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PROPOSED COUNSEL TO THE DEBTORS

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
ROCKIES REGION 2006 LIMITED PARTNERSHIP,	§	Case No. 18-33513-sgj-11
	§	
Debtor.	§	
<hr/>		
In re:	§	Chapter 11
	§	
ROCKIES REGION 2007 LIMITED PARTNERSHIP,	§	Case No. 18-33514-sgj-11
	§	
Debtor.	§	(Request for Joint Administration Pending)
	§	

**DEBTORS' APPLICATION FOR ORDER
(I) AUTHORIZING THE RETENTION OF HARNEY MANAGEMENT PARTNERS TO PROVIDE RESPONSIBLE PARTY AND ADDITIONAL PERSONNEL, (II) DESIGNATING KAREN NICOLAOU AS RESPONSIBLE PARTY EFFECTIVE AS OF THE PETITION DATE, AND (III) GRANTING RELATED RELIEF**

NO HEARING WILL BE CONDUCTED HEREON UNLESS A WRITTEN RESPONSE IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT AT EARLE CABELL FEDERAL BUILDING, 1100 COMMERCE ST., RM. 1254, DALLAS, TX 75242-1496 BEFORE CLOSE OF BUSINESS ON NOVEMBER 23, 2018, WHICH IS AT LEAST 24 DAYS FROM THE DATE OF SERVICE HEREOF.

ANY RESPONSE SHALL BE IN WRITING AND FILED WITH THE CLERK, AND A COPY SHALL BE SERVED UPON COUNSEL FOR THE MOVING PARTY PRIOR TO THE DATE AND TIME SET FORTH HEREIN. IF A RESPONSE IS FILED A HEARING MAY BE HELD WITH NOTICE ONLY TO THE OBJECTING PARTY.

IF NO HEARING ON SUCH NOTICE OR MOTION IS TIMELY REQUESTED, THE RELIEF REQUESTED SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT OR THE NOTICED ACTION MAY BE TAKEN.

Rockies Region 2006 Limited Partnership and Rockies Region 2007 Limited Partnership, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for their Application (the “Application”) for Order (i) Authorizing the Retention of Harney Management Partners to Provide the Debtors a Responsible Party and Certain Additional Personnel, (ii) Designating Karen Nicolaou as Responsible Party for the Debtors Effective as of the Petition Date, and (iii) Granting Related Relief, respectfully represent:

JURISDICTION

1. The Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Consideration of this Application is a core proceeding under 28 U.S.C. § 157(b)(2)(A).
2. Venue in this Court is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

INTRODUCTION

3. On October 30, 2018 (the “Petition Date”), each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). The Debtors are continuing to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.
4. No trustee, examiner, or official committee has been appointed.

BACKGROUND

5. As set forth more fully in the *Declaration of Karen Nicolaou in Support of Chapter 11 Petitions and First Day Motions*, filed contemporaneously herewith, the Debtors are West Virginia limited partnerships that own undivided working interests in oil and natural gas wells. PDC Energy, Inc. (f/k/a Petroleum Development Corp.) (“PDC”), a Delaware corporation, is the managing general partner of each of the Debtors and owns approximately 39% of the Debtors’ equity interests. In the aggregate, the Debtors have over 3,700 limited partnership unit holders (collectively with PDC, the “Partners”).

6. The primary business of the Debtors is the operation and development of properties producing oil, gas, and natural gas liquids and the appropriate allocation of cash proceeds, costs, and tax benefits among the Partners. PDC serves as operator for each of the wells in which the Debtors have a working interest. PDC markets and sells the oil, gas, and natural gas liquids, pays all applicable operating expenses and royalty interest holders, and thereafter allocates the net distributable income on each applicable well to the appropriate Debtor and other non-debtor working interest holders. On behalf of each Debtor, PDC then distributes the respective Debtor’s net distributable income to each of the Debtor’s respective Partners. The Debtors have no operations, no employees, and no creditors (other than PDC, to whom the Debtors owe, in any given month, reimbursement for expenses incurred in connection with drilling activities).

7. On May 7, 2018, PDC, in its capacity as managing general partner, appointed Karen Nicolaou as the Debtors’ responsible party. Ms. Nicolaou’s financial advisory and consulting services to the Debtors are provided through Red Owl Interests LLC d/b/a Harney Management

Partners (“Harney”). A copy of the engagement letter is attached hereto as **Exhibit A** (the “Engagement Letter”).¹

RELIEF REQUESTED

8. By this Application, the Debtors respectfully request entry of an order pursuant to sections 105 and 363(b) of the Bankruptcy Code (a) authorizing the retention of Harney for the purpose of providing the Debtors with (i) a Responsible Party (the “Responsible Party”) and (ii) additional personnel (the “Harney Personnel”) and together with the Responsible Party, the “Engagement Personnel”) to assist the Responsible Party in the performance of her duties, and (b) designating Karen Nicolaou as the Debtors’ Responsible Party, effective as of the Petition Date. Attached hereto as **Exhibit B** is a true and correct copy of the *Declaration of Karen Nicolaou in Support of Debtors’ Application for Order (i) Authorizing the Retention of Harney Management Partners to Provide Responsible Party and Certain Additional Personnel, (ii) Designating Karen Nicolaou as Responsible Party Effective as of the Petition Date, and (iii) Granting Related Relief* (the “Nicolaou Declaration”).

9. Under the circumstances, the Debtors require the assistance of a qualified and experienced responsible party with the resources, capabilities, and experience of Harney, Ms. Nicolaou, and the Engagement Personnel. Harney performs critical services that complement the services provided by the Debtors’ other professionals. The Debtors believe that Harney and Ms. Nicolaou are well qualified to provide restructuring management services that will enhance the Debtors’ efforts to maximize the value of their respective estates.

¹ At the time Ms. Nicolaou was appointed by PDC as Responsible Party, she provided consulting services through Bridgepoint Consulting LLC (“Bridgepoint”). On or around August 31, 2018, Ms. Nicolaou moved her practice to Harney.

