

ENTERED

August 26, 2021

Nathan Ochsner, Clerk

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

In re:

CHESAPEAKE ENERGY CORPORATION, *et al.*,¹

Reorganized Debtors.

§

§ Chapter 11

§

§ Case No. 20-33233 (DRJ)

§

§ (Jointly Administered)

§

§ (Docket No. 3819)

**REORGANIZED DEBTORS' AND DIVERSIFIED OIL AND GAS CORPORATION'S
STIPULATION AND AGREED ORDER RESPECTING REORGANIZED DEBTORS'
THIRTEENTH OMNIBUS OBJECTION TO CERTAIN PROOFS OF CLAIM
(CROSS-DEBTOR DUPLICATE CLAIMS)²**

The above-captioned reorganized debtors (collectively, the “Reorganized Debtors”) and Diversified Oil and Gas Corporation (“Diversified”) stipulate as follows:

1. On or about September 16, 2016, Chesapeake Appalachia, L.L.C. (“Chesapeake”) and MidCon Compression, L.L.C., as sellers (“MidCon” and together with Chesapeake, the “Sellers”), and the predecessor-in-interest to Diversified entered into that certain Purchase and Sale Agreement (the “Agreement”), which contains certain indemnification obligations (the “Indemnification Obligations”).

2. As of the date of this stipulation, the amount of the Indemnification Obligations is contingent and unliquidated.

¹ 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.

² Capitalized terms used but not otherwise defined herein shall have the same meaning 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”).

3. On June 28, 2020 (the “Petition Date”), the Sellers and thirty-eight affiliated Debtors filed voluntary petitions in the United States Bankruptcy Court for the Southern District of Texas seeking relief under chapter 11 of the United States Bankruptcy Code, thereby commencing the above-captioned chapter 11 proceedings.

4. On October 28, 2020, Diversified timely filed, among other proofs of claim, Proof of Claim Number 12297 (the “Chesapeake Claim”) against the Chesapeake Estate, and Proof of Claim Number 12300 (the “MidCon Claim” and together with the Chesapeake Claim, the “Indemnity Claims”) against the MidCon Estate, to evidence Diversified’s Claims against Sellers based upon Indemnification Obligations that Diversified alleges are potentially owed by Sellers on a joint and several basis to Diversified.

5. On January 12, 2021, the Debtors filed their Plan, which the Bankruptcy Court confirmed on January 16, 2021. [Docket No. 2915].

6. The Effective Date of the Plan occurred on February 9, 2021 [Docket No. 3058].

7. The Plan provides, in relevant part, that:

for the purpose of calculating the aggregate Allowed Unsecured Notes Claims and aggregate Allowed General Unsecured Claims for purposes of determining each Allowed Unsecured Notes Claim’s and Allowed General Unsecured Claim’s Pro Rata distribution, each Allowed Unsecured Notes Claim and Allowed General Unsecured Claim shall be counted once, notwithstanding the number of Debtors against which such claim may be asserted.

[Docket No. 2833, Art. VII, D].

8. The Plan further provides, in relevant part, as follows:

Any duplicate Claim or Interest or any Claim or Interest that has been paid, satisfied, amended, or superseded may be adjusted or expunged on the Claims Register by the Reorganized Debtors without the Reorganized Debtors having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Bankruptcy Court.

[*Id.* at Art. VII, D].

9. On April 26, 2021, the Reorganized Debtors filed their *Thirteenth Omnibus Objection to Certain Proofs of Claim (Cross-Debtor Duplicate Claims)* [Docket No. 3545] (the “Objection”).

10. As more particularly set forth therein, the Reorganized Debtors assert, among other things, that Diversified’s MidCon Claim should be disallowed in order to be consistent with the aforementioned Plan provisions.

11. In light of the aforementioned Plan provisions, Diversified and the Reorganized Debtors stipulate and agree as follows: (i) Diversified’s MidCon Claim should be disallowed; and (ii) to the extent the Chesapeake Claim is Allowed per the terms of the Plan, Diversified is entitled to only one recovery thereon from Sellers.

12. The Reorganized Debtors reserve the right to object to the Chesapeake Claim on any grounds whatsoever, except on the grounds that the Chesapeake Claim is asserted against the wrong debtors. Diversified reserves the right to amend the Chesapeake Claim, subject to the Reorganized Debtors’ right to object thereto.

It is therefore ORDERED that the MidCon Claim is disallowed. The Reorganized Debtors’ claims, noticing, and solicitation agent, Epiq, is authorized and directed to update the claims register maintained in these chapter 11 cases to reflect the relief granted in this Stipulation and Agreed Order.

Signed: August 24, 2021.



DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE

AGREED AND ENTRY REQUESTED:

Houston, Texas
June 29, 2021

/s/ Kristhy M. Peguero

JACKSON WALKER LLP

Matthew D. Cavanaugh (TX Bar No. 24062656)
Kristhy M. Peguero (TX Bar No. 24102776)
Veronica A. Polnick (TX Bar No. 24079148)
Victoria Argeroplos (TX Bar No. 24105799)
1401 McKinney Street, Suite 1900
Houston, Texas 77010
Telephone: (713) 752-4200
Facsimile: (713) 752-4221
Email: mcavanaugh@jw.com
kpeguero@jw.com
vpolnick@jw.com
vargeroplos@jw.com

KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

Patrick J. Nash, Jr., P.C. (admitted *pro hac vice*)
Alexandra Schwarzman (admitted *pro hac vice*)
300 North LaSalle Street
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200
Email: patrick.nash@kirkland.com
alexandra.schwarzman@kirkland.com

Co-Counsel to the Reorganized Debtors

Co-Counsel to the Reorganized Debtors

/s/ Ryan D. Thompson

MAYNARD COOPER & GALE PC

Ryan D. Thompson
1901 Sixth Ave N
Suite 1700
Birmingham, AL 35203
Telephone: (205) 254-1000
Facsimile: (205) 254-1999
Email: rthompson@maynardcooper.com

Counsel to Diversified Oil and Gas Corporation