

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

IN THE MATTER OF:

CASE NO. 15-35615

RAAM GLOBAL ENERGY  
COMPANY, ET AL

DEBTORS

CHAPTER 11

OBJECTION TO  
MOTION TO AUTHORIZE AND APPROVE (A) STALKING HORSE  
PURCHASE AGREEMENT, (B) SALE OF SUBSTANTIALLY ALL ASSETS  
FREE AND CLEAR OF CLAIMS, LIENS, ENCUMBRANCES AND OTHER  
INTERESTS, (C) ASSUMPTION AND ASSIGNMENT OF EXECUTORY  
CONTRACTS AND UNEXPIRED LEASES, (D) BIDDING PROCEDURES, (E)  
PROCEDURES FOR DETERMINING CURE AMOUNTS FOR EXECUTORY  
CONTRACTS AND UNEXPIRED LEASES, AND (F) RELATED RELIEF (Doc #90)

TO THE HONORABLE BANKRUPTCY JUDGE:

NOW COMES Jasper Central Appraisal District, (“Jasper CAD”), and files its Objection to the Motion to Authorize and Approve (A) Stalking Horse Purchase Agreement, (B) Sale of Substantially All Assets Free and Clear of Claims, Liens, Encumbrances and Other Interests, (C) Assumption and Assignment of Executory Contracts and Unexpired Leases, (D) Bidding Procedures, (E) Procedures for Determining Cure Amounts for Executory Contracts and Unexpired Leases, and (F) Related Relief on the following grounds:

1. Jasper CAD is a political subdivision of the State of Texas. There are taxes due for the 2015 tax year in the amount of \$24,787.87, assessed on property described as mineral interests located in this ad valorem tax jurisdiction. As of January 1, 2016, liability arose and a senior lien attached to the property of the Debtors for the 2016 taxes. The estimated tax amount for the 2016 tax year is \$25,964.28. Texas Property Tax Code Sections 32.01 and 32.05.
2. These taxes are secured with a security interest that is superior to that of any other secured claim under the Texas Constitution, Article VIII, Section 15, and the Texas

Property Tax Code, Section 32.01 and Section 32.05(b). Stanford v. Butler, 826 F.2d 353 (5th Cir. 1987), 11 USC § 506; Universal Seismic Associates, Inc., 288 F.3d 205 (5th Cir. 2002); In Re Winn's Stores, Inc.; 177 B.R. 253 (Bkcty W.D. Tex 1995). In addition, the lien is a lien *in solido* and attaches to all personal property of the debtors. Texas Property Tax Code Section 32.01(b).

3. The pending bid by the Stalking Horse Bidder includes a cash component of \$2.5 million. Jasper CAD does not oppose the sale of the property, so long as the funds for the 2015-2016 taxes, from the proceeds of the sale, are placed in a segregated account as required by 11 U.S.C. 363(c) (4), prior to the distribution of any proceeds to any other creditor, or, in the alternative, that no proceeds are distributed to creditors without consent of the Court.
4. Under these circumstances it would be appropriate to segregate funds as adequate protection for the claims of the secured tax claimant. Such segregated amounts should have the liens of Jasper CAD attached thereto and should be immune from distribution to any other claimant apart from consent of the tax claimant or order of this Court upon subsequent motion properly noticed to this tax claimant. Jasper CAD objects to the distribution of proceeds to any other creditors whose liens are inferior to that of Jasper CAD. The following language if included in the order approving the sale would be sufficient to satisfy the objection of Jasper CAD:

On the Payment Date, the Debtors shall establish a segregated account into which there shall be deposited an amount equal to \$50,752.15 to provide for the payment of claims or liens of Jasper CAD, holding a secured claim with respect to ad valorem and similar taxes. The liens of Jasper CAD shall attach to these segregated proceeds with the same validity, to the same extent, and with the same priority they now hold in the property being sold. This segregated account shall be in the nature of adequate protection and shall neither be a cap on the amounts recoverable by Jasper CAD from proceeds of sale, nor shall this segregated account be an allowance of their claims, said claims being subject to any and all rights of any party to object to the validity, extent or priority of these claims. No funds from this segregated account will be distributed apart from agreement of the Debtors

and Jasper CAD or upon subsequent order of the court duly noticed to Jasper CAD.

5. In the alternative, if there is a successful credit bid for the property without a cash component the buyer should take the property subject to the tax liens for 2015 and 2016 as there will be not proceeds against which the tax liens can attach.
6. For the reasons stated above, Jasper CAD objects to the Sale Motion on the grounds that 1) they have not consented to the sale as required by 11 U.S.C. § 363(f) and 2) that the Sale Motion does not provide adequate protection for the claim of Jasper CAD as required by 11 U.S.C. § 363(e).

WHEREFORE, Jasper CAD requests this Court to order that 1) Jasper CAD's tax liens attach to the cash proceeds of the sale, 2) that the amount of the 2015-2016 ad valorem taxes be placed in a segregated account, and 3) that the tax liens are retained in the event of a credit bid, and further requests other and such relief as is just and proper.

Dated: January 12, 2016

Respectfully submitted,

MCCREARY, VESELKA, BRAGG &  
ALLEN, P.C.  
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/s/Lee Gordon

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CERTIFICATE OF SERVICE

I hereby certify that I have placed a copy of the above Objection to Sale Motion to the following parties and to those parties on the Court's Notice of Electronic Filing on January 12, 2016 by Electronic Notification.

/s/Lee Gordon

Lee Gordon

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