taxable year, and WageWorks transfers such funds to the employee's direct deposit account. Like ADP, WageWorks debits its monthly service fee directly from the Debtors' payroll accounts. By filing this Motion, the Debtors request authority to allow WageWorks to continue withdrawing its monthly service fee from the Debtors' payroll accounts.

66. The Debtors also offer employees (via the Cafeteria Plan) the opportunity to purchase with pre-tax dollars the Voluntary Products offered through AFLAC. Each payroll period, the Debtors withhold the employee's monthly cost of the Voluntary Products which are then paid, on a monthly basis, to AFLAC.

67. The Debtors request authority to retain all necessary amounts deducted from the employees' paychecks for the flexible spending accounts and the Voluntary Products (a) in order for WageWorks to reimburse all flex plan claims and (b) to submit the monthly premiums attributable to the Voluntary Products to AFLAC in the ordinary course of business. The Debtors do not believe that any significant pre-petition amounts are due to WageWorks or AFLAC on account of the flexible spending accounts and the Voluntary Products.

iii. Life and Accidental Death and Dismemberment Coverage; Long-Term Disability Benefits

68. Under the Debtors' life and accidental death and dismemberment insurance plan, which is fully insured and administered by Guardian, the Debtors pay all premiums attributable

to their employees' life insurance, for a maximum coverage of \$50,000.²⁷ The annual cost of the life and accidental death and dismemberment insurance to the Debtors is approximately \$6,200.

69. The Debtors also pay all premiums associated with long-term disability benefits, which are insured and administered by Guardian. The annual cost of the long-term disability benefits to the Debtors is approximately \$20,500. The Debtors do not believe that any significant pre-petition amounts are due to Guardian on account of the life and accidental death and dismemberment coverage or the long-term disability benefits.

iv. Employee Assistance Program

70. Under the employee assistance program offered through ADP, the Debtors' employees and their eligible family members receive professional, confidential counseling and personal support on a variety of work and life issues including, *inter alia*, legal questions, financial issues, parenting and family concerns, and managing stress, depression, and loss. The Debtors do not believe that any significant pre-petition amounts are due to ADP.

v. Payment of Pre-Petition Expenses Related to 401(k) Plan

71. The Debtors maintain a 401(k) plan (the "401(k) Plan"), administered by CMC Interactive, LLC ("CMC Interactive") via Charles Schwab Corporation ("Charles Schwab"), through which participating employees may defer a portion of their salaries to help build retirement savings. The Debtors' employees are eligible to participate in the 401(k) Plan on the first day of employment, subject to the terms and conditions of the 401(k) Plan. The Debtors match employee contributions dollar for dollar, up to eight percent of each employee's eligible compensation under the 401(k) Plan. Employees are always 100% vested in their employee

²⁷ The maximum coverage for spouses and children of employees is \$5,000 and \$2,500, respectively.

deferrals to the 401(k) Plan. There is a three-year graded vesting schedule applicable to the company-matching contributions to the 401(k) Plan.

72. Contributions to the 401(k) Plan are withdrawn from the Debtors' respective payroll accounts by Charles Schwab each payroll period, with the next payment being due no later than seven business days after the Petition Date. The Debtors request authority to remit all necessary amounts deducted from employee paychecks on account of the 401(k) Plan.

F. Other Programs

i. Workers' Compensation

73. Under the laws of various states in which the Debtors have operations, the Debtors must maintain workers' compensation insurance. The Debtors maintain workers' compensation insurance under policies administered by the Great American Insurance Group through The American Equity Underwriters, Inc. The Debtors pay an annual premium of approximately \$28,853 for such coverage. The Debtors pay all annual premiums in advance, as required by law.

74. The Debtors are not aware of any outstanding pre-petition workers' compensation claims and do not believe that any significant pre-petition amounts are owed on account of the workers' compensation coverage. Because payment of the workers' compensation claims is essential to the continued operation of the Debtors' businesses under the laws of the states in which they operate, the Debtors seek authorization to pay any and all pre-petition workers compensation claims and to continue to fund the workers' compensation insurance policies in the ordinary course of business.

ii. Miscellaneous

75. RAAM pays Royal Parking LLC d/b/a Go Park \$1,400 per month for employee parking at the Debtors' New Orleans office. RAAM also subsidizes a gym membership—\$1,000 per quarter paid to Premier Fitness—for employees at the New Orleans office.²⁸ All amounts attributable to parking and the gym membership are current through the Petition Date, and no known amounts are owed on account of pre-petition periods.

76. In addition, RAAM pays a portion of the service charges for employees' personal digital assistants and cellular phones, as allowed under RAAM's business expense policy. RAAM also offers maternity leave to all of the Debtors' employees. The Debtors do not believe that any significant pre-petition amounts are owed with respect to the above-referenced miscellaneous benefits (collectively, the "Miscellaneous Benefits"). The Debtors seek authorization to continue the Miscellaneous Benefits in the ordinary course of business, subject to any order authorizing the use of the Debtors' cash collateral.

