

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

-----	X	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>CHISHOLM OIL AND GAS OPERATING II, LLC,</b>	:	<b>Case No. 20-11592 ( )</b>
	:	
<b>Debtor.</b>	:	
	:	
<b>Tax I.D. No. 82-0808730</b>	:	
-----	X	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>CHISHOLM OIL AND GAS OPERATING, LLC,</b>	:	<b>Case No. 20-11593 ( )</b>
	:	
<b>Debtor.</b>	:	
	:	
<b>Tax I.D. No. 81-4895382</b>	:	
-----	X	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>COTTONMOUTH SWD, LLC,</b>	:	<b>Case No. 20-11594 ( )</b>
	:	
<b>Debtor.</b>	:	
	:	
<b>Tax I.D. No. 82-3879849</b>	:	
-----	X	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>CHISHOLM OIL AND GAS NOMINEE, INC.,</b>	:	<b>Case No. 20-11595 ( )</b>
	:	
<b>Debtor.</b>	:	
	:	
<b>Tax I.D. No. 84-1991558</b>	:	
-----	X	

-----	X	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>CHISHOLM OIL AND GAS</b>	:	<b>Case No. 20-11596 ( )</b>
<b>MANAGEMENT II, LLC,</b>	:	
<b>Debtor.</b>	:	
	:	
<b>Tax I.D. No. 84-2458174</b>	:	
-----	X	

**MOTION OF DEBTORS PURSUANT TO  
FED. R. BANKR. P. 1015(b) FOR ENTRY OF ORDER  
DIRECTING JOINT ADMINISTRATION OF CHAPTER 11 CASES**

Chisholm Oil and Gas Operating, LLC and its debtor affiliates in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), respectfully represent as follows in support of this motion (the “**Motion**”):

**Background**

1. On June 17, 2020 (the “**Petition Date**”), the Debtors each commenced with the Court a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee of creditors has been appointed in these chapter 11 cases.

2. Additional information regarding the Debtors’ business and capital structure and the circumstances leading to the commencement of these chapter 11 cases is set forth in the *Declaration of Matthew J. Henry in Support of Debtors’ Chapter 11 Petitions and First Day Relief*, sworn to on the date hereof (the “**Henry Declaration**”), which has been filed with the Court contemporaneously herewith and is incorporated by reference herein.<sup>1</sup>

---

<sup>1</sup> Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Henry Declaration.

**Jurisdiction**

3. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* entered by the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

4. Pursuant to Rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), the Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

**Relief Requested**

5. By this Motion, pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Local Rule 1015-1, the Debtors request entry of an order directing consolidation of their chapter 11 cases for procedural purposes only.

6. A proposed form of order granting the relief requested herein is annexed hereto as **Exhibit A** (the “**Proposed Order**”).

**Basis for Relief Requested**

7. Bankruptcy Rule 1015(b) provides, in relevant part, that “[i]f . . . two or more petitions are pending in the same court by or against . . . a debtor and an affiliate, the court may order a joint administration of the estates.” Fed. R. Bankr. P. 1015(b). Under section 101(2) of the Bankruptcy Code, the term “affiliate” means:

(A) [an] entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting

securities of the debtor, other than an entity that holds such securities—

(i) in a fiduciary or agency capacity without sole discretionary power to vote such securities; or

(ii) solely to secure a debt, if such entity has not in fact exercised such power to vote;

(B) [a] corporation 20 percent or more of whose outstanding voting securities are directly or indirectly owned, controlled, or held with power to vote, by the debtor, or by an entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of the debtor, other than an entity that holds such securities—

(i) in a fiduciary or agency capacity without sole discretionary power to vote such securities; or

(ii) solely to secure a debt, if such entity has not in fact exercised such power to vote . . . .

11 U.S.C. § 101(2). The Debtors are all “affiliates” as that term is defined in section 101(2) of the Bankruptcy Code. As set forth in the Henry Declaration, the Debtors are under common ownership and control by an entity with, directly or indirectly, at least 20% of the outstanding voting securities in each Debtor. Accordingly, this Court is authorized to jointly administer these cases for procedural purposes.

