

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
	§	
CHESAPEAKE ENERGY CORPORATION,	§	Case No. 20-33233 (DRJ)
<i>et al.</i> , ¹	§	
	§	
Reorganized Debtors.	§	(Jointly Administered)
	§	

**REORGANIZED DEBTORS' EIGHTEENTH OMNIBUS OBJECTION TO
CERTAIN PROOFS OF CLAIM (LATE-FILED CLAIMS)**

This is an Objection to your claim(s). This Objection asks the Court to disallow the claim(s) that you filed in this bankruptcy case. If you do not file a response within 30 days after the Objection was served on you, your claim may be disallowed without a hearing.

Represented parties should act through their attorney.

A hearing has been set on this matter on October 20, 2021 at 9:30 a.m. (prevailing Central Time) in Courtroom 400, 4th Floor United States Bankruptcy Court for the Southern District of Texas, 515 Rusk, Houston, Texas 77002. Participation at the hearing will only be permitted by an audio and video connection.

Audio communication will be by use of the Court's dial-in facility. You may access the facility at (832) 917-1510. Once connected, you will be asked to enter the conference room number. Judge Jones's conference room number is 205691.

Video communication will be by use of the GoToMeeting platform. Connect via the free GoToMeeting application or click the link on Judge Jones's home page. The meeting code is "JudgeJones". Click the settings icon in the upper right corner and enter your name under the personal information setting.

Hearing appearances must be made electronically in advance of the hearing. To make your appearance, click the "Electronic Appearance" link on Judge Jones's home page. Select the case name, complete the required fields and click "Submit" to complete your appearance.

If you object to the relief requested, you must respond in writing. Unless otherwise directed by the Court, you must file your response electronically at <https://ecf.txsb.uscourts.gov/> within thirty days from the date this Objection was filed.

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.

If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within thirty days from the date this Objection was filed. Otherwise, the Court may treat the Objection as unopposed and sustain the relief requested.

This Objection seeks to disallow certain Proofs of Claim. Claimants receiving this Objection should locate their names and Claims on Schedule 1 and Schedule 2 to the Order attached to this Objection.

The above-captioned reorganized debtors (together, the “Reorganized Debtors”) file this Omnibus Objection (the “Objection”) and submit the *Declaration of Michael Bechtel in Support of the Reorganized Debtors’ Eighteenth Omnibus Objection to Certain Proofs of Claim (Late-Filed Claims)* attached hereto as **Exhibit A** (the “Declaration”) and represent as follows:

Relief Requested

1. The Reorganized Debtors seek entry of an order substantially in the form attached hereto (the “Order”), disallowing each claim identified on **Schedule 1** and **Schedule 2** to the Order (collectively, the “Late-Filed Claims”) in their entirety because each such claim was not timely filed.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of Texas (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Reorganized Debtors confirm their consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), to the entry of a final order by the Court in connection with this Objection to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a) and 502(b) of the Bankruptcy Code and Bankruptcy Rule 3007, and Rules 9013-1 and 3007-1 of the Bankruptcy Local Rules for the Southern District of Texas (the “Bankruptcy Local Rules”).

The Claims Reconciliation Process

5. On August 13, 2020, the 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”), establishing certain dates and deadlines for filing proofs of claim in these chapter 11 cases. Among other things, the Bar Date Order established (a) October 30, 2020, at 5:00 p.m., prevailing Central Time, as the deadline for all non-governmental and (b) December 28, 2020, at 5:00 p.m., prevailing Central Time (as applicable, the “Bar Date”) entities holding or wishing to assert a “claim” (as defined in section 101(5) of the Bankruptcy Code) against any of the Debtors that arose before the Petition Date to file a proof of such claim in writing.

6. On August 21, 2020, the Debtors filed their statements of financial affairs and schedules of assets and liabilities [Docket Nos. 901–903, 905–983] (the “SOFAs and Schedules”), pursuant to Bankruptcy Rule 1007. The SOFAs and Schedules for certain Debtor entities were amended on November 27, 2020 [Docket Nos. 1939–1952].

7. On January 13, 2021, the Court confirmed the Debtors’ plan of reorganization [Docket No. 2833] (as amended, the “Plan”) memorializing that decision in an order filed on January 16, 2021. *See Order Confirming Fifth Am. Joint Ch. 11 Plan of Reorganization of Chesapeake Energy Corp. & Its Debtor Affiliates* [Docket No. 2915].

