

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

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

EXPEDITED MOTION TO AMEND FINAL ORDER
AUTHORIZING DEBTORS TO PAY SALES, USE, PRODUCTION,
AND OTHER TAXES AND RELATED 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.

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

The above-referenced debtors and debtors in possession (collectively, the “Debtors”),¹ file this *Expedited Motion to Amend Final Order Authorizing the Debtors to Pay Sales, Use, Production, and Other Taxes and Related Obligations* (the “Motion”) and in support thereof, the Debtors 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).
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 yet been appointed in the Cases.

STATEMENT OF FACTS

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-

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].

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].

8. On October 27, 2015, the Debtors filed their *Emergency Motion for an Order Authorizing the Debtors to Pay Sales, Use, Property, Production, and Other Taxes and Related Obligations* [Docket No. 17] (the "Taxes Motion"). In the Taxes Motion, the Debtors requested authority to, *inter alia*, pay various pre-petition taxes (the "Pre-Petition Taxes"), including pre-petition local severance and production taxes (the "Pre-Petition Production Taxes"). At the time, the Debtors estimated that they would likely owe approximately \$350,000 for Pre-Petition Production Taxes.

9. On November 18, 2015, the Court entered the *Final Order Authorizing Debtors to Pay Sales, Use, Production, and Other Taxes and Related Obligations* [Docket No. 129] (the "Taxes Order"). The Taxes Order authorizes the Debtors to pay up to \$800,000 in Pre-Petition Taxes (the "Cap"). The amount of the Cap was determined based on the Debtors' estimate of \$350,000 for Pre-Petition Production Taxes.

10. The Debtors recently discovered an error in their calculation of estimated Pre-Petition Production Taxes. Specifically, the Debtors estimate they will owe an additional \$350,000 in Pre-Petition Production Taxes for the month of October (for a total of \$700,000 in

Pre-Petition Production Taxes, or \$350,000 above the Debtors' original estimate).² These Pre-Petition Production Taxes are required to be paid to the applicable taxing authorities on or before December 25, 2015 (the "Deadline"). If the Debtors do not pay the Pre-Petition Production Taxes on or before the Deadline, the taxing authorities will assess a five percent penalty on the amounts owed.

RELIEF REQUESTED

11. By this Motion, the Debtors seek to amend the Taxes Order to increase the Cap to \$1,150,000 to account for additional Pre-Petition Production Taxes the Debtors anticipate they will owe for October 2015.

BASIS FOR RELIEF³

12. As explained in the Taxes Motion, the relief requested herein should be granted because, *inter alia*, (a) the payment of the Pre-Petition Production Taxes is directly related to the Debtors' ability to continue the extraction and sale of oil and gas, and thus, is critical to the Debtors' continued operations.; (b) the failure to pay certain the Pre-Petition Production Taxes could result in a lien being placed on the Debtors' property; or (c) such Pre-Petition Production Taxes constitute priority claims under Bankruptcy Code § 507(a)(8). Accordingly, increasing the Cap to enable the Debtors to pay the additional Pre-Petition Production Taxes is in the best interests of the Debtors' estates.

13. Notwithstanding the relief requested in this Motion, payment of the Pre-Petition Production Taxes will be in accordance with any budgeted use of cash collateral approved by the Court.

² The Debtors' original estimate did not account for Pre-Petition Production Taxes for the month of October.

³ The legal arguments set forth in the Taxes Motion are incorporated in this Motion as if set forth fully herein.

RESERVATION OF RIGHTS

14. Nothing in this Motion is intended, nor should it be construed, to impair the Debtors' rights to contest the amount, basis, or validity of any Taxes that may be alleged to be due, and the Debtors expressly reserve all rights with respect thereto.

EXPEDITED RELIEF IS APPROPRIATE

15. The Debtors submit that an expedited hearing on this Motion is appropriate to allow the Debtors to timely pay the Pre-Petition Production Taxes on or before the Deadline and avoid any penalties for failing to timely pay such Pre-Petition Production Taxes.

NOTICE

16. 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 the Court grant the relief requested herein and such other and further relief to which they may be justly entitled.

Dated: December 18, 2015

Respectfully submitted,

VINSON & ELKINS LLP

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ATTORNEYS FOR THE DEBTORS

CERTIFICATE OF SERVICE

I certify that on December 18, 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