

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

In re:

ENERGY XXI LTD, *et al.*,¹

Debtors.

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§
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Chapter 11

Case No. 16-31928

(Jointly Administered)

**DEBTORS' APPLICATION FOR ENTRY OF AN ORDER AUTHORIZING
THE RETENTION AND EMPLOYMENT OF KIRKLAND & ELLIS LLP AND
KIRKLAND & ELLIS INTERNATIONAL LLP AS SPECIAL CORPORATE AND
COMPENSATION COUNSEL FOR THE DEBTORS AND DEBTORS IN POSSESSION
EFFECTIVE *NUNC PRO TUNC* TO THE PETITION DATE**

A HEARING WILL BE CONDUCTED ON THIS MATTER ON JUNE 9, 2016 AT 2:00 P.M. (PREVAILING CENTRAL TIME) IN COURTROOM 400, 4TH FLOOR, UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS, 515 RUSK AVENUE, HOUSTON, TEXAS 77002. IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY-ONE DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THIS PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

¹ The debtors in these chapter 11 cases and the last four digits of their respective federal tax identification numbers are: Anglo-Suisse Offshore Pipeline Partners, LLC (9562), Delaware EPL of Texas, LLC (9562), Energy Partners Ltd., LLC (9562), Energy XXI GOM, LLC (0027), Energy XXI Gulf Coast, Inc. (8595), Energy XXI Holdings, Inc. (1638), Energy XXI, Inc. (2108), Energy XXI Leasehold, LLC (8121), Energy XXI Ltd (9286), Energy XXI Natural Gas Holdings, Inc. (7517), Energy XXI Offshore Services, Inc. (4711), Energy XXI Onshore, LLC (0308), Energy XXI Pipeline, LLC (5863), Energy XXI Pipeline II, LLC (8238), Energy XXI Services, LLC (3999), Energy XXI Texas Onshore, LLC (0294), Energy XXI USA, Inc. (8552), EPL of Louisiana, L.L.C. (9562), EPL Oil & Gas, Inc. (9562), EPL Pioneer Houston, Inc. (9749), EPL Pipeline, L.L.C. (1048), M21K, LLC (3978), MS Onshore, LLC (8573), Natural Gas Acquisition Company I, LLC (0956), Nighthawk, L.L.C. (9562), and Soileau Catering, LLC (2767). The location of the Debtors' U.S. corporate headquarters and the Debtors' service address is: 1021 Main Street, Suite 2626, Houston, Texas 77002.

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) file this application (this “Application”) for the entry of an order (the “Order”), substantially in the form attached hereto as **Exhibit A**, authorizing the Debtors to retain and employ Kirkland & Ellis LLP and Kirkland & Ellis International LLP (collectively, “Kirkland”) as special corporate counsel and compensation counsel pursuant to section sections 327(e) and 328(a) of the Bankruptcy Code (as defined herein), effective *nunc pro tunc* to the Petition Date (as defined herein). In support of this Application, the Debtors submit the declaration of Chad J. Husnick, a partner of Kirkland & Ellis LLP and a partner of Kirkland & Ellis International LLP (the “Husnick Declaration”), which is attached hereto as **Exhibit B** and the declaration of Bruce W. Busmire, the Chief Financial Officer of Energy XXI Ltd, which is attached hereto as **Exhibit C** (the “Busmire Declaration”). In further support of this Application, the Debtors respectfully state as follows.

Jurisdiction and Venue

1. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.
3. The statutory bases for the relief requested herein are sections 327(e), 328(a), and 330 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and rules 2014-1 and 2016-1 of the Bankruptcy Local Rules of the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Local Rules”).

Background

4. On April 14, 2016 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their businesses and managing their properties as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code. On April 14, 2016, the Court entered an order [Docket No. 23] authorizing the joint administration and procedural consolidation of the chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No entity has requested the appointment of a trustee or examiner in these chapter 11 cases. On April 26, 2016, the United States Trustee for the Southern District of Texas (the “U.S. Trustee”) appointed an official committee of unsecured creditors pursuant to section 1102 of the Bankruptcy Code (the “Committee”) [Docket No. 142].

5. A description of the Debtors’ businesses, the reasons for commencing the chapter 11 cases, and the relief sought from the Court to allow for a smooth transition into chapter 11 are set forth in the *Declaration of Bruce W. Busmire in Support of Chapter 11 Petitions and First Day Pleadings*, filed on April 14, 2016 [Docket No. 30], incorporated herein by reference.

Relief Requested

6. By this Application, the Debtors seek the entry of the Order authorizing the retention and employment of Kirkland as special corporate and compensation counsel only upon the Debtors’ request in accordance with the terms and conditions set forth in that certain engagement letter between the Debtors and Kirkland, dated as of April 4, 2016 (the “Engagement Letter”), a copy of which is attached hereto as **Exhibit 1** to **Exhibit A** and incorporated herein by reference.

Kirkland's Qualifications

7. The Debtors seek to retain Kirkland because of Kirkland's recognized expertise and extensive experience and knowledge in the field of debtors' protections, creditors' rights, and business reorganizations under chapter 11 of the Bankruptcy Code.

8. Kirkland has been actively involved in major chapter 11 cases and has represented debtors in many cases, including, among others: *In re Southcross Holdings LP*, No. 16-20111 (MI) (Bankr. S.D. Tex. May 6, 2016); *In re Sherwin Alumina Company, LLC*, No. 16-20012 (DRJ) (Bankr. S.D. Tex. Feb. 1, 2016); *In re Magnum Hunter Res. Corp.*, No. 15-12533 (KG) (Bankr. D. Del. Dec. 15, 2015); *In re Samson Res. Corp.*, No. 15-11934 (CSS) (Bankr. D. Del. Oct. 29, 2015); *In re Sabine Oil & Gas Corp.*, No. 15-11835 (SCC) (Bankr. S.D.N.Y. Sept. 10, 2015); *In re Caesars Entm't Operating Co., Inc.*, No. 15-01145 (ABG) (Bankr. N.D. Ill. May 5, 2015); *In re Energy Future Holdings Corp.*, No. 14-10979 (CSS) (Bankr. D. Del. Sept. 16, 2014); *In re Longview Power, LLC*, No. 13-12211 (BLS) (Bankr. D. Del. Sept. 24, 2013); *In re Cengage Learning, Inc.*, No. 13-44106 (ESS) (Bankr. E.D.N.Y. July 24, 2013); *In re Edison Mission Energy*, No. 12-49219 (JPC) (Bankr. N.D. Ill. Jan. 17, 2013); *In re Hawker Beechcraft, Inc.*, No. 12-11873 (SMB) (Bankr. S.D.N.Y. May 31, 2012); *In re Global Aviation Holdings Inc.*, No. 12-40783 (CEC) (Bankr. E.D.N.Y. Mar. 9, 2012); *In re United Retail Group, Inc.*, No. 12-10405 (SMB) (Bankr. S.D.N.Y. Feb. 23, 2012); *In re Friendly Ice Cream Corp.*, No. 11-13167 (Bankr. D. Del. Nov. 1, 2011); *In re Neb. Book Co.*, No. 11-12005 (PJW) (Bankr. D. Del. July 21, 2011); *In re Sbarro, Inc.*, No. 11-11527 (Bankr. S.D.N.Y. May 3, 2011); *In re MSR Resort Golf Course LLC*, No. 11-10372 (Bankr. S.D.N.Y. Mar. 2, 2011); *In re Great Atl. & Pac. Tea Co.*, No. 10-24549 (RDD) (Bankr. S.D.N.Y. Dec. 12, 2010); *In re Local Insight Media Holdings, Inc.*, No. 10-13677 (KG) (Bankr. D. Del. Nov. 17, 2010); *In re FGIC Corp.*, No. 10-14215 (SMB) (Bankr. S.D.N.Y. Aug. 25, 2010); *In re Innkeepers USA Trust*, No. 10-13800

(SCC) (Bankr. S.D.N.Y. Aug. 12, 2010); *In re N. Am. Petroleum Corp.*, No. 10-11707 (CSS) (Bankr. D. Del. June 21, 2010); *In re South Bay Expressway, L.P.*, No. 10-04516 (LDA) (Bankr. S. D. Cal. June 11, 2010); *In re Neff Corp.*, No. 10-12610 (SCC) (Bankr. S.D.N.Y. June 9, 2010); *In re U.S. Concrete, Inc.*, No. 10-11407 (PJW) (Bankr. D. Del. May 21, 2010); *In re Citadel Broadcasting Corp.*, No. 09-17442 (BRL) (Bankr. S.D.N.Y. Feb. 3, 2010); *In re Stallion Oilfield Svcs., Ltd.*, No. 09-13562 (BLS) (Bankr. D. Del. Nov. 16, 2009); *In re The Reader's Digest Ass'n*, No. 09-23529 (RDD) (Bankr. S.D.N.Y. Sept. 17, 2009); *In re Lear Corp.*, No. 09-14326 (ALG) (Bankr. S.D.N.Y. July 31, 2009); *In re ION Media Networks, Inc.*, No. 09-13125 (JMP) (Bankr. S.D.N.Y. June 23, 2009); *In re Visteon Corp.*, No. 09-11786 (CSS) (Bankr. D. Del. June 19, 2009).²

9. In preparing for its representation of the Debtors in these chapter 11 cases, Kirkland has become familiar with the Debtors' businesses and many of the potential legal issues that may arise in the context of these chapter 11 cases. The Debtors believe that Kirkland is both well-qualified and uniquely able to represent the Debtors in these chapter 11 cases in an efficient and timely manner.

Services to be Provided

10. Subject to further order of the Court, and consistent with the Engagement Letter, the Debtors request the retention and employment of Kirkland to act as special corporate and compensation counsel only upon the Debtors' request in accordance with the terms and conditions set forth in the Engagement Letter.

² Because of the voluminous nature of the orders cited in this Application, they are not attached to this Application. Copies of these orders are available upon request to Debtors' proposed counsel.

Professional Compensation

11. Kirkland intends to apply for compensation for professional services rendered on an hourly basis and reimbursement of expenses incurred in connection with these chapter 11 cases, subject to the Court's approval and in compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and any other applicable procedures and orders of the Court. The hourly rates and corresponding rate structure Kirkland will use in these chapter 11 cases are the same as the hourly rates and corresponding rate structure that Kirkland uses in other restructuring matters, as well as similar complex corporate, securities, and litigation matters whether in court or otherwise, regardless of whether a fee application is required. These rates and the rate structure reflect that such restructuring and other complex matters typically are national in scope and involve great complexity, high stakes, and severe time pressures.

12. Kirkland operates in a national marketplace for legal services in which rates are driven by multiple factors relating to the individual lawyer, his or her area of specialization, the firm's expertise, performance, and reputation, the nature of the work involved, and other factors.

13. Kirkland's current hourly rates for matters related to these chapter 11 cases range as follows:³

³ For professionals and paraprofessionals residing outside of the U.S., hourly rates are billed in the applicable currency. When billing a U.S. entity, such foreign rates are converted into U.S. dollars at the then applicable conversion rate. After converting these foreign rates into U.S. dollars, it is possible that certain rates may exceed the billing rates listed in the chart herein.

Billing Category⁴	U.S. Range
Partners	\$875-\$1,445
Of Counsel	\$480-\$1,445
Associates	\$510-\$945
Paraprofessionals	\$180-\$400

14. Kirkland's hourly rates are set at a level designed to compensate Kirkland fairly for the work of its attorneys and paraprofessionals and to cover fixed and routine expenses. Hourly rates vary with the experience and seniority of the individuals assigned. These hourly rates are subject to periodic adjustments to reflect economic and other conditions.⁵

15. Kirkland represented the Debtors during the 10-day period before the Petition Date, using the hourly rates listed above. Moreover, these hourly rates are consistent with the rates that Kirkland charges other comparable chapter 11 clients, regardless of the location of the chapter 11 case.

16. The rate structure provided by Kirkland is appropriate and not significantly different from (a) the rates that Kirkland charges for other similar types of representations or (b) the rates that other comparable counsel would charge to do work substantially similar to the work Kirkland will perform in these chapter 11 cases.

17. It is Kirkland's policy to charge its clients in all areas of practice for identifiable, non-overhead expenses incurred in connection with the client's case that would not have been

⁴ Although Kirkland does not anticipate using contract attorneys during these chapter 11 cases, in the unlikely event that it becomes necessary to use contract attorneys, Kirkland will not charge a markup to the Debtors with respect to fees billed by such attorneys. Moreover, any contract attorneys or non-attorneys who are employed by the Debtors in connection with work performed by Kirkland will be subject to conflict checks and disclosures in accordance with the requirements of the Bankruptcy Code.

⁵ For example, like many of its peer law firms, Kirkland typically increases the hourly billing rate of attorneys and paraprofessionals twice a year in the form of: (i) step increases historically awarded in the ordinary course on the basis of advancing seniority and promotion and (ii) periodic increases within each attorney's and paraprofessional's current level of seniority. The step increases do not constitute "rate increases" (as the term is used in the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases*, effective November 1, 2013). As set forth in the Order, Kirkland will provide ten business-days' notice to the Debtors, the U.S. Trustee, and any official committee before implementing any periodic increases, and shall file any such notice with the Court.

incurred except for representation of that particular client.⁶ It is also Kirkland's policy to charge its clients only the amount actually incurred by Kirkland in connection with such items. Examples of such expenses include postage, overnight mail, courier delivery, transportation, overtime expenses, computer-assisted legal research, photocopying, airfare, meals, and lodging.

18. To ensure compliance with all applicable deadlines in these chapter 11 cases, from time to time Kirkland utilizes the services of overtime secretaries. Kirkland charges fees for these services pursuant to the Engagement Letter, which permits Kirkland to bill the Debtors for overtime secretarial charges that arise out of business necessity. In addition, Kirkland professionals also may charge their overtime meals and overtime transportation to the Debtors consistent with prepetition practices.

19. Kirkland currently charges the Debtors \$0.16 per page for standard duplication in its offices in the United States. Kirkland does not charge its clients for incoming facsimile transmissions. Kirkland has negotiated a discounted rate for Westlaw computer-assisted legal research. Computer-assisted legal research is used whenever the researcher determines that using Westlaw is more cost effective than using traditional (non-computer assisted legal research) techniques.

Compensation Received by Kirkland from the Debtors

20. Per the terms of the Engagement Letter, on April 4, 2016, the Debtors paid \$50,000 to Kirkland, which retainer, as stated in the Engagement Letter, constituted an "advance payment retainer" as defined in Rule 1.15(c) of the Illinois Rules of Professional Conduct and

⁶ More specifically, the Engagement Letter provides that the Debtors will reimburse Kirkland for all fees and expenses, including the amount of Kirkland's attorney and paralegal time at normal billing rates incurred in connection with disputes brought by or against any third party relating to legal services Kirkland provides to the Debtors. To the extent required, such fees should be allowed pursuant to section 328(a) of the Bankruptcy Code, which permits employment on any reasonable terms and conditions. *See* 11 U.S.C. § 328(a). *Cf. Baker Botts L.L.P. v. ASARCO LLC*, 576 U.S. ___, 135 S.Ct. 2158 (2015).

Dowling v. Chicago Options Assoc., Inc., 875 N.E.2d 1012, 1018 (Ill. 2007). As stated in the Engagement Letter, any advance payment retainers are earned by Kirkland upon receipt, any advance payment retainers become the property of Kirkland upon receipt, the Debtors no longer have a property interest in any advance payment retainers upon Kirkland's receipt, any advance payment retainers will be placed in Kirkland's general account and will not be held in a client trust account, and the Debtors will not earn any interest on any advance payment retainers. Kirkland did not request, nor did it receive, any additional advance payment retainer or other payment from the Debtors prior to the Petition Date.

21. Pursuant to Bankruptcy Rule 2016(b), Kirkland has neither shared nor agreed to share (a) any compensation it has received or may receive with another party or person, other than with the partners, associates, and contract attorneys associated with Kirkland or (b) any compensation another person or party has received or may receive.

22. As of the Petition Date, the Debtors did not owe Kirkland any amounts for legal services rendered before the Petition Date. Although certain expenses and fees may have been incurred but not yet applied to Kirkland's advance payment retainers, the amount of Kirkland's advance payment retainers always exceeded any amounts listed or to be listed on statements describing services rendered and expenses incurred (on a "rates times hours" and "dates of expenses incurred" basis) prior to the Petition Date.

Kirkland's Disinterestedness

23. To the best of the Debtors' knowledge and as disclosed herein and in the Husnick Declaration, (a) Kirkland does not represent any interest adverse to the Debtors or their estates with respect to the matters on which Kirkland is to be engaged, as required by section 327(e) of the Bankruptcy Code and (b) Kirkland has no connection to the Debtors, their creditors, or other parties in interest, except as may be disclosed in the Husnick Declaration.

24. Kirkland will review its files periodically during the pendency of these chapter 11 cases to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new relevant facts or relationships are discovered or arise, Kirkland will use reasonable efforts to identify such further developments and will promptly file a supplemental declaration, as required by Bankruptcy Rule 2014(a).

