Judith W. Ross
State Bar No. 21010670
Eric Soderlund
State Bar No. 24037525
Law Offices of Judith W. Ross
700 N. Pearl Street, Suite 1610
Dallas, Texas 75201
Telephone: 214-377-7879
Facsimile: 214-377-9409
judith.ross@judithwross.com
eric.soderlund@judithwross.com

COUNSEL FOR NABORS GLOBAL HOLDINGS II, LTD.

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

IN RE:	§	Case No. 15-31858-HDH
	§	
	§	
ERG Intermediate Holdings, LLC, *et al.*	§	Chapter 11
	§	
DEBTORS.	§	Jointly Administered
	§	
	§	**Hearing Date: June 12, 2017**
	§	**Hearing Time: 9:00 a.m.**

OBJECTION OF NABORS GLOBAL HOLDINGS II, LTD. TO THE EXEMPT ASSETS TRUSTEE'S 9019 MOTION FOR ORDER APPROVING SETTLEMENT WITH SCOTT WOOD

Nabors Global Holdings II, Ltd. ("**Nabors**"), a creditor of the Debtors and a party to litigation involving the Debtors now pending in Texas State District Court in Houston,[1] by and through its undersigned counsel, hereby submits this objection (the "**Objection**") to the *Motion of the Exempt Assets Trustee, Pursuant to Federal Rule of Bankruptcy Procedure 9019, for Order Approving Settlement Agreement with Scott Wood* (the "**9019 Motion**") [Docket No. 891]. In support hereof, Nabors respectfully states as follows:

[1] *ERG Resources, L.L.C. v. Nabors Global Holdings, II, et al.*, Cause No. 2012-16446 (the "**Nabors Litigation**").

SUMMARY OF ARGUMENT

1. The Exempt Asset Trustee asks the Court to approve a settlement that is, in substance, a post-consummation plan modification. This violates Bankruptcy Code § 1127(b), which provides that post-confirmation plan modifications can only be made by a plan proponent, with Court approval, *before* the plan is substantially consummated. The proposed settlement would override a material plan provision that was negotiated in the context of resolving a plan objection. The plan provision at issue prohibited Scott Wood from selecting the majority of the members of a litigation oversight committee. The provision was designed to prevent Mr. Wood from controlling the ultimate disposition of the litigation. The settlement would eliminate that plan provision and give control of the litigation back to Mr. Wood. Such a plan modification not only is prohibited by the Bankruptcy Code as a matter of law but is also not fair to creditors who are relying on the finality of the confirmed and consummated plan.

2. The proposed settlement's transfer of control of trust assets to Mr. Wood also is not in the best interest of creditors. Mr. Wood has a long history of mismanagement of assets and fiscal malfeasance. The trustee's lawsuit alleges that Mr. Wood breached his fiduciary duties, unjustly enriched himself, engaged in self-dealing, and effected actual fraudulent transfers. Creditors should not be forced to rely on Wood—the man who has been accused of robbing the Debtors and who has an inherent conflict—to protect their interests. Mr. Wood has been sued separately on similar claims. He is currently defending himself in a lawsuit brought by Royalty Clearinghouse, Ltd. ("**RCH**") alleging that he, along with two entities he controls, perpetrated a $17.5 million fraud.

3. The Trustee has not established that the consideration for the settlement is adequate. The bulk of the settlement consideration is a promissory note payable by Mr. Wood. There is no

evidence that Wood will have the ability—or even the motivation—to repay the note. As soon as the settlement is finalized, Mr. Wood will have control over the Nabors Litigation and will have reduced his potential exposure for the claims against him to less than a third of what he may owe. The Trust will be left with a hope and a prayer that the note is repaid. Mr. Wood and the trustee appear to be counting on a settlement of the Nabors Litigation to extinguish Mr. Wood's liability on the $8 million promissory note. Their hope is misplaced, as it appears to rely on an impossibly rosy valuation of the Nabors Litigation. The Debtors' disclosure statement claimed the Nabors Litigation might be worth as much as $40 million. But the court presiding over the Nabors Litigation has already granted partial summary judgment enforcing a contractual $4.5 million exclusive-remedy provision and limiting recoverable damages from Nabors to that amount, if any. So even in a best-case scenario, the Exempt Assets Trust will not recover enough for Mr. Wood to pay his obligation on the promissory note.

