

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

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

**DEBTORS' FIRST EMERGENCY MOTION FOR ESTIMATION OF  
GENERAL ADMINISTRATIVE, PRIORITY TAX, & OTHER PRIORITY CLAIMS**

**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 IN THE UNITED STATES 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-captioned debtors and debtors in possession (collectively, the “Debtors”)<sup>1</sup> file this *First Emergency Motion for Estimation of General Administrative, Priority Tax, and Other Priority Claims* (the “Motion”) and in support respectfully state as follows:

1. Pursuant to 11 U.S.C. § 502(c), the Debtors request that the Court estimate for the purpose of allowance certain general administrative, priority tax and other priority claims timely asserted in this matter. The general administrative, priority tax and other priority claims addressed in this Motion should be fixed or liquidated to avoid delaying the administration of the case. 11 U.S.C. § 502(c).

**EMERGENCY CONSIDERATION**

2. The Debtors request emergency consideration of this Motion on January 14, 2016. The Court is set to consider confirmation of the Second Amended Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code (“Plan”) at that setting. The Plan includes a condition precedent that all General Administrative Claims, Priority Tax Claims, and Other Priority Claims shall be allowed or estimated in an amount less than \$50,000 in the aggregate. *See* Plan § 8.02(h). Through this Motion, the Debtors request that the Court disallow or estimate certain of such claims in an amount less than \$50,000 in the aggregate to satisfy this condition to the effective date of the Plan. Failure to so estimate “would unduly delay administration of the case” as currently scheduled. *See* 11 U.S.C. § 502(c) (the bankruptcy court “shall . . . estimate[] for purpose of allowance . . . any contingent or unliquidated claim, the fixing or liquidation of which, as the case may be, would unduly delay the administration of the case”). As a result, the

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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].

Debtors request that this motion be heard at the same setting as the January 14th hearing on the Plan.

**JURISDICTION AND PROCEDURAL BACKGROUND**

3. 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).

4. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

5. 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”).

6. 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.

**THE PLAN AND ITS TREATMENT OF GENERAL ADMINISTRATIVE,  
PRIORITY TAX, AND OTHER PRIORITY CLAIMS**

7. The Plan provides that as a condition precedent to its effectiveness:

All General Administrative Claims, Priority Tax Claims, or Other Priority Claims that are not assumed by the Purchaser pursuant to the Purchase Agreement and are not to be paid by Purchaser under this Plan (if applicable) shall not be allowed or estimated in an amount greater than \$50,000 in the aggregate.

Plan, § 8.02(h).

8. The Court granted the *Debtors’ Motion to Establish Administrative and Priority Claims Bar Date* [Dkt. No. 257] on December 22, 2015 and ordered that January 13, 2016 is the deadline for filing a claim seeking a higher or superior priority than that of general unsecured creditor pursuant to § 503(b) or otherwise. *See Order Setting Administrative and Priority Claims Bar Date* [Dkt No. 272] (providing that with certain exceptions any request for payment of an Administrative Expense Claim any time between the Petition Date and January 13, 2016, that is

not related to the Assets, an “Administrative Expense Claim Request,” shall be filed with the Court, on or before January 13, 2016, and any holder of a Priority Claim that is not related to the Assets shall submit a proof of claim, “Priority Proof of Claim,” on or before the same date).

9. The IRS has asserted priority claims for payroll tax liability of the Company, as summarized in the following chart (the “Subject Tax Claims”):

<b>Claim No.</b>	<b>Creditor ID</b>	<b>Creditor Name</b>	<b>Claimed Priority</b>
5	17007	Internal Revenue Service	\$382,953.50
134	17007	Internal Revenue Service	\$9,450.80
137	17007	Internal Revenue Service	\$11,467.31

10. The following other priority claims have been asserted, as shown in the chart below:

<b>Claim No.</b>	<b>Creditor ID</b>	<b>Creditor Name</b>	<b>Claimed Priority</b>
16	185	KB VENTURES LLC	\$10,000.00
64	20831	TSANG, YOU-KONG	\$11,250.00
66	20832	GERALD V ROOT & LAURIE VOGT TTEES	\$10,625.00
78	20955	DUHON, BERNARD	\$1,019.00
86	18712	Kathy Jackson Scott	\$12,475.00
87	6270	Marion Jackson Hubert	\$12,475.00
89	20959	LEVITT, DAVID	\$20,000.00
93	14154	Hunter Investments Inc	\$1,973.74
117	14154	Hunter Investments Inc	\$1,973.74
126	6272	Ivy Jackson Flemming	\$10,800.00
127	20987	JACKSON, ANDREW	\$10,800.00
132	176	HOWARD M BENSKY	\$11,250.00

11. As explained in detail below, the Debtors’ position is that each of the above claims (collectively with the Subject Tax Claims, the “Subject Claims”) are either (i) general unsecured claims that should be accorded no priority, or (ii) should be estimated at zero.