Supporting Authority

25. The Debtors seek retention of Kirkland as special corporate and compensation counsel pursuant to section 327(e) of the Bankruptcy Code, which provides that a debtor, subject to Court approval:

[M]ay employ, for a specified special purpose . . . an attorney that has represented the debtor, if in the best interest of the estate, and if such attorney does not represent or hold any interest adverse to the debtor to the estate with respect to the matter on which such attorney is to be employed.

11 U.S.C. § 327(e).

26. Bankruptcy Rule 2014(a) requires that an application for retention include:

[S]pecific facts showing the necessity for the employment, the name of the [firm] to be employed, the reasons for the selection, the professional services to be rendered, any proposed arrangement for compensation, and, to the best of the applicant's knowledge, all of the [firm's] connections with the debtor, creditors, any other party in interest, their respective attorneys and accountants, the United States trustee, or any person employed in the office of the United States trustee.

Fed. R. Bankr. P. 2014.

27. In considering whether to appoint special counsel, courts generally consider whether “(1) the representation is in the best interest of the estate, (2) the attorney represented the debtor in the past, (3) the attorney is for a specific purpose approved by the court, other than to represent the debtor in conducting the case, (4) the attorney does not represent or hold an

interest adverse to the debtor or the debtor's estate.” *In re Woodworkers Warehouse, Inc.*, 323 B.R. 403, 406 (Bankr. D. Del. 2005); *see also In re AroChem Corp.*, 176 F.3d 610, 622 (2d Cir. 1999) (noting that “where the interest of the special counsel and the interest of the estate are identical with respect to the matter for which special counsel is retained, there is no conflict and the representation can stand”).

28. The Debtors submit that for all the reasons stated above and in the Husnick Declaration, the retention and employment of Kirkland as special corporate and compensation counsel to the Debtors is warranted. Further, as stated in the Husnick Declaration, Kirkland does not represent any interest adverse to the Debtors or their estates with respect to the matters on which Kirkland is to be engaged, as required by section 327(e) of the Bankruptcy Code, and does not hold or represent an interest adverse to the Debtors' estates and has no connection to the Debtors, their creditors, or other parties in interest, except as may be disclosed in the Husnick Declaration.

Notice

29. The Debtors have provided notice of this Application to the following parties: (a) the Office of the United States Trustee for the Southern District of Texas; (b) the First Lien Agent; (c) counsel to the First Lien Agent; (d) the indenture trustee under the Debtors' Second Lien Notes; (e) counsel to the ad hoc committee of Second Lien Noteholders; (f) the indenture trustee under the Debtors' EGC Unsecured Notes; (g) the indenture trustee under the Debtors' EPL Unsecured Notes; (h) the indenture trustee under the Convertible Notes; (i) proposed counsel to the Committee; (j) those persons who have formally appeared in these chapter 11 cases and requested service pursuant to Bankruptcy Rule 2002; (k) the United States Securities and Exchange Commission; (l) the Internal Revenue Service; and (m) all other applicable

government agencies to the extent required by the Bankruptcy Rules or the Bankruptcy Local Rules. A copy of this Application is also available on the website of the Debtors' notice and claims agent at <http://dm.epiq11.com/EXL/>. In light of the nature of the relief requested, the Debtors submit that no other or further notice is required.

No Prior Request

30. No prior request for the relief sought in this Application has been made to this or any other court.

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WHEREFORE, the Debtors respectfully request that the Court enter the Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting such other relief as is just and proper.

Dated: May 13, 2016
Houston, Texas

/s/ Bruce W. Busmire
Bruce W. Busmire
Energy XXI Ltd
Chief Financial Officer

Certificate of Service

I certify that on May 13, 2016, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ Reese O'Connor

One of Counsel

Exhibit A

Proposed Order

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

In re:	§	
	§	Chapter 11
	§	
ENERGY XXI LTD, <i>et al.</i> , ¹	§	Case No. 16-31928
	§	
Debtors.	§	(Jointly Administered)
	§	

**ORDER AUTHORIZING THE RETENTION AND EMPLOYMENT OF
KIRKLAND & ELLIS LLP AND KIRKLAND & ELLIS
INTERNATIONAL LLP AS SPECIAL CORPORATE AND
COMPENSATION COUNSEL FOR THE DEBTORS AND DEBTORS IN
POSSESSION EFFECTIVE *NUNC PRO TUNC* TO THE PETITION DATE**

(Docket No.)

Upon the application (the “Application”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for the entry of an order (this “Order”) authorizing the Debtors to retain and employ Kirkland & Ellis LLP and Kirkland & Ellis International LLP (collectively, “Kirkland”) as special corporate and compensation counsel, effective *nunc pro tunc* to the Petition Date, pursuant to sections 327(e), 328(a), and 330 of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rules 2014-1 and 2016-1 of the

¹ The debtors in these chapter 11 cases and the last four digits of their respective federal tax identification numbers are: Anglo-Suisse Offshore Pipeline Partners, LLC (9562), Delaware EPL of Texas, LLC (9562), Energy Partners Ltd., LLC (9562), Energy XXI GOM, LLC (0027), Energy XXI Gulf Coast, Inc. (8595), Energy XXI Holdings, Inc. (1638), Energy XXI, Inc. (2108), Energy XXI Leasehold, LLC (8121), Energy XXI Ltd (9286), Energy XXI Natural Gas Holdings, Inc. (7517), Energy XXI Offshore Services, Inc. (4711), Energy XXI Onshore, LLC (0308), Energy XXI Pipeline, LLC (5863), Energy XXI Pipeline II, LLC (8238), Energy XXI Services, LLC (3999), Energy XXI Texas Onshore, LLC (0294), Energy XXI USA, Inc. (8552), EPL of Louisiana, L.L.C. (9562), EPL Oil & Gas, Inc. (9562), EPL Pioneer Houston, Inc. (9749), EPL Pipeline, L.L.C. (1048), M21K, LLC (3978), MS Onshore, LLC (8573), Natural Gas Acquisition Company I, LLC (0956), Nighthawk, L.L.C. (9562), and Soileau Catering, LLC (2767). The location of the Debtors’ U.S. corporate headquarters and the Debtors’ service address is: 1021 Main Street, Suite 2626, Houston, Texas 77002.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Application.

Bankruptcy Local Rules of the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Local Rules”); and the Court having reviewed the Application, the Declaration of Chad J. Husnick, a partner of Kirkland & Ellis LLP and a partner of Kirkland & Ellis International LLP (the “Husnick Declaration”), and the declaration of Bruce W. Busmire, the Chief Financial Officer of Energy XXI Ltd (the “Busmire Declaration”); and the Court having found that the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that the Application is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having found that venue of this proceeding and the Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found based on the representations made in the Application and in the Husnick Declaration that (a) Kirkland does not hold or represent an interest adverse to the Debtors’ estates and (b) Kirkland does not represent any interest adverse to the Debtors or their estates with respect to the matters on which Kirkland is to be engaged, as required by section 327(e); and the Court having found that the relief requested in the Application is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and the Court having found that the Debtors provided adequate and appropriate notice of the Application under the circumstances and that no other or further notice is required; and the Court having reviewed the Application and having heard statements in support of the Application at a hearing held before the Court (the “Hearing”); and the Court having determined that the legal and factual bases set forth in the Application and at the Hearing establish just cause for the relief granted herein; and any objections to the relief requested herein having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Application is granted to the extent set forth herein.

2. The Debtors are authorized to retain and employ Kirkland as special corporate and compensation counsel in accordance with sections 327(e) and 328(a) of the Bankruptcy Code, *nunc pro tunc* to the Petition Date in accordance with the terms and conditions set forth in the Application and in the Engagement Letter attached hereto as **Exhibit 1**; provided that, should the scope of Kirkland's services expand beyond the scope discussed herein and in the Engagement Letter, Kirkland will file a supplemental retention application with the Court.

3. Kirkland shall apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with the Debtors' chapter 11 cases in compliance with sections 330 and 331 of the Bankruptcy Code and applicable provisions of the Bankruptcy Rules, Bankruptcy Local Rules, and any other applicable procedures and orders of the Court. Kirkland also intends to make a reasonable effort to comply with the U.S. Trustee's requests for information and additional disclosures as set forth in the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases Effective as of November 1, 2013* (the "Revised UST Guidelines"), both in connection with the Application and the interim and final fee applications to be filed by Kirkland in these chapter 11 cases.

4. Kirkland is authorized without further order of the Court to apply amounts from the prepetition advance payment retainers to compensate and reimburse Kirkland for fees or expenses incurred on or prior to the Petition Date consistent with its ordinary course billing practice. At the conclusion of Kirkland's engagement by the Debtors, if the amount of any advance payment retainers held by Kirkland is in excess of the amount of Kirkland's outstanding and estimated fees, expenses, and costs, Kirkland will pay to the Debtors the amount by which

any advance payment retainers exceed such fees, expenses, and costs, in each case in accordance with the Engagement Letter.

5. Kirkland shall not charge a markup to the Debtors with respect to fees billed by contract attorneys who are hired by Kirkland to provide services to the Debtors and shall ensure that any such contract attorneys are subject to conflict checks and disclosures in accordance with the requirements of the Bankruptcy Code and Bankruptcy Rules.

6. Kirkland shall provide ten-business-days' notice to the Debtors, the U.S. Trustee, and any official committee before any increases in the rates set forth in the Application or the Engagement Letter are implemented and shall file such notice with the Court. The U.S. Trustee retains all rights to object to any rate increase on all grounds, including the reasonableness standard set forth in section 330 of the Bankruptcy Code, and the Court retains the right to review any rate increase pursuant to section 330 of the Bankruptcy Code.

7. The Debtors and Kirkland are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application.

8. Notice of the Application as provided therein is deemed to be good and sufficient notice of such Application, and the requirements of the Bankruptcy Local Rules are satisfied by the contents of the Application.

9. To the extent the Application, the Husnick Declaration, the Busmire Declaration, or the Engagement Letter is inconsistent with this Order, the terms of this Order shall govern.

10. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

11. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: _____, 2016
Houston, Texas

UNITED STATES BANKRUPTCY JUDGE

Exhibit 1

Engagement Letter

KIRKLAND & ELLIS LLP

AND AFFILIATED PARTNERSHIPS

601 Lexington Avenue
New York, New York 10022

Edward O Sassower, P.C.
To Call Writer Directly:
(212) 446-4733

(212) 446-4800

www.kirkland.com

Facsimile:
(212) 446-4900

edward.sassower@kirkland.com

April 4, 2016

John D. Schiller Jr.
President & Chief Executive Officer
Energy XXI Ltd.
1021 Main, Suite 2626
Houston, Texas 77002

Re: Retention to Provide Legal Services

Dear John:

We are very pleased that you have asked us to represent Energy XXI Ltd. (the “Client”) in connection with a potential restructuring. Please note, the Firm’s representation is only of Client; the Firm does not and will not represent any direct or indirect shareholder, director, officer, partner, employee, affiliate, or joint venturer of Client or of any other entity.

General Terms. This retention letter (this “Agreement”) sets forth the terms of Client’s retention of Kirkland & Ellis LLP (and its affiliated entity Kirkland & Ellis International LLP (collectively, “us” or the “Firm”)) to provide legal services and constitutes an agreement between the Firm and Client (the “Parties”). This Agreement sets forth the Parties’ entire agreement for rendering professional services for the current matter, as well as for all other existing or future matters (collectively, the “Engagement”), except where the Parties otherwise agree in writing.

Fees. The Firm will bill Client for fees incurred at its regular hourly rates and in quarterly increments of an hour (or in smaller time increments as otherwise required by a court). The Firm reserves the right to adjust the Firm’s billing rates from time to time in the ordinary course of the Firm’s representation of Client.

Although the Firm will attempt to estimate fees to assist Client in Client’s planning if requested, such estimates are subject to change and are not binding unless otherwise expressly and unequivocally stated in writing.

Expenses. Expenses related to providing services shall be included in the Firm’s statements as disbursements advanced by the Firm on Client’s behalf. Such expenses include photocopying, printing, scanning, witness fees, travel expenses, filing and recording fees, certain secretarial overtime, and other overtime expenses, postage, express mail, and messenger charges, deposition costs, computerized legal research charges, and other computer services, and miscellaneous other charges. Client shall pay directly (and is solely responsible for) certain

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larger costs, such as consultant or expert witness fees and expenses, and outside suppliers' or contractors' charges, unless otherwise agreed by the Parties. By executing this Agreement below, Client agrees to pay for all charges in accordance with the Firm's schedule of charges, a copy of which is attached hereto at Schedule 1, as revised from time to time.

Billing Procedures. The Firm's statements of fees and expenses are typically delivered monthly, but the Firm reserves the right to alter the timing of delivering its statements depending on circumstances. Client may have the statement in any reasonable format it chooses, but the Firm will select an initial format for the statement unless Client otherwise requests in writing. Depending on the circumstances, however, estimated or summary statements may be provided, with time and expense details to follow thereafter.

Retainer. Client agrees to provide to the Firm an "advance payment retainer," as defined in Rule 1.15(c) of the Illinois Rules of Professional Conduct, *Dowling v. Chicago Options Assoc., Inc.*, 875 N.E.2d 1012, 1018 (Ill. 2007), and *In re Caesars Entm't Operating Co., Inc.*, No. 15-01145 (ABG) (Bankr. N.D. Ill. May 28, 2015) (and cases cited therein), in the amount of \$100,000. In addition, Client agrees to provide one or more additional advance payment retainers upon request by the Firm so that the amount of any advance payment retainers remains at or above the Firm's estimated fees and expenses. The Firm may apply the advance payment retainers to any outstanding fees as services are rendered and to expenses as they are incurred. Client understands and acknowledges that any advance payment retainers are earned by the Firm upon receipt, any advance payment retainers become the property of the Firm upon receipt, Client no longer has a property interest in any advance payment retainers upon the Firm's receipt, any advance payment retainers will be placed in the Firm's general account and will not be held in a client trust account, and Client will not earn any interest on any advance payment retainers; provided, however, that solely to the extent required under applicable law, at the conclusion of the Engagement, if the amount of any advance payment retainers held by the Firm is in excess of the amount of the Firm's outstanding and estimated fees, expenses, and costs, the Firm will pay to Client the amount by which any advance payment retainers exceed such fees, expenses, and costs. Client further understands and acknowledges that the use of advance payment retainers is an integral condition of the Engagement, and is necessary to ensure that: Client continues to have access to the Firm's services; the Firm is compensated for its representation of Client; the Firm is not a pre-petition creditor in the event of a Restructuring Case; and that in light of the foregoing, the provision of the advance payment retainers is in Client's best interests. The fact that Client has provided the Firm with an advance payment retainer does not affect Client's right to terminate the client-lawyer relationship.

Please be advised that there is another type of retainer known as a "security retainer," as defined in *Dowling v. Chicago Options Assoc.*, 875 N.E.2d at 1018, and *In re Caesars Entm't Operating Co., Inc.*, No. 15-01145 (ABG) (Bankr. N.D. Ill. May 28, 2015) (and cases cited therein). A security retainer remains the property of the client until the lawyer applies it to charges for services that are actually rendered and expenses that are incurred. Any unearned funds are then returned to the client. In other circumstances not present here, the Firm would consider a security retainer and Client's funds would be held in the Firm's segregated client trust account until applied to pay fees and expenses. Funds in a security retainer, however, can be

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subject to claims of Client's creditors and, if taken by creditors, may leave Client unable to pay for ongoing legal services, which may result in the Firm being unable to continue the Engagement. Moreover, a security retainer creates clawback risks for the Firm in the event of an insolvency proceeding. The choice of the type of retainer to be used is Client's choice alone, but for the Engagement and for the reasons set forth above, the Firm is unwilling to represent Client in the Engagement without using the advance payment retainer.

Termination. The Engagement may be terminated by either Party at any time by written notice by or to Client. The Engagement will end at the earliest of (a) Client's termination of the Engagement, (b) the Firm's withdrawal, and (c) the substantial completion of the Firm's substantive work. If permission for withdrawal is required by a court, the Firm shall apply promptly for such permission, and termination shall coincide with the court order for withdrawal. If this Agreement or the Firm's services are terminated for any reason, such termination shall be effective only to terminate the Firm's services prospectively and all the other terms of this Agreement shall survive any such termination.

Upon cessation of the Firm's active involvement in a particular matter (even if the Firm continues active involvement in other matters on Client's behalf), the Firm will have no further duty to inform Client of future developments or changes in law as may be relevant to such matter. Further, unless the Parties mutually agree in writing to the contrary, the Firm will have no obligation to monitor renewal or notice dates or similar deadlines that may arise from the matters for which the Firm had been retained.

Cell Phone and E-Mail Communication. The Firm hereby informs Client and Client hereby acknowledges that the Firm's attorneys sometimes communicate with their clients and their clients' professionals and agents by cell telephone, that such communications are capable of being intercepted by others and therefore may be deemed no longer protected by the attorney-client privilege, and that Client must inform the Firm if Client does not wish the Firm to discuss privileged matters on cell telephones with Client or Client's professionals or agents.

The Firm hereby informs Client and Client hereby acknowledges that the Firm's attorneys sometimes communicate with their clients and their clients' professionals and agents by unencrypted e-mail, that such communications are capable of being intercepted by others and therefore may be deemed no longer protected by the attorney-client privilege, and that Client must inform the Firm if Client wishes to institute a system to encode all e-mail between the Firm and Client or Client's professionals or agents.