8. In addition, Local Rule 1015–1 provides, in relevant part, as follows:

An order of joint administration may be entered, without notice and an opportunity for hearing, upon the filing of a motion for joint administration . . . supported by an affidavit, declaration or verification, which establishes that the joint administration of two or more cases pending in this Court under title 11 is warranted and will ease the administrative burden for the Court and the parties.

Pursuant to Local Rule 1015-1, the Debtors have filed the Henry Declaration contemporaneously herewith. As set forth in the Henry Declaration, the joint administration of the Debtors’ respective estates is warranted and will ease the administrative burden for the Court and parties in interest.

9. Joint administration of these cases will save the Debtors and their estates substantial time and expense because it will remove the need to prepare, replicate, file, and serve duplicative notices, applications, and orders. Further, joint administration will relieve the Court of entering duplicative orders and maintaining duplicative files and dockets. The United States Trustee for Region 3 and other parties in interest will similarly benefit from joint administration of these chapter 11 cases, as it will spare them the time and effort of reviewing duplicative pleadings and papers.

10. Joint administration will not adversely affect creditors’ rights because this Motion requests only the administrative consolidation of the estates for procedural purposes and does not seek substantive consolidation. As such, each creditor will continue to hold its claim against a particular Debtor’s estate after this Motion is approved.

11. The Debtors respectfully request that these cases be administered under the following caption:

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

	x	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>CHISHOLM OIL AND GAS OPERATING, LLC <i>et al.</i>,</b>	:	<b>Case No. 20-11593 ( )</b>
<b>Debtors.<sup>1</sup></b>	:	<b>(Jointly Administered)</b>
	x	

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are Chisholm Oil and Gas Operating II, LLC (8730); Chisholm Oil and Gas Operating, LLC (5382); Cottonmouth SWD, LLC (9849); Chisholm Oil and Gas Nominee, Inc. (1558), and Chisholm Oil and Gas Management II, LLC (8174). The Debtors’ mailing address is 1 West Third Street, Suite 1700, Tulsa, OK 74103.

12. The Debtors also request that the following notation be entered on the docket in each Debtor’s chapter 11 case (other than the chapter 11 case of Chisholm Oil and Gas Operating, LLC) to reflect the joint administration of these cases:

An order has been entered in this case directing the procedural consolidation and joint administration of the chapter 11 cases of Chisholm Oil and Gas Operating, LLC, *et al.* The docket in Case No. 20-11593 ( ) should be consulted for all matters affecting this case.

13. Based on the foregoing, the relief requested herein is necessary, appropriate, and in the best interests of the Debtors, their estates, and all other parties in interest in these cases. Accordingly, the Court should authorize the relief requested.

**Notice**

14. Notice of this Motion will be provided to (i) the Office of the United States Trustee for the District of Delaware; (ii) the holders of the 30 largest unsecured claims against the Debtors on a consolidated basis; (iii) counsel to the RBL Agent; (iv) counsel to the RBL Collateral Agent; (v) counsel to the Term Loan Lender; (vi) counsel to the Term Loan Agent; (vii) counsel to the Consenting Sponsors; and (viii) any party that has requested notice pursuant to Bankruptcy Rule 2002. Notice of this Motion and any order entered in respect of the Motion will be served in accordance with Local Rule 9013-1(m). The Debtors respectfully submit that no further notice is required.

WHEREFORE the Debtors respectfully request entry of the Proposed Order granting the relief requested herein and such other and further relief as the Court may deem just and appropriate.

Dated: June 18, 2020  
Wilmington, Delaware

*/s/ S. Alexander Faris*

---

YOUNG CONAWAY STARGATT & TAYLOR, LLP  
M. Blake Cleary (No. 3614)  
Jaime Luton Chapman (No. 4936)  
S. Alexander Faris (No. 6278)  
Rodney Square  
1000 North King Street  
Wilmington, Delaware 19801  
Telephone: (302) 571-6600  
Facsimile: (302) 571-1253  
Emails: mbcleary@ycst.com  
jchapman@ycst.com  
afaris@ycst.com

-and-

WEIL, GOTSHAL & MANGES LLP  
Matthew S. Barr (*pro hac vice* pending)  
Kelly DiBlasi (*pro hac vice* pending)  
Lauren Tauro (*pro hac vice* pending)  
767 Fifth Avenue  
New York, New York 10153  
Telephone: (212) 310-8000  
Facsimile: (212) 310-8007