10. The principals of Harney provide specialized restructuring management expertise to middle market and larger clients by providing the necessary experience, energy, and resources to supplement existing management. Harney offers a variety of practice areas to assist clients during many different stages of a company's life cycle, from fiduciary services and M&A advisory to bankruptcy and asset recovery services. Harney's principals have been involved in hundreds of bankruptcy and receivership proceedings, serving as interim management, financial advisors, and chapter 11 trustees.

11. With this Court's approval, Karen Nicolaou, a Managing Director at Harney, will act as Responsible Party for the Debtors. Ms. Nicolaou is a certified public accountant with over 15 years of experience providing restructuring advisory and management services to companies experiencing financial distress, including those in the oil & gas industry. Ms. Nicolaou has provided restructuring and turn-around management services to, among others, Physicians' Resource Group, Inc., ProMedCo Management Company, and Johnson Broadcasting, Inc.

12. In addition, Ms. Nicolaou served as the Responsible Party for similarly situated and related partnerships also managed by PDC in the bankruptcy cases styled *In re Eastern 1996D Limited Partnership, et al.*, Case No. 13-34773-hdh-11 (Bankr. N.D. Tex.) ("*Eastern 1996D*") and *In re Colorado 2002B Limited Partnership, et al.*, Case No. 16-33743-bjh-11 (Bankr. N.D. Tex.) ("*Colorado 2002B*"). Many of the legal issues that arose in those cases are likely to arise in this case. As a result, Ms. Nicolaou and Harney are well qualified to serve the Debtors in these chapter 11 cases.

SERVICES TO BE PROVIDED

13. Subject to Court approval, the Debtors propose to retain Harney to make available to the Debtors the Engagement Personnel, on the terms and conditions provided in the Engagement

Letter, except as otherwise set forth herein or in any order granting this Application. The terms and conditions of the Engagement Letter were negotiated at arm's-length and reflect the parties' mutual agreement as to the efforts that will be required for this engagement.

14. As Responsible Party and independent fiduciary for the Debtors, Ms. Nicolaou will serve as the authorized representative for each of Debtor in all matters relating to these chapter 11 cases. The services to be rendered to the Debtors by Harney, Ms. Nicolaou, and the Harney Personnel include, but are not limited to, the following:

- (a) managing the chapter 11 bankruptcy process;
- (b) preparing statements of financial affairs, schedules, and other first day motions;
- (c) managing communications with parties in interest;
- (d) preparing monthly operating reports and such other financial analysis as may be necessary as part of the restructuring process;
- (e) representing the Debtors at 341 hearings and providing testimony at other bankruptcy hearings, as necessary;
- (f) overseeing the sale of the Debtors' assets and otherwise maximizing the value of the Debtors' estates;
- (g) supervising the Debtors' legal advisors; and
- (h) taking such other actions and doing such other things in connection with these chapter 11 cases as may be necessary and appropriate.

15. The Debtors and PDC will provide Harney and the Engagement Personnel with access to all books and records, data, and other information in their possession necessary to perform the services contemplated by this engagement, as and when requested by the Responsible Party. PDC shall retain all other responsibilities as the Debtors' managing general partner (as set forth in each Debtor's limited partnership agreement), including, but not limited to, operating the Debtors' wells. However, PDC will keep the Responsible Party updated and advised in real time on operational issues and will consult with the Responsible Party before taking any action that could be deemed to be outside the ordinary course of business.

PROFESSIONAL COMPENSATION AND REIMBURSEMENT

16. Harney's acceptance of this engagement is conditioned upon its ability to be retained and compensated in accordance with its customary terms and conditions and in accordance with the Engagement Letter (all such proposed terms, the "Fee and Expense Structure"), described more fully below and in the Engagement Letter, to which the Debtors respectfully refer the Court.

17. The Debtors understand that Harney will bill at its established hourly rates and seek reimbursement of expenses as customarily charged to its non-bankruptcy clients. The hourly billing rates for Ms. Nicolaou and other Harney professionals are set forth in the Engagement Letter.²

18. In addition, the Debtors seek to provide Harney a transaction fee of (i) 3% of the first \$1,000,000.00 in net proceeds received from any sale of Debtors' assets and any other transaction that results in cash being distributed to the limited partners of the Debtors (each such occurrence, a "Transaction"); and (ii) 2% of any additional net proceeds greater than \$1,000,000.00 received in any such Transaction.

19. In advance of filing their respective petitions, the Debtors provided Harney a retainer in the amount of \$70,000.00 (the "Retainer") for services to be rendered and expenses incurred on the Debtors' behalf. Harney drew against the Retainer for fees and expenses incurred prior to the Petition Date, with the remainder to be held as a retainer for postpetition services and expense reimbursement as may be approved by this Court. Harney has been paid \$15,241.26 for all services rendered and expenses incurred through the Petition Date, leaving a retainer balance of \$54,758.74.

² For the avoidance of doubt, Harney agrees to honor the rates agreed to by Bridgepoint in the Engagement Letter.

20. As set forth in the Engagement Letter, Harney will invoice the Debtors for professional fees and expenses on a monthly basis. Harney will first draw down the retainer balance before seeking payment from the Debtors in the ordinary course. Despite the fact that Harney is not being employed as a professional pursuant to section 327 of the Bankruptcy Code, Harney will nonetheless (i) submit, upon request, quarterly fee statements to the United States Trustee or any other party in interest summarizing the fees and expenses incurred by Harney on behalf of the Debtors in the prior quarter, and (ii) apply to the Court for final allowance of compensation and reimbursement of expenses in accordance with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules and Orders of this Court.

21. The Debtors believe that, given Ms. Nicolaou's prior experience in the *Eastern 1996D* and *Colorado 2002B* cases, her services are the most efficient under the circumstances and that the terms of the proposed retention are customary, fair and reasonable. Further, the Debtors are informed that the fees to be charged by Harney pursuant to the Engagement Letter are comparable with fees charged by Harney in other engagements, and are also comparable to those charged by other turnaround and restructuring management service providers.