File Retention. All records and files will be retained and disposed of in compliance with the Firm's policy in effect from time to time. Subject to future changes, it is the Firm's current policy generally not to retain records relating to a matter for more than five years. Upon Client's prior written request, the Firm will return client records that are Client's property to Client prior to their destruction. It is not administratively feasible for the Firm to advise Client of the closing of a matter or the disposal of records. The Firm recommends, therefore, that Client maintain Client's own files for reference or submit a written request for Client's client files promptly upon conclusion of a matter. Notwithstanding anything to the contrary herein, Client acknowledges

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and agrees that any applicable privilege of Client (including any attorney-client and work product privilege or any duty of confidentiality) (collectively, the “Privileges”) belongs to Client alone and not to any successor entity (including without limitation the Client after a change in control or other similar restructuring or non-restructuring transaction (including without limitation a reorganized Client after the effective date of a plan of reorganization), whether through merger, asset or equity sale, business combination, or otherwise, irrespective of whether such transaction occurs in a Restructuring Case or on an out-of-court basis (in each case, a “Transaction”). Client hereby waives any right, title, and interest of such successor entity to all information, data, documents, or communications in any format covered by the Privileges that is in the possession of the Firm (“Firm Materials”), to the extent that such successor entity had any right, title, and interest to such Firm Materials. For the avoidance of doubt, Client agrees and acknowledges that after a Transaction, such successor entity shall have no right to claim or waive the Privileges or request the return of any such Firm Materials; instead, such Firm Materials shall remain in the Firm’s sole possession and control for its exclusive use, and the Firm will (a) not waive any Privileges or disclose the Firm Materials, (b) take all reasonable steps to ensure that the Privileges survive and remain in full force and effect, and (c) assert the Privileges to prevent disclosure of any Firm Materials.

Conflicts of Interest. As is customary for a law firm of the Firm’s size, there are numerous business entities, with which Client currently has relationships, that the Firm has represented or currently represents in matters unrelated to Client. The Firm notes that the Firm currently represents or has represented certain of Client’s creditors, vendors, and contract counterparties, as well as certain other parties in interest, (collectively, the “Interested Parties”), and will continue to do so in such unrelated matters. Because Client is engaged in activities (and may in the future engage in additional activities) in which Client’s interests may diverge from those of the Interested Parties or the Firm’s other clients, the possibility exists that the Interested Parties or one of the Firm’s clients may take positions adverse to Client.

Further, in undertaking the representation of Client, the Firm wants to be fair not only to Client’s interests but also to those of the Firm’s other clients. Because Client is engaged in activities (and may in the future engage in additional activities) in which its interests may diverge from those of the Firm’s other clients, the possibility exists that one of the Firm’s current or future clients may take positions adverse to Client (including litigation or other dispute resolution mechanisms) in a matter in which the Firm may be retained. In the event a present conflict of interest exists between Client and the Firm’s other clients or in the event one arises in the future, Client agrees to waive any such conflict of interest or other objection that would preclude the Firm’s representation of another client (a) in other current or future matters substantially unrelated to the Engagement or (b) other than during a Restructuring Case (as defined below), in other matters related to Client (including in litigation, arbitration or other dispute resolution mechanisms). Client also agrees that the Firm’s representation in the Engagement is solely of Client and that no member or other entity or person related to it (such as a shareholder, director, officer, partner, employee, or joint venturer) has the status of a client for conflict of interest purposes.

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The Firm informs Client that certain entities owned by current or former Firm attorneys and senior staff ("attorney investment entities") have investments in funds or companies that may, directly or indirectly, be affiliated with Client, hold investments in Client's debt or equity securities, or conduct commercial transactions with Client (each, a "Passive Holding"). The attorney investment entities are passive and have no management or other control rights in such funds or companies. The Firm notes that other persons may in the future assert that a Passive Holding creates, in certain circumstances, a conflict between the Firm's exercise of its independent professional judgment in rendering advice to Client and the financial interest of Firm attorneys participating in the attorney investment entities, and such other persons might seek to limit Client's ability to use the Firm to advise Client on a particular matter. While the Firm cannot control what a person might assert or seek, the Firm believes that the Firm's judgment will not be compromised by virtue of any Passive Holding. Please let us know if Client has any questions or concerns regarding the Passive Holdings. By executing this letter, Client acknowledges the Firm's disclosure of the foregoing.

Restructuring Cases. If it becomes necessary for Client to commence a restructuring case under chapter 11 of the U.S. Bankruptcy Code (a "Restructuring Case"), the Firm's ongoing employment by Client will be subject to the approval of the court with jurisdiction over the petition. If necessary, the Firm will take steps necessary to prepare the disclosure materials required in connection with the Firm's retention as lead restructuring counsel. In the near term, the Firm will begin conflicts checks on potentially interested parties as provided by Client.

If necessary, the Firm will prepare a preliminary draft of a schedule describing the Firm's relationships with certain interested parties (the "Disclosure Schedule"). The Firm will give Client a draft of the Disclosure Schedule once it is available. Although the Firm believes that these relationships do not constitute actual conflicts of interest, these relationships must be described and disclosed in Client's application to the court to retain the Firm.

If in the Firm's determination a conflict of interest arises in Client's Restructuring Case requiring separate conflicts counsel, then Client will be required to use separate conflicts counsel in those matters.

No Guarantee of Success. It is impossible to provide any promise or guarantee about the outcome of Client's matters. Nothing in this Agreement or any statement by Firm staff or attorneys constitutes a promise or guarantee. Any comments about the outcome of Client's matter are simply expressions of judgment and are not binding on the Firm.

Consent to Use of Information. In connection with future materials that, for marketing purposes, describe facets of the Firm's law practice and recite examples of matters the Firm handles on behalf of clients, Client agrees that, if those materials avoid disclosing Client's confidences and secrets as defined by applicable ethical rules, they may identify Client as a client, may contain factual synopses of Client's matters, and may indicate generally the results achieved.

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Reimbursement of Fees and Expenses. Client agrees to promptly reimburse the Firm for all internal or external fees and expenses, including the amount of the Firm's attorney and paralegal time at normal billing rates, as incurred by the Firm in connection with participating in, preparing for, or responding to any action, claim, objection, suit, or proceeding brought by or against any third-party that relates to the legal services provided by the Firm under this Agreement. Without limiting the scope of the foregoing, and by way of example only, this paragraph extends to all such fees and expenses incurred by the Firm: in responding to document subpoenas, and preparing for and testifying at depositions and trials; and with respect to the filing, preparation, prosecution or defense of any applications by the Firm for approval of fees and expenses in a judicial, arbitral, or similar proceeding. Further, Client understands, acknowledges, and agrees that in connection with a Restructuring Case, if Client has not objected to the payment of a Firm invoice or to a Firm fee and expense application, has in fact paid such invoice, or has approved such fee and expense application, then Client waives its right (and the right of any successor entity as a result of a Transaction or otherwise) to subsequently object to the payment of fees and expenses covered by such invoice or fee application

LLP. Kirkland & Ellis LLP is a limited liability partnership organized under the laws of Illinois, and Kirkland & Ellis International LLP is a limited liability partnership organized under the laws of Delaware. Pursuant to those statutory provisions, an obligation incurred by a limited liability partnership, whether arising in tort, contract or otherwise, is solely the obligation of the limited liability partnership, and partners are not personally liable, directly or indirectly, by way of indemnification, contribution, assessment or otherwise, for such obligation solely by reason of being or so acting as a partner.

Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois, without giving effect to the conflicts of law principles thereof.

Miscellaneous. This Agreement sets forth the Parties' entire agreement for rendering professional services. It can be amended or modified only in writing and not orally or by course of conduct. Each Party signing below is jointly and severally responsible for all obligations due to the Firm and represents that each has full authority to execute this Agreement so that it is binding. This Agreement may be signed in one or more counterparts and binds each Party countersigning below, whether or not any other proposed signatory ever executes it. If any provision of this Agreement or the application thereof is held invalid or unenforceable, the invalidity or unenforceability shall not affect other provisions or applications of this Agreement which can be given effect without such provisions or application, and to this end the provisions of this Agreement are declared to be severable. Any agreement or waiver contained herein by Client extends to any assignee or successor in interest to Client, including without limitation the reorganized Client upon and after the effective date of a plan of reorganization in a Restructuring Case.

This Agreement is the product of arm's-length negotiations between sophisticated parties, and Client acknowledges that it is experienced with respect to the retention of legal counsel. Therefore, the Parties acknowledge and agree that any otherwise applicable rule of

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contract construction or interpretation which provides that ambiguities shall be construed against the drafter (and all similar rules of contract construction or interpretation) shall not apply to this Agreement. The Parties further acknowledge that the Firm is not advising Client with respect to this Agreement because the Firm would have a conflict of interest in doing so, and that Client has consulted (or had the opportunity to consult) with legal counsel of its own choosing. Client further acknowledges that Client has entered into this Agreement and agreed to all of its terms and conditions voluntarily and fully-informed, based on adequate information and Client's own independent judgment. The Parties further acknowledge that they intend for this Agreement to be effective and fully enforceable upon its execution and to be relied upon by the Parties.

* * *

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Please confirm Client's agreement with the arrangements described in this letter by signing below and returning it to me.

Very truly yours,

KIRKLAND & ELLIS LLP

By:

 **GEP**

Printed Name: Edward O. Sassower, P.C.

Title: Partner

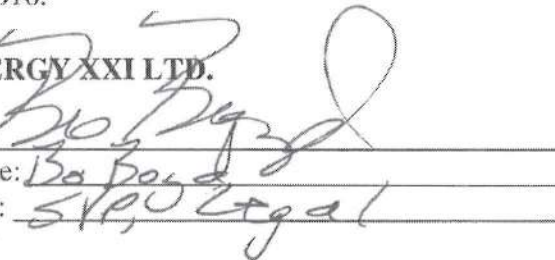
Agreed and accepted this 4th day of April, 2016.

ENERGY XXI LTD.

By:

Name:

Title:


Name: **Barbara Boyd**
Title: **SVP, Legal**

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KIRKLAND & ELLIS LLP

CLIENT-REIMBURSABLE EXPENSES AND OTHER CHARGES

Effective 01/01/2016

The following outlines Kirkland & Ellis LLP and Kirkland & Ellis International LLP's (collectively, "K&E LLP") policies and standard charges for various services performed by K&E LLP and/or by other third parties on behalf of the client which are often ancillary to our legal services. Services provided by in-house K&E LLP personnel are for the convenience of our clients. Given that these services are often ancillary to our legal services, in certain instances it may be appropriate and/or more cost efficient for these services to be outsourced to a third-party vendor. If services are provided beyond those outlined below, pricing will be based on K&E LLP's approximate cost and/or comparable market pricing.

- **Duplicating, Reprographics and Printing:** The following list details K&E LLP's charges for duplicating, reprographics and printing services:
 - ▶ Black and White Copy or Print (all sizes of paper):
 - \$0.16 per impression for all U.S. offices
 - €0.10 per impression in Munich
 - £0.15 per impression in London
 - HK\$1.50 per impression in Hong Kong
 - RMB1.00 per impression in Beijing and Shanghai
 - ▶ Color Copy or Print (all sizes of paper):
 - \$0.55 per impression
 - ▶ Scanned Images:
 - \$0.16 per page for black and white or color scans
 - ▶ Other Services:
 - CD/DVD Duplicating or Mastering - \$7/\$10 per CD/DVD
 - Binding - \$0.70 per binding
 - Large or specialized binders - \$13/\$27
 - Tabs - \$0.13 per item
 - OCR/File Conversion - \$0.03 per page
 - Production Blowbacks - \$0.10 per page for electronic batch printing over 500 pages
 - Large Format Printing - \$1.00 per sq. ft.
- **Secretarial and Word Processing:** Clients are not charged for secretarial and word processing activities incurred on their matters during standard business hours.
- **Overtime Charges:** Clients will be charged for overtime costs for secretarial and document services work if either (i) the client has specifically requested the after-

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hours work or (ii) the nature of the work being done for the client necessitates out-of-hours overtime and such work could not have been done during normal working hours. If these conditions are satisfied, costs for related overtime meals and transportation also will be charged.

- **Travel Expenses:** We charge clients our out-of-pocket costs for travel expenses including associated travel agency fees. We charge coach fares (business class for international flights) unless the client has approved business-class, first-class or an upgrade. K&E LLP personnel are instructed to incur only reasonable airfare, hotel and meal expenses. K&E LLP negotiates, uses, and passes along volume discount hotel and air rates whenever practicable. However, certain retrospective rebates may not be passed along.
- **Catering Charges:** Clients will be charged for any in-house catering service provided in connection with client matters.
- **Communication Expenses:** We do not charge clients for telephone calls or faxes made from K&E LLP's offices with the exception of third-party conference calls and videoconferences.

Charges incurred for conference calls, videoconferences, cellular telephones, and calls made from other third-party locations will be charged to the client at the actual cost incurred. Further, other telecommunication expenses incurred at third-party locations (e.g., phone lines at trial sites, Internet access, etc.) will be charged to the client at the actual cost incurred.

- **Overnight Delivery/Postage:** We charge clients for the actual cost of overnight and special delivery (e.g., Express Mail, FedEx, and DHL), and U.S. postage for materials mailed on the client's behalf. K&E LLP negotiates, uses, and passes along volume discount rates whenever practicable.
- **Messengers:** We charge clients for the actual cost of a third party vendor messenger. Where a K&E LLP in-house messenger is used, we charge clients a standard transaction charge plus applicable cab fare.
- **Library Research Services:** Library Research staff provides research and document retrieval services at the request of attorneys, and clients are charged per hour for these services. Any expenses incurred in connection with the request, such as outside retrieval service or online research charges, are passed on to the client at cost, including any applicable discounts.
- **Online Research Charges:** K&E LLP charges for costs incurred in using third-party online research services in connection with a client matter. K&E LLP negotiates and uses discounts or special rates for online research services

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whenever possible and practicable and passes through the full benefit of any savings to the client based on actual usage.

- **Inter-Library Loan Services:** Our standard client charge for inter-library loan services when a K&E LLP library employee borrows a book from an outside source is \$25 per title. There is no client charge for borrowing books from K&E LLP libraries in other cities or from outside collections when the title is part of the K&E LLP collection but unavailable.
- **Off-Site Legal Files Storage:** Clients are not charged for off-site storage of files unless the storage charge is approved in advance.
- **Electronic Data Storage:** K&E LLP will not charge clients for costs to store electronic data and files on K&E LLP's systems if the data stored does not exceed 100 gigabytes (GB). If the data stored for a specific client exceeds 100GB, K&E LLP will charge clients \$4.00 per month/per GB for all network data stored until the data is either returned to the client or properly disposed of. For e-discovery data on the Relativity platform, K&E LLP will also charge clients \$4.00 per month/per GB until the data is either returned to the client or properly disposed of.
- **Calendar Court Services:** Our standard charge is \$25 for a court filing and other court services or transactions.
- **Supplies:** There is no client charge for standard office supplies. Clients are charged for special items (e.g., a minute book, exhibit tabs/indexes/dividers, binding, etc.) and then at K&E LLP's actual cost.
- **Contract Attorneys and Contract Non-Attorney Billers:** If there is a need to utilize a contract attorney or contract non-attorney on a client engagement, clients will be charged a standard hourly rate for these billers unless other specific billing arrangements are agreed between K&E LLP and client.
- **Expert Witnesses, Experts of Other Types, and Other Third Party Consultants:** If there is a need to utilize an expert witness, expert of other type, or other third party consultant such as accountants, investment bankers, academicians, other attorneys, etc. on a client engagement, clients will be requested to retain or pay these individuals directly unless specific billing arrangements are agreed between K&E LLP and client.
- **Third Party Expenditures:** Third party expenditures (e.g., corporate document and lien searches, lease of office space at Trial location, IT equipment rental, SEC and regulatory filings, etc.) incurred on behalf of a client, will be passed through to the client at actual cost. If the invoice exceeds \$50,000, it is K&E LLP's policy that wherever possible such charges will be directly billed to the client. In

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those circumstances where this is not possible, K&E LLP will seek reimbursement from our client prior to paying the vendor.

Unless otherwise noted, charges billed in foreign currencies are determined annually based on current U.S. charges at an appropriate exchange rate.