**RELIEF REQUESTED**

**I. EMERGENCY ESTIMATION OF POTENTIAL CLAIMS IS WARRANTED**

12. By this Motion, the Debtors request that the Court estimate that the Subject Claims are not allowable administrative expenses or priority claims. Bankruptcy Code § 502(c) provides that the bankruptcy court “shall . . . estimate[] for purpose of allowance . . . any contingent or unliquidated claim, the fixing or liquidation of which, as the case may be, would unduly delay the administration of the case.” Estimation is appropriate in order to fix the amount of the Subject Claims contemporaneously with Plan consideration to avoid unduly delaying the case. Indeed, estimation is “mandatory” to establish the potential status and validity of a claim “for purposes of formulating a reorganization plan” “when liquidation outside of bankruptcy would unduly delay the administration of the case.” *In re Fed.-Mogul Glob., Inc.*, 330 B.R. 133, 154 (D. Del. 2005).

13. Thus, it is appropriate for the Court to estimate these claims at this stage, so that plan confirmation can proceed on schedule.

**II. IRS Tax Claims Should be Estimated at Zero.**

14. The following Subject Tax Claims have been filed and should be estimated at zero.

<b>Claim No.</b>	<b>Creditor ID</b>	<b>Creditor Name</b>	<b>Claimed Priority</b>	<b>Estimated Tax Claim</b>
5	17007	Internal Revenue Service	\$382,953.50	Disallowed or \$0.00
134	17007	Internal Revenue Service	\$9,450.80	Disallowed or \$0.00
137	17007	Internal Revenue Service	\$11,467.31	Disallowed or \$0.00

15. The Subject Tax Claims appear to relate primarily to payroll taxes (\$383,000) in 2015, among other federal taxes. According to the books and records of the Debtors, all due and

owing payroll taxes have been timely remitted through ADP in the ordinary course of business, per the Debtors' normal practice. Therefore, all Subject Tax Claims have been paid and should be estimated at zero for the purposes of this Motion.

### **III. Remaining Subject Claims Should Be Estimated at \$0 Priority Claims.**

16. According to the books and records of the Debtors, the remaining Subject Claims are at most general unsecured claims, apparently filed in error as priority claims.

17. The Subject Claims are at most general unsecured claims improperly filed as Priority claims, as summarized in the chart below:

<b>Claim No.</b>	<b>Creditor ID</b>	<b>Creditor Name</b>	<b>Claimed Priority</b>	<b>Comment</b>	<b>Estimated Amount</b>
16	185	KB Ventures LLC	\$10,000.00	Bondholder, not priority	Disallowed or \$0.00
64	20831	Tsang, You-Kong	\$11,250.00	Bondholder, not priority	Disallowed or \$0.00
66	20832	Gerald V Root & Laurie Vogt Ttees	\$10,625.00	Bondholder, not priority	Disallowed or \$0.00
78	20955	Bernard Duhon	\$1,019.00	Royalties, not priority	Disallowed or \$0.00
86	18712	Kathy Jackson Scott	\$12,475.00	Royalties, not priority	Disallowed or \$0.00
87	6270	Marion Jackson Hubert	\$12,475.00	Royalties, not priority	Disallowed or \$0.00
89	20959	Levitt, David	\$20,000.00	Bondholder, not priority	Disallowed or \$0.00
93	14154	Hunter Investments Inc	\$1,973.74	Royalties, not priority	Disallowed or \$0.00
117	14154	Hunter Investments Inc	\$1,973.74	Royalties, not priority	Disallowed or \$0.00
126	6272	Ivy Jackson Flemming	\$10,800.00	Royalties, not priority	Disallowed or \$0.00
127	20987	Jackson, Andrew	\$10,800.00	Royalties, not priority	Disallowed or \$0.00
132	176	Howard M Bensky	\$11,250.00	Bondholder, not priority	Disallowed or \$0.00

18. Claims by bondholders for amounts due and by landowners for royalties are not accorded priority under the Bankruptcy Code. *See* 11 U.S.C. § 507(a)(1)-(10). Therefore these claims should be estimated at zero for priority treatment, or, alternatively, disallowed as priority claims.

### **NOTICE**

19. 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 American Insurance Company; (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 Order estimating the Subject Claims at zero or disallowing them as priority claims, and granting such other and further relief to which the Debtors may be justly entitled.

Dated: January 10, 2016

Respectfully submitted,

**VINSON & ELKINS LLP**

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**ATTORNEYS FOR THE  
DEBTORS**

**CERTIFICATE OF SERVICE**

I certify that on January 10, 2016, 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