

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

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

**CITY NATIONAL BANK'S LIMITED OBJECTION TO SECOND EMERGENCY
MOTION FOR ESTIMATION OF GENERAL ADMINISTRATIVE, PRIORITY TAX,
AND OTHER PRIORITY CLAIMS AND RESERVATION OF RIGHTS
[This instrument relates to Docket No. 364]**

TO THE HONORABLE MARVIN ISGUR, UNITED STATES BANKRUPTCY JUDGE:

City National Bank ("CNB") files this Limited Objection (the "Limited Objection") to the Debtors' Second Emergency Motion for Estimation of General Administrative, Priority Tax, and Other Priority Claims² and Reservation of Rights.

LIMITED OBJECTION³

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 (the Maverick Lease and the Tilbury Lease) 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

¹ 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).

² The "Second Estimation Motion" filed at Docket No. 364.

³ All undefined, capitalized terms appearing in this Limited Objection shall have the meanings ascribed to them in the Plan, the Second Estimation Motion, and/or CNB's Motion to Allow Administrative Expense Claims pursuant to 11 U.S.C. § 503(b) (Docket No. 353) (the "CNB Claim Motion"). CNB incorporates by reference herein all statements, arguments, assertions, and authority set forth in and exhibits attached to the CNB Claim Motion. Additionally, all references to the "Bankruptcy Code" shall mean title 11 of the U.S. Code.

to the Trust. The Wells under one or both Leases have continued to produce oil and gas through at least November 2015. CNB, however, has received no royalty or Delay Rental (as defined in the Leases) payments since May 2015.

2. On January 13, 2016, CNB filed the CNB Claim Motion seeking allowance of an Administrative Claim pursuant to § 503(b) of the Bankruptcy Code for, among other things, any post-petition royalties and/or Delay Rental payments due in connection with the Leases, CNB's attorneys' fees and costs associated with the enforcement of its rights under the Leases, and amounts for which the Debtors must indemnify CNB related to P&A Liabilities related to the Leases. CNB reserves all rights with respect to the allowance of an Administrative Claim pertaining to its attorneys' fees and costs, indemnity Claims against the Debtors related to CNB's satisfaction of and/or liability for P&A Liabilities, and any post-petition royalties and/or Delay Rental Payments. CNB also objects to the Second Estimation Motion insofar as the Debtors seek to estimate and/or allow at \$0.00 or disallow any CNB Administrative Claim.

3. CNB further specifically objects to the Second Estimation Motion insofar as it misrepresents the Debtors' satisfaction of all P&A Liabilities pertaining to the Leases. On information and belief, and based on the California Sale Offer (Docket No. 327), the California Buyer will not assume all P&A Liabilities with respect to the Tilbury Lease, nor will it assume any of the P&A Liabilities pertaining to the Maverick Lease. As such, it is improper for this Court to estimate the P&A Liabilities that will ostensibly remain with these estates at \$0.00 or to confirm the Debtors' Plan given their failure to satisfy § 1129(a)(3) and (a)(9)(A) of the Bankruptcy Code. *See* generally CNB Claim Motion; CNB Plan Objection (Docket No. 332). In connection with any hearing to consider the Second Estimation Motion and/or confirmation of

the Plan, the Debtors should be required to put forth evidence of the amount and their tangible satisfaction of all of the P&A Liabilities pertaining to all of the Leases.

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 Second Estimation Motion.

PRAYER

CNB respectfully requests that the Court: (i) sustain this Limited Objection; (ii) grant the relief requested in the CNB Claim Motion; (iii) 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 Liabilities under the Leases, and close the California Sale Offer prior to and in connection with the closing of the Sale; and, (d) CNB shall retain all other 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 or California Buyer; and, (iv) grant CNB such other and further relief to which it may be justly entitled, both at law and in equity.

DATED: January 18, 2016

Respectfully submitted,

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**ATTORNEYS FOR CITY NATIONAL
BANK**

CERTIFICATE OF SERVICE

Pursuant to BLR 9013-1(f), I hereby certify that on January 19, 2016, notice of this document will be mailed via first class mail, postage prepaid, to the parties listed below. Additionally, notice will be electronically mailed on January 18, 2016 to the parties that are registered or otherwise entitled to receive electronic notices in these cases pursuant to the Electronic Filing Procedures in this District.

/s/ Sean B. Davis
One of Counsel

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