Exhibit B

Husnick Declaration

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

In re:	§	
	§	Chapter 11
	§	
ENERGY XXI LTD, <i>et al.</i> , ¹	§	Case No. 16-31928
	§	
Debtors.	§	(Jointly Administered)
	§	

**DECLARATION OF CHAD J. HUSNICK IN SUPPORT
OF THE DEBTORS' APPLICATION FOR ENTRY
OF AN ORDER AUTHORIZING THE RETENTION
AND EMPLOYMENT OF KIRKLAND & ELLIS LLP AND KIRKLAND
& ELLIS INTERNATIONAL LLP AS SPECIAL CORPORATE AND
COMPENSATION COUNSEL FOR THE DEBTORS AND DEBTORS
IN POSSESSION EFFECTIVE *NUNC PRO TUNC* TO THE PETITION DATE**

I, Chad J. Husnick, being duly sworn, state the following under penalty of perjury:

1. I am a partner of the law firm of Kirkland & Ellis LLP, located at 300 North LaSalle, Chicago, Illinois 60654, and a partner of Kirkland & Ellis International, LLP (together with Kirkland & Ellis LLP, collectively, "Kirkland").² I am the lead attorney from Kirkland working on the above-captioned chapter 11 cases. I am a member in good standing of the Bar of the State of New York, and I have been admitted to practice in the United States Bankruptcy

¹ The debtors in these chapter 11 cases and the last four digits of their respective federal tax identification numbers are: Anglo-Suisse Offshore Pipeline Partners, LLC (9562), Delaware EPL of Texas, LLC (9562), Energy Partners Ltd., LLC (9562), Energy XXI GOM, LLC (0027), Energy XXI Gulf Coast, Inc. (8595), Energy XXI Holdings, Inc. (1638), Energy XXI, Inc. (2108), Energy XXI Leasehold, LLC (8121), Energy XXI Ltd (9286), Energy XXI Natural Gas Holdings, Inc. (7517), Energy XXI Offshore Services, Inc. (4711), Energy XXI Onshore, LLC (0308), Energy XXI Pipeline, LLC (5863), Energy XXI Pipeline II, LLC (8238), Energy XXI Services, LLC (3999), Energy XXI Texas Onshore, LLC (0294), Energy XXI USA, Inc. (8552), EPL of Louisiana, L.L.C. (9562), EPL Oil & Gas, Inc. (9562), EPL Pioneer Houston, Inc. (9749), EPL Pipeline, L.L.C. (1048), M21K, LLC (3978), MS Onshore, LLC (8573), Natural Gas Acquisition Company I, LLC (0956), Nighthawk, L.L.C. (9562), and Soileau Catering, LLC (2767). The location of the Debtors' U.S. corporate headquarters and the Debtors' service address is: 1021 Main Street, Suite 2626, Houston, Texas 77002.

² Capitalized terms used but not otherwise defined herein shall have the meaning as set forth in the Fee Application.

Court for the Southern District of New York and the United States Bankruptcy Court Eastern District of New York. There are no disciplinary proceedings pending against me.

2. I submit this declaration (the “Declaration”) in support of the Debtors’ *Application for Entry of an Order Authorizing the Retention and Employment of Kirkland & Ellis LLP and Kirkland & Ellis International LLP as Special Corporate and Compensation Counsel for the Debtors and Debtors in Possession Effective Nunc Pro Tunc to the Petition Date* (the “Application”).³ Except as otherwise noted, I have personal knowledge of the matters set forth herein.

Kirkland’s Qualifications

4. The Debtors seek to retain Kirkland because of Kirkland’s recognized expertise and extensive experience and knowledge in the field of debtors’ protections, creditors’ rights, and business reorganizations under chapter 11 of the Bankruptcy Code.

5. Kirkland has been actively involved in major chapter 11 cases and has represented debtors in many cases, including, among others: *In re Southcross Holdings LP*, No. 16-20111 (MI) (Bankr. S.D. Tex. May 6, 2016); *In re Sherwin Alumina Company, LLC*, No. 16-20012 (DRJ) (Bankr. S.D. Tex. Feb. 1, 2016); *In re Magnum Hunter Res. Corp.*, No. 15-12533 (KG) (Bankr. D. Del. Dec. 15, 2015); *In re Samson Res. Corp.*, No. 15-11934 (CSS) (Bankr. D. Del. Oct. 29, 2015); *In re Sabine Oil & Gas Corp.*, No. 15-11835 (SCC) (Bankr. S.D.N.Y. Sept. 10, 2015); *In re Caesars Entm’t Operating Co., Inc.*, No. 15-01145 (ABG) (Bankr. N.D. Ill. May 5, 2015); *In re Energy Future Holdings Corp.*, No. 14-10979 (CSS) (Bankr. D. Del. Sept. 16, 2014); *In re Longview Power, LLC*, No. 13-12211 (BLS) (Bankr. D. Del. Sept. 24, 2013); *In re Cengage Learning, Inc.*, No. 13-44106 (ESS) (Bankr. E.D.N.Y. July 24, 2013); *In re Edison*

³ Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Application.

Mission Energy, No. 12-49219 (JPC) (Bankr. N.D. Ill. Jan. 17, 2013); *In re Hawker Beechcraft, Inc.*, No. 12-11873 (SMB) (Bankr. S.D.N.Y. May 31, 2012); *In re Global Aviation Holdings Inc.*, No. 12-40783 (CEC) (Bankr. E.D.N.Y. Mar. 9, 2012); *In re United Retail Group, Inc.*, No. 12-10405 (SMB) (Bankr. S.D.N.Y. Feb. 23, 2012); *In re Friendly Ice Cream Corp.*, No. 11-13167 (Bankr. D. Del. Nov. 1, 2011); *In re Neb. Book Co.*, No. 11-12005 (PJW) (Bankr. D. Del. July 21, 2011); *In re Sbarro, Inc.*, No. 11-11527 (Bankr. S.D.N.Y. May 3, 2011); *In re MSR Resort Golf Course LLC*, No. 11-10372 (Bankr. S.D.N.Y. Mar. 2, 2011); *In re Great Atl. & Pac. Tea Co.*, No. 10-24549 (RDD) (Bankr. S.D.N.Y. Dec. 12, 2010); *In re Local Insight Media Holdings, Inc.*, No. 10-13677 (KG) (Bankr. D. Del. Nov. 17, 2010); *In re FGIC Corp.*, No. 10-14215 (SMB) (Bankr. S.D.N.Y. Aug. 25, 2010); *In re Innkeepers USA Trust*, No. 10-13800 (SCC) (Bankr. S.D.N.Y. Aug. 12, 2010); *In re N. Am. Petroleum Corp.*, No. 10-11707 (CSS) (Bankr. D. Del. June 21, 2010); *In re South Bay Expressway, L.P.*, No. 10-04516 (LDA) (Bankr. S.D. Cal. June 11, 2010); *In re Neff Corp.*, No. 10-12610 (SCC) (Bankr. S.D.N.Y. June 9, 2010); *In re U.S. Concrete, Inc.*, No. 10-11407 (PJW) (Bankr. D. Del. May 21, 2010); *In re Citadel Broadcasting Corp.*, No. 09-17442 (BRL) (Bankr. S.D.N.Y. Feb. 3, 2010); *In re Stallion Oilfield Svcs., Ltd.*, No. 09-13562 (BLS) (Bankr. D. Del. Nov. 16, 2009); *In re The Reader's Digest Ass'n*, No. 09-23529 (RDD) (Bankr. S.D.N.Y. Sept. 17, 2009); *In re Lear Corp.*, No. 09-14326 (ALG) (Bankr. S.D.N.Y. July 31, 2009); *In re ION Media Networks, Inc.*, No. 09-13125 (JMP) (Bankr. S.D.N.Y. June 23, 2009); *In re Visteon Corp.*, No. 09-11786 (CSS) (Bankr. D. Del. June 19, 2009).⁴

⁴ Because of the voluminous nature of the orders cited herein, they are not attached to this Declaration. Copies of these orders are available upon request to Debtors' proposed counsel.

6. In preparing for its representation of the Debtors in these chapter 11 cases, Kirkland has become familiar with the Debtors' businesses and many of the potential legal issues that may arise in the context of these chapter 11 cases. I believe that Kirkland is both well-qualified and uniquely able to represent the Debtors in these chapter 11 cases in an efficient and timely manner.

Services to Be Provided

7. Subject to further order of the Court and that certain engagement letter, dated April 4, 2016 (the "Engagement Letter"), a copy of which is attached as **Exhibit 1** to **Exhibit A** to the Application, the Debtors retained Kirkland as special corporate and compensation counsel in connection with these chapter 11 cases. Should the scope of Kirkland's services expand beyond the scope discussed herein and in the Engagement Letter, Kirkland will file a supplemental retention application with the Court.

Professional Compensation

8. Kirkland intends to apply for compensation for professional services rendered on an hourly basis and reimbursement of expenses incurred in connection with these chapter 11 cases, subject to the Court's approval and in compliance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules, and any other applicable procedures and orders of the Court. The hourly rates and corresponding rate structure Kirkland will use in these chapter 11 cases are the same as the hourly rates and corresponding rate structure that Kirkland uses in other debtor representations, and are comparable to the hourly rates and corresponding rate structure that Kirkland uses for complex corporate, securities, and litigation matters whether in court or otherwise, regardless of whether a fee application is required. These rates and the rate structure reflect that such restructuring and other complex

matters typically are national in scope and involve great complexity, high stakes, and severe time pressures.

9. Kirkland operates in a national marketplace for legal services in which rates are driven by multiple factors relating to the individual lawyer, his or her area of specialization, the firm's expertise, performance, and reputation, the nature of the work involved, and other factors.

10. Kirkland's current hourly rates for matters related to these chapter 11 cases range as follows:⁵

Billing Category	U.S. Range
Partners	\$875-\$1,445
Of Counsel	\$480-\$1,445
Associates	\$510-\$945
Paraprofessionals	\$180-\$400

11. Kirkland's hourly rates are set at a level designed to compensate Kirkland fairly for the work of its attorneys and paralegals and to cover fixed and routine expenses. Hourly rates vary with the experience and seniority of the individuals assigned. These hourly rates are subject to periodic adjustments to reflect economic and other conditions.⁶

12. It is Kirkland's policy to charge its clients in all areas of practice for identifiable, non-overhead expenses incurred in connection with the client's case that would not have been

⁵ For professionals and paraprofessionals residing outside of the U.S., hourly rates are billed in the applicable currency. When billing a U.S. entity, such foreign rates are converted into U.S. dollars at the then applicable conversion rate. After converting these foreign rates into U.S. dollars, it is possible that certain rates may exceed the billing rates listed in the chart herein.

⁶ For example, like many of its peer law firms, Kirkland typically increases the hourly billing rate of attorneys and paraprofessionals twice a year in the form of: (i) step increases historically awarded in the ordinary course on the basis of advancing seniority and promotion and (ii) periodic increases within each attorney's and paraprofessional's current level of seniority. The step increases do not constitute "rate increases" (as the term is used in the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases*, effective November 1, 2013). As set forth in the Order, Kirkland will provide ten business days' notice to the Debtors, the U.S. Trustee, and any official committee before implementing any periodic increases, and shall file such notice with the Court.

incurred except for representation of that particular client.⁷ It is also Kirkland's policy to charge its clients only the amount actually incurred by Kirkland in connection with such items. Examples of such expenses include postage, overnight mail, courier delivery, transportation, overtime expenses, computer-assisted legal research, photocopying, airfare, meals, and lodging.

13. To ensure compliance with all applicable deadlines in these chapter 11 cases, Kirkland utilizes the services of overtime secretaries. Kirkland charges fees for these services pursuant to the Engagement Letter between Kirkland and the Debtors, which permits Kirkland to bill the Debtors for overtime secretarial charges that arise out of business necessity. In addition, Kirkland professionals also may charge their overtime meals and overtime transportation to the Debtors consistent with prepetition practices.

14. Kirkland currently charges the Debtors \$0.16 per page for standard duplication in its offices in the United States. Kirkland does not charge its clients for incoming facsimile transmissions. Kirkland has negotiated a discounted rate for Westlaw computer-assisted legal research. Computer-assisted legal research is used whenever the researcher determines that using Westlaw is more cost effective than using traditional (non-computer assisted legal research) techniques.

Compensation Received by Kirkland from the Debtors

15. Per the terms of the Engagement Letter, on April 4, 2016, the Debtors paid \$50,000 to Kirkland, which, as stated in the Engagement Letter, constituted an "advance payment retainer" as defined in Rule 1.15(c) of the Illinois Rules of Professional Conduct and

⁷ More specifically, the Engagement Letter provides that the Debtors will reimburse Kirkland for all fees and expenses, including the amount of Kirkland's attorney and paralegal time at normal billing rates incurred in connection with disputes brought by or against any third party relating to legal services Kirkland provides to the Debtors. To the extent required, such fees should be allowed pursuant to section 328(a) of the Bankruptcy Code, which permits employment on any reasonable terms and conditions. *See* 11 U.S.C. § 328(a). *Cf. Baker Botts L.L.P. v. ASARCO LLC*, 576 U.S. ___, 135 S.Ct. 2158 (2015).

Dowling v. Chicago Options Assoc., Inc., 875 N.E.2d 1012, 1018 (Ill. 2007). As stated in the Engagement Letter, any advance payment retainers are earned by Kirkland upon receipt, any advance payment retainers become the property of Kirkland upon receipt, the Debtors no longer have a property interest in any advance payment retainers upon Kirkland's receipt, any advance payment retainers will be placed in Kirkland's general account and will not be held in a client trust account, and the Debtors will not earn any interest on any advance payment retainers.

16. As of the Petition Date, the Debtors did not owe Kirkland any amounts for legal services rendered before the Petition Date. Although certain expenses and fees may have been incurred but not yet applied to Kirkland's advance payment retainers, the amount of Kirkland's advance payment retainers always exceeded any amounts listed or to be listed on statements describing services rendered and expenses incurred (on a "rates times hours" and "dates of expenses incurred" basis) prior to the Petition Date.

17. Pursuant to Bankruptcy Rule 2016(b), Kirkland has not shared nor agreed to share (a) any compensation it has received or may receive with another party or person, other than with the partners, associates, and contract attorneys associated with Kirkland or (b) any compensation another person or party has received or may receive.

Statement Regarding U.S. Trustee Guidelines

18. Kirkland shall apply for compensation for professional services rendered and reimbursement of expenses incurred in connection with the Debtors' chapter 11 cases in compliance with sections 330 and 331 of the Bankruptcy Code and applicable provisions of the Bankruptcy Rules, Bankruptcy Local Rules, and any other applicable procedures and orders of the Court. Kirkland also intends to make a reasonable effort to comply with the U.S. Trustee's requests for information and additional disclosures as set forth in the *Guidelines for Reviewing*

Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. § 330 by Attorneys in Larger Chapter 11 Cases Effective As of November 1, 2013 (the “Revised UST Guidelines”), both in connection with this application and the interim and final fee applications to be filed by Kirkland in these chapter 11 cases.

Attorney Statement Pursuant to Revised UST Guidelines

19. The following is provided in response to the request for additional information set forth in Paragraph D.1. of the Revised UST Guidelines:

- a. **Question:** Did Kirkland agree to any variations from, or alternatives to, Kirkland’s standard billing arrangements for this engagement?

Answer: No. Kirkland and the Debtors have not agreed to any variations from, or alternatives to, Kirkland’s standard billing arrangements for this engagement. The rate structure provided by Kirkland is appropriate and is not significantly different from (a) the rates that Kirkland charges for other non-bankruptcy representations or (b) the rates of other comparably skilled professionals.

- b. **Question:** Do any of the Kirkland professionals in this engagement vary their rate based on the geographic location of the Debtors’ chapter 11 cases?

Answer: No. The hourly rates used by Kirkland in representing the Debtors are consistent with the rates that Kirkland charges other comparable chapter 11 clients, regardless of the location of the chapter 11 case.

- c. **Question:** If Kirkland has represented the Debtors in the 12 months prepetition, disclose Kirkland’s billing rates and material financial terms for the prepetition engagement, including any adjustments during the 12 months prepetition. If Kirkland’s billing rates and material financial terms have changed postpetition, explain the difference and the reasons for the difference.

Answer: Kirkland’s current hourly rates for services rendered on behalf of the Debtors range as follows:

Billing Category	U.S. Range
Partners	\$875-\$1,445
Of Counsel	\$480-\$1,445
Associates	\$510-\$945
Paraprofessionals	\$180-\$400

Kirkland represented the Debtors during the twelve-month period before the Petition Date, using the hourly rates listed above.

- d. **Question:** Have the Debtors approved Kirkland's budget and staffing plan, and, if so, for what budget period?

Answer: As of the date hereof, the Debtors have not yet prepared a budget and staffing plan due to the fact that the Debtors are continuing to analyze certain corporate and executive compensation initiatives related to Kirkland's proposed engagement as special corporate and compensation counsel in these chapter 11 cases. The Debtors will prepare a budget and staffing plan for Kirkland once the Debtors finalize certain matters related to such initiatives.

Kirkland's Disinterestedness

20. In connection with its proposed retention by the Debtors in these chapter 11 cases, Kirkland undertook to determine whether it had any conflicts or other relationships that might cause it not to be disinterested or to hold or represent an interest adverse to the Debtors. Specifically, Kirkland obtained from the Debtors and their representatives the names of individuals and entities that may be parties in interest in these chapter 11 cases (the "Potential Parties in Interest") and such parties are listed on **Schedule 1** hereto. Kirkland has searched on its electronic database for its connections to the entities listed on **Schedule 1** hereto. To the extent that I have been able to ascertain that Kirkland has been retained within the last three years to represent any of the Potential Parties in Interest (or their affiliates, as the case may be) in matters unrelated to these cases, such facts are disclosed on **Schedule 2** attached hereto.

21. Kirkland and certain of its partners and associates may have in the past represented, may currently represent, and likely in the future will represent, entities that may be parties in interest in these chapter 11 cases in connection with matters unrelated (except as otherwise disclosed herein) to the Debtors and these chapter 11 cases. Kirkland has searched on its electronic database for its connection to the entities listed on **Schedule 1** attached hereto. The

information listed on **Schedule 1** may have changed without our knowledge and may change during the pendency of these chapter 11 cases. Accordingly, Kirkland will update this Declaration as necessary and when Kirkland becomes aware of additional material information.