4. Moreover, the proposed guarantor of the $8 million promissory note that provides the majority of the "consideration" by Mr. Wood for the settlement has been sued by RCH for $17.5 million. The execution of the guaranty itself is a fraudulent transfer subject to avoidance, rendering the consideration illusory, and there is no evidence that the entity guaranteeing the promissory note has sufficient assets to pay both a potential judgment in the $17.5 million RCH suit and also the $8 million note.

5. Finally, the 9019 Motion fails to provide the most basic information that creditors and the Court need to evaluate the settlement. For example, there is no disclosure of the amounts that Mr. Wood and his ex-wife stand to gain from the settlement. The 9019 Motion also fails to inform creditors about the effect, if any, of the proposed settlement the Debtor seeks to enter with the Parex entities (Docket No. 900). It is unclear whether the proposed Parex settlement affects

the "Contingent Recovery" under the settlement with Mr. Wood and, if so, precisely how it does so. The "Contingent Recovery" section of the settlement agreement is a study in confusion and does not afford creditor the opportunity to analyze it adequately. For all of these reasons, the Court should deny the 9019 Motion.

FACTUAL AND PROCEDURAL BACKGROUND

6. On May 1, 2015 (the "**Petition Date**"), ERG Intermediate Holdings, LLC and certain of its affiliates including ERG Resources, LLC (collectively "**ERG**" or the "**Debtors**") filed for Chapter 11 protection under the United States Bankruptcy Code (the "**Bankruptcy Code**"), initiating the above-captioned case.

7. On May 12, 2015, the United States Trustee appointed an official committee of unsecured creditors (the "**Committee**").

8. In October 2015, the Court confirmed the Debtors' plan of reorganization (the "**Plan**") [Docket No. 655], and the Plan went effective the following month. The Plan generally provides that certain of the Debtors' assets including claims and causes of action be transferred to an "Exempt Assets Trust" (the "**Trust**") to be administered by the Exempt Assets Trustee (the "**Trustee**"). The Debtors' general unsecured creditors hold beneficial interest in the Exempt Assets Trust (the "**Exempt Assets Trust Beneficial Interests**").

The Wood Litigation and Claims

9. Scott Wood ("**Wood**") directly or indirectly owned each of the Debtors and, at all relevant times prior to the Petition Date, was an officer and director of each of the Debtors and controlled them. On April 25, 2016, the Trustee filed suit against Wood (the "**Wood Litigation**") alleging nine separate causes for relief including fraudulent transfer (actual and constructive), breached of fiduciary duty and self-dealing and unjust enrichment (the "**Wood Claims**"). The

Trustee seeks to recover more than $35 million from Wood and the disallowance of the proofs of claim that he filed in unliquidated amounts arising out of unidentified "indemnity protections" apparently relating to Wood's status as "an officer and/or manager of the Debtors" and for unpaid wages, compensation, and reimbursement of expenses. Compl. 68-77.

10. The Trustee's Complaint alleges years of self-dealing by Wood that ultimately led to the Debtors' collapse. According to the Trustee, "Wood dominated and controlled the Debtors and operated them by his own rules, and used the Debtors' assets to fund his lavish lifestyle." Compl. 1. The Trustee accuses Wood of conduct that "was contrary to the Debtors' best interests, was consistently driven by self-interest, and resulted in massive transfers of corporate assets to Wood or for his benefit … ." Compl. 3. The Trustee alleges that "Wood used the Debtors as his personal bank account until his resignation the day before the bankruptcy filing", and that during the two years preceding bankruptcy,

> Wood caused the Debtors to (a) pay him over $25 million in distributions and salary; (b) spend more than $5 million to sponsor and fund his polo team, including the costs for the polo players and their horses to live and compete in California and Florida; (c) pay over $800,000 for landscaping, fuel, utility and related maintenance expenses for his homes; (d) pay more than $2.5 million to his divorce lawyers and other professionals engaged by him during his matrimonial proceedings; and (e) spend over $2 million for his own personal travel, services and expenses.

Compl. 2.

11. The Trustee is not the first to accuse Wood of mismanagement and self-dealing at the Debtors' and their creditors' expenses. In connection with a pre-petition foreclosure proceeding commenced in California, one of the Debtors' lenders, Beal Bank, alleged that Wood "misused ERG's assets for personal purposes," and that "Mr. Wood [had] previously caused ERG to pay him a substantial salary and has used company funds for personal purposes." A Beal Bank representative testified under oath that he believes Wood wrongfully caused more than $10 million

in assets to be transferred from one or more of the Debtors to Wood or one or more entities owned or controlled by him.