8. The Effective Date of the Plan was February 9, 2021. The Plan established a deadline of 30 days after the Effective Date for claimants to file requests for payment of Administrative Claims (as defined in the Plan), or March 11, 2021, and 120 days after the Effective Date for claimants to file requests for payment of Royalty and Working Interests Administrative Claims (as defined in the Plan), or June 9, 2021 (as applicable, the “Administrative Claims Bar Date”).

9. To date, approximately 8,300 proofs of claim have been filed against the Debtors, totaling approximately \$42 billion. The Debtors sought and have been granted approval to file omnibus objections to certain claims in accordance with the procedures set forth in the Debtors’ omnibus claims objection procedures order [Docket No. 3050] (the “Objection Procedures”). The Reorganized Debtors and their advisors (collectively, the “Reviewing Parties”) have been working diligently to review the proofs of claim, including any supporting documentation filed therewith

10. The Reviewing Parties believe that the Late-Filed Claims described herein should be disallowed as set forth herein.

Objection

11. Section 502 of the Bankruptcy Code provides, in pertinent part, as follows: “[a] claim or interest, proof of which is filed under § 501 of [the Bankruptcy Code], is deemed allowed, unless a party in interest . . . objects.” 11 U.S.C. § 502. Section 502(b)(1) provides that a court shall not allow a claim if “such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law for a reason other than because such claim is contingent or unmatured.” *See* 11 U.S.C. § 502(b)(1). Moreover, Bankruptcy Rule 3007 provides certain grounds upon which “objections to more than one claim may be joined in an omnibus objection,” which includes when “the objections are based solely on the grounds that the claims

should be disallowed, in whole or in part, because . . . they were not timely filed.” Fed. R. Bankr. P. 3007(d).

12. As set forth in Bankruptcy Rule 3001(f), a properly executed and filed proof of claim constitutes *prima facie* evidence of the validity and the amount of the claim under § 502(a) of the Bankruptcy Code. *See, e.g., In re Tran*, 351 B.R. 440, 444 (Bankr. S.D. Tex. 2006), *aff’d*, 369 B.R. 312 (S.D. Tex. 2007) (holding that a properly filed proof of claim is *prima facie* evidence of the validity and amount of the claim.) A proof of claim loses the presumption of *prima facie* validity under Bankruptcy Rule 3001(f) if an objecting party refutes at least one of the allegations that are essential to the claim’s legal sufficiency. *See In re Fidelity Holding Co., Ltd.*, 837 F.2d 696, 698 (5th Cir. 1988) (holding, “If, however, evidence rebutting the claim is brought forth, then the claimant must produce additional evidence to “prove the validity of the claim by a preponderance of the evidence.”). Once such an allegation is refuted, the burden reverts to the claimant to prove the validity of its claim by a preponderance of the evidence. *Id.* Despite this shifting burden during the claim objection process, “the ultimate burden of proof always lies with the claimant.” *Id.*

The Late-Filed Claims

13. As set forth in the Declaration and further explained on **Schedule 1** and **Schedule 2**, the Reviewing Parties have thoroughly reviewed the Reorganized Debtors’ books and records along with the Late-Filed Claims identified on **Schedule 1** and **Schedule 2** and confirmed that the Late-Filed Claims were received after the applicable Bar Date or Administrative Claims Bar Date. Certain of the Late-Filed Claims purport to amend a timely claim but assert new liabilities that were not included in the original claim. Failure to disallow the Late-Filed Claims could result in an improper recovery on account of the Late-Filed Claims to the detriment of other creditors.

Reservation of Rights

14. This Objection is limited to the grounds stated herein. It is without prejudice to the rights of the Reorganized Debtors or any other party in interest to object to the Late-Filed Claims on any grounds whatsoever. The Reorganized Debtors expressly reserve all further substantive or procedural objections they may have. Nothing contained herein or any actions taken pursuant to such relief is intended or should be construed as: (a) an admission as to the validity of any prepetition claim against a Debtor or Reorganized Debtor entity; (b) a waiver of any party's right to dispute any prepetition claim on any grounds; (c) a promise or requirement to pay any prepetition claim; (d) an implication or admission that any particular claim is of a type specified or defined in this objection or any order granting the relief requested by this objection; (e) a request or authorization to assume any prepetition agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; or (f) a waiver of the Reorganized Debtors' rights under the Bankruptcy Code or any other applicable law.