The following is a list of the categories that Kirkland has searched:⁸

<u>Schedule</u>	<u>Category</u>
1(a)	Debtor Affiliates
1(b)	Directors & Officers
1(c)	Cash Management Banks
1(d)	Contract Counterparties
1(e)	Court Personnel
1(f)	Critical Vendors
1(g)	Insurers
1(h)	Lenders
1(i)	Litigants
1(j)	Noteholders
1(k)	Professionals
1(l)	Shareholders
1(m)	Significant Customers
1(n)	Sureties
1(o)	Taxing Authorities
1(p)	Top 65 Creditors
1(q)	US Trustees
1(r)	Utilities

22. To the best of my knowledge, (a) Kirkland does not represent any interest adverse to the Debtors or their estates with respect to the matters on which Kirkland is to be engaged, as required by section 327(e) of the Bankruptcy Code and (b) Kirkland has no connection to the Debtors, their creditors, or other parties in interest, except as may be disclosed in this Declaration.

⁸ Kirkland's inclusion of parties in the following Schedules is solely to illustrate Kirkland's conflict search process and is not an admission that any party has a valid claim against the Debtors or that any party properly belongs in the schedules or has a claim or legal relationship to the Debtors of the nature described in the schedules.

23. Listed on **Schedule 2** to this Declaration are the results of Kirkland's conflicts searches of the above-listed entities.⁹ For the avoidance of doubt, Kirkland will not commence a cause of action in these chapter 11 cases against the entities listed on **Schedule 2** that are current clients of Kirkland (including entities listed below under the "Specific Disclosures" section of this Declaration) unless Kirkland has an applicable waiver on file or first receives a waiver from such entity allowing Kirkland to commence such an action. To the extent that a waiver does not exist or is not obtained from such entity and it is necessary for the Debtors to commence an action against that entity, the Debtors will be represented in such particular matter by conflicts counsel.

24. Kirkland's conflicts search of the entities listed on **Schedules 1(a) – 1(s)** (that Kirkland was able to locate using its reasonable efforts) reveals, to the best of Kirkland's knowledge, that those Kirkland attorneys and paraprofessionals who previously worked at other law firms that represented such entities in these chapter 11 cases have not worked on matters relating to the Debtors' restructuring efforts while at Kirkland.

25. Based on the conflicts search conducted to date and described herein, to the best of my knowledge, neither I, Kirkland, nor any partner or associate thereof, insofar as I have been able to ascertain, have any connection with the Debtors, their creditors, or any other parties in interest, their respective attorneys and accountants, the Office of the United States Trustee for the

⁹ As referenced in **Schedule 2**, the term "current client" means an entity listed as a client in Kirkland's conflicts search system to whom time was posted in the 12 months preceding the Petition Date. As referenced in **Schedule 2**, the term "former client" means an entity listed as a client in Kirkland's conflicts search system to whom time was posted between 12 and 36 months preceding the Petition Date. As referenced in **Schedule 2**, the term "closed client" means an entity listed as a client in Kirkland's conflicts search system to whom time was posted in the 36 months preceding the Petition Date, but for which the client representation has been closed. Whether an actual conflict relationship exists can only be determined by reference to the documents governing Kirkland's representation rather than its potential listing in Kirkland's conflicts search system. The list generated from Kirkland's conflicts search system is over-inclusive. As a general matter, Kirkland discloses connections with "former clients" or "closed clients" for whom time was posted in the last 36 months, but does not disclose connections if time was billed more than 36 months before the Petition Date.

Southern District of Texas (the “U.S. Trustee”), any person employed in the Office of the U.S. Trustee, or any Bankruptcy Judge currently serving on the United States Bankruptcy Court for the Southern District of Texas, except as disclosed or otherwise described herein.

26. Kirkland will review its files periodically during the pendency of these chapter 11 cases to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new relevant facts or relationships are discovered or arise, Kirkland will use reasonable efforts to identify such further developments and will promptly file a supplemental declaration, as required by Bankruptcy Rule 2014(a).

27. Generally, it is Kirkland’s policy to disclose entities in the capacity that they first appear in a conflicts search. For example, if an entity already has been disclosed in this Declaration in one capacity (*e.g.*, a customer), and the entity appears in a subsequent conflicts search in a different capacity (*e.g.*, a vendor), Kirkland does not disclose the same entity again in supplemental declarations, unless the circumstances are such in the latter capacity that additional disclosure is required.

28. From time to time, Kirkland has referred work to other professionals to be retained in these chapter 11 cases. Likewise, certain such professionals have referred work to Kirkland.

29. Certain insurance companies pay the legal bills of Kirkland clients. Some of these insurance companies may be involved in these chapter 11 cases. None of these insurance companies, however, are Kirkland clients as a result of the fact that they pay legal fees on behalf of Kirkland clients.

Specific Disclosures

30. As specifically set forth below and in the attached exhibits, Kirkland represents certain of the Debtors' creditors, equity security holders, or other entities that may be parties in interest in ongoing matters unrelated to the Debtors and these chapter 11 cases. None of the representations described herein are materially adverse to the interests of the Debtors' estates. Moreover, pursuant to section 327(c) of the Bankruptcy Code, Kirkland is not disqualified from acting as the Debtors' counsel merely because it represents certain of the Debtors' creditors, equity security holders, or other entities that may be parties in interest in matters unrelated to these chapter 11 cases.

A. Connections to Officers and Directors.

31. As disclosed below and in **Exhibit 2** attached hereto, Kirkland currently represents, and has formally represented, certain affiliates, subsidiaries and entities associated with the Debtors' current and recent former officers and directors. Kirkland does not believe that its current and prior representation of the affiliates, subsidiaries, and entities associated with certain officers and directors precludes it from being a disinterested party under the Bankruptcy Code.

32. James LaChance, Chairman of the Board of Directors of Energy XXI Ltd, has served, or may serve from time to time, in various management and director capacities of certain Kirkland clients or affiliates thereof, including former Kirkland restructuring clients Horizon Lines, Inc. and Global Aviation Holdings, Inc. Kirkland does not believe any conflict exists with respect to Kirkland's current and prior representation of clients for which James LaChance served in management and director capacities.

33. Kevin S. Flannery, a Director of Energy XXI Ltd, has served, or may serve from time to time, in various management and director capacities of certain Kirkland clients or affiliates thereof, including former Kirkland restructuring client Norwood Promotional Products Inc. Kirkland does not believe any conflict exists with respect to Kirkland's current and prior representation of clients for which Kevin S. Flannery served in management and director capacities.

B. Connections to Other Entities.

34. As disclosed below and in Schedule 2 attached hereto, certain of the Debtors or other entities associated with the Debtors are creditors of entities that Kirkland currently represents or has represented in bankruptcy proceedings or post-effective date claims processes. Similarly, certain parties in interest in these chapter 11 cases are current or former Kirkland restructuring clients. These entities include Sabine Oil & Gas Corp. and its affiliates. Kirkland will not represent the Debtors, the Debtors' non-Debtor affiliates, or other entities associated with the Debtors in any matter related to other Kirkland clients' bankruptcy proceedings. Similarly, Kirkland will not represent any of its other restructuring clients against the Debtors in any of its other clients' restructuring matters on the matters on which it is representing the Debtors and their estates. Kirkland's other chapter 11 representations are unrelated to these chapter 11 cases or the Debtors. I do not believe these representations create a conflict, but have disclosed the connections out of an abundance of caution.

C. Other Chapter 11 Professionals.

35. As disclosed in Schedule 2 attached hereto, Kirkland currently represents, and formerly has represented, certain affiliates, subsidiaries, and entities associated with various professionals that the Debtors retained prior to the Petition Date and/or may seek to retain in

connection with these chapter 11 cases. All prior and current Kirkland representations of these professionals have been in matters unrelated to the Debtors and these chapter 11 cases. Kirkland has not represented and will not represent any such professionals in connection with any matter in these chapter 11 cases.

36. April 18, 2016, the Court approved Epiq Bankruptcy Solutions, LLC (“Epiq”) as the Debtors’ notice and claims agent. Epiq employs certain former Kirkland attorneys and other personnel. Though previously employed by Kirkland, any work provided by these prior Kirkland attorneys and other personnel is unrelated to the Debtors and these chapter 11 cases. Kirkland does not believe this connection presents a conflict of interest and is disclosing it out of an abundance of caution.

37. The Debtors intend to seek Court approval to retain Vinson & Elkins LLP (“V&E”) as counsel in connection with these chapter 11 cases. V&E Partner David Meyer is a former Kirkland partner and V&E associates Lauren Kanzer and Jessica Peet are former Kirkland associates. While employed by Kirkland, Mr. Meyer’s, Ms. Kanzer’s, and Ms. Peet’s respective work was unrelated to the Debtors and these chapter 11 cases. I do not believe these connections to V&E create a conflict, but have disclosed them out of an abundance of caution.

38. The Debtors previously engaged Perella Weinberg Partners LP as financial advisor to Energy XXI Ltd in connection with the evaluation of certain prepetition capital raising activities. Kirkland represented Perella Weinberg LP in connection with the negotiation and documentation of its engagement letter and certain related matters. Kirkland subsequently terminated its engagement with Perella Weinberg Partners LP as of May 5, 2016. I do not believe these connections to Perella Weinberg Partners LP create a conflict, but have disclosed them out of an abundance of caution.

D. Kirkland Attorney and Employee Investments.

39. From time to time, Kirkland partners, of counsel, associates, and employees personally invest in mutual funds, retirement funds, private equity funds, venture capital funds, hedge funds, and other types of investment funds (the “Investment Funds”), through which such individuals indirectly acquire a debt or equity security of many companies, one of which may be one of the Debtors, often without Kirkland’s knowledge. Each Kirkland person generally owns substantially less than one percent of such Investment Fund, does not manage or otherwise control such Investment Fund, and has no influence over the Investment Fund’s decision to buy, sell, or vote any particular security. The Investment Fund is generally operated as a blind pool, meaning that when the Kirkland persons make an investment in the Investment Fund, he, she, or they do not know what securities the blind pool Investment Fund will purchase or sell, and have no control over such purchases or sales.

40. From time to time one or more Kirkland partners and of counsel voluntarily choose to form an entity (a “Passive-Intermediary Entity”) to invest in one or more Investment Funds. Such Passive-Intermediary Entity is composed only of persons who were Kirkland partners and of counsel at the time of the Passive-Intermediary Entity’s formation (although some are now former Kirkland partners and of counsel). Participation in such a Passive-Intermediary Entity is wholly voluntary and only a portion of Kirkland’s partners and of counsel choose to participate. The Passive-Intermediary Entity generally owns substantially less than one percent of any such Investment Fund, does not manage or otherwise control such Investment Fund, and has no influence over the Investment Fund’s decision to buy, sell, or vote any particular security. Each Investment Fund in which a Passive-Intermediary Entity invests is operated as a blind pool, so that the Passive-Intermediary Entity does not know what securities

the blind pool Investment Funds will purchase or sell, and has no control over such purchases or sales. And, indeed, the Passive-Intermediary Entity often arranges for statements and communications from certain Investment Funds to be sent solely to a blind administrator who edits out all information regarding the identity of the Investment Fund's underlying investments, so that the Passive-Intermediary Entity does not learn (even after the fact) identity of the securities purchased, sold, or held by the Investment Fund.

41. From time to time, Kirkland partners, of counsel, associates, and employees personally directly acquire a debt or equity security of a company which may be one of the Debtors. Kirkland has a long-standing policy prohibiting attorneys and employees from using confidential information that may come to their attention in the course of their work. In this regard, all Kirkland attorneys and employees are barred from trading in securities with respect to which they possess confidential information.

E. Other Disclosures.

42. Finally, certain interrelationships exist among the Debtors. Nevertheless, the Debtors have advised Kirkland that the Debtors' relationships to each other do not pose any conflict of interest because of the general unity of interest among the Debtors. Insofar as I have been able to ascertain, I know of no conflict of interest that would preclude Kirkland's joint representation of the Debtors in these chapter 11 cases.

43. The spouse of Kirkland partner Helen E. Witt, P.C. is a managing director of JPMorgan Chase & Co. JPMorgan Chase Bank, N.A. and J.P. Morgan Clearing Corp. are among the holders of the Debtors' funded indebtedness. Out of an abundance of caution, Kirkland has instituted formal screening measures to screen Ms. Witt from all aspects of Kirkland's representation of the Debtors.

44. Kirkland currently represents, and formerly has represented, Bank of America, N.A. and certain of its affiliates (collectively, “Bank of America”), in matters unrelated to the Debtors and these chapter 11 cases. The Debtors have a banking relationship with Bank of America. Kirkland’s representations of Bank of America, in the aggregate, accounted for less than one percent of Kirkland’s fee receipts for the twelve-month period ending on March 31, 2016. Bank of America is a lender and has a banking relationship with the Debtors in these chapter 11 cases. Kirkland’s client relationships with Bank of America do not prohibit Kirkland from representing other clients in negotiations involving them in commercial transactions, nor would they prohibit Kirkland from representing the Debtors in connection with claims resolution matters. To the extent that, in the future, the Debtors were to discover occasion to commence formal litigation against any of these parties, Kirkland would request that conflicts counsel pursue such litigation as a result of Kirkland’s client relationships with the parties. Kirkland does not believe that its representation of these parties presents a conflict but has disclosed it out of an abundance of caution.

45. James H.M. Sprayregen, a partner of Kirkland, worked as an attorney at Kirkland from July 1990 until June 2006 and rejoined the firm in December 2008. From June 2006 until December 2008, prior to rejoining the firm, Mr. Sprayregen was co-head of the restructuring group of Goldman Sachs Americas, where he advised U.S. and international clients in restructuring and distressed situations. Certain affiliates of Goldman Sachs are holders of equity interests in the Debtors. As described above, Goldman Sachs is a client of the firm and disclosed on Schedule 1(m) attached hereto. Kirkland does not believe that Mr. Sprayregen’s prior employment at Goldman Sachs presents a conflict in these chapter 11 cases, but has disclosed it out of an abundance of caution.

46. The spouse of Jaimie D. Schechter, a partner at Kirkland, is a director of UBS Investment Bank (“UBS”). Certain entities, funds, and other affiliates owned, controlled, advised, or subadvised by UBS hold interests under the Debtors’ prepetition credit facility and other debt instruments. Out of an abundance of caution, Kirkland has instituted formal screening measures to screen Ms. Schechter from all aspects of Kirkland’s representation of the Debtors.

47. Ryan J. Martin, a Kirkland associate, served as a judicial intern for the Honorable Jeffrey Bohm of the United States Bankruptcy Court for the Southern District of Texas from July 2011 to September 2011. Mr. Martin had no connection with the Debtors’ chapter 11 cases while working for the court. I do not believe that Mr. Martin’s work for the court presents a conflict, but have disclosed it out of an abundance of caution.

48. AnnElyse S. Gibbons, a Kirkland associate, served as a judicial intern for the Honorable Jeffrey Bohm of the United States Bankruptcy Court for the Southern District of Texas from June 2011 to August 2011. Ms. Gibbons had no connection with the Debtors’ chapter 11 cases while working for the court. I do not believe that Ms. Gibbons’ work for the court presents a conflict, but have disclosed it out of an abundance of caution.

49. Furthermore, prior to joining Kirkland, certain Kirkland attorneys represented clients adverse to Kirkland’s current and former restructuring clients. Certain of these attorneys (the “Screened Kirkland Attorneys”) will not perform work in connection with Kirkland’s representation of the Debtors and will not have access to confidential information related to the representation. Kirkland’s formal ethical screen provides sufficient safeguards and procedures to prevent imputation of conflicts by isolating the Screened Kirkland Attorneys and protecting confidential information.

50. Under Kirkland's screening procedures, Kirkland's conflicts department distributes a memorandum to all Kirkland attorneys and legal assistants directing them as follows: (a) not to discuss any aspects of Kirkland's representation of the Debtors with the Screened Kirkland Attorneys; (b) to conduct meetings, phone conferences, and other communications regarding Kirkland's representation of the Debtors in a manner that avoids contact with the Screened Kirkland Attorneys; (c) to take all measures necessary or appropriate to prevent access by the Screened Kirkland Attorneys to the files or other information related to Kirkland's representation of the Debtors; and (d) to avoid contact between the Screened Kirkland Attorneys and all Kirkland personnel working on the representation of the Debtors unless there is a clear understanding that there will be no discussion of any aspects of Kirkland's representation of the Debtors. Furthermore, Kirkland already has implemented procedures to block the Screened Kirkland Attorneys from accessing files and documents related to the Debtors that are stored in Kirkland's electronic document managing system.