*Proposed Attorneys for Debtors  
and Debtors in Possession*

**Exhibit A**

**Proposed Order**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

-----	X	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>CHISHOLM OIL AND GAS OPERATING II, LLC,</b>	:	<b>Case No. 20-11592 ( )</b>
	:	
<b>Debtor.</b>	:	
	:	
<b>Tax I.D. No. 82-0808730</b>	:	
-----	X	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>CHISHOLM OIL AND GAS OPERATING, LLC,</b>	:	<b>Case No. 20-11593 ( )</b>
	:	
<b>Debtor.</b>	:	
	:	
<b>Tax I.D. No. 81-4895382</b>	:	
-----	X	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>COTTONMOUTH SWD, LLC,</b>	:	<b>Case No. 20-11594 ( )</b>
	:	
<b>Debtor.</b>	:	
	:	
<b>Tax I.D. No. 82-3879849</b>	:	
-----	X	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>CHISHOLM OIL AND GAS NOMINEE, INC.,</b>	:	<b>Case No. 20-11595 ( )</b>
	:	
<b>Debtor.</b>	:	
	:	
<b>Tax I.D. No. 84-1991558</b>	:	
-----	X	

-----	X	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>CHISHOLM OIL AND GAS</b>	:	<b>Case No. 20-11596 ( )</b>
<b>MANAGEMENT II, LLC,</b>	:	
<b>Debtor.</b>	:	
	:	
<b>Tax I.D. No. 84-2458174</b>	:	<b>Re: Docket No.</b>
-----	X	

**ORDER PURSUANT TO FED. R. BANKR. P. 1015(b)**  
**DIRECTING JOINT ADMINISTRATION OF CHAPTER 11 CASES**

Upon the motion, dated June 18, 2020 (the “**Motion**”)<sup>1</sup> of Chisholm Oil and Gas Operating, LLC and its affiliated debtors in the above-captioned chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”), for entry of an order pursuant to Bankruptcy Rule 1015(b) and Local Rule 1015-1 directing joint administration of their chapter 11 cases, all as more fully set forth in the Motion; and upon the consideration of the Henry Declaration; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided; and such notice having been adequate and appropriate under the circumstances, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion; and upon any hearing held on the Motion; and all objections, if any, to the Motion have been withdrawn, resolved, or overruled; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein;

---

<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

and it appearing that the relief requested in the Motion is in the best interests of the Debtors and their respective estates and creditors; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT**

1. The Motion is granted as set forth herein.
2. The above-captioned chapter 11 cases are consolidated for procedural purposes only and shall be jointly administered by the Court under Case No. 20-11593 (\_\_\_).
3. Nothing contained in this Order shall be deemed or construed as directing or otherwise affecting the substantive consolidation of any of the above-captioned cases, the Debtors, or the Debtors' estates.
4. The caption of the jointly administered cases should read as follows:

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

-----	x	
<b>In re</b>	:	<b>Chapter 11</b>
	:	
<b>CHISHOLM OIL AND GAS OPERATING, LLC, et al.,</b>	:	<b>Case No. 20-11593 ( )</b>
<b>Debtors.</b> <sup>1</sup>	:	<b>(Jointly Administered)</b>
-----	x	

<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are Chisholm Oil and Gas Operating II, LLC (8730); Chisholm Oil and Gas Operating, LLC (5382); Cottonmouth SWD, LLC (9849); Chisholm Oil and Gas Nominee, Inc. (1558), and Chisholm Oil and Gas Management II, LLC (8174). The Debtors' mailing address is 1 West Third Street, Suite 1700, Tulsa, OK 74103.

5. A docket entry shall be made in each of the above-captioned cases (except the chapter 11 case of Chisholm Oil and Gas Operating, LLC) substantially as follows:

An order has been entered in this case directing the procedural consolidation and joint administration of the chapter 11 cases of Chisholm Oil and Gas Operating, LLC, *et al.* The docket in Case No. 20-11593 ( ) should be consulted for all matters affecting this case.

6. The Debtors are authorized to take all actions necessary or appropriate to carry out the relief granted in this Order.

7. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

Dated: \_\_\_\_\_, 2020  
Wilmington, Delaware

---

UNITED STATES BANKRUPTCY JUDGE