15. In the event that any of the Late-Filed Claims is not disallowed and expunged on the grounds asserted herein, the Reorganized Debtors hereby reserve all rights to object to such claims, or any amended claim, on any other grounds. Additionally, the Reorganized Debtors expressly reserve all rights to amend, modify, or supplement the objections asserted herein and to file additional objections to the Late-Filed Claims.

Separate Contested Matter

16. To the extent that a response is filed regarding any Late-Filed Claim and the Reorganized Debtors are unable to resolve any such response, each such Late-Filed Claim, and the Objection as it pertains to such Late-Filed Claim, will constitute a separate contested matter as contemplated by Bankruptcy Rule 9014. Further, the Reorganized Debtors request that any order

entered by the Court regarding an objection or other reply asserted in response to this Objection be deemed a separate order with respect to each Late-Filed Claim.

Notice

17. The Reorganized Debtors will provide notice of this Objection to: (a) the United States Trustee for the Southern District of Texas; (b) any party that has requested notice pursuant to Bankruptcy Rule 2002; and (c) the affected claimants. In light of the nature of the relief requested, no other or further notice need be given.

The Reorganized Debtors respectfully request that the Court enter the Order sustaining the Objection in its entirety and disallowing the Late-Filed Claims and grant such other and further relief as is just and proper under the circumstances.

Houston, Texas
September 10, 2021

/s/ Kristhy M. Peguero

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Certificate of Service

I certify that on September 10, 2021, 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/ Kristhy M. Peguero

Kristhy M. Peguero

Exhibit A

Declaration of Michael Bechtel

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

In re:	§	
	§	Chapter 11
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CHESAPEAKE ENERGY CORPORATION, <i>et al.</i> , ¹	§	Case No. 20-33233 (DRJ)
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Reorganized Debtors.	§	(Jointly Administered)
	§	
	§	

**DECLARATION OF MICHAEL BECHTEL
IN SUPPORT OF THE REORGANIZED DEBTORS' EIGHTEENTH'S OMNIBUS
OBJECTION TO CERTAIN PROOFS OF CLAIM (LATE-FILED CLAIMS)**

I, Mike Bechtel, hereby declare under penalty of perjury:

1. I am a Senior Manager – Operations Accounting with Chesapeake Energy Corporation (“Chesapeake”), a corporation organized under the laws of Oklahoma and one of the above-captioned reorganized debtors (before the Effective Date of the Plan, the “Debtors,” and after the Effective Date of the Plan, the “Reorganized Debtors”). Before joining Chesapeake, I was the Director of Merchandise Payables for Fleming Companies and employed from 1994 to 2003, where I also help positions in Internal Audit and Divisional Chief Accountant. My duties with Chesapeake include the management and oversight of the Accounts Payable and Joint Venture Accounting processes.

2. I am generally familiar with the Reorganized Debtors’ day-to-day operations, financing arrangements, business affairs, and books and records that reflect, among other things, the Reorganized Debtors’ liabilities and the amount thereof owed to their creditors as of the

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.

Petition Date. I have read the *Reorganized Debtors' Eighteenth Omnibus Objection to Certain Proofs of Claim (Amended Claims)* (the "Objection").²

3. To the best of my knowledge, information, and belief, the assertions made in the Objection are accurate. The Reviewing Parties reviewed the claims register, the relevant proofs of claim, as well as the supporting documentation provided by each claimant, and confirmed that the Late-Filed Claims were received after the applicable Bar Date or Administrative Claims Bar Date. I do not believe that the Reorganized Debtors are liable for Late-Filed Claims due to their untimeliness. In the instances where a Late-Filed Claim purports to amend a timely claim, the liabilities asserted in the Late-Filed Claim do not solely amend a prior claim. Instead, I believe such Late-Filed Claims assert substantively different liabilities than those that were asserted in the timely claim. Therefore, I believe the Late-Filed Claims are untimely.

4. I believe that the disallowance of the Late-Filed Claims is appropriate. Failure to disallow the Late-Filed Claims would result in the claimants receiving an unwarranted recovery against the Debtors or Reorganized Debtors, as applicable, to the detriment of other creditors.

² Capitalized and undefined terms herein shall have the meanings ascribed to them in the objection to which this Declaration is affixed.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the facts set forth in the foregoing declaration are true and correct to the best of my knowledge, information and belief.

Date: September 10, 2021

/s/ Michael Bechtel

Michael Bechtel
Sr. Manager – Operations Accounting
Chesapeake Energy Corporation