Affirmative Statement of Disinterestedness

51. Based on the conflicts search conducted to date and described herein, to the best of my knowledge and insofar as I have been able to ascertain, (a) Kirkland does not represent any interest adverse to the Debtors or their estates with respect to the matters on which Kirkland is to be engaged, as required by section 327(e) of the Bankruptcy Code and (b) Kirkland has no connection to the Debtors, their creditors, or other parties in interest, except as may be disclosed herein.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: May 13, 2016

Respectfully submitted,

/s/ Chad J. Husnick

Chad J. Husnick

Partner

Kirkland & Ellis LLP and

Kirkland & Ellis International LLP

Schedule 1

The following lists contain the names of reviewed entities as described more fully in the *Declaration of Chad J. Husnick in Support of the Debtors' Application for the Entry of an Order Authorizing the Retention and Employment of Kirkland & Ellis LLP and Kirkland & Ellis International LLP as Special Corporate and Compensation Counsel for the Debtors and Debtors in Possession Effective Nunc Pro Tunc to the Petition Date* (the "Husnick Declaration").¹⁸ Where the names of the entities reviewed are incomplete or ambiguous, the scope of the search was intentionally broad and inclusive, and Kirkland & Ellis LLP and Kirkland & Ellis International LLP reviewed each entity in its records, as more fully described in the Husnick Declaration, matching the incomplete or ambiguous name.

<u>Schedule</u>	<u>Category</u>
1(a)	Debtor Affiliates
1(b)	Directors & Officers
1(c)	Cash Management Banks
1(d)	Contract Counterparties
1(e)	Court Personnel
1(f)	Critical Vendors
1(g)	Insurers
1(h)	Lenders
1(i)	Litigants
1(j)	Noteholders
1(k)	Professionals
1(l)	Shareholders
1(m)	Significant Customers
1(n)	Sureties
1(o)	Taxing Authorities
1(p)	Top 65 Creditors
1(q)	US Trustees
1(r)	Utilities

¹⁸ Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Husnick Declaration.

Schedule 1(a)

Debtor Affiliates

Anglo-Suisse Offshore Pipeline Partners LLC
Delaware EPL of Texas LLC
Energy Partners Ltd. LLC
Energy XXI (US Holdings) Ltd.
Energy XXI Gigs Services LLC
Energy XXI Gom LLC
Energy XXI Gulf Coast Inc.
Energy XXI Holdings Inc.
Energy XXI Inc.
Energy XXI Insurance Ltd.
Energy XXI International Ltd.
Energy XXI Leasehold LLC
Energy XXI Ltd
Energy XXI M21K LLC
Energy XXI Malaysia Ltd.
Energy XXI Natural Gas Holdings Inc.
Energy XXI Offshore Services Inc.
Energy XXI Onshore LLC
Energy XXI Pipeline II LLC
Energy XXI Pipeline LLC
Energy XXI Services LLC
Energy XXI Texas Onshore LLC
Energy XXI USA Inc.
EPL of Louisiana LLC
EPL Oil & Gas Inc.
EPL Pioneer Houston Inc.
EPL Pipeline LLC
M21K LLC
MS Onshore LLC
Natural Gas Acquisition Co. I LLC
Nighthawk LLC
Soileau Catering LLC

Schedule 1(b)

Directors & Officers

Acker, Keith
Boyd, Bashara "Bo"
Busmire, Bruce W.
Colvin, Bill
Colvin, William
Davison, Paul
De Pinho, Antonio
Dunwoody, David
Dupré, Cornelius, II
Feinberg, Hill A.
Flannery, Kevin S.
Fox, Rick
Griffin, D. West
Griffiths, Scott A.
LaChance, James
Lodhi, Kamil
Louie, Norm
Marchive, Ben
McDonough, Kerry
Menown, Hugh A.
O'Donnell, Tom
Reid, Todd
Schiller, John D., Jr.
Weyel, Steven A.

Schedule 1(c)

Cash Management Banks

Citibank NA
Credit Suisse Securities (USA) LLC
First National Bank of Hebbbronville, The
Frost National Bank
HSBC
JPMorgan Chase Bank NA
Regions Bank
Texas Capital Bank NA
UMB Corporate Trust
US Bank NA
Wells Fargo Bank NA

Schedule 1(d)

Contract Counterparties

AFCO Premium Insurance Finance
Bisso Marine Company Inc.
CorEnergy Infrastructure Trust Inc.
ExxonMobil Corporation
Fieldwood Energy LLC
Freeport-McMoran Oil & Gas LLC
Grand Isle Corridor LP
Hercules Drilling Company LLC
John L. Wortham & Son LP
Martin Energy Services
Nabors Offshore Corporation
Superior Energy Services LLC
Wood Group PSN Inc.

Schedule 1(e)

Court Personnel

Alonzo, Albert
Bohm, Jeff
Brown, Karen K.
Isgur, Marvin
Jones, David R.
Paul, Letitia Z.
Rodriguez, Eduardo V.
Staples, Diyana

Schedule 1(f)

Critical Vendors

AFS Petrologix LLC
Church Point Wholesale Grocery Co. Inc.
Dulan LLC
EthosEnergy Light Turbines LLC
Gaubert Oil Co. Inc.
Island Operating Co. Inc.
John W. Stone Oil Distributor LLC
PHI Inc.
River Rental Tool Inc.
Shamrock Management LLC
Sirius Technologies LLC
Solar Turbines Inc.
Wood Group PSN Inc.

Schedule 1(g)

Insurers

Ace American Insurance Company	Houston Casualty Company (UK Branch)
AIG Europe Ltd.	Energy Account
Allianz Global Risk U.S. Insurance Company	Hudson Specialty Insurance Company
Allied World National Assurance Company	Illinois National Insurance Company
Alterra America Insurance Company	Insurance Company of North America
Alterra Excess & Surplus Insurance Co	International Insurance Company of
American Alternative Insurance Corporation	Hannover Ltd.
Amlin Underwriting Ltd.	Ironshore Europe Ltd.
Antares Managing Agency Ltd.	Ironshore Specialty Insurance Co.
ANV Global Services Ltd. Spanish Branch	Lancashire Insurance Company (UK) Ltd.
Arch Insurance Company (Europe)	Lexington Insurance Co.
Arch Reinsurance Ltd.	Liberty Insurance Underwriters Inc.
Argo Managing Agency Ltd.	Liberty International Underwriters
Ascot Underwriting Ltd.	Liberty Mutual Insurance Company
Aspen Managing Agency Ltd.	Liberty Syndicate Management Ltd.
Assicurazioni Generali SpA UK Branch	Lloyd's Insurance Co.
Asta Managing Agency Ltd.	Markel International Insurance Co. Ltd.
Atlantic Specialty Insurance Company	Markel Syndicate Management Ltd.
Barbican Managing Agency Ltd.	Marketform Managing Agency Ltd.
Beazley Furlonge Ltd.	Mitsui Sumitomo Insurance Underwriting at
Brit Syndicates Ltd.	Lloyd's Ltd.
Canopus Managing Agents Ltd.	Munich RE Underwriting Ltd.
Cathedral Underwriting Ltd.	National Fire & Marine Insurance Co.
Catlin Underwriting Agencies Ltd.	National Union Fire Insurance Co. of
Channel Managing Agency Ltd., The	Pittsburgh, Pennsylvania
Continental Insurance Company, The	Navigators Insurance Co.
Dupre Carrier Godchaux Agency Inc.	Navigators Underwriting Agency Ltd.
Endurance Worldwide Insurance Ltd.	New York Marine & General Insurance Co.
Energy XXI Insurance Ltd.	Newline Underwriting Management Ltd.
Federal Insurance Company	North American Specialty Insurance Co.
First Insurance Agency Inc.	Novae Syndicates Ltd.
Fourrier Agency Inc.	PartnerRe Ireland Insurance Ltd.
Gemini Insurance Company	Pembroke Managing Agency Ltd.
General Security Indemnity Company of	Philadelphia Indemnity Insurance Company
Arizona	Prudential Insurance Co. of America
Gotham Insurance Company	QBE Insurance Europe Ltd.
Great American Insurance Company	QBE Underwriting Ltd.
Great Lakes Reinsurance (UK) PLC	RLI Insurance Company
Hanover Insurance Company - Marine	RSUI Indemnity Co. Inc.
Division	Signal Mutual Indemnity Association Ltd.
Houston Casualty Company	Sirius International Managing Agency Ltd
	StarNet Insurance Co.
	Starr Financial Lines Consortium

Starr Managing Agents Ltd.
Starr Surplus Lines Insurance Co. Inc.
Swiss Re International SE
Swiss Re International SE UK Branch
Talbot Underwriting Ltd.
Torus Insurance (UK) Ltd.
Torus Underwriting Management Ltd.
Travelers Cos. Inc., The

Travelers Property Casualty Co. of America
Travelers Syndicate Management Ltd.
U.S. Fire Insurance Co. Inc.
United States Aircraft Insurance Group
W.R. Berkley Syndicate Management Ltd.
XL Specialty Insurance Co.
Zurich American Insurance Co. of Illinois
Zurich Insurance Group Ltd.

Schedule 1(h)

Lenders

ABN AMRO Capital USA LLC
Amegy Bank NA
Bank of Nova Scotia, The
Barclays Bank PLC
Canadian Imperial Bank of Commerce, New York Branch
Capital One NA
Citibank NA
Comerica Bank
Commonwealth Bank of Australia
Crédit Agricole Corporate & Investment Bank
Credit Suisse AG Cayman Islands
Deutsche Bank AG New York
Fifth Third Bank
IberiaBank
ING Capital LLC
Keybank NA
Natixis New York Branch
PNC Bank NA
Regions Bank
Royal Bank of Scotland PLC, The
Santander Bank NA
ScotiaBanc Inc.
Sumitomo Mitsui Banking Corp.
Toronto Dominion Texas LLC
UBS AG Stamford Branch
Wells Fargo Bank NA
Whitney Bank

Schedule 1(i)

Litigants

Acadiana Valve Services & Supply Inc.
AMC Liftboats Inc.
Apache Corp.
Becnel, Marci
Bordelon Marine Inc.
CROSS Diving Services LLC
Estate of Patrick Becnel
FairfieldNodal
Financial Industry Regulatory Authority
Granger, Barry
Gros, Ashley
Gros, Michael
Gulf Coast International
Gulf Crane Services Inc.
Guliuzo, Randy
Harmon, Shannon
Julien, Jacque
KJS Towing Inc.
Maersk Inc.
McCoy, Josh
Mitchell, Daryl
Morvant, Chris
Orgain Bell & Tucker LLP
Penn Maritime Inc.
Plaquemines, Parish of (LA)
Romero, Joel
Romero, Roddy
Sapp, Randall
Scott, Chris
Sherwin, Joseph
Sims, Travis
Smith Marine Towing Corp.
Tasker, Kennedy
United States, Government of the, Bureau of Safety & Environmental Enforcement
United States, Government of the, Department of the Interior
United States, Government of the, Security & Exchange Commission
Vice, Russell
Willis, Lloyd
Wood Group PSN Inc.
Young, Tyrone

Schedule 1(j)

Noteholders

40/86 Advisors Inc.	Citigroup Inc.
Advent Capital Management LLC	Columbia Threadneedle Investments
AEGON Investment Management BV	Contra Costa County Employees Retirement Association
AEGON U.S.A. Investment Management LLC	Covalent Partners LLC
AGF Investments Inc.	Crédit Agricole Corporate & Investment Bank
AllianceBernstein LP	Credit Suisse Asset Management LLC (US)
Allianz Global Investors France	Credit Suisse Securities (USA) LLC
Allianz Global Investors Italia SGR SpA	Crescent Capital Group LP
Allianz Global Investors U.S. LLC	Danske Capital AS
American Beacon Advisors Inc.	DDJ Capital Management LLC
American Century Investment Management Inc.	Delphi Management Inc.
Arden Asset Management LLC	DoubleLine Capital LP
Aristeia Capital LLC	Eastern Bank & Trust Company
Ascendant Advisors LLC	Eastspring Investments (Singapore) Ltd.
Asset Management Group of Bank of Hawaii	Eastspring Securities Investment Trust Co. Ltd.
AXA Equitable Life Insurance Co.	Eaton Vance Management
Bank Gutmann AG	Ellington Management Group LLC
Bank of New York Company Inc., The	Energy Recovery Partners LLC
Bank of Oklahoma NA	Euroclear PLC
Bank Vontobel AG	Federated Investment Management Company
Barclays Capital	Fidelity Management & Research (UK) Inc.
Basso Capital Management LP	Fidelity Management & Research Company
Bessemer Trust Company NA	Fidelity Worldwide Investment (UK) Ltd.
Black Rhino LP	Fideuram Asset Management (Ireland) Ltd.
BlackRock Financial Management Inc.	Fiduciary Trust Company
BlackRock Fund Advisors	FIL Investment Management (Hong Kong) Ltd.
BlackRock Investment Management (UK) Ltd.	FIL Investments (Japan) Ltd.
BlackRock Investments Canada Inc.	First Pacific Advisors LLC
BMO Asset Management Inc.	Fountain Capital Management LLC
BNP Paribas TCB Asset Management Co. Ltd.	Franklin Advisers Inc.
BNY Mellon Wealth Management	Franklin Advisory Services LLC
Brown Brothers Harriman & Co.	Franklin Templeton Investment Management Ltd.
Calamos Advisors LLC	Franklin Templeton SinoAm Securities Investment Management
California State Teachers Retirement System	Fulcra Asset Management Inc.
CIGNA Investments Inc.	GAMCO Asset Management (UK) Ltd.
Cisco Systems International BV	GE Asset Management Inc.
Citadel LLC	

General Re-New England Asset
Management Inc.
Genesis Capital LLC
GLG Partners LP
GML Capital LLP
Goldman Sachs & Company Inc.
Goldman Sachs Asset Management (US)
Goodwin Capital Advisers Inc.
Gotham Asset Management LLC
Green Eagle Capital LLC
Guardian Investor Services LLC
Guggenheim Investments
Hancock Bank
HBK Investments LP
Heights Capital Management
Highmark Inc.
Hotchkis & Wiley Capital Management
LLC
Individual Retirement Accounts
ING Financial Markets LLC
Institutional Shareholder Services
J.P. Morgan Clearing Corp.
Jefferies LLC
JPMorgan Asset Management
Lazard Asset Management Limited
LMA SPC o/b/o MAP 89-Bank Prime
Logan Circle Partners LP
Loomis Sayles & Company LP
Lord Abbett & Co. LLC
MacKay Shields LLC
Manulife Asset Management (Asia)
Manulife Asset Management (US) LLC
MaplesFS Ltd.
Mason Street Advisors LLC
McDonnell Investment Management LLC
Mellon Capital Management Corporation
Merrill Lynch Pierce Fenner & Smith Inc.
Millennium Advisors LLC
Millstreet Capital Management LLC
Mizuho Asset Management Co. Ltd.
Mondrian Investment Partners Ltd.
Morgan Stanley Investment Management
Inc. (US)
Muzinich & Company Inc.
NNIP Advisors BV
Noble Energy Inc.

Nomura Asset Management Co. Ltd.
Nomura Asset Management Taiwan Ltd.
Nomura Corporate Research & Asset
Management Inc.
Nordea Investment Funds S.A.
Northeast Investment Management Inc.
Nuveen Asset Management LLC
Oaktree Capital Management LP
Ohio Public Employees Retirement System
Old Mutual Global Investors (UK) Limited
Old National Wealth Management
OppenheimerFunds Inc.
Opus Investment Management Inc.
Pacific Investment Management Company
LLC
PanAgora Asset Management Inc.
Pax World Management LLC
PENN Capital Management Company Inc.
Pershing LLC
Phoenix Investment Adviser LLC
Pine River Capital Management LP
Pioneer Investment Management Inc.
Pioneer Investment Management Ltd.
Pioneer Investment Management SGRpA
PPM America Inc.
ProFund Advisors LLC
Putnam Investment Management LLC
Pyramis Global Advisors LLC
Riskmetrics Group Inc.
RiverNorth Capital Management LLC
Rochdale Securities LLC
Royal Bank of Canada
Russell Investments
Sciens Capital Limited
SEI Investments Management Corporation
Seix Investment Advisors LLC
Shenkman Capital Management Inc.
Silverback Asset Management LLC
SKY Harbor Capital Management LLC
SSI Investment Management Inc.
Standard Life Investments Ltd.
State Street Global Advisors
Stone Harbor Investment Partners LP
T. Rowe Price Associates Inc.
TA Capital Management LLC
TCW Asset Management Company

TD Asset Management Inc.
Telemetry Investments LLC
Third Avenue Management LLC
Tiburon Capital Management LLC
Tocqueville Asset Management LP
UBS Global Asset Management (Americas)
Inc.
United Equities Commodities Co.
US Bank NA
Van Eck Associates Corporation
Vanguard Group Inc., The
Voya Investment Management LLC

Water Island Capital LLC
Wellington Management Company LLP
Wells Capital Management Inc.
Wells Fargo Advisors LLC
Wells Fargo Bank NA
Western Asset Management Co.
Westwood Trust
White Mountains Advisors LLC
Whitebox Advisors LLC
Windhorse Capital Management LLC
Wolverine Asset Management LLC
Zazove Associates LLC

Schedule 1(k)

Professionals

Conyers Dill & Pearman
Epiq Bankruptcy Solutions LLC
Grant Thornton LLP
Gray Reed & McGraw PC
Houlihan Lokey Inc.
Kirkland & Ellis LLP
Locke Lord LLP
Milbank Tweed Hadley & McCloy LLP
Opportune LLP
PJT Partners
RPA Advisors LLC
Ryan LLC
Vinson & Elkins LLP
Willkie Farr & Gallagher LLP

Schedule 1(l)

Shareholders

Allianz Global Investors U.S. LLC
AQR Capital Management Group LP
AQR Capital Management LLC
Bank of America Corporation
Bank of New York Mellon Corp.
BlackRock Inc.
Bridgeway Capital Management Inc.
California, State of
Charles Schwab Corp., The
China, Government of
Citadel LLC
Columbia Management Investment Advisers
LLC
CSS LLC
Dimensional Holdings Inc.
Franklin Resources Inc.
Gagnon Securities LLC
Geode Capital Holdings LLC
Glenmede Trust Company NA, The
Goldman Sachs Group Inc.
Group One Trading LP
GRT Capital Partners LLC
Invesco Ltd.