HARNEY'S DISINTERESTEDNESS

22. Although the Debtors respectfully submit that the retention of Harney is not governed by section 327 of the Bankruptcy Code, Harney nonetheless performed a conflicts check in connection with its engagement by the Debtors. To the best of the Debtors' knowledge, other than as set out in the Nicolaou Declaration, Harney (a) has no connection with the Debtors, their creditors, equity interest holders, or any other party in interest or their professionals, or which would otherwise create a conflict of interest in this matter; (b) does not have any connection with the Office of the U.S. Trustee, the Court, or any person employed by the Office of the U.S. Trustee

or the Court; (c) believes it is a “disinterested person,” as that term is defined in section 101(14) of the Bankruptcy Code; and (d) does not hold an interest adverse to the Debtors or their estates in the matters upon which Harney is to be engaged.

23. To the extent that any new facts or relationships bearing on the matters described herein are discovered or arise, Harney will promptly file supplemental disclosures.

INDEMNIFICATION

24. As more fully described in the Engagement Letter, the Debtors seek authority to indemnify Harney and Ms. Nicolaou from any and all claims made in connection with their performance of services in these chapter 11 cases, except where any claims or losses are due to willful misconduct or gross negligence.

ARGUMENTS & AUTHORITIES

25. The Debtors seek to employ and retain Harney and designate Ms. Nicolaou as Responsible Party pursuant to sections 363 and 105(a) of the Bankruptcy Code, effective as of the Petition Date. Section 363(b) of the Bankruptcy Code provides, in relevant part, that a debtor in possession “after notice of a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” Further, pursuant to section 105(a) of the Bankruptcy Code, the “court may issue any order, process, or judgment that is necessary to carry out the provisions of this title.”

26. Under applicable case law in this and other jurisdictions, a debtor’s proposed use of assets pursuant to section 363(b) of the Bankruptcy Code, other than in the ordinary course of business, is authorized when the debtor demonstrates a sound business purpose for the intended use. *See, e.g., Institutional Creditors of Cont’l Air Lines, Inc. v. Cont’l Air Lines, Inc. (In re Cont’l Air Lines, Inc.)*, 780 F. 2d 1223, 1226 (5th Cir. 1986) (“[I]mplicit in § 363(b) is the further

requirement of justifying the proposed transaction. That is, for the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business”) (citing *In re Lionel Corp.*, 722 F.2d 1063, 1071 (2d Cir. 1983)); *see also In re ASARCO, L.L.C.*, 650 F.3d 593, 601 (5th Cir. 2011) (“The business judgment standard in section 363 is flexible and encourages discretion”); *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999) (use of assets outside the ordinary course of business permitted if “sound business purpose justifies such actions”); *Comm. of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (“Where the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct”).

27. The retention of a Responsible Party and the Harney Personnel is proper under section 363 of the Bankruptcy Code. The Debtors have no employees and lack an independent fiduciary to handle the extensive administrative matters required in a chapter 11 case and to maximize the value of the Debtors’ assets. An experienced professional in financial, operational, and bankruptcy-specific matters is a necessary and integral part of maximizing value and ensuring efficiency and compliance with the Bankruptcy Code, the Bankruptcy Rules and the various bankruptcy reporting obligations imposed on debtors in possession.

28. The decision to retain Harney and employ Ms. Nicolaou as Responsible Party is a sound exercise of the Debtors’ business judgment. First, Ms. Nicolaou has extensive experience as an advisor for many troubled companies, has extensive experience in chapter 11 cases and has directly relevant experience given her role as Responsible Party in the *Eastern 1996D* and *Colorado 2002B* cases. The Debtors believe that Ms. Nicolaou, in her capacity as Responsible

Party, and the Harney Personnel, will provide services that will benefit the Debtors' estates and creditors. In addition, Harney has extensive experience in providing restructuring consulting services in chapter 11 proceedings and enjoys an excellent reputation as a restructuring firm throughout the United States. Second, the economic terms of Harney's retention are fair, reasonable, and beneficial to the Debtors' estates, and were negotiated at arm's-length. The Debtors believe that the Fee and Expense Structure is comparable to those generally charged by restructuring advisors of similar stature to Harney for similar engagements. Given the numerous issues that Harney may be required to address in the performance of its services hereunder, and the market prices for Harney's services for engagements of this nature both in and out of court contexts, the Debtors believe that the Fee and Expense Structure is in line with market compensation for similar services and is fair and reasonable.

29. For the reasons set forth herein, the Debtors respectfully submit that the retention of Harney and the employment of Ms. Nicolaou as the Debtors' Responsible Party under the terms set forth in the Engagement Letter is a sound exercise of the Debtors' sound business judgment and would be of great benefit to the Debtors' estates. Accordingly, the Debtors respectfully request that the Court authorize the Debtors to retain Harney to provide the Debtors with a Responsible Party, as well as any additional and necessary Harney Personnel, and to designate Ms. Nicolaou as the Responsible Party to the Debtors, effective as of the Petition Date, all pursuant to section 363 of the Bankruptcy Code.

30. Courts in this District and in other jurisdictions have approved relief similar to that requested in this Application. *See, e.g., In re Nine West Holdings, Inc.*, Case No. 18-10947 (Bankr. S.D.N.Y. July 2, 2018) [Docket No. 466]; *In re Lockwood Holdings, Inc.*, Case No. 18-30197 (Bankr. S.D. Tex. Feb. 15, 2018) [Docket No. 113]; *In re Hallwood Energy, L.P.*, Case No. 09-

31253 (Bankr. N.D. Tex. Apr. 22, 2009) [Docket No. 151]; *In re Pilgrims Pride Corp.*, Case No. 08-45664 (Bankr. N.D. Tex. Dec. 30, 2008) [Docket No. 825]; *In re Mirant Corp.*, Case No. 03-46590 (Bankr. N.D. Tex. Sept. 26, 2003) [Docket No. 999]; *In re PRC, LLC*, Case No. 08-10239 (Bankr. S.D.N.Y. Feb. 27, 2008) [Docket No. 182]; *In re Bally Total Fitness of Greater N.Y., Inc.*, Case No. 07-12395 (Bankr. S.D.N.Y. Aug. 21, 2007) [Docket No. 283]; *In re Dana Corp.*, Case No. 06-10354 (Bankr. S.D.N.Y. Mar. 6, 2006) [Docket No. 84].³

WAIVER OF BANKRUPTCY RULE 6004(A) AND 6004(H)

31. To implement the foregoing successfully, the Debtors request that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtors have established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

NOTICE

32. Notice of this Motion has been provided to: (i) the office of the United States Trustee for the Northern District of Texas and (ii) certain other parties appearing on the attached certificate of service. The Debtors respectfully submit that no other or further notice need be provided.

