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)
Reorganized Debtors.	§	(Jointly Administered)

REORGANIZED DEBTORS' TWENTY-THIRD OMNIBUS OBJECTION TO CERTAIN PROOFS OF CLAIM (NO LIABILITY CLAIMS AND AMENDED CLAIM)[2]

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

[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").

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. 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, Schedule 2, and Schedule 3 to the Order attached to this Objection.

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") represent as follows in support of this omnibus claims objection (this "Objection"), and submit the *Declaration of Michael Bechtel in Support of the Reorganized Debtors' Twenty-Third Omnibus Objection to Certain Proofs of Claim (No Liability Claims and Amended Claim),* attached hereto as **Exhibit A** (the "Bechtel Declaration"):

Relief Requested

1. The Reorganized Debtors seek entry of the proposed order (the "Order"):

   a. disallowing each proof of claim identified on Schedule 1 and Schedule 2 to the Order (collectively, the "No Liability Claims") because the Reorganized Debtors have determined that their books and records reflect no outstanding liability on the grounds asserted in the No Liability Claims and do not believe they owe the amounts asserted therein; and

   b. disallowing the proof of claim identified on Schedule 3 to the Order (the "Amended Claim") because the Reorganized Debtors believe that such claim was amended and replaced by a claim, as identified in the column entitled "Remaining Claim" on Schedule 3 to the Order.

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)(2). 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.

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 title 11 of the United States Code (the "Bankruptcy Code"), Bankruptcy Rule 3007, and rules 3007-1 and 9013-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "Bankruptcy Local Rules").

The Claims Reconciliation Process

5. 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].

6. On August 13, 2020, the Court entered an *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"). The Bar Date Order established, among other things, October 30, 2020 as the deadline for all non-governmental 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 claim.

7. To date, approximately 8,300 proofs of claim have been filed against the Debtors, totaling approximately $42 billion. The Debtors 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, as amended [Docket Nos. 3050, 3963] (the "Objection Procedures"). The Reorganized Debtors and their advisors (collectively, the "Reviewing Parties") have been working diligently to review the proofs of claim and supporting documentation.

8. The Reviewing Parties have determined that the No Liability Claims and Amended Claim disputed herein (each, a "Disputed Claim," and, collectively, the "Disputed Claims") should be disallowed or modified as set forth herein.

Objection

9. Section 502 of the Bankruptcy Code provides, in pertinent part, as follows: "[a] claim or interest, proof of which is filed under section 501 of [the Bankruptcy Code], is deemed allowed, unless a party in interest . . . objects." 11 U.S.C. §502. Moreover, Bankruptcy Rule 3007 provides certain grounds upon which "objections to more than one claim may be joined in an omnibus objection," which include when "the objections are based solely on the grounds that the claims should be disallowed, in whole or in part, because . . ."they have been amended by subsequently filed proofs of claim" or "they have been satisfied or released during the case in accordance with the [Bankruptcy] Code, applicable rules, or a court order." Fed. R. Bankr. P. 3007(d).

10. 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 section

502(a) of the Bankruptcy Code. *See, e.g.*, *In re Jack Kline Co., Inc.*, 440 B.R. 712, 742 (Bankr. S.D. Tex. 2010). 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). 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." *In re Armstrong*, 347 B.R. 581, 583 (Bankr. N.D. Tex. 2006) (citing *Raleigh v. Ill. Dep't of Rev.*, 530 U.S. 15 (2000)).

No Liability Claims

11. The Reorganized Debtors object to the No Liability Claims. As set forth in the Bechtel Declaration, the Reviewing Parties thoroughly reviewed the Debtors' books and records, the claims register, the No Liability Claims, and any documents filed in support therewith, and do not believe that the Reorganized Debtors owe the amounts claimed therein. As the Reviewing Parties' investigation has revealed, the No Liability Claims do not represent an obligation owed by the Reorganized Debtors. Generally, the Reorganized Debtors do not believe they are liable for the No Liability Claim because each such claim has been satisfied as more fully described on Schedule 1 and Schedule 2, as applicable. Failure to disallow the No Liability Claims could result in the applicable claimants receiving improper recoveries against the Reorganized Debtors to the detriment of other similarly situated creditors.

