



ENTERED
12/07/2015

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

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

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

On December 7, 2015, the Court considered the Debtors' *Motion to Establish Procedures for Monthly and Interim Compensation and Reimbursement of Expenses for Case Professionals* [Docket No. 11] (the "Motion")¹ filed by the above-referenced debtors and debtors in possession (collectively, the "Debtors").² The Court finds that (a) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. § 1334(b), (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), (c) venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409, (d) the relief requested in the Motion is in the best interests of the Debtors and their respective estates, creditors, and equity security holders, (e) proper and adequate notice of the Motion and hearing thereon has been given and that no other or further notice is necessary, and (f) good and sufficient cause exists for the granting of the relief requested in the Motion after having given due deliberation upon the Motion and all of the proceedings had before the Court in connection with the Motion. Therefore, it is

¹ Capitalized terms used but not defined herein shall have the meaning given to them in the Motion.

² 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].

ORDERED that, except as may otherwise be provided in Court orders authorizing the retention of specific professionals, the Professionals may seek monthly and interim compensation in accordance with the following procedures:

- a. Each Professional (which shall be deemed to include, without limitation, any and all professionals retained by the Debtors and the Committee pursuant to Bankruptcy Code §§ 327, 328, and 1103, as applicable) may serve invoices by electronic mail 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 or months 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.

ORDERED that all time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a). It is further

ORDERED that this Order shall take effect immediately upon its entry. It is further

ORDERED that this Court shall retain jurisdiction to hear and consider all disputes arising from the interpretation or implementation of this Order.

Dated: December 7, 2015



UNITED STATES BANKRUPTCY JUDGE