JAG Trading LLC
Lazard Asset Management LLC
LEP Summer Holdings I LLC
LSV Asset Management
Morgan Stanley
Morgan Stanley Wealth Management
Mount Kellett Capital Management LP
Northern Trust Corp.
Norway, Government of
Pinnacle Holdings LLC
RBC Dominion Securities Inc.
Royal Capital Management LLC
RPG Family Wealth Advisory LLC
Safra National Bank of New York
Silvercreek Management Inc.
Soros Fund Management LLC
State Street Corp.
Two Oaks Investment Management LLC
Vandham Securities Corp.
Vanguard Group Inc., The
Venor Capital Management LP
Zazove Associates LLC

Schedule 1(m)

Significant Customers

Chevron USA Inc.
Shell Trading Company
Trafigura Trading LLC

Schedule 1(n)

Sureties

Argonaut Insurance Company
Aspen American Insurance Company
Hanover Insurance Company
Liberty Mutual Insurance Company
Philadelphia Indemnity Insurance Company
RLI Insurance Company
U.S. Specialty Insurance Company
Westchester Fire Insurance Company

Schedule 1(o)

Taxing Authorities

Aldine Independent School District (TX)
Bureau of Revenue and Taxation
Cameron, Parish of (LA), Tax Collector
Delaware, State of, Secretary of State
Goose Creek Consolidated Independent School District (TX), Tax Office
Grand Isle, Town of (LA)
Greco, Lonnie J., Sr.
Harris, County of (TX), Fresh Water Supply District
Iberia, Parish of (LA), Sheriff
Jefferson, County of (LA), Tax Assessor-Collector
Jefferson, Parish of (LA)
Jefferson, Parish of (LA), General Sales
Jefferson, Parish of (LA), Sheriff's Office
L Ross
Lafayette, Parish of (LA), Tax Collector
LaFourche, Parish of (LA), Sheriff's Office
Louisiana, State of, Department of Revenue
Mississippi, State of, Secretary of State
New Orleans, City of (LA), Bureau of the Treasury
Opelousas, City of (LA)
Piwoka, David
Plaquemines, Parish of (LA)
Sheldon Independent School District (TX), Tax Office
St. Bernard, Parish of (LA)
St. Landry, Parish of (LA), Sheriff Tax
St. Mary, Parish of (LA), Sheriff
Sullivan, Mike, Tax Assessor-Collector
Terrebone, Parish of (LA)
Vermilion, Parish of (LA), Tax Collector
Waguespack, Michael J.
Webre, Craig

Schedule 1(p)

Top 65 Creditors

Abe's Boat Rentals Inc.	GOM Fabricators LLC
Acadiana Valve Services & Supply LLC	Greene's Energy Group LLC
Adriatic Marine LLC	Gulf Resource Management Inc.
Advanced Measurement Technology Inc.	Gulf South Services Inc.
AFS Petrologix LLC	H&H Well Service Inc.
Aggreko LLC	Halliburton Co.
All Coast LLC	Industrial & Oilfield Services Inc.
Archrock Services LP	Island Operating Company Inc.
Axip Energy Services LP	John W. Stone Oil Distributor LLC
B&J Martin Inc.	Laborde Marine Crew Boats II LLC
Baker Hughes Inc.	Logic Control Systems LLC
Broussard Brothers Inc.	National Oilwell Varco Inc.
C&D Production Specialist Co. Inc.	Offshore Energy Services Inc.
C&G Boats Inc.	Parkway Services Group LLC
Cardinal Slickline LLC	Pelstar LLC
Cardinal Well Services Inc.	Petroleum Solutions International LLC
CDM Resource Management LLC	Pharma-Safe Industrial Services Inc.
Cetco Energy Services Company LLC	PHI Inc.
Church Point Wholesale Grocery Co. Inc.	Precision Energy Services Inc.
Clariant Corporation	Production Inland Crews LLC
Control Concepts & Technology Corp.	Quail Tools LP
Delta Energy Services LLC	REC Marine Logistics LLC
DNow LP	River Rental Tool Inc.
Dolphin Energy Equipment LLC	Shamrock Management LLC
Dulan LLC	Sirius Technologies LLC
Dynamic Production Services Inc.	Sparrows Offshore LLC
Environmental Enterprises USA Inc.	U.S. Security Associates Inc.
Expeditors & Production Services Inc.	United Fire & Safety LLC
Expro Americas LLC	United Production & Construction Services Inc.
Fab-Con Inc.	US Bank NA
Flowchem Technologies LLC	Wellbore Fishing & Rental Tools LLC
Fluid Crane & Construction Inc.	Wilmington Trust NA
Gaubert Oil Company Inc.	Wood Group PSN Inc.
Global Logistics LLC	

Schedule 1(q)

US Trustees

Boykin, Jacqueline
Congram, Debra K.
Dodson, Liz
Duran, Hector
Griffin, Barbara
Hickman, Ellen
Holley, Nancy
Johnson-Davis, Luci
Livingstone, Diane
March, Christine
Motton, Linda
Otto, Glenn
Robbins, Judy A.
Schmidt, Patricia
Smith, Gwen
Statham, Stephen
Waxton, Clarissa

Schedule 1(r)

Utilities

AT&T Inc.
Backup Technology LLC
Birch Communications Inc.
Bullroar Telecom Ltd.
Cameron Telephone Company
Centerpoint Energy Inc.
Charter Communications Inc.
Cisco Webex LLC
Cleco Power LLC
Comcast Corp.
DirecTV
EatelCorp LLC
Entergy Corp.
Genesis Networks Enterprises LLC
Grand Isle, Town of (LA)
Infosat Communications Inc.
Jefferson, Parish of (LA), Department of Water
Level 3 Communications LLC
Louisiana One Call System Inc.
Medina Electric Cooperative Inc.
Opelousa, City of (LA)
Plaquemines, Parish of (LA), Water Department
RigNet Inc.
Sprint Corp.
Tampnet Inc.
V3 Solutions
Verizon Wireless
Vision Communications
Waste Management Inc.
Zayo Group LLC

Schedule 2

Name of Entity Searched	Name of Entity and/or Affiliate of Entity, that is a K&E Client	Status
40/86 Advisors Inc.	CNO Financial Group, Inc.	Current
AllianceBernstein LP	AB Commercial Real Estate Debt Series 1-A	Current
AXA Equitable Life Insurance Co.	AB Commercial Real Estate Debt Series 1-B	Current
	AB Commercial Real Estate Debt Series 1-C	Current
	AB Institutional Series B, AB Institutional Series C	Current
	AllianceBernstein L.P.	Closed
	AXA REIM SGP	Current
Allianz Global Investors France	Allianz Infrastructure Partners GmbH	Current
Allianz Global Investors Italia SGR SpA	Deeside Investments, Inc.	Closed
Allianz Global Investors U.S. LLC	Donald Suskind	Current
Allianz Global Risk U.S. Insurance Company	Pacific Investment Management Company, LLC	Current
Pacific Investment Management Company LLC		
American Beacon Advisors Inc.	Evolution Media Growth Partners LLC	Current
Axip Energy Services LP	TPG Alternative and Renewable Technologies Fund	Closed
New York Marine & General Insurance Co.	TPG Biotechnology Partners II, L.P.	Closed
	TPG Global, LLC	Closed
	TPG Growth, LLC	Current
	TPG Opportunities II Management, LLC	Closed
	TPG Real Estate	Former
	TPG Real Estate Partners II, LP	Current
	TPG Special Situations Partners, LLC	Current
Apache Corp.	Apache Corp.	Current
AQR Capital Management Group LP	AQR Capital Management Group GP LLC	Current

Name of Entity Searched	Name of Entity and/or Affiliate of Entity, that is a K&E Client	Status
AQR Capital Management LLC	AQR Capital Management Group LP	Current
	AQR Capital Management, LLC	Current
Argo Managing Agency Ltd.	Argo Group International Holdings, Ltd.	Current
Argonaut Insurance Company		
Assicurazioni Generali SpA UK Branch	Assicurazioni Generali S.p.A.	Current
AT&T Inc. DirecTV	AT&T Inc.	Closed
	AT&T Mobility LLC	Closed
	AT&T Services, Inc.	Closed
	DIRECTV Customer Services, Inc.	Current
	DIRECTV Enterprises, LLC	Current
	DIRECTV Group Holdings, LLC	Current
	DIRECTV Holdings LLC	Current
	DIRECTV Latin America, Inc.	Closed
	DIRECTV Merchandising, Inc.	Current
	DIRECTV Operations LLC	Former
	DIRECTV South, LLC	Closed
	DIRECTV Sports Network LLC	Current
	DIRECTV, Inc.	Closed
	DIRECTV, LLC	Current
	Leap Wireless	Closed
	SBC Internet Services, Inc.	Closed
	The DIRECTV Group, Inc.	Current
Bank of America Corporation Merrill Lynch Pierce Fenner & Smith Inc.	BA Capital Company, L.P.	Current
	Banc of America Capital Investors SBIC, L.P.	Current
	BancAmerica Capital Investors SBIC II, L.P.	Current
	BancBoston Ventures, Inc.	Current
	Bank of America Capital Investors	Current
	Bank of America Corporation	Current
	Bank of America Merrill Lynch	Current
	Bank of America Ventures	Current
	Bank of America, N.A.	Current
	Bank of America, N.A., Beijing Branch	Current

Name of Entity Searched	Name of Entity and/or Affiliate of Entity, that is a K&E Client	Status
	Continental Illinois Venture Corporation	Current
	Debby Presser	Current
	Merrill Lynch (Asia Pacific) Limited	Current
	Merrill Lynch Credit Products, LLC	Current
	Merrill Lynch Far East Limited	Current
	Merrill Lynch, Pierce, Fenner & Smith, Inc.	Current
	Steven A. Mayer	Closed
Barclays Bank PLC Barclays Capital	Barclays Barclays Bank plc Barclays Capital Nicholas Apostolatos	Current Current Current Closed
Bessemer Trust Company NA	Bessemer Securities Corp. Bessemer Securities LLC Bessemer Trust Company, National Association Retirement Plan for Household Employees of the Family of Howard Phipps	Current Current Current Closed
BlackRock Financial Management Inc. BlackRock Fund Advisors BlackRock Inc. BlackRock Investment Management (UK) Ltd. BlackRock Investments Canada Inc.	BlackRock Kelso Capital	Current
BMO Asset Management Inc.	BMO Capital Markets	Closed
BNP Paribas TCB Asset Management Co. Ltd.	Bank of the West BNP Paribas Capital (Asia Pacific) Limited BNP Paribas S.A. BNP Paribas Securities (Asia) Limited	Current Closed Former Closed
California State Teachers Retirement System	The Williams Institute	Current

Name of Entity Searched	Name of Entity and/or Affiliate of Entity, that is a K&E Client	Status
California, State of		
Capital One NA	Capital One Bank (USA) Capital One Financial Corporation Capital One National Association	Current Current Current
Charter Communications Inc.	Charter Communications, Inc. Charter Communications, LLC Charter Fiberlink - Missouri, LLC	Current Current Current
China, Government of	Bank of China Group Investment Limited CCB International Asset Management Ltd. China Foods Limited China Railway Signal & Communication Co., Ltd. Shanghai Textile (Group) Co., Ltd. SINOPEC Engineering Group Co., Ltd.	Current Closed Current Closed Current Current
CIGNA Investments Inc.	Cigna Behavioral Health Inc. Cigna Corporation Cigna Health and Life Insurance Company CIGNA Health Corporation Cigna Healthcare - Mid-Atlantic, Inc. Cigna Healthcare Colorado, Inc. Cigna Healthcare of Colorado, Inc. CIGNA Healthcare of New York, Inc. Cigna Healthcare of Tennessee, Inc. Cigna Healthcare of Texas, Inc. Cigna Healthcare, Inc. Connecticut General Life Insurance Company	Current Current Current Current Current Closed Current Current Current Current Closed Current Current
Cisco Systems International BV Cisco Webex LLC	Cisco Consumer Products LLC Cisco Systems, Inc. Geoffrey O. Thompson	Current Current Current
Citadel LLC	Citadel LLC Kenneth Griffin	Current Closed

Name of Entity Searched	Name of Entity and/or Affiliate of Entity, that is a K&E Client	Status
Citibank NA Citigroup Inc.	Citibank	Current
	Citicorp Mezzanine III, L.P.	Closed
	Citigroup Global Markets Asia Limited	Current
	Citigroup Global Markets Inc.	Current
	Citigroup Global Markets Limited	Closed
	Citigroup Global Markets Ltd.	Current
	Citigroup Global Markets Realty Corp.	Closed
	Citigroup Inc.	Current
	CM Liquidating Partnership, L.P.	Closed
Columbia Management Investment Advisers LLC	British Columbia Investment Management Corporation	Current
Morgan Stanley Morgan Stanley Investment Management Inc. (US) Morgan Stanley Wealth Management	Confidential Client	Closed
	Morgan Stanley & Co. International plc	Closed
	Morgan Stanley AIP Phoenix Global Real Estate Secondaries 2009 L.P.	Closed
	Morgan Stanley Asia Limited	Current
	Morgan Stanley Capital Partners	Closed
	Morgan Stanley Investment Management Limited	Current
	Morgan Stanley Mezzanine Partners	Current
	Morgan Stanley Private Equity	Closed
	Morgan Stanley Real Estate Investments	Current
	Morgan, Stanley & Co. PDT Partners, LLC	Current
Crédit Agricole Corporate & Investment Bank	Crédit Agricole Corporate and Investment Bank	Closed
	Credit Agricole S.A.	Current
Credit Suisse AG Cayman Islands Credit Suisse Asset Management LLC (US) Credit Suisse Securities (USA) LLC	Credit Suisse	Closed
	Credit Suisse (Hong Kong) Limited	Current
	Credit Suisse Securities (USA) LLC	Current
	Credit Suisse Securities Europe Ltd.	Current
Crescent Capital Group LP	Crescent Capital NI Limited	Closed

Name of Entity Searched	Name of Entity and/or Affiliate of Entity, that is a K&E Client	Status
Danske Capital AS	Danske Private Equity A/S	Current
Deutsche Bank AG New York	DB U.S. Financial markets	Current
	Deutsche Alternative Asset Management Global Limited	Closed
	Deutsche Bank AG	Current
	Deutsche Bank AG, Hong Kong Branch	Closed
	Deutsche Bank AG, London Branch	Current
	Deutsche Bank AG, New York Bank	Current
	Deutsche Bank Americas Holding Corporation	Current
	Deutsche Bank Securities Inc.	Current
	Deutsche Bank Securities, Inc.	Current
	Deutsche Bank Trust Company Americas	Current
	Deutsche Bank Trust Corporation	Current
Epiq Bankruptcy Solutions LLC	EPIQ Systems, Inc.	Current
ExxonMobil Corporation	Exxon Mobil Corporation	Current
	ExxonMobil Pipeline Company	Closed
Fieldwood Energy LLC	Cascade Production LLC	Current
	Riverstone Holdings LLC	Closed
Flowchem Technologies LLC	Arsenal Capital Partners	Current
	Flowchem Holdings LLC	Current
	Jeffrey Kovach	Current
	John Yiannkis Televantos	Current
	Stephen M. McLean	Current
	Terence M. Mullen	Current
	Timothy J. Zappala	Current
GAMCO Asset Management (UK) Ltd.	Mario J. Gabelli	Current
GE Asset Management Inc.	Arc Logistics Partners LP	Current
	General Electric Company	Current
	Lightfoot Capital Partners	Current
General Re-New England Asset Management Inc.	Berkshire Hathaway Energy Co.	Current
National Fire & Marine Insurance Co.	BNSF Railway	Current