I. Wells Fargo Claims.

12. Each No Liability Claim on Schedule 1 (collectively, the "Wells Fargo Claims") has been satisfied, and therefore the Reorganized Debtors believe they are not liable on account of the Wells Fargo Claims. Specifically, certain Wells Fargo Claims were filed on account of that certain credit agreement, dated as of December 19, 2016, by and between Brazos Valley Longhorn, L.L.C. (successor to WildHorse Resources Development Corporation), as borrower, Wells Fargo Bank, National Association ("Wells Fargo"), as agent, and the lenders party thereto (the "Wells Fargo Credit Agreement"). On December 23, 2019, the Debtors and Wells Fargo executed a letter (a) terminating the commitments under the Wells Fargo Credit Agreement and (b) requiring the Debtors to pay, satisfy, and discharge in full all outstanding loans under the Wells Fargo Credit Agreement amounting to $1,037,704,254.44 comprised of the following:

i. $1,028,000,000.00 in respect of outstanding principal of the loans;

ii. $9,368,142.38 in respect of accrued and unpaid interest on the outstanding principal of the loans;

iii. $258,290.14 in respect of commitment fees;

iv. $821.92 in respect of all other fees and expenses owing under the Wells Fargo Credit Agreement (other than legal fees); and

v. $77,000.00 in respect of legal fees and expenses.

13. The Reorganized Debtors have paid all outstanding amounts due under the Wells Fargo Credit Agreement and no further obligations have accrued. As such, the Reorganized Debtors believe they are not liable on account of such Wells Fargo Claims.

14. The remaining Wells Fargo Claims relate to that certain agreement, dated as of January 26, 2015, by and between Chesapeake Energy Corporation ("Chesapeake") and Wells Fargo (as amended, the "Wells Fargo MasterCard Agreement"), governing the issuance and payment of certain Wells Fargo purchasing cards used by the Debtors' employees to pay travel and operational expenses incurred in the ordinary course of business. On July 31, 2021, the Court entered the *Final Order (I) Authorizing the Debtors to (A) Continue to Operating Their Cash Management System and Maintain Existing Bank Accounts and (B) Continue to Perform Intercompany Transactions and (II) Granting Related Relief* [Docket No. 594] (the "Cash Management Order"), authorizing, among other things, the Debtors to pay any prepetition amounts due under the Wells Fargo MasterCard Agreement and continue the purchasing card program governed thereby. *See* Cash Management Order, ¶ 12. As recognized in the Wells Fargo Claims (*see* Wells Fargo Claims, p. 3), the Debtors have paid all obligations arising under the Wells Fargo MasterCard Agreement pursuant to the Cash Management Order. As such, the Reorganized Debtors believe they are not liable on account of such Wells Fargo Claims.

II. Divested Royalty Claims.

15. Each No Liability Claim on Schedule 2 (collectively, the "Divested Royalty Claims") was filed on account of liabilities for royalties or working interest payments related to certain wells (the "Subject Wells"). The Subject Wells were sold and assigned to Indigo Minerals LLC and Fourpoint Energy LLC (each, a "Buyer") in August 2009 and January 2014, respectively.

From the date of the respective sales, the Buyers became the lessees on the leases related to the Subject Wells (the "Subject Leases").

16. The Reorganized Debtors do not believe that they are liable to the applicable claimants for any unpaid royalties, shut-in payments, or any of the other claims asserted in the Divested Royalty Claims for the time during which Chesapeake was the lessee on the Subject Leases. As set forth in the Bechtel Declaration, the Reviewing Parties believe Chesapeake paid all royalties that were due and owing to the claimants under the Subject Leases prior to the respective sales. The Reviewing Parties found nothing in Chesapeake's records that support the Divested Well Claims, and therefore the Reorganized Debtors do not believe that the Debtors are liable for the Divested Well Claims.