12. Additionally, in 2016 RCH filed a $17.5 million suit against Mr. Wood, CTS Management, and CTS Properties in a case now pending in the Western District of Texas. *See* Objection to the Trustee's Settlement Agreement with Scott Wood [Docket No. 899]. In that case, RCH alleges that Mr. Wood fraudulently purported to have clear title to assets he sold to RCH for $17.5 million. But those assets were actually encumbered by the debt of ERG. Mr. Wood allegedly paid $15 million of the funds he received from RCH to his ex-wife in connection with their divorce, and another $350,000 to a brokerage firm. RCH alleges that the remaining $2.15 million is unaccounted for. *See id.*

The Nabors Litigation

13. Nabors is a creditor in the Debtors case and, on July 6, 2015, filed Proof of Claim No. 122. Nabors claim against Debtors arises out of a share purchase agreement entered into by Nabors and ERG Resources ("**ERG**") prior to the Petition Date by which ERG was to purchase shares of a Nabors subsidiary that held licenses to explore and produce minerals on various tracts of land in Columbia. ERG defaulted on the agreement by, among other things, trying to change the purchase price on the morning of closing, failing to deliver the $42 million purchase price and a letter of credit for approximately $16 million. ERG later sued Nabors and other parties for breach and tortious interference with contract in state district court in Houston, in a case styled *ERG Resources, L.L.C. v Nabors Global Holdings, II, et al.*, *Cause* No. 2012-16446 (the "**Nabors Litigation**").

14. ERG's claims against Nabors are subject to a number of defenses, including two contract clauses that limit damages: one limits a claim for termination of the purchase agreement

to $3.5 million and a second exclusive remedy provision caps any recovery for a claim arising out of the agreement at $4.5 million. The Texas State District Court in which the Nabors Litigation is pending granted a partial summary judgment last year enforcing the contract's $4.5 million exclusive-remedy provision and limiting recoverable damages to that amount. ERG has twice asked the judge in that case to withdraw the order enforcing exclusive remedies or rehear the motion for partial summary judgment, and she has declined to do so. In fact, on May 19, 2017 the judge stated in open court that she intends to stand by the order which was entered by her predecessor on the bench.

15. In addition to the contractual limits on damages, Nabors asserts defenses based on ERG's failure to satisfy a number of conditions precedent to the closing, including a failure to wire funds at the time of the closing which was specified in the Agreement. Nabors has also asserted counterclaims and defenses based on ERG's secret hiring of Nabors' VP of Finance for its oil and gas business unit, Bruce McConnell. McConnell signed a contract to be ERG's Chief Financial Officer in December 2011, at least three months before the share purchase agreement between ERG and Nabors was signed. But knowing that Nabors and its CEO, Tony Petrello, would refuse to enter into a contract with ERG if it knew ERG had hired its VP of Finance for the oil and gas unit, Wood directed McConnell to remain at Nabors and hide the fact that he had accepted an officer position at ERG until after the share purchase agreement had been signed and closed. As a result, ERG had secret communications with McConnell during the negotiation of the share purchase agreement and through the date of the failed closing.

16. Notwithstanding Nabors' meritorious defenses to the claims against it, in their Disclosure Statement (the "**Disclosure Statement**") [Docket No. 519], the Debtors described the Nabors Litigation as potentially worth $40 million and asserted that the Debtors' creditors could

possibly be paid in full from the proceeds from the Nabors Litigation. *See* Disclosure Statement 2, 12.

17. On or about December 27, 2013, the Debtors purported to transfer 24% from the net recoveries from the Nabors Litigation to Wood's ex-wife, Tana Wood. *See* Disclosure Statement 2, n.4. The Committee believed that such transfer may be avoidable. *See id*. Any claims to avoid that transfer now belong to the Exempt Assets Trust.

Mr. Wood's attempt to control the Nabors Litigation to enrich himself

18. The Plan provides that the Trustee has the authority and power to commence, pursue, settle, compromise, or abandon any causes of action included in the Trust. But the Plan also requires that any settlement of the Wood Litigation or Nabors Litigation be approved by the Court pursuant to Bankruptcy Rule 9019. Plan art. 7.6(c) and (j).