WHEREFORE, the Debtors respectfully request that this Court enter an Order, substantially in the form attached hereto as **Exhibit C**, granting the relief requested herein and granting such other and further relief as may be just and proper.

³ Indeed, the Court has previously authorized Ms. Nicolaou's retention on substantially similar grounds in the *Eastern 1996D* and *Colorado 2002B* cases. See Docket No. 106 in Case No. 13-34773-HDH-11 and Docket No. 78 in Case No. 16-33743-BJH-11.

Respectfully submitted this 30th day of October, 2018.

GRAY REED & McGRAW LLP

By: /s/ Jason S. Brookner

Jason S. Brookner

Texas Bar No. 24033684

Lydia R. Webb

Texas Bar No. 24083758

Amber M. Carson

Texas Bar No. 24075610

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PROPOSED COUNSEL TO THE DEBTORS

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 30th day of October, 2018, he caused a true and correct copy of the foregoing document to be served on the parties appearing below via first class United States mail, postage prepaid and, where possible, via electronic mail.

Hunton Andrews Kurth
Attn: Robin Russell
600 Travis, Suite 4200
Houston, TX 77002

Office of the U.S. Trustee
Northern District of Texas
1100 Commerce St., Rm 976
Dallas, TX 75242

PDC Energy, Inc.
Attn: Daniel W. Amidon, GC
1775 Sherman St.
Suite 3000
Denver, CO 80203

Foley Bezek Behle & Curtis, LLP
Attn: Thomas G. Foley, Kevin D.
Gamarnik, and Aaron L. Arndt
15 West Carrillo Street
Santa Barbara, CA 93101

Internal Revenue Service
Special Procedures-Insolvency
P.O. Box 7346
Philadelphia, PA 19101-7346

Securities and Exchange
Commission
Attn: Sonia Chae
175 W. Jackson Blvd.
Suite 900
Chicago, IL 60604

/s/ Jason S. Brookner

Jason S. Brookner

Exhibit A

Engagement Letter



April 25, 2018

VIA ELECTRONIC MAIL TO: dan.amidon@pdce.com

Daniel W. Amidon, Esq.
PDC Energy
1775 Sherman Street, Suite 3000
Denver, CO 80203

RE: Resolution and wind-down of Rockies Region 2006 Limited Partnership and the Rockies Region 2007 Limited Partnership (collectively, the "Partnerships")

Dear Mr. Amidon:

You have requested that Bridgepoint Consulting LLC ("BPC") provide certain financial advisory and managerial services for the Partnerships in relation to analyzing options for wind-down and/or divestiture of the Partnerships' operations and assets.

We appreciate your confidence in BPC, and want to ensure we exceed your expectations with regard to the services we will provide.

SCOPE OF SERVICES

As requested by you and agreed by BPC, BPC will provide Karen Nicolaou ("Nicolaou") to serve as the Responsible Party ("Responsible Party") for each of the Partnerships and will analyze all options available to wind-down the Partnerships, including analyzing all potential restructuring and divestiture options (which include, but are not limited to bankruptcy). As Responsible Party and independent fiduciary for the Partnerships, Nicolaou will serve as the authorized representative for each of the Partnerships with authority to oversee the Partnerships in determining the best course of action to wind-down the Partnerships, including overseeing all actions in connection with a potential bankruptcy filing or an auction sale of the Partnerships' assets. In the role of Responsible Party, Nicolaou will have the authority to perform all services necessary and consistent with her position, including but not limited to:

- Exploring options for divesting of assets of the Partnerships and entering into and executing definitive documents to effect such sale; and
- Analyzing the books and records of the Partnerships and resolving issues related to claims against and interests in the Partnerships.

The services provided will encompass all services normally and reasonably associated with this type of engagement consistent with our ethical obligations. PDC Energy, Inc. ("PDC") shall retain all other responsibilities as Managing General Partner of the Partnerships set forth in each Partnership's Partnership Agreement, including but not limited to, oversight of the Partnerships' oil and gas operations.

Mr. Dan W. Andropoulos, Esq.
May 8, 2018

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In connection with this engagement, Nicolaou may retain counsel and such other experts, advisors and consultants as reasonably necessary and appropriate to assist her in providing the services described here. The choice of such professionals will be in Nicolaou’s sole discretion, and the Partnerships agree to pay for any fees or expenses of such professionals, including any fees and expenses approved in a future bankruptcy proceeding.

PDC REPRESENTATIONS

PDC, as Managing General Partner of the Partnerships, hereby represents that it is authorized to retain Nicolaou as Responsible Party pursuant to the following sections of each Partnership’s Partnership Agreement:

- Section 5.01: PDC has broad authority to manage the affairs of the Partnership in a prudent and businesslike fashion;
- Section 6.02: PDC is authorized to do any action or execute any document or enter into any contract or any agreement of any nature necessary or desirable ... in pursuance of the purposes of the Partnership;
- Section 6.02(c): PDC is authorized to employ and retain such personnel as it deems desirable for the conduct of the Partnerships’ activities, including employees, consultants and attorneys; and
- Section 6.02(j): PDC is authorized to enter into agreements to hire services of any kind or nature.

The Partnerships and PDC shall provide BPC and the Responsible Party with access to all Partnership books and records, data, and other information in their possession necessary to perform the services contemplated by this agreement, as and when requested by the Responsible Party.

FEES

In consideration for any financial advisory and consulting services, including any services rendered as Responsible Party, and subject to the approval of the United States Bankruptcy Court, if a bankruptcy is filed, the Partnerships will compensate BPC as follows:

- 1) Hourly Fees: BPC will invoice the Partnerships monthly for services rendered on an hourly fee basis at standard hourly rates.