G. Plan Administrators and Other Service Providers

77. As set forth above, numerous plan administrators and other service providers, including ADP, assist the Debtors in the day-to-day administration of their Benefit Plans. The Debtors seek Court authority to continue to pay the fees and costs of the plan administrators and other service providers in connection with the Benefit Plans in the ordinary course of business, including any amounts accruing pre-petition, subject to any order authorizing the use of the

²⁸ The participating employees pay for their pro rata share of the gym membership in excess of the \$1,000 per quarter subsidy.

Debtors' cash collateral. As stated previously, the Debtors do not believe that any significant pre-petition amounts are due to the plan administrators or other service providers.

H. Honoring Pre-Petition Checks and Electronic Transfers

78. The Debtors request that, to the extent of funds on deposit, all applicable banks and other financial institutions be directed to receive, process, honor, and pay all checks presented for payment and to honor all funds transfer requests made by the Debtors relating to the Obligations, whether such checks were presented or fund transfer requests were submitted prior to, or subsequent to, the Petition Date. Further, the Debtors request authority to issue post-petition checks, or to effect post-petition funds transfer requests in replacement of any checks or funds transfer requests with respect to any pre-petition Obligations dishonored or denied as a consequence of the commencement of the Cases.

REQUEST FOR IMMEDIATE RELIEF

79. Bankruptcy Rule 6003 prohibits the payment of pre-petition claims, or the other use of property outside the ordinary course of business, within the first twenty-one days of the Cases, except as necessary to prevent immediate and irreparable harm. FED. R. BANKR. P. 6003. For the reasons stated in this Motion, the Debtors submit that the relief requested is absolutely necessary to prevent immediate and irreparable harm to their respective estates.

80. Furthermore, to successfully implement the foregoing, the Debtors request a waiver of the notice requirements of Bankruptcy Rule 6004(a) and the 14-day stay under Bankruptcy Rule 6004(h), to the extent either Rule applies. *See* FED. R. BANKR. P. 6004(a) & (h).

NOTICE

81. Notice of this Motion has been provided by e-mail, facsimile, or overnight delivery to: (a) the Office of the United States Trustee for the Southern District of Texas; (b) the Debtors; (c) counsel to the Debtors; (d) counsel to the lenders under the Term Loan Facility; (e) counsel to ACE; (f) counsel to certain holders of the Notes; (g) counsel to the administrative agent under the Term Loan Facility; (h) counsel to the indenture trustee and collateral agent under the Notes; (i) the Debtors' 50 largest unsecured creditors (on a consolidated basis); (j) those persons who have formally appeared in the Cases and requested service pursuant to Bankruptcy Rule 2002; (k) the Securities and Exchange Commission; (l) the Internal Revenue Service; and (m) all other applicable government agencies to the extent required by the Bankruptcy Rules and the Bankruptcy Local Rules.

PRAYER

The Debtors respectfully request that this Court enter an Interim Order, and subsequently a Final Order: (a) authorizing, but not directing, the Debtors, subject to any order authorizing the use of the Debtors' cash collateral, to (i) pay any pre-petition Obligations, including, but not limited to, employee and independent contractor wages, accrued PTO days, Severance Payments, Employee Benefits, employment taxes, American Express bills, and employee expense reimbursements in the ordinary course, and (ii) continue to pay the Obligations post-petition in the ordinary course; (b) authorizing the Debtors, subject to any order authorizing the use of the Debtors' cash collateral, to continue the maintenance of Benefit Plans in the ordinary course; (c) authorizing the Debtors, subject to any order authorizing the use of the Debtors' cash collateral, to continue to pay ADP and other plan administrators and service providers on a post-petition

**EMERGENCY MOTION (A) AUTHORIZING DEBTORS TO (I) PAY PRE-PETITION
WAGES AND SALARIES TO EMPLOYEES AND INDEPENDENT CONTRACTORS
AND (II) PAY PRE-PETITION BENEFITS AND TO CONTINUE BENEFIT PROGRAMS
IN THE ORDINARY COURSE AND (B) DIRECTING BANKS TO HONOR PRE-PETITION
CHECKS FOR PAYMENT OF PRE-PETITION OBLIGATIONS**

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basis in the ordinary course of business; (d) directing banks to honor pre-petition checks for payment of pre-petition Obligations; and (e) granting the Debtors such other relief to which they may be entitled.

**EMERGENCY MOTION (A) AUTHORIZING DEBTORS TO (I) PAY PRE-PETITION
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CHECKS FOR PAYMENT OF PRE-PETITION OBLIGATIONS**

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Dated: October 26, 2015

Respectfully submitted,

VINSON & ELKINS LLP

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**PROPOSED ATTORNEYS FOR THE
DEBTORS**

CERTIFICATE OF SERVICE

I certify that on October 26, 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/ Bradley R. Foxman
One of Counsel

**EMERGENCY MOTION (A) AUTHORIZING DEBTORS TO (I) PAY PRE-PETITION
WAGES AND SALARIES TO EMPLOYEES AND INDEPENDENT CONTRACTORS
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