19. The Plan contains special provisions regarding the Nabors Litigation. For example, although the Debtors' general unsecured creditors are the beneficiaries of the Trust and hold the Exempt Assets Trust Beneficial Interests, the Plan provides that Mr. Wood receive the residual amount of any proceeds from the Nabors Litigation after satisfaction of the allowed unsecured claims. Plan art. 7.6. The Plan further provides that the Trustee cannot settle the Nabors Lawsuit without the approval of the majority of the members of the Nabors Lawsuit Oversight Committee and this Court. Plan 14.

20. The Nabors Lawsuit Oversight Committee has three members. The Committee has appointed two members; Mr. Wood has appointed one. However, Had Mr. Wood and the Committee settled the Wood Claims before the Plan's Effective Date, then the Nabors Lawsuit Oversight Committee would have expanded to five members with Mr. Wood having the right to appoint three members and the Committee appointing only two. Plan Ex. A-2, no. 92.

21. In light of the conflict presented by Mr. Wood's residual interest in the Nabors Litigation and Mr. Wood's long record of self-dealing at creditor expense, Nabors objected to the Plan provisions that potentially allowed Mr. Wood to control the Nabors Litigation. Nabors and the Debtors resolved the objection by including in the Plan the following provision that requires the Trustee to obtain Court approval of any settlement of the Wood Claims and preserves Nabors' right to object to Mr. Wood controlling the Nabors Litigation:

> Notwithstanding anything else in the Plan to the contrary, the Exempt Assets Trustee shall not settle any Transferred Causes of Action against Scott Y. Wood or any of his non-Debtor affiliates without approval of the Bankruptcy Court pursuant to Bankruptcy Rule 9019. All rights to object to such 9019 settlement on any grounds (including, without limitation, the right to object to any provisions granting Mr. Wood the right to control settlement decisions about the Nabors Litigation) are preserved notwithstanding anything else.

Plan art. 7.6(j).

22. The Committee and Mr. Wood did not reach a settlement by the Plan's Effective Date, November 12, 2015. *See Notice of (i) Entry of Order Confirming First Amended Joint 11 Plan of Reorganization Dated September 18, 2015, as Amended, in Respect of ERG Intermediate Holding, LLC and Its Affiliated Debtors' (ii) Effective Date; and (iii) Bar Date for Certain Administrative Claims and Rejection Damages* [Docket No. 682]. Consequently, nothing in the Confirmation Order, Plan, or Trust Declaration provide for the expansion of the Nabors Lawsuit Oversight Committee, much less that it be expanded so that Mr. Wood can control the Nabors Litigation in direct violation of a material, negotiated Plan provision.

The Trustee's Settlement with Mr. Wood

23. On April 18, 2017, the Trustee filed the motion under Bankruptcy Rule 9019 seeking approval of the Trustee's settlement with Mr. Wood. The Settlement provides for the release of the Trust's claims against Mr. Wood and Tana Wood and requires Mr. Wood to pay the

Trust a total of $10 million (the "**Settlement Payment**") payable in the form of $500,000 cash upon singing the Settlement Agreement, $1.5 million cash upon Closing, and an $8 million note (the "**Note**"). Settlement Agreement 1-2. The Note is payable in one payment on July 2, 2018 and bears interest at 2.5%. *See* Promissory Note ¶ 1(a). The Settlement Payment is secured by (a) Mr. Wood's 100% interest in CTS Management, LLC (an entity whose only asset is a 1% ownership of CTS Properties); (b) a guaranty of the Note by CTS (CTS is subject to a $17.5 million claim by RCH); (c) a lien on Brookshire Ranch in Brookshire, Texas (the "**Ranch**"); and (d) an Agreed Judgment against Wood in the amount of $12 million to be filed in the event there is an uncured default with respect to the promissory note. *See* Settlement Agreement 3, and Agreed Judgment.

24. The Settlement Agreement includes special provisions related to the Nabors Litigation under which, with respect to the Nabors Litigation, the Trust can recover the difference between the total amount of Allowed Claims represented by the Beneficial Interest in the Trust and the Settlement Proceeds. Settlement Agreement 7. Any proceeds from the Nabors Litigation shall be payable first to Litigation Expenses; second to 50% to the Trust, 25% to Wood and 25% to Tana Wood until such time as the Trust recovers the full amount of the Contingent Recovery at which time the remainder of any proceeds shall be divided equally between Wood and Tana Wood. *Id.* The 9019 Motion does not disclose the estimated amount of the "Contingent Recovery," but as noted above, such recovery from Nabors is capped at no more than $4.5 million based on the Texas State District Court's partial summary judgment order.