<u>Position:</u>	<u>Hour Rate:</u>
Principal	\$425
Director	\$350
Manager	\$250
Consultants	\$150
Administrative Support	\$ 80

Services provided by Nicolaou will be invoiced at above listed “Director” rate. Hourly rates for BPC personnel will not increase during the course of this representation.

- 2) Transaction Fee: Upon completion of any sale of the Partnerships' assets and any other transaction that results in cash being distributed to the limited partners of the partnership (each such occurrence, a "Transaction"), BPC shall be entitled to additional compensation from the proceeds received by such Partnerships from any such Transaction as follows: (i) 3% of the first \$1,000,000 in net proceeds received by the Partnerships from any Transaction; and (ii) 2% of any additional net proceeds greater than \$1,000,000 received by the Partnerships from any such Transaction.

Expenses: In addition to the above compensation, BPC will be entitled to reimbursement for expenses at the actual amount incurred for items such as travel (including mileage, parking, airfare, lodging, meals, and ground transportation), messenger and delivery services, photocopying, long distance telephone, tele-copying, computer charges and similar items. Out of town travel time will be invoiced at ½ of the normal hourly rate. To the extent an outside is used, BPC will be entitled to reimbursement of its actual costs paid to such outside vendors.

We respectfully request a retainer of \$70,000 at the commencement of this engagement. BPC may request that such retainer be replenished as necessary, including but not limited to in the event of a bankruptcy filing.

In the event we are requested or authorized by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to this engagement, you will reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel incurred in responding to such requests.

TERMS

Invoices are payable upon presentment or, if a bankruptcy is pursued, within the terms of any professional procedures order as approved by the bankruptcy court in effect at the time the services are rendered or expenses incurred, to the extent such order applies to the Responsible Party.

The scope of this engagement does not constitute the provision by BPC, its owners, or staff of any legal advice. Moreover, because our engagement is limited in nature and scope, it cannot be relied upon to discover all documents and other information or provide all analyses which may have importance to this matter. Bridgepoint Consulting LLC is not a CPA firm, and this engagement does not include the compilation, review, or audit of financial records or financial statements other than specifically set forth hereinabove

If a court determines that Nicolaou or BPC is not qualified to serve in this matter, such determination will not be deemed a breach of this agreement; and the Client will remain liable for payment of fees and expenses as set forth.

We agree to abide by any court orders provided to us in writing and signed by us regarding confidentiality. We will, at your request, transmit information to you by facsimile, e-mail, or over the Internet. If any confidentiality breaches occur because of data transmission over the Internet, you agree that this will not constitute a breach of any obligation of confidentiality. If you wish to limit such transmission to information that is not highly confidential, or seek more secure means of communication for highly confidential information, you will need to inform us.

We have undertaken an inquiry of our records to determine conflicts with this engagement. We have determined that our prior relationships do not preclude our retention. However, the very nature, diversity, and magnitude of BPC clients and engagements, and its past and present clients and

Mr. Dan W. Amidon, Esq.
May 8, 2018
Page 4 of 6

professional relationships, does not allow us to be certain that each and every possible relationship or potential conflict has come to our attention. In the event that additional relationships or potential conflicts come to our attention, we will promptly notify you.

If any portion of this letter is held to be void, or otherwise unenforceable, in whole or part, the remaining portions of this letter shall remain in effect.

APPROVAL

If this letter is agreeable to you, please sign it in the space provided below and return it to us by scanning and emailing to knicolaou@bridgepointconsulting.com.

Again, thank you for giving Bridgepoint Consulting LLC the opportunity to be of service to you. We look forward to working with you.

Sincerely,



William R. Patterson
Principal

ACCEPTED BY CLIENT:

Dan W. Amidon

Date

If any portion of this letter is held to be void, or otherwise unenforceable, in whole or part, the remaining portions of this letter shall remain in effect.

APPROVAL

If this letter is agreeable to you, please sign it in the space provided below and return it to us by scanning and emailing to knicolaou@bridgepointconsulting.com.

Again, thank you for giving Bridgepoint Consulting LLC the opportunity to be of service to you. We look forward to working with you.

Sincerely,



William R. Patterson
Principal

ACCEPTED BY CLIENT:


