

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

**IN RE:** §  
§  
**RAAM GLOBAL ENERGY COMPANY,** § **Case No. 15-35615-H1-11**  
*et al.,*<sup>1</sup> § **(Chapter 11)**  
§ **(Jointly Administered)**  
**DEBTORS.** §

**CITY NATIONAL BANK'S (I) LIMITED 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; AND, (II) RESERVATION OF  
RIGHTS PERTAINING TO NOTICE OF RECEIPT OF OFFER TO PURCHASE  
[This instrument relates to Docket Nos. 90 and 327]**

TO THE HONORABLE MARVIN ISGUR, UNITED STATES BANKRUPTCY JUDGE:

City National Bank ("CNB") files this (I) Limited 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;<sup>2</sup> and, (II) Reservation of Rights Pertaining to Notice of Receipt of Offer to Purchase<sup>3</sup> (the "Limited Objection").

<sup>1</sup> The Debtors in these cases, and each of their respective last four digits of each Debtor's federal tax identification number, are: RAAM Global Energy Company (2973); Century Exploration New Orleans, LLC (4948); Century Exploration Houston, LLC (9624); and, Century Exploration Resources, LLC (7252).

<sup>2</sup> The "Sale Motion" filed at Docket No. 90.

<sup>3</sup> The "California Sale Offer" filed at Docket No. 327.

**LIMITED OBJECTION**<sup>4</sup>

1. Prior to the Petition Date, CNB, as Trustee for the A. L. Gump Testamentary Trust, certain sub-trusts created thereunder, and their beneficiaries (the "Trust"), entered into two separate Leases whereby CNB, is Lessor, and Century Exploration Resources, LLC ("CER"), is Lessee, and pursuant to which CER is entitled to drill and operate oil and gas Wells on properties in California co-owned by the Trust. Pursuant to the Leases, CNB is entitled to receive royalties from such production for distribution to the Trust. The Wells under one or both Leases have continued to produce oil and gas through at least November 2015. Pursuant to the Leases, CNB is entitled to receive royalties from such production for distribution to the Trust. CNB, however, has received no royalty or Delay Rental (as defined in the Leases) payments since May 2015.

2. In connection with the Sale Motion, the Debtors have received and seemingly intend to pursue the California Sale Offer, which includes an offer to transfer CER's interests in the Leases to Protho Energy Services, LLC (the "California Buyer"). On information and belief, in connection with the California Sale Offer, the Stalking Horse Bidder under the Sale Motion has agreed to satisfy all allowed Administrative Claims pertaining to assets that will not be purchased as part of the Sale Motion, including the Leases and Wells. CNB does not object to the California Sale Offer per se, but nevertheless files this Limited Objection out of an abundance of caution and in the exercise and preservation of its assignment consent rights under the applicable Leases. *See* Leases, ¶¶ 26.

3. In light of the foregoing, CNB requests that any order approving the California Sale Offer provide that: (i) Stalking Horse Bidder shall pay all allowed Administrative Claims

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<sup>4</sup> All undefined, capitalized terms appearing in this Limited Objection shall have the meanings ascribed to them in the Plan, the Sale Motion, and/or CNB's Motion to Allow Administrative Expense Claims pursuant to 11 U.S.C. § 503(b) (Docket No. 353) (the "Administrative Claim Motion"). CNB incorporates by reference herein all statements, arguments, assertions, and authority set forth in and exhibits attached to the Administrative Claim Motion. Additionally, all references to the "Bankruptcy Code" shall mean title 11 of the U.S. Code.

arising on or before December 31, 2015 pertaining to assets that are not being purchased pursuant to the Sale Motion and APA, including the Leases and Wells; (ii) California Buyer will assume all P&A Liabilities under all of the Leases, including the Tilbury Lease and the Maverick Lease; (iii) California Buyer shall provide evidence of financial ability to operate under the Leases, affirm that it will assume the applicable P&A Liabilities under the Leases, and close the California Sale Offer prior to and in connection with the closing of the California Sale Offer; and, (iv) CNB shall retain all claims, including Administrative Claims, against the estates which accrued prior to January 1, 2016 in connection with the Leases and which are not satisfied by Stalking Horse Bidder.

#### **RESERVATION OF RIGHTS**

4. CNB reserves all rights applicable under the Leases, the Bankruptcy Code, and other applicable law with respect to the allowance and determination of the amount of any all claims against CER and/or the Debtors and the assignment of the Leases. CNB also reserves the right to amend or supplement the information set forth in this Limited Objection at any time prior to any hearing to consider the California Sale Offer.

#### **PRAYER**

CNB respectfully requests that the Court: (i) sustain this Limited Objection; (ii) require that any Order approving the California Sale Offer provide that: (a) Stalking Horse Bidder shall pay all allowed Administrative Claims arising on or before December 31, 2015 pertaining to assets that are not being purchased pursuant to the Sale Motion and APA, including the Leases and Wells; (b) California Buyer will assume all P&A Liabilities under all of the Leases, including the Tilbury Lease and the Maverick Lease; (c) California Buyer shall provide evidence of financial ability to operate under the Leases, affirm that it will assume the applicable P&A