OBJECTION

A. The Proposed Settlement Is Contrary to the Confirmed Plan and Violates Section 1127(b) of the Bankruptcy Code.

25. The Bankruptcy Code provides that a confirmed plan may only be modified post-confirmation in specific circumstances:

> The ***proponent of a plan or the reorganized debtor*** may modify such plan at any time after confirmation of such plan and ***before substantial consummation of such plan***, but may not modify such plan so that such plan as modified fails to meet the requirements of sections 1122 and 1123 of this title. Such plan as modified under this subsection becomes the plan only if circumstances warrant such modification and the court, after notice and a hearing, confirms such plan as modified, under section 1129 of this title.

26. In a case directly on point, *U.S. Brass Corp. v. Travelers Ins. Co. (in re U.S. Brass Corp.)*, 301 F.3d 296 (5th Cir. 2002), certain insurers initially objected to the Debtors' plan but were eventually satisfied with language the Debtors inserted that provided for any disputes involving the objecting insurers to be resolved through litigation. *Id.* at 300. More than 18 months after the plan had gone effective, the Debtors and other parties sought bankruptcy court approval of a proposed settlement under which claims involving the insurers would be submitted to final and binding arbitration rather than adjudicated through litigation to a final resolution in court. *Id* at 302. The insurers objected. The bankruptcy court denied the settlement motion on two grounds, one of which was that the settlement agreement had the effect of modifying the plan post-consummation in violation of § 1127(b)'s clear prohibition. *Id.* at 303. The bankruptcy court stated that it would "not and may not allow such a modification of a confirmed and substantially consummated plan of reorganization in contravention of 11 U.S.C. § 1127(b) regardless of Movants' attempts to clothe it as a settlement or clarification of an order." *Id.* (quoting *In re United States Brass Corp.*, 255 B.R. 189, 193 (Bankr. E.D. Tex. 2000). The Fifth Circuit agreed with the bankruptcy court's application of § 1127(b) and affirmed the rejection of the proposed settlement, explaining that "the proposed agreement constitutes an impermissible attempt to modify the plan, despite the Appellants' characterization of the agreement as a settlement." *Id.* at 307.

27. Other courts also have held that § 1127(b) "prohibits actions in the bankruptcy court that are essentially attempted modifications to a confirmed plan." *In re S. White Transp.*, 455 B.R.

509, 521 (Bankr. S.D. Miss. 2011) (citing *Alberta Energy Partners v. Blast Energy Servs., Inc. (In re Blast Energy Servs., Inc.)*, 593 F.3d 418, 427 (5th Cir. 2010); *In re Rickel & Assocs., Inc.*, 260 B.R. 673, 677 (Bankr. S.D.N.Y. 2001). The bankruptcy court in the S. White Transportation case noted that

> It is true that the debtor has not technically proposed to disturb the Plan or modify it. Instead, it has moved to modify the Confirmation Order. The distinction, however, is irrelevant, and the result is the same. A debtor cannot circumvent § 1127(b) and change the plan simply by calling its request a motion to modify the confirmation order, *In re Charterhouse, Inc.*, 84 B.R. at 150, or a plan-related document, *Findley v. Blinken (In re Joint E. & S. Dist. Asbestos Litig.)*, 982 F.2d 721, 748 (2d Cir.1992) (statutory limitations on modifying a substantially consummated plan cannot be circumvented by modifying a plan-related document) or another application that nonetheless affects rights under the plan. *See In re United States Brass Corp.*, 255 B.R. 189, 194 (Bankr. E.D. Tex.2000) (modification of a substantially consummated plan will not be allowed regardless of the attempt to clothe the motion as a settlement or clarification of an order); *In re U.S. Repeating Arms Co.*, 98 B.R. at 140 ("Trustee may not eliminate procedural safeguards by labeling a plan modification as a claim classification").

In re S. White Transp., 455 B.R. at 523 n.13 (quoting *In re Rickel & Assocs., Inc.*, 260 B.R. at 677).

28. In this case, § 1127(b)'s requirements are not satisfied. First, only a plan proponent or reorganized debtor can propose a plan modification. Here, the plan modification is being proposed by the Exempt Assets Trustee, who is neither the plan proponent nor a reorganized debtor. Second, under § 1127(b), a confirmed plan can only be modified before it is substantially consummated. The Plan was substantially consummated long ago. The Debtors' confirmed Plan became effective on November 12, 2015. The Plan, which incorporates the Trust Declaration, established the Nabors Lawsuit Oversight Committee. The Plan clearly provides that the Nabors Lawsuit Oversight Committee have only three members, and for the majority of the members to

be appointed by the Committee. Plan Ex. A-2, no. 92. The settlement would expand the Nabors Lawsuit Oversight Committee and allow Mr. Wood to appoint the majority of the committee in direct contradiction of the Plan.