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17. The Reorganized Debtors request that the Court enter the Order disallowing the No Liability Claims identified on Schedule 1 and Schedule 2 to the Order.

Amended Claim

18. The Reorganized Debtors object to the Amended Claim. The Reviewing Parties reviewed the claims register and believe that the Amended Claim was amended and replaced by the claim identified in the column entitled "Remaining Claim" on Schedule 3 to the Order (the "Remaining Amended Claim"). Disallowing the Amended Claim will provide the Reorganized Debtors and the affected claimant with certainty regarding which Remaining Amended Claim will control for distribution purposes.

19. Accordingly, the Reorganized Debtors request that the Court enter an order disallowing the Amended Claim identified on Schedule 3 to the Order.

Reservation of Rights

20. This Objection is limited to the grounds stated herein. It is without prejudice to the rights of the Reorganized Debtors to object to any claim on any grounds whatsoever. The Reorganized Debtors expressly reserve all further substantive or procedural objections. 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 Reorganized Debtor entity; (b) a waiver of the Reorganized Debtors' 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.

Separate Contested Matter

21. To the extent that a response is filed regarding any Disputed Claim and the Reorganized Debtors are unable to resolve any such response, each such Disputed Claim, and the Objection as it pertains to such Disputed 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 proof of claim.

Notice

22. The Reorganized Debtors will provide notice of this motion 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.

[*Remainder of page intentionally left blank.*]

The Reorganized Debtors request that the Court enter the Order granting the relief requested herein and such other and further relief as is just and equitable.

Houston, Texas
September 10, 2021

/s/ Alexandra Schwarzman

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Counsel to the Reorganized Debtors

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/ Alexandra Schwarzman
Alexandra Schwarzman

Exhibit A

Bechtel Declaration

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

In re:	§	Chapter 11
CHESAPEAKE ENERGY CORPORATION, *et al.*,[3]	§	Case No. 20-33233 (DRJ)
Reorganized Debtors.	§	(Jointly Administered)

DECLARATION OF MICHAEL BECHTEL IN SUPPORT OF REORGANIZED DEBTORS' TWENTY-THIRD OMNIBUS OBJECTION TO CERTAIN PROOFS OF CLAIM (NO LIABILITY CLAIMS AND AMENDED CLAIM)

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

1. I am a Sr. 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

[3] 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' Twenty-Third Omnibus Objection to Certain Proofs of Claim (No Liability Claims and Amended Claim)* (the "Objection").[4]

3. To the best of my knowledge, information, and belief, the assertions made in the Objection are accurate. The Reviewing Parties thoroughly reviewed the reviewed the claims register, the Reorganized Debtors' books and records, the relevant proofs of claim, as well as the supporting documentation provided by each claimant, and have determined that each of the Disputed Claims should be disallowed. I believe the disallowance of the Disputed Claims on the terms set forth in the Objection is appropriate.

No Liability Claims

4. In evaluating the No Liability Claims identified on Schedule 1 and Schedule 2 to the Order, the Reviewing Parties have thoroughly reviewed the Reorganized Debtors' books along with the No Liability Claims. Following the Reviewing Parties' investigation into the No Liability Claims, the Reorganized Debtors have determined that they do not owe the amounts claimed therein as elaborated on Schedule 1 and Schedule 2 the Order.

I. Wells Fargo Claims.

5. With respect to the claims on Schedule 1 (the "Wells Fargo Claims"), each such Wells Fargo Claim has been satisfied as more fully described on Schedule 1, and therefore the Reorganized Debtors believe they are not liable on such Wells Fargo Claims. Specifically, I understand certain Wells Fargo Claims were filed on account of that certain credit agreement, dated as of December 19, 2016, by and between Brazos Valley Longhorn, L.L.C. (successor to WildHorse Resources Development Corporation), as borrower, Wells Fargo Bank, National

[4] Capitalized terms used but not otherwise defined herein shall have the same meaning ascribed to them in the Objection.

