

**ENTERED**

July 27, 2021

Nathan Ochsner, Clerk

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

In re:  CHESAPEAKE ENERGY CORPORATION, <i>et al.</i> , <sup>1</sup>  <div style="text-align: right;">Reorganized Debtors.</div>	§ § § § § § §	Chapter 11  Case No. 20-33233 (DRJ)  (Jointly Administered)
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**STIPULATION AND AGREED ORDER REGARDING THE UNION PACIFIC  
RAILROAD COMPANY'S PROOFS OF CLAIM**  
(Docket No. 3908)

The above-captioned reorganized debtors (before the Effective Date<sup>2</sup> of their Plan of reorganization, the “Debtors,” and after the Effective Date of their Plan of reorganization, the “Reorganized Debtors”) and Union Pacific Railroad Company (“UPRC,” and together with the Debtors or Reorganized Debtors, as applicable, the “Parties”) hereby enter into this stipulation and agreed order (this “Stipulation and Agreed Order”) as follows:

WHEREAS, on June 12, 2014, UPRC filed *Plaintiff's Original Petition* (as amended or supplemented, the “Petition”) against Debtors Chesapeake Operating, L.L.C. (“COLLC”) and Chesapeake Exploration, L.L.C. (“CELLC”) in the District Court of Johnson County, Texas, 413th Judicial District, in an action styled *Union Pacific Railroad v. Chesapeake Exploration, L.L.C. and Chesapeake Operating, Inc. and Total E&P USA, Inc.*, Cause No. C201400226, seeking damages related to claims of breach of contract, fraud, trespass, declaratory relief, accounting, and

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

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the *Fifth Amended Joint Chapter 11 Plan of Reorganization of Chesapeake Energy Corporation and Its Debtor Affiliates* [Docket No. 2833] (the “Plan”).

attorneys' fees based on, among other things, alleged royalty underpayment, improper pooling, failure to disclose existing wells or pooled units at the time certain leases (the "Leases") were executed, and breach of marketing duties (the "Lawsuit");

WHEREAS, on April 8, 2015, the Texas Multidistrict Litigation Panel granted the Debtors' *Joint Motion for Transfer and Request for Stay*, thereby creating a case in the District Court of Tarrant County, Texas, 48th Judicial District styled as *In re Chesapeake Barnett Royalty Litigation*, Cause No. 15-0113, MDL No. 048-000000-15 (the "MDL Case") and joining the Lawsuit to the MDL Case;

WHEREAS, on February 14, 2019, the MDL Case was transferred to the District Court of Tarrant County, Texas, 96th Judicial District and styled as *In re Chesapeake Barnett Royalty Litigation*, Cause No. 15-0113, MDL No. 096-000003-15;

WHEREAS, on June 28, 2020, the Debtors filed voluntary petitions for relief under title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court");

WHEREAS, on August 13, 2020, the Bankruptcy Court entered the *Order (I) Setting Bar Dates for Filing Proofs of Claim, Including Requests for Payment Under Section 503(b)(9), (II) Establishing Amended Schedules Bar Date and Rejection Damages Bar Date, (III) Approving the Form of and Manner for Filing Proofs of Claim, Including Section 503(b)(9) Requests, (IV) Approving Notice of Bar Dates, and (V) Granting Related Relief* [Docket No. 787] (the "Bar Date Order");

WHEREAS, on October 30, 2020, UPRC filed Proof of Claim No. 13081 against Debtor CELLC and Proof of Claim No. 13104 against Debtor COLLC (together, the “POCs”), each asserting various secured claims relating to the Leases and the Lawsuit;

WHEREAS, on January 16, 2021, the Bankruptcy Court entered the *Order Confirming Fifth Amended Joint Chapter 11 Plan of Reorganization of Chesapeake Energy Corporation and Its Debtor Affiliates* [Docket No. 2915] confirming the Plan (the “Confirmation Order”);

WHEREAS, on April 1, 2021, UPRC nonsuited its claims against the Reorganized Debtors in the Lawsuit and MDL Case without prejudice, as reflected in that certain *Order of Nonsuit Without Prejudice*.

WHEREAS, UPRC and the Reorganized Debtors have consensually agreed, after good faith, arm’s-length negotiations, to resolve the POCs on the terms set forth in the settlement agreement attached hereto as **Exhibit A** (the “Settlement Agreement”), and this Stipulation and Agreed Order.

**NOW, THEREFORE, IT IS STIPULATED AND AGREED** as follows:

1. The Settlement Agreement is hereby approved.
2. Proof of Claim No. 13081 is hereby reduced and Allowed as a Class 7 General Unsecured Claim in the amount of [REDACTED] against Debtor CELLC.
3. Proof of Claim No. 13104 is hereby Disallowed as duplicative of Proof of Claim No. 13081.

4. Upon entry of this Stipulation and Agreed Order, Epiq Corporate Restructuring, LLC is hereby authorized and directed to amend or remove the POCs from the Official Claims Register without prejudice to the rights described and reserved in this Stipulation and Agreed Order.

5. Nothing in this Stipulation and Agreed Order shall be interpreted to impair in any way the rights, claims, or defenses reserved under the Plan with regard to or on behalf of the Debtors, the Reorganized Debtors, and UPRC, except to the extent inconsistent with the terms of the Stipulation and Agreed Order.

**IT IS SO ORDERED.**

**Signed: July 27, 2021.**



DAVID R. JONES  
UNITED STATES BANKRUPTCY JUDGE

**STIPULATED AND AGREED TO THIS 19th DAY OF JULY, 2021:**

By: /s/ Alexandra Schwarzman

**KIRKLAND & ELLIS LLP  
KIRKLAND & ELLIS INTERNATIONAL  
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**Exhibit A**

**Settlement Agreement**

**[Filed Under Seal]**