B. Mr. Wood's Management of Trust Assets Is Not in the Best Interest of the Estate.

29. If approved, the settlement will clear the path so that Mr. Wood can control the Nabors Litigation by appointing the majority of the Nabors Lawsuit Oversight Committee. If that were not enough, Mr. Wood is also gaining a foothold in any recovery as any proceeds will be distributed *pari passu* to the Trust and Wood and his ex-wife. Any excess beyond the Contingent Recovery will be distributed entirely to Wood and his ex-wife.

30. Mr. Wood, who has been accused of years of mismanagement and being "consistently driven by self-interest" should not be allowed to manage the Trust's assets. The allegations against Mr. Wood, raised by one of the Debtors' lenders, the Committee, and then the Trustee, relate directly to Mr. Wood's management and operation of the Debtors' assets for his own purposes.

31. The settlement creates an undeniable conflict between Mr. Wood and existing creditors that Mr. Wood cannot be entrusted to properly handle. For example, creditors may want a settlement that returns some money to them in a reasonable timeframe, while Mr. Wood will have every incentive to reject reasonable offers so that he can maximize his recovery. Consequently, Mr. Wood's diverging interest will likely cause the Nabors Litigation to remain on a litigation track, which will delay resolution and risk creditor recovery. The Court should not allow the Trustee to place creditor recovery in Mr. Wood's hands since his mismanagement is one reason for their losses.

32. In addition, the settlement documents are unclear as to whether Mr. Wood may use the "contingent recovery," including a settlement from Parex in the Nabors Litigation, to satisfy

the $8 million dollar promissory note. The Trustee has produced no valuation of the "contingent recovery" in the Nabors Litigation and no explanation of how the proposed Parex settlement affects Woods' obligations. If the Parex settlement payment does relieve Mr. Wood of his obligation to pay on the promissory note, then the consideration for the Wood settlement agreement is illusory. Although there is a lack of clarity on how the Parez settlement might affect the Wood settlement, one thing about the Parex settlement is clear: it shows that the Plan's provisions prohibiting Mr. Wood from controlling the Nabors Lawsuit Oversight Committee are working and should not be disturbed.

C. The Trustee Has Not Proven that the Consideration is Fair and Reasonable or in the Best Interest of the Estate.

33. The 9019 Motion fails to provide even the most basic information for creditors or the Court to evaluate the proposed settlement. For example, the 9019 Motion does not provide any estimate of the value of the Wood Claims. The 9019 Motion says that Mr. Wood has denied the allegations against him, but there is no detail about the merits of or defenses to the claims. There is no discussion whatsoever about the potential claims against Tana Wood.

34. Additionally, there is no disclosure about what Mr. Wood and his ex-wife are to receive as a result of the settlement. The Contingent Recovery, and the plan, effectively cap any return to creditors from the Nabors Litigation and give Mr. Wood and his ex-wife any surplus. Finally, the 9019 Motion does not include any estimate of the Contingent Recovery, the potential surplus, or the Litigation Expenses. For these reasons the motion should be denied.

CONCLUSION

WHEREFORE, for the reasons stated herein, Nabors respectfully requests that the Court deny approval of the 9019 Motion and for such other and further relief as may be just.

Date: May 31, 2017

Respectfully submitted,

/s/ *Judith W. Ross*

Judith W. Ross
State Bar No. 21010670
Eric Soderlund
State Bar No. 24037525
Law Offices of Judith W. Ross
700 North Pearl Street, Suite 1610
Dallas, Texas 75201
Telephone: 214-377-7879
Facsimile: 214-377-9409
judith.ross@judithwross.com
eric.soderlund@judithwross.com

COUNSEL FOR NABORS GLOBAL HOLDINGS II, LTD.

CERTIFICATE OF SERVICE

I, the undersigned, do hereby certify that on May 31, 2017, a copy of the foregoing Objection was served electronically through ECF. Such electronic service was followed by service via email to the following:

Robert J. Feinstein, email: rfeinstein@pszjlaw.com
Jeff Pomerantz, email: jpomerantz@pszjlaw.com

/s/ Judith W. Ross
Judith W. Ross