Association ("Wells Fargo"), as agent, and the lenders party thereto (the "Wells Fargo Credit Agreement"). On December 23, 2019, the Debtors and Wells Fargo executed a letter (a) terminating the commitments under the Wells Fargo Credit Agreement and (b) requiring the Debtors to pay, satisfy, and discharge in full all outstanding loans under the Wells Fargo Credit Agreement amounting to $1,037,704,254.44 and comprised of the following:

i. $1,028,000,000.00 in respect of outstanding principal of the loans;

ii. $9,368,142.38 in respect of accrued and unpaid interest on the outstanding principal of the loans;

iii. $258,290.14 in respect of commitment fees;

iv. $821.92 in respect of all other fees and expenses owing under the Wells Fargo Credit Agreement (other than legal fees); and

v. $77,000.00 in respect of legal fees and expenses.

6. The Reorganized Debtors have paid all outstanding amounts due under the Wells Fargo Credit Agreement and no further obligations have accrued. As such, the Reorganized Debtors believe they are not liable on account of such Wells Fargo Claims.

7. I understand the remaining Wells Fargo Claims relate to that certain agreement, dated as of January 26, 2015, by and between Chesapeake and Wells Fargo (as amended, the "Wells Fargo MasterCard Agreement"), governing the issuance and payment of certain Wells Fargo purchasing cards used by the Debtors' employees to pay travel and operational expenses incurred in the ordinary course of business. The Reorganized Debtors have paid all obligations arising under the Wells Fargo MasterCard Agreement. As such, the Reorganized Debtors believe they are not liable on account of such Wells Fargo Claims.

II. Divested Royalty Claims.

8. With respect to the claims on Schedule 2 (the "Divested Royalty Claims"), each such Divested Royalty Claim was filed on account of liabilities for royalties or working interest

payments related to certain wells (the "Subject Wells"). The Subject Wells were sold and assigned to Indigo Minerals LLC and Fourpoint Energy LLC (each, a "Buyer") in August 2009 and January 2014, respectively. From the date of the respective sales, the Buyers became the lessees on the leases related to the Subject Wells (the "Subject Leases").

9. The Reorganized Debtors do not believe that they are liable to the applicable claimants for any unpaid royalties, shut-in payments, or any of the other claims asserted in the Divested Royalty Claims for the time during which Chesapeake was the lessee on the Subject Leases. The Reorganized Debtors believe Chesapeake paid all royalties, which were due and owing to the claimant under the Subject Leases prior to the respective sales. The Reviewing Parties found nothing in Chesapeake's records that support the Divested Well Claims, and therefore the Reorganized Debtors do not believe that the Debtors are liable for the Divested Well Claims.

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10. I understand that failure to disallow the No Liability Claims could result in the applicable claimants receiving an improper recovery on account of the No Liability Claims, to the detriment of the Reorganized Debtors' and other, similarly situated creditors. I understand further that elimination of these No Liability Claims will streamline and enable the Reorganized Debtors to maintain a more accurate claims register in these chapter 11 cases. I believe that the disallowance of the No Liability Claims on the terms set forth in the Objection and Schedule 1 and Schedule 2 is appropriate.

Amended Claim

11. The Reorganized Debtors believe that the Amended Claim was amended and replaced by the claim in the column titled "Remaining Claim" identified on Schedule 3 to the Order. I understand that disallowing the Amended Claim will provide the Reorganized Debtors

and the affected claimant with certainty regarding which Remaining Amended Claim will control for distribution purposes. As such, I believe that the disallowance of the Amended Claim on the terms set forth in the Objection and Schedule 3 is appropriate.

[*Remainder of page intentionally left blank.*]

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 as of the date hereof.

Dated: September 10, 2021

/s/ Michael Bechtel
Michael Bechtel
Sr. Manager – Operations Accounting
Chesapeake Energy Corporation