Dan W. Amidon

5/7/18
Date

EXHIBIT A
STANDARD TERMS AND CONDITIONS

1. **Services:** Bridgepoint Consulting LLC (“BPC”) will use reasonable efforts to perform the agreed-upon services (the “Services”) described in the engagement letter to which these Standard Terms and Conditions are attached as **Exhibit A**. The Client will provide BPC with all resources (physical and human) reasonably requested by BPC to enable BPC to perform the Services.
2. **Fees and Expenses:** Unless otherwise specified in the engagement letter, fees will be billed semi-monthly, on the fifteenth and last day of each month. Expenses incurred by BPC on behalf of the Client will be invoiced at the actual amount incurred and will be included with the fee billings. All invoices are due in 15 days except as set forth in the engagement letter.
3. **Termination:** Unless otherwise specified in the engagement letter, this engagement can be terminated upon two weeks written notice by either party. Either party shall have the right to terminate this engagement immediately if the other party materially breaches this agreement. The terms of this Exhibit A shall survive any termination or expiration of this agreement or the engagement.
4. **Independent Contractor:** BPC is an independent contractor, and will indemnify the Client and hold it harmless to the extent of any obligation imposed by law on the Client to pay any withholding taxes, social security, unemployment or disability insurance, or similar items in connection with any payments made by the Client for the Services.
5. **Limitation of Liability:** Even if the remedies provided for in this agreement fail of their essential purpose and even if BPC has been advised of the possibility of the following damages, in no event shall BPC (or its principals, affiliates, employees, contractors, or agents) be liable to Client or to any other person or entity, under any equitable, common law, contractual, statutory, or other theory, for (i) any incidental, special, consequential, indirect, or punitive damages, (ii) any damages measured by lost profits, opportunities or goodwill, or (iii) any damages in excess of the fees paid by Client to BPC during the 6 month period immediately preceding BPC’s actual receipt of Client’s first express, written assertion of such claim.
6. **Indemnification:** Each party will indemnify the other party and hold it harmless from all claims made against such other party in connection with BPC’s performance of the Services to the fullest extent permitted under applicable law, except to the extent such claims arise as a result of the other party’s gross negligence or willful misconduct.
7. **Non-Solicitation:** Unless otherwise set forth in the engagement letter, during the term of this engagement and for 12 months thereafter, Client and any of its affiliated companies (“Group”) agrees not to solicit BPC’s Affiliates or employees without BPC’s prior written consent, and BPC agrees not to solicit Client’s employees without Client’s prior written consent. If an employee (or in the case of BPC, an Affiliate) of one party (the “First Employer”) becomes employed or contracted by the other party (the “Second Employer”), and 365 days have not elapsed since such employee (or Affiliate) was last employed by or provided services as a contractor to the First Employer, then the Second Employer shall be conclusively deemed to have breached its obligations under this section. As liquidated damages for such a breach, the Second Employer shall pay the First Employer an amount equal to forty percent (40%) of the total cash compensation reasonably anticipated to be paid by the Second Employer to such employee or contractor during the first year of such employment or contract relationship with the Second Employer. For purposes of this calculation, the parties agree that such payment shall be due within 30 days after such employment or contract relationship commences, and to conclusively assume that all base salary, discretionary bonuses (in the targeted amount), contract payments (based on reasonable estimates of hours worked or jobs performed), commissions (based on reasonable performance), and other amounts are earned and paid for one entire year, without regard to whether any component of such compensation is discretionary or whether such employment or contract relationship is at will or for a definite term less than one year.
8. **Trademark License:** BPC shall have the right, during the term of this agreement and thereafter, to disclose Client’s relationship as a Client or former Client of BPC and to use Client’s trade names, trademarks, service marks and logos (collectively, “Client’s Marks”) for that purpose in any medium. BPC shall use Client’s Marks in accordance with any commercially reasonable written trademark usage policies provided by Client to BPC from time to time. Nothing herein shall affect Client’s ownership of Client’s Marks.

Mr. Dan W. Anderson, Esq.
May 8, 2018

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9. Governing Law; Venue; Arbitration; Attorney's Fees: This agreement shall be construed in accordance with the laws of the State of Texas (except its conflicts of laws principles). The exclusive venue to resolve any dispute related in any way to this agreement or the services provided or to be provided by BPC to Client shall lie in Travis County, Texas. Any dispute related in any way to this agreement shall be resolved by binding arbitration under the Commercial Rules of the American Arbitration Association (except to the extent they conflict with this agreement). The prevailing party in any dispute related in any way to this agreement shall be entitled to recover his, her or its reasonable attorney's fees and reasonable out-of-pocket expenses incurred in the prosecution or defense of claims in such dispute.

10. Miscellaneous: There are no intended third-party beneficiaries of this agreement, the Services, or the engagement. Amounts past due under this agreement shall accrue interest at the rate of 10% per year, or the maximum rate allowed by law, whichever is less. Client shall pay (or if BPC pays, reimburse BPC for) any applicable sales, use or similar tax imposed in connection with any sale of goods or services by BPC to Client. This agreement supersedes any prior agreement, understanding, or representation between BPC and Client, and can only be modified by a written document signed by BPC and Client.

11. Confidentiality: In the course of providing the Services, BPC may obtain trade secrets or confidential information of Client, or information held by Client under an obligation to a third party to keep that information confidential (together, Confidential Information). BPC agrees not to use or disclose Confidential Information except (a) to provide the Services to Client or otherwise to perform this Agreement, in which case BPC will require any third party recipient to commit in writing to be bound by similar terms protecting the confidentiality of such information, or (b) to comply with a subpoena, court order or obligation imposed by law, in which case BPC will use reasonable efforts to give Client notice so that Client can try to protect or limit such use or disclosure. Client will mark all Confidential Information as "CONFIDENTIAL" so that BPC can honor these commitments.

Exhibit B

Nicolaou Declaration

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re: § Chapter 11
§
ROCKIES REGION 2006 LIMITED § Case No. 18-33513-sgj-11
PARTNERSHIP, §
§
Debtor. §

_____ § Chapter 11
In re: §
§ Case No. 18-33514-sgj-11
ROCKIES REGION 2007 LIMITED §
PARTNERSHIP, § (Request for Joint Administration Pending)
§
Debtor. §

DECLARATION OF KAREN NICOLAOU IN SUPPORT OF DEBTORS’ APPLICATION FOR ORDER (I) AUTHORIZING THE RETENTION OF HARNEY MANAGEMENT PARTNERS TO PROVIDE RESPONSIBLE PARTY AND CERTAIN ADDITIONAL PERSONNEL, (II) DESIGNATING KAREN NICOLAOU AS RESPONSIBLE PARTY EFFECTIVE AS OF THE PETITION DATE, AND (III) GRANTING RELATED RELIEF

Karen Nicolaou declares under penalty of perjury, pursuant to 28 U.S.C. §1746, as follows:

1. I am a Managing Director of Red Owl Interests LLC d/b/a Harney Management Partners (“Harney”), an advisory firm that provides specialized restructuring management expertise to middle market and larger clients via interim management and financial and turnaround advisory services.

2. I submit this Declaration in support of the Debtors’ Application (the “Application”) for order to retain Harney to provide a responsible party and additional personnel and designating me as the Debtors’ Responsible Party effective as of the Petition Date.¹

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

3. I have personal knowledge of the facts set forth herein unless otherwise indicated. To the extent any information disclosed herein requires amendment or modification, I will submit a supplemental declaration.

QUALIFICATIONS

4. The principals of Harney provide specialized restructuring management expertise to middle market and larger clients by providing the necessary experience, energy, and resources to supplement existing management. Harney offers a variety of practice areas to assist clients during many different stages of a company's life cycle, from fiduciary services and M&A advisory to bankruptcy and asset recovery services. Harney's principals have been involved in hundreds of bankruptcy and receivership proceedings, serving as interim management, financial advisors, and chapter 11 trustees.

