

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

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

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**REORGANIZED DEBTORS’  
TWENTY-SIXTH OMNIBUS OBJECTION TO CERTAIN  
PROOFS OF CLAIM (EQUITY INTEREST CLAIMS)<sup>2</sup>**

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**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 January 24, 2022 at 2:00 p.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**

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<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 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 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-Sixth Omnibus Objection to Certain Proofs of Claim (Equity Interest Claims)* attached hereto as **Exhibit A** (the “Bechtel Declaration”):

#### **Relief Requested**

1. The Reorganized Debtors seek entry of the proposed order (the “Order”) disallowing each proof of claim identified on Schedule 1 to the Order (the “Equity Interest Claims”) because the Reorganized Debtors believe that each such claim was filed on account of an equity interest in the Debtors.

#### **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 8,350 proofs of claim have been filed against the Debtors, totaling approximately \$43 billion. Over the past year, a team consisting of three (3) advisors from Alvarez & Marsal, the Reorganized Debtors’ financial advisors, including Richard Niemerg, Senior Director, with the support of eight (8) claims reconciliation team leads and twenty-five (25)

staff within the following departments at Chesapeake: Accounts Payable and Joint Interest Billings; Contracts; Marketing; Human Resources; Legal; Royalty; Tax; and Treasury (collectively, the “Reviewing Parties”) have been working diligently to review the proofs of claim, including any supporting documentation filed therewith. The Debtors are authorized 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”).

8. The Reviewing Parties believe that the Equity Interest Claims should be disallowed.

### **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(a). Section 502 also provides that “if such objection is made, the court . . . shall determine the amount of such claim . . . and shall allow such claim in such amount, except to the extent that such claim is unenforceable against the debtor and property of the debtor, under any agreement or applicable law . . . .” 11 U.S.C. §502(b).

10. 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 are interests, rather than claims.” Fed. R. Bankr. P. 3007(d)(7).

11. 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).

12. 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)).

### **Equity Interest Claims**

13. The Reorganized Debtors object to the Claims listed on **Schedule 1** to the Order (the "Equity Interest Claims"). The Reviewing Parties thoroughly reviewed the claims register and believe that the Equity Interest Claims identified on **Schedule 1** to the Order were filed on account of asserted equity interests held by such parties in the Debtors, *i.e.*, based solely on ownership of stock of the Debtors, and not on account of damages or a claim against the Debtors. Holders of stock of the Debtors do not have "claims" against the Debtors or their estates. *See* 11 U.S.C. § 501(a) ("An equity security holder may file a proof of *interest*.") (emphasis added). Moreover, pursuant to paragraph 9 of the Bar Date Order, "any entity holding an equity interest in any debtor" is not required to file a Proof of Claim. *See* Bar Date Order ¶ 9(bb). Notwithstanding such provision of the Bar Date Order, holders of stock filed proofs of claim asserting claims on account of such equity interests.

14. Failure to appropriately classify such claims would entitle such holders to recoveries on account of such "claims" to which such holders are not entitled. Reclassifying the Equity Interest Claims will enable the Reorganized Debtors to maintain a more accurate claims register and will not prejudice parties holding interests in the Debtors.

15. The Reorganized Debtors request that the Court enter an order reclassifying the Equity Interest Claims identified on **Schedule 1** to the Order as proofs of interest.

**Reservation of Rights**

16. This Objection is limited to the grounds stated herein. Accordingly, 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**

17. To the extent that a response is filed regarding any of the Equity Interest Claims and the Reorganized Debtors are unable to resolve any such response, each Equity Interest Claim, and the Objection as it pertains to such Equity Interest 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 Equity Interest Claim.

**Notice**

18. 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 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  
December 14, 2021

*/s/ Kristhy M. Peguero*

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*Co-Counsel to the Reorganized Debtors*

*Co-Counsel to the Reorganized Debtors*

**Certificate of Service**

I certify that on December 14, 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**

**Bechtel Declaration**

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

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

**DECLARATION OF MICHAEL BECHTEL IN SUPPORT OF REORGANIZED  
DEBTORS’ TWENTY-SIXTH OMNIBUS OBJECTION TO CERTAIN  
PROOFS OF CLAIM (EQUITY INTEREST CLAIMS)**

I, Michael 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 as of the Petition Date. I have read the *Reorganized Debtors’*

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<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.

*Twenty-Sixth Omnibus Objection to Certain Proofs of Claim (Equity Interest Claims)*  
(the “Objection”).<sup>2</sup>

3. To the best of my knowledge, information, and belief, the assertions made in the Objection are accurate. The Reviewing Parties thoroughly reviewed the claims register, the relevant proofs of claim, as well as the supporting documentation provided by each claimant, and believe that each of the Equity Interest Claims was filed on account of an equity interest in the Debtors. I believe that the disallowance of the Equity Interest Claims on the terms set forth in the Objection is appropriate.

#### **Equity Interest Claims**

4. The Reorganized Debtors believe that the Equity Interest Claims identified on **Schedule 1** to the Order were filed on account of such holders’ asserted ownership of equity interests in the Debtors, rather than on account of “claims” (as that term is defined by § 101(5) of the Bankruptcy Code) against one or more of the Debtors. The Equity Interest Claims do not represent valid claims against the Debtors. I believe that the Equity Interest Claims identified on **Schedule 1** to the Order were filed on account of asserted equity interests held by such parties in the Debtors, *i.e.*, based solely on ownership of stock of the Debtors, and not on account of damages or a claim against the Debtors, and that failure to appropriately classify the Equity Interest Claims would entitle the holders to recoveries on account of such “claims” to which the holder is not entitled. I believe that the reclassification of the Equity Interest Claims is appropriate.

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<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the same meaning ascribed to them in the Objection.

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.

Date: December 14, 2021

*/s/ Michael Bechtel*

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Michael Bechtel  
Senior Manager – Operations Accounting  
Chesapeake Energy Corporation