Name of Entity Searched	Name of Entity and/or Affiliate of Entity, that is a K&E Client	Status
United States Aircraft Insurance Group	Charter Brokerage Holdings Corp.	Current
	McLane Company, Inc.	Current
	McLane Southern, Inc.	Closed
Genesis Capital LLC	Genesis Capital Ltd.	Current
	Richard (Zhijian) Peng	Current
Goldman Sachs & Company Inc. Goldman Sachs Asset Management (US) Goldman Sachs Group Inc. New York Marine & General Insurance Co.	Goldman Sachs	Current
	Goldman Sachs (Asia) LLC	Current
	Goldman Sachs Group, Inc.	Current
	Goldman Sachs International	Closed
	Goldman Sachs International Ltd. Goldman Sachs Trust Company of Delaware	Closed Current
Guggenheim Investments	Guggenheim Corporate Funding LLC	Current
	Guggenheim Securities, LLC	Closed
Highmark Inc.	Highmark BCBSD Inc.	Current
	Highmark Blue Cross and Blue Shield of Delaware	Closed
	Highmark Blue Cross and Blue Shield of West Virginia, Inc.	Current
	Highmark West Virginia, Inc.	Current
	Highmark, Inc.	Current
Houlihan Lokey Inc.	Bridge Strategy Group LLC	Current
	Houlihan Lokey Howard & Zukin	Closed
	Lionel Leventhal	Current
	Mariner Investment Group, LLC	Closed
Houston Casualty Company Houston Casualty Company (UK Branch) Energy Account Philadelphia Indemnity Insurance Company U.S. Specialty Insurance Company	HCC Insurance Holdings, Inc.	Current
	HCC Life Insurance Company	Current
	HCC Specialty Insurance Company	Current
	HCC Specialty Underwriters, Inc. Houston Casualty Company	Current Current
HSBC	HSBC Alternative Investments Limited	Current

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	HSBC Bank plc	Current
	HSBC Corporate Finance (Hong Kong) Limited	Current
	HSBC Holdings PLC	Current
	The Hongkong and Shanghai Banking Corporation Limited	Closed
ING Capital LLC	ING Bank N.V.	Current
ING Financial Markets LLC	ING Belgium SA/NV	Current
Institutional Shareholder Services	Mountain Acquisition Corporation	Current
	Vestar Capital Partners III, L.P.	Current
	Vestar Capital Partners IV, L.P.	Current
	Vestar Capital Partners V	Current
	Vestar Capital Partners VI	Current
	Vestar Capital Partners, Inc.	Current
Invesco Ltd.	Invesco (NY), Inc.	Current
	Invesco Mortgage Capital Inc.	Closed
	WL Ross & Co. LLC	Current
Ironshore Europe Ltd.	Fosun International Limited	Current
Ironshore Specialty Insurance Co.	Fosun KZ Venture Management Co. Ltd.	Current
Pembroke Managing Agency Ltd.	IPC/Ironshore Co-Investment Partners (Cayman), L.P.	Current
	IPC/Ironshore Strategic Co-Investment (Cayman), L.P.	Current
J.P. Morgan Clearing Corp.	Banc One Capital Markets, Inc.	Current
JPMorgan Asset Management	Beth Cottrell	Current
JPMorgan Chase Bank NA	Chase Bank USA	Closed
	Chase Bank USA, NA	Current
	Chase Paymentech Solutions LLC	Closed
	Christina Trowbridge	Current
	Deborah Brignac	Current
	Highbridge Principal Strategies, LLC	Current
	J.P. Morgan	Closed
	J.P. Morgan Securities (Asia Pacific) Limited	Closed
	J.P. Morgan Securities Asia Pacific Limited	Current

Name of Entity Searched	Name of Entity and/or Affiliate of Entity, that is a K&E Client	Status
	J.P. Morgan Securities Asia Pacific Ltd. J.P. Morgan Securities LLC John F. Anderson JP Morgan Asset Management JP Morgan Limited JP Morgan Securities plc JPMorgan Chase & Co. JPMorgan Chase Bank, N.A. Kanav Bhagat Mary Cook Whitney Cook	Closed Current Closed Former Current Current Current Current Closed Former Former
Jefferies LLC	Jefferies Hong Kong Limited Jefferies LLC	Current Current
Lazard Asset Management Limited	LAI Partners LLC Lazard, Freres & Co. The Edgewater Funds	Current Closed Current
Logan Circle Partners LP	Daniel N. Bass Dean Dakolias Fortress Credit Corporation Fortress Investment Group	Current Current Current Current
Loomis Sayles & Company LP McDonnell Investment Management LLC Natixis New York Branch	Natixis SA	Current
Mason Street Advisors LLC	The Northwestern Mutual Life Insurance Company	Current
Mizuho Asset Management Co. Ltd.	Richard J. Gallivan	Current
Mount Kellett Capital Management LP Soros Fund Management LLC	Mount Kellett Capital Management UK LLP Soros Fund Management LLC	Closed Current
Muzinich & Company Inc.	Muzinich European Private Debt, S.a.r.l.	Closed
Nabors Offshore Corporation	C&J Energy Services, Inc.	Current
Nomura Asset Management Co. Ltd.	Nomura International plc	Closed
Nordea Investment Funds S.A.	Nordea Bank AB	Current

Name of Entity Searched	Name of Entity and/or Affiliate of Entity, that is a K&E Client	Status
Northern Trust Corp.	50 South Capital	Closed
	50 South Capital Advisors, LLC	Closed
	Northern Trust Fiduciary Services (Guernsey) Limited	Current
	The Northern Trust Company	Current
Norway, Government of	Statoil Gulf of Mexico	Closed
	Statoil Gulf Services L.L.C.	Current
Nuveen Asset Management LLC	Nuveen Investments, Inc.	Current
Oaktree Capital Management LP	B. James Ford	Closed
	GFI Energy Group of Oaktree Capital Management	Current
	Jordon Kruse	Current
	Oaktree Capital Management, L.P.	Current
	Oaktree Strategic Credit	Current
	OCM Mezzanine Fund	Closed
	Ronald N. Beck	Current
	Stephen Kaplan	Closed
OppenheimerFunds Inc.	Massachusetts Mutual Life Insurance Company	Current
PENN Capital Management Company Inc.	PENN Capital Management	Current
Pine River Capital Management LP	Pine River Capital Management	Closed
PJT Partners	Park Hill Group, LLC	Current
PPM America Inc.	PPM America, Inc.	Current
Precision Energy Services Inc.	Darryl Kitay	Current
RigNet Inc.	KKR Asia Limited	Current
	KKR Asset Management LLC	Current
	KKR Fund Holdings	Closed
	Kohlberg Kravis Roberts & Co. L.P.	Current
RLI Insurance Company	RLI Corporation	Closed
Royal Bank of Canada	BlueBay Asset Management Services Ltd	Current
	RBC Capital Markets Corporation	Closed
	RBC Wealth Management	Current
	Royal Bank of Canada	Current
Royal Bank of Scotland PLC, The	Greenwich Capital Financial Products Inc.	Closed

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	Greenwich Capital Markets, Inc.	Current
	RBS Greenwich Capital	Current
	RBS Securities, Inc.	Current
	RBS Special Opportunities Fund A LP	Closed
	RBS Special Opportunities Fund B LP	Closed
	RBS Special Opportunities Fund C LP	Closed
	RBS Special Opportunities Fund D LP	Closed
	RBS Special Opportunities Fund Employee LP	Closed
	Royal Bank of Scotland	Current
	Royal Bank of Scotland Group	Closed
	Royal Bank of Scotland plc	Current
Russell Investments	FTSE Group	Closed
	London Stock Exchange Group	Current
Ryan LLC	Ryan Excise Tax Services, LLC	Current
	Ryan Specialty Group	Current
Santander Bank NA	Santander Bank, N.A.	Former
	Santander Consumer Finance, S.A.	Closed
	Santander Consumer USA Holdings Inc.	Current
Sprint Corp.	Clearwire Corporation	Current
	Sprint Corporation	Closed
Starr Financial Lines Consortium Starr Managing Agents Ltd. Starr Surplus Lines Insurance Co. Inc.	Starr Principal Holdings, LLC	Current
Superior Energy Services LLC	Superior Energy Services, Inc.	Current
TCW Asset Management Company	M. Mark Albert	Current
	Robert A. Day	Current
Torus Insurance (UK) Ltd.	Clifford Press	Closed
Torus Underwriting Management Ltd.	George M. Morvis	Closed
	John G. Pasqualetto	Closed
	Joseph A. Edwards	Closed
	Michael D. Rice	Closed

Name of Entity Searched	Name of Entity and/or Affiliate of Entity, that is a K&E Client	Status
	Mural R. Josephson SeaBright Holdings, Inc. William M. Feldman	Closed Closed Closed
Trafigura Trading LLC	Galena US Holdings, Inc.	Current
Travelers Cos. Inc., The Travelers Property Casualty Co. of America Travelers Syndicate Management Ltd.	The Travelers Companies, Inc.	Current
U.S. Security Associates Inc.	Audax Capital Audax Group Audax Private Equity Fund II, L.P. Audax Private Equity Fund III, L.P. Audax Private Equity Fund IV, L.P. CCS-CHC Holdings, LLC U.S. Security Associates, Inc.	Current Current Current Current Current Current Closed
U.S. Security Associates Inc.	Apollo Global Management, LLC Apollo Investment Management Apollo Management Apollo Management International LLP U.S. Security Associates, Inc.	Current Current Closed Current Closed
UBS AG Stamford Branch UBS Global Asset Management (Americas) Inc.	Adam Galaburda Kerry F. Zinn Seema Khanna UBS AG UBS AG, Hong Kong UBS AG, Hong Kong Branch UBS AG, London Branch UBS Asset Management Funds Limited UBS Financial Services, Inc. UBS Fund Services (Cayman) Ltd. UBS Global Asset Management Americas UBS Global Asset Management Inc. UBS Investment Bank	Closed Current Current Closed Current Closed Current Current Current Closed Closed Current Closed

Name of Entity Searched	Name of Entity and/or Affiliate of Entity, that is a K&E Client	Status
	UBS O'Connor LLC	Current
	UBS Securities Hong Kong Limited	Current
	UBS Securities LLC	Current
	UBS Warburg	Current
UMB Corporate Trust	UMB Bank	Current
United States, Government of the, Bureau of Safety & Environmental Enforcement	2010-1 SFG Venture LLC	Current
United States, Government of the, Department of the Interior	Konstantina Diamantopoulos	Current
United States, Government of the, Security & Exchange Commission	United States Department of Homeland Security	Closed
US Bank NA	U.S. Bank	Current
	U.S. Bank National Association	Current
Verizon Wireless	Empire City Subway Company	Current
	GTE Wireless	Current
	Lowell C. McAdam	Former
	MCI Communications Services, Inc.	Current
	Verizon Business Global LLC	Current
	Verizon Communications Inc.	Current
	Verizon Enterprise Solutions, LLC	Current
	Verizon New England, Inc.	Current
	Verizon New York, Inc.	Current
	Verizon North Inc.	Current
	Verizon North Inc. - PA	Current
	Verizon Pennsylvania Inc.	Current
	Verizon Washington, D.C., Inc.	Current
	Verizon Wireless	Former
Wells Capital Management Inc.	Kirk Hartman	Current
Wells Fargo Advisors LLC	Norwest Venture Partners	Current
Wells Fargo Bank NA	Philip Tretiak	Current
	Wachovia Investors, Inc.	Current
	Wells Fargo Bank, N.A.	Closed
	Wells Fargo Securities LLC	Current
	WFC Holdings Corporation	Current
Wilmington Trust NA	Wilmington Trust SP Services (Frankfurt) GmbH	Current
	Wilmington Trust-London Limited	Current

Name of Entity Searched	Name of Entity and/or Affiliate of Entity, that is a K&E Client	Status
Wolverine Asset Management LLC	Andrew Sujdak Christopher Gust James Michuda James V. Harkness Robert R. Bellick	Former Current Former Former Current
Zayo Group LLC	Christian B. McGrath Constantine S. Mihas David A. Donnini Golder, Thoma, Cressey, Rauner, Inc. GTCR Fund IX/A, L.P. GTCR Fund VI, L.P. GTCR Partners VI, L.P. GTCR, LLC Josh M. Earl Mark M. Anderson Sean L. Cunningham	Current Current Former Closed Current Current Current Current Current Former Current
Zayo Group LLC	HarbourVest Partners L.P.	Current

EXHIBIT C

Busmire Declaration

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

In re:	§	
	§	Chapter 11
	§	
ENERGY XXI LTD, <i>et al.</i> , ¹	§	Case No. 16-31928
	§	
Debtors.	§	(Jointly Administered)
	§	

**DECLARATION OF BRUCE W. BUSMIRE IN SUPPORT
OF THE DEBTOR’S APPLICATION FOR THE ENTRY OF AN ORDER
AUTHORIZING THE RETENTION AND EMPLOYMENT
OF KIRKLAND & ELLIS LLP AND KIRKLAND & ELLIS
INTERNATIONAL LLP AS SPECIAL CORPORATE AND
COMPENSATION COUNSEL FOR THE DEBTORS AND DEBTORS IN
POSSESSION EFFECTIVE *NUNC PRO TUNC* TO THE PETITION DATE**

I, Bruce W. Busmire, Chief Financial Officer, of Energy XXI Ltd, one of the above-captioned debtors and debtors in possession (collectively, the “Debtors”), being duly sworn, state the following under penalty of perjury:

1. I am the Chief Financial Officer of Debtor Energy XXI Ltd, located at 1021 Main Street, Suite 2626, Houston, Texas 77002.

2. I submit this declaration (the “Declaration”) in support of the *Debtors’ Application for Entry of an Order Authorizing the Retention and Employment of Kirkland & Ellis LLP as Special Corporate and Compensation Counsel for the Debtors and Debtors in Possession*

¹ The debtors in these chapter 11 cases and the last four digits of their respective federal tax identification numbers are: Anglo-Suisse Offshore Pipeline Partners, LLC (9562), Delaware EPL of Texas, LLC (9562), Energy Partners Ltd., LLC (9562), Energy XXI GOM, LLC (0027), Energy XXI Gulf Coast, Inc. (8595), Energy XXI Holdings, Inc. (1638), Energy XXI, Inc. (2108), Energy XXI Leasehold, LLC (8121), Energy XXI Ltd (9286), Energy XXI Natural Gas Holdings, Inc. (7517), Energy XXI Offshore Services, Inc. (4711), Energy XXI Onshore, LLC (0308), Energy XXI Pipeline, LLC (5863), Energy XXI Pipeline II, LLC (8238), Energy XXI Services, LLC (3999), Energy XXI Texas Onshore, LLC (0294), Energy XXI USA, Inc. (8552), EPL of Louisiana, L.L.C. (9562), EPL Oil & Gas, Inc. (9562), EPL Pioneer Houston, Inc. (9749), EPL Pipeline, L.L.C. (1048), M21K, LLC (3978), MS Onshore, LLC (8573), Natural Gas Acquisition Company I, LLC (0956), Nighthawk, L.L.C. (9562), and Soileau Catering, LLC (2767). The location of the Debtors’ U.S. corporate headquarters and the Debtors’ service address is: 1021 Main Street, Suite 2626, Houston, Texas 77002.

Effective Nunc Pro Tunc to the Petition Date (the “Application”).² Except as otherwise noted, I have personal knowledge of the matters set forth herein.

The Debtors’ Selection of Counsel

3. The Debtors recognize that a comprehensive review process is necessary when selecting and managing chapter 11 counsel to ensure that bankruptcy professionals are subject to the same client-driven market forces, scrutiny, and accountability as professionals in non-bankruptcy engagements.

4. To that end, the review process utilized by the Debtors here assessed potential counsel based on their expertise in the relevant legal issues and in similar proceedings.

5. Ultimately, the Debtors retained Kirkland because of its extensive experience in corporate reorganizations, both out-of-court and under chapter 11 of the Bankruptcy Code. More specifically, Kirkland is familiar with the Debtors’ business operations and many of the potential legal issues that may arise in the context of these chapter 11 cases. I believe that Kirkland is both well qualified and uniquely able to represent the Debtor in these chapter 11 cases in an efficient and timely manner.

Rate Structure

6. In my capacity as Chief Financial Officer, I am responsible for supervising outside counsel retained by the Debtors in the ordinary course of business. Kirkland has informed the Debtors that its rates for bankruptcy representations are comparable to the rates Kirkland charges for non-bankruptcy representations. As discussed below, I am also responsible for reviewing the statements regularly submitted by Kirkland, and can confirm that the rates

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Application.

Kirkland charged the Debtors in the prepetition period are the same as the rates Kirkland will charge the Debtors in the postpetition period.

Cost Supervision

7. As of the date hereof, the Debtors have not yet prepared a budget and staffing plan due to the fact that the Debtors are continuing to analyze certain corporate and executive compensation initiatives related to Kirkland's proposed engagement as special corporate and compensation counsel in these chapter 11 cases. The Debtors will prepare a budget and staffing plan for Kirkland once the Debtors finalize certain matters related to such initiatives. The Debtors recognize that it is their responsibility to monitor closely the billing practices of their counsel to ensure the fees and expenses paid by the estate remain consistent with the Debtors' expectations and the exigencies of the chapter 11 cases. The Debtors will continue to review the statements that Kirkland regularly submits, and, together with Kirkland, amend the budget and staffing plans periodically, as the case develops.

8. As they did prepetition, the Debtors will continue to bring discipline, predictability, client involvement, and accountability to the counsel fees and expenses reimbursement process. While every chapter 11 case is unique, these budgets will provide guidance on the periods of time involved the level of the attorneys and professionals that will work on various matters, and projections of average hourly rates for the attorneys and professionals for various matters.

[Remainder of Page Intentionally Left Blank]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: May 13, 2016

Respectfully submitted,

/s/ Bruce W. Busmire

Name: Bruce W. Busmire

Title: Chief Financial Officer