5. I am a certified public accountant with over 15 years of experience providing restructuring advisory and management services to companies experiencing financial distress, including those in the oil & gas industry. I have provided restructuring and turnaround management services to, among others, Physicians' Resource Group, Inc., ProMedCo Management Company, Johnson Broadcasting, Inc., and multiple limited partnerships related to the debtors in the cases of *In re Eastern 1996D Limited Partnership, et al.*, Case No. 13-34773-hdh-11 (Bankr. N.D. Tex.) and *In re Colorado 2002B Limited Partnership, et al.*, Case No. 16-33743-bjh-11 (Bankr. N.D. Tex.). In addition, I have served as an expert witness on financial and restructuring issues in various other matters.

6. By virtue of its restructuring personnel's expertise, Harney is well qualified to provide services to and represent the Debtors' interests in these chapter 11 cases.

SERVICES TO BE PROVIDED

7. As Responsible Party and independent fiduciary for the Debtors, I will serve as the authorized representative for each Debtor in all matters relating to these chapter 11 cases. The services to be rendered to the Debtors by the Engagement Personnel include, but are not limited to, the following:

- (a) managing the chapter 11 bankruptcy process;
- (b) preparing statements of financial affairs, schedules, and other first day motions;
- (c) managing communications with parties in interest;
- (d) preparing monthly operating reports and such other financial analysis as may be necessary as part of the restructuring process;
- (e) representing the Debtors at 341 hearings and providing testimony at other bankruptcy hearings, as necessary;
- (f) overseeing the sale of the Debtors' assets and otherwise maximizing the value of the Debtors' estates;
- (g) supervising the Debtors' legal advisors; and
- (h) taking such other actions and doing such other things in connection with these chapter 11 cases as may be necessary and appropriate.

HARNEY'S DISCLOSURE PROCEDURES

8. In preparing this Declaration, either I or someone under my supervision and direction reviewed my and Harney's transaction history to determine whether there were any relationships with the following parties in interest:

- (a) The Debtors and all aliases;
- (b) The debtors in the *Eastern 1996D* case (Case No. 13-34773-HDH-11) and the *Colorado 2002B* case (Case No. 16-33743-BJH-11);
- (c) The Debtors' managing general partner and its counsel;
- (d) The directors and officers of the Debtors' managing general partner; and
- (e) The individuals employed in the office of the U.S. Trustee for Region 6 in Dallas and Fort Worth.

9. A list of each of the entities searched is attached hereto as Schedule 1. Other than

as set forth on Schedule 2, Harney has no relationship with, or connection to, any of such entities. Under my supervision, Harney will continue to monitor the relationships of the parties in these chapter 11 cases and as additional information becomes available or additional connections are discovered, Harney will promptly file supplemental disclosures.

COMPENSATION AND REIMBURSEMENT

10. Attached to the Application as Exhibit A is the engagement letter between Harney and the Debtors (the "Engagement Letter"), which sets forth the scope and terms of the proposed engagement.² Harney will bill at its established hourly rates and seek reimbursement of expenses as customarily charged to its non-bankruptcy clients. My standard hourly billing rate is \$350.00. Other Harney employees who may provide services to the Debtors have standard hourly billing rates that range from \$80.00 to \$425.00.

11. In addition, Harney will be entitled to a transaction fee as follows: (i) 3% of the first \$1,000,000.00 in net proceeds received from any sale of Debtors' assets and any other transaction that results in cash being distributed to the limited partners of the Debtors (each such occurrence, a "Transaction"); and (ii) 2% of any additional net proceeds greater than \$1,000,000.00 received in each Transaction.

12. In advance of filing, Harney received a retainer of \$70,000.00 (the "Retainer") from the Debtors for services to be rendered and expenses incurred on their behalf. Harney drew against the Retainer for fees and expenses incurred prior to the Petition Date, with the remainder to be held as a retainer for postpetition services and expense reimbursement as approved by this Court. Harney has been paid \$15,241.26 for all services rendered, and expenses incurred, through the

² At the time I was appointed Responsible Party, I provided consulting services through Bridgepoint Consulting LLC. On or around August 31, 2018, I moved my practice to Harney, and Harney assumed the Engagement Letter.

Petition Date, leaving a retainer balance of \$54,758.74.³

13. As set forth in the Engagement Letter, all professional fees and expenses will be invoiced monthly. Harney will first draw down the retainer balance before seeking payment from the Debtors in the ordinary course. Despite the fact that Harney is not being employed as a professional pursuant to section 327 of the Bankruptcy Code, Harney will nonetheless (i) submit, upon request, quarterly fee statements to the United States Trustee or any other party in interest summarizing the fees and expenses incurred by Harney on behalf of the Debtors in the prior quarter, and (ii) apply to the Court for final allowance of compensation and reimbursement of expenses in accordance with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules and Orders of this Court.

14. The Engagement Letter was negotiated at arm's-length and in good faith, and Harney believes that the fee and expense structure is both reasonable and consistent with the market for such services.

15. I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed at Houston, Texas on this 30th day of October, 2018.

/s/ Karen Nicolaou
Karen Nicolaou

³ After the retainer was funded, it came to my attention that the retainer for RR 2006 in the amount of \$35,000.00 was funded through a loan from PDC to RR 2006. It is my understanding that PDC has agreed to waive repayment of such amount.

