

United States Courts
Southern District of Texas
FILED

JAN 13 2016
David J. Bradley, Clerk of Court

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

In re:

RAAM GLOBAL ENERGY
COMPANY,

Debtor.

CASE NO. 15-35615

Chapter 11

JOINTLY ADMINISTERED

**Debtor: Century Exploration Resources,
LLC, Case No. 15-35616**

Claimant: Berrenda Mesa Water District

**BERRENDA MESA WATER DISTRICT'S REQUEST
FOR ADMINISTRATIVE EXPENSE PAYMENT**

1. **Berrenda Mesa Water District** ("Water District") requests payment of its administrative claims under Bankruptcy Code sections 503(b)(9) and 503(b)(a).
2. This claim is filed against **Century Exploration Resources, LLC** ("Century"), Case No. 15-35616.
3. Under the *Order Setting Administrative and Priority Claims Bar Date* filed December 22, 2015 (document no 272), and the *Notice of Administrative and Priority Claims Bar Date* filed December 23, 2015 (document no 274), administrative claimants must file and serve their claims on or before January 13, 2016.
4. Water District is a public water agency located in the Lost Hills area of Kern County, California. Water District is lessor under an *Oil, Gas and Mineral Lease*, dated October 29, 2010, originally between Water District and Maverick Petroleum, Inc., as lessee. A

1 true and correct copy of the lease is attached as Exhibit "A" to *Lisa Holder's Declaration and*
2 *Exhibits in Support of Berrenda Mesa Water District's Request For Administrative Expense*
3 *Payment* ("Declaration").

4 5. In its schedules filed December 6, 2015, as document no 15, at page 16, Century
5 describes itself as the 100% owner of the Working Interest in "2,334.09 acres, more or less,
6 situated in Secs 19, 20, 29, 30, 31 & 32, , T26S-R20E, M.D.M, and Secs 4 & 36, T26S-R19E,
7 M.D.M., Kern County, California" (hereafter the "Lease"), and describes Water District as the
8 royalty-interest holder of that same property in its Schedule G on page 78 of document no. 15.
9 See Exhibit "B" to the Declaration.

10 6. **503(b)(9) claim.** During October 06, 2015 through October 25, 2015, within 20
11 days before Debtor's October 26, 2015, bankruptcy filing, Century extracted oil and gas from
12 the Lease. According to the California Division of Oil, Gas & Geothermal Resources
13 ("DOGGR") printout, included as Exhibit "C" to the Declaration, in October 2015 Century
14 extracted 486 barrels of oil and 800 million cubic feet of gas for which it has not compensated
15 Water District. DOGGR's records do not yet reflect production through January 13, 2016.

16 7. According to information provided through Century's attorney, the unpaid
17 royalty for October 2015 (which would include pre-petition non-priority debt, pre-petition
18 503(b)(9) priority debt, and post-petition debt) is \$3,510.36. See Exhibit "D" to the Declaration.

19 8. Under Bankruptcy Code section 503(b)(9), allowed administrative expenses
20 include "the value of any goods received by the debtor within 20 days before the date of the
21 commencement of a case under this title in which the goods have been sold to the debtor in the
22 ordinary course of such debtor's business." Oil and gas are "goods." *In re SemCrude, L.P.*,
23 416 B.R. 399, 405 (Bankr. D. Del. 2009). Century's extracted of oil and gas from the Lease in
24 the ordinary course of its business. See Exhibit "C."

25 9. Century alone possesses the records from which the parties and this court can
26 determine what portions of the October 2015 royalties are prepetition-unsecured, prepetition-
27 unsecured-priority, or post-petition debt. Water District requests an opportunity to conduct
28 discovery to obtain Century's records regarding the amount and character of the debt.

1 10. **503(b) Claim.** Century continued to produce oil and gas from the Lease in
2 October, November, and December 2015, and January 2016, which is post-petition production
3 for which it owes Water District royalties. According to Exhibit "C," in November 2015 (the
4 last month reported to DOGGR) it extracted 130 barrels of oil and 756 million cubic feet of
5 gas. Water District is unable to calculate the debt owed to it by Century because it does not
6 know the rate Century must pay for the oil and gas. Water District requests an opportunity to
7 conduct discovery to obtain Century's records regarding the amount of the debt.

8 11. Wherefore, Water District prays the court grant its administrative expense
9 claims under section 503(b)(9) claim as may be determined by the court, and under 503(a) as
10 may be determined by the court, and for all other just relief.

11 Date: January 12, 2015

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12
13
14 By: _____


LISA HOLDER

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MESA WATER DISTRICT