

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

IN RE:	§	
	§	CHAPTER 11
CHESAPEAKE ENERGY CORPORATION, et al.,¹	§	
	§	CASE NO. 20-33233 (DRJ)
Debtors.	§	
	§	(Jointly Administered)
	§	
	§	

**OBJECTION OF ATOMIC CAPITAL MINERALS, LLC AND ACM FUND II, LLC TO
CONFIRMATION OF THE SECOND AMENDED JOINT CHAPTER 11 PLAN OF
REORGANIZATION OF CHESAPEAKE ENERGY CORPORATION AND ITS
DEBTOR AFFILIATES**

Atomic Capital Minerals, LLC and ACM FUND 11, LLC (collectively “Atomic”) files its Limited Objection (“Objection”) to Confirmation of the Second Amended Joint Chapter 11 Plan of Reorganization of Chesapeake Energy Corporation and its Debtor Affiliates. In support of the Objection, Atomic respectfully represents as follows:

1. On October 30, 2020, the Debtors filed their *Second Amended Joint Chapter 11 Plan of Reorganization of Chesapeake Energy Corporation and its Debtor Affiliates* [Docket #1644 and is hereinafter referred to as the “Second Amended Plan”].

2. As set forth in its proof of claims herein on file herein at Claim Nos. 12861 and 12886 filed against Chesapeake Operating, LLC and Claims Nos. 12852 and 12869 filed against Chesapeake Louisiana, LP, Atomic holds royalty underpayment and related claims against Chesapeake Operating, LLC and Chesapeake Louisiana, LP pursuant to provisions of oil and gas leases relating to real property in Louisiana (the “Oil and Gas Leases”).

¹ A complete list of each of the Debtors in these chapter 11 cases may be obtained on the website of the Debtors’ claims and noticing agent at <https://dm.epiq11.com/chesapeake>. The location of Debtor Chesapeake Energy Corporation’s principal place of business and the Debtors’ service address in these chapter 11 cases is 6100 North Western Avenue, Oklahoma City, Oklahoma 73118.

3. Article IV, Section T of the Second Amended Plan provides:

Notwithstanding any other provisions in the Plan, on and after Effective Date, all royalty and Working Interests shall be preserved and remain in full force and effect in accordance with the terms of the granting instruments or other governing documents applicable to such Royalty and Working Interests, and no Royalty and Working Interests shall be compromised or discharged by the Plan. For the avoidance of doubt notwithstanding anything to the contrary in the preceding sentence, any prepetition or post-petition by pre-Effective Date right to payment arising from a Royalty or Working Interest asserted by a non-Debtor as a prepetition Claim or Administrative Claim, respectively, if any, shall be treated as a Claim under this Plan and shall be subject to any discharge and/or release provided in the Plan without prejudice to any rights to assert a Claim or dispute which may arise post-Effective Date on account of or relating to an unexpired or untermiated Royalty any Working Interest.

4. Notwithstanding the foregoing provision Atomic, to the extent necessary, objects to the Second Amended Plan to the extent that it seeks to alter any of Atomic' rights and remedies under the Oil and Gas Leases (against Chesapeake Operating, LLC, Chesapeake Louisiana, LP or third parties) including its (a) ability to audit amounts charged to and/or paid by Atomic; (b) rights to terminate the Oil and Gas Leases; (c) right to require amounts in dispute to be escrowed; and/or (d) without violating any provisions of a confirmed plan, seek payments from the appropriate parties.

5. Furthermore, the Second Amended Plan defines certain "Releasing Parties," which shall include all Claims holders and Interest Holders, provided, however, that an entity shall not be a Releasing Party if it opts out of the released contained in the Plan or timely files an objection to the releases. Atomic hereby provides notice that it has elected to opt out of the releases contained

in the Second Amended Plan and that is objects to being included in the “Releasing Parties” as defined in the Second Amended Plan.

6. Nothing in this Objection is intended to be, or should be construed as, a waiver by Atomic of any of its rights under any contracts which are the subject of the Plan, the Bankruptcy Code or applicable law. Atomic expressly reserves all such rights including, without limitation, the right to: (a) supplement and/or amend this Objection and to assert any additional objections with respect to the Oil and Gas Leases and/or (b) assert any further objections with respect to the relief requested that may subsequently be sought by the Debtors and/or any other party, as such requested relief relates any contracts which are the subject of the Plan and/or interest of Atomic.

7. Atomic joins in any objections filed by other creditors or parties-in-interest to the extent they are not inconsistent with this Objection.

WHEREFORE, Atomic objects to the confirmation of the Plan as set forth above and pray that they be granted relief as set forth above and for all such other relief to which they may be entitled.

Respectfully submitted on this 7th day of December, 2020.

Respectfully submitted,

s/ Andrew D. Martin

Grant E. Summers

La. Bar Id. No. 23953, *pro hac vice*

Wm Lake Hearne, Jr.

Texas Bar No. 24104416

Andrew D. Martin

La. Bar Id. No. 34947, *pro hac vice*

DAVIDSON SUMMERS, APLC

330 Marshall Street, Suite 1114

Shreveport, Louisiana 71101

T: 318.424.4342 | F: 318.226.0168

E: gsummers@davidsonsummers.com

lhearne@davidsonsummers.com

dmartin@davidsonsummers.com

*Attorneys for Atomic Capital
Minerals, LLC & ACM Fund II, LLC*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the above and foregoing was filed electronically with the Clerk of Court using the CM/ECF filing system, and notice of same will be sent by operation of the court's electronic noticing system.

Shreveport, Louisiana, on this 7th day of December, 2020.

s/ Andrew D. Martin