Schedule 1

List of Entities Searched

The Debtors and Counsel

Rockies Region 2006 Limited Partnership
Rockies Region 2007 Limited Partnership
Gray Reed & McGraw LLP

Prior “related” engagements

Eastern 1996D Limited Partnership f/k/a
PDC 1996-D LP
Eastern 1997D Limited Partnership f/k/a
PDC 1997-D LP
Eastern 1998D Limited Partnership f/k/a
PDC 1998-D LP
CO & PA 1999D Limited Partnership f/k/a
PDC 1999-D LP
Colorado 2000B Limited Partnership f/k/a
PDC 2000-B LP
Colorado 2000C Limited Partnership f/k/a
PDC 2000-C LP
Colorado 2000D Limited Partnership f/k/a
PDC 2000-D LP
Colorado 2001A Limited Partnership f/k/a
PDC 2001-A LP
Colorado 2001B Limited Partnership f/k/a
PDC 2001-B LP
Colorado 2001C Limited Partnership f/k/a
PDC 2001-C LP
Colorado 2001D Limited Partnership f/k/a
PDC 2001-D LP
Colorado 2002A Limited Partnership f/k/a
PDC 2002-A LP
Colorado 2002B Limited Partnership f/k/a/
PDC 2002-B LP
Colorado 2002C Limited Partnership f/k/a/
PDC 2002-C LP

Debtors’ Managing General Partner &
Counsel

PDC Energy, Inc. f/k/a Petroleum
Development Corporation
Hunton Andrews Kurth LLP

Directors & Officers of Debtors' Managing
General Partner

Barton R. Brookman, Jr.
Lance Lauck
Daniel W. Amidon
Scott J. Reasoner
Darwin L. Stump
R. Scott Meyers
David C. Parke
Jeffrey C. Swoveland
Christina M. Ibrahim
Randy S. Nickerson
Anthony J. Crisafio
Larry F. Mazza
Mark E. Ellis

Office of the U.S. Trustee for the Northern
District of Texas

William Neary
Lisa L. Lambert
Meredyth Kippes
Stephen McKitt
Nancy S. Resnick
Erin Schmidt
Elizabeth Ziegler
Kara Croop
Ruby Curry
Christi C. Flanagan
C. Marie Goodier
Marina J. Lopez
LaSharion F. McClellan
Sandra F. Nixon
Felicia P. Palos
Bradley D. Perdue
Kendra M. Rust
Joseph W. Speranza
Julie Vega
Cheryl H. Wilcoxson
Cindy Worthington
Susan G. Young

Schedule 2

List of Entities Searched With Whom Harney Has A Connection

1. Ms. Nicolaou has previously worked with Hunton Andrews Kurth LLP, and has previously been involved in transactions with Hunton Andrews Kurth LLP, all unrelated to the Debtors.

2. Ms. Nicolaou has previously served as the Responsible Party for each of the entities in Case No. 13-34773 and Case No. 16-33743, as reflected in Schedule 1 under “ Prior ‘related’ engagements”. Hunton Andrews Kurth was counsel to the Managing General Partner, PDC, in those cases.

3. Ms. Nicolaou has in the past worked on other cases where she was a client of Jason Brookner and/or Gray Reed or were otherwise involved in a case in which they were involved, including *In re Eastern 1996D Limited Partnership, et al.*, Case No. 13-34773-HDH-11 (Bankr. N.D. Tex.) and *In re Colorado 2002B Limited Partnership, et al.*, Case No. 16-33743 (Bankr. N.D. Tex.).

Exhibit C

Proposed Order

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	Chapter 11
	§	
ROCKIES REGION 2006 LIMITED	§	
PARTNERSHIP and ROCKIES REGION	§	Case No. 18-33513-sgj-11
2007 LIMITED PARTNERSHIP,	§	
	§	
Debtors.	§	Jointly Administered

**ORDER (I) AUTHORIZING THE RETENTION
OF HARNEY MANAGEMENT PARTNERS TO PROVIDE
RESPONSIBLE PARTY AND ADDITIONAL PERSONNEL, (II) DESIGNATING
KAREN NICOLAOU AS RESPONSIBLE PARTY FOR THE DEBTORS
EFFECTIVE AS OF THE PETITION DATE AND (III) GRANTING RELATED RELIEF**

Upon the Application (the “Application”) of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), for Order (i) Authorizing Retention of Harney Management Partners to Provide Responsible Party and Certain Additional Personnel, (ii) Designating Karen Nicolaou as Responsible Party Effective as of the Petition Date, and (iii) Granting Related Relief [Docket No. ___];¹ and upon the Declaration of Karen Nicolaou in Support of Application for Order (i) Authorizing Employment and Retention of Harney Management

Capitalized terms used but not defined herein have the meanings set forth in the Application.

Partners to Provide Responsible Party and Certain Additional Personnel, (ii) Designating Karen Nicolaou as Responsible Party for the Debtors Effective as of the Petition Date, and (iii) Granting Related Relief (the “Nicolaou Declaration”); and the Court having jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this matter being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A); and upon the representations of the Debtor and Harney made in the Application and the Nicolaou Declaration that Harney is a “disinterested person” as that term is defined in section 101(14) of the Bankruptcy Code; and it appearing that the employment of Ms. Nicolaou as Responsible Party is appropriate and in the best interests of the Debtors and their respective estates and parties in interest; and it appearing that sufficient notice of the Application has been given, and that no other or further notice is required; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Application is **GRANTED**, as set forth herein; it is further

ORDERED that the Engagement Letter between the Debtors and Harney is hereby approved; it is further

ORDERED that the Debtors are authorized to retain Harney to provide the Debtors with a responsible party and certain other additional Harney Personnel to assist the responsible party, and to designate Ms. Nicolaou as the Debtors’ Responsible Party, pursuant to section 363(a) of the Bankruptcy Code, to provide the services described in the Application; it is further

ORDERED that to the extent that there is any inconsistency between this Order, the Engagement Letter, the Nicolaou Declaration, and/or the Application, the terms of this Order shall govern; it is further

ORDERED that this Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order, and will have exclusive jurisdiction over Harney's retention during the pendency of the chapter 11 cases; it is further

ORDERED that the terms and conditions of this Order will be immediately effective and enforceable upon its entry, and the relief granted herein will be binding upon any chapter 11 trustee appointed in these chapter 11 cases, or upon any chapter 7 trustee appointed in the event of a subsequent conversion of these chapter 11 cases to cases under chapter 7; it is further

ORDERED that notwithstanding Bankruptcy Rule 6004(h) the terms and conditions of this Order are immediately effective and enforceable upon its entry; and it is further

ORDERED that the Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Application.

END OF ORDER

Submitted by:

GRAY REED & McGRAW LLP

Jason S. Brookner

Texas Bar No. 24033684

Lydia R. Webb

Texas Bar No. 24083758

Amber M. Carson

Texas Bar No. 24075610

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PROPOSED COUNSEL TO THE DEBTORS