

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

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

**REORGANIZED DEBTORS' TWENTY-NINTH OMNIBUS OBJECTION
TO CERTAIN PROOFS OF CLAIM (NO LIABILITY CLAIMS, EQUITY
INTEREST CLAIMS, LATE-FILED 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 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.

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").

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. If you do not have electronic filing privileges, you must file a written objection that is actually received by the clerk within 30 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, Schedule 3, and Schedule 4 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-Ninth Omnibus Objection to Certain Proofs of Claim (No Liability Claims, Equity Interest Claims, Late-Filed 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 to the Order (collectively, the "No Liability Claims") because the Reorganized Debtors do not believe they are liable for the reasons set forth on Schedule 1;
 - b. disallowing each proof of claim identified on Schedule 2 to the Order (collectively, the "Equity Interest Claims") because the Reorganized Debtors believe that each such claim was filed on account of an equity interest in the Debtors;

- c. disallowing each proof of claim identified on Schedule 3 to the Order (collectively, the “Late-Filed Claims”) because each such claim was not timely filed; and
- d. disallowing the proof of claim identified on Schedule 4 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 4 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: (a) October 30, 2020, at 5:00 p.m., prevailing Central Time (the “General Bar Date”), as the deadline for all non-governmental entities, and (b) December 28, 2020, at 5:00 p.m., prevailing Central Time (the “Governmental Bar Date”), as the deadline for all 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 such claim in writing.

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

8. 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: AP and JIBs; Contracts; Marketing; HR; 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").

9. The Reviewing Parties believe that the No Liability Claims, the Equity Interest Claims, the Late-Filed Claims, and the Amended Claim disputed herein (each, a "Disputed Claim," and, collectively, the "Disputed Claims") should be disallowed.

Objection

10. 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. 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). Further, the Objection Procedures provide that the Reorganized Debtors may file and serve omnibus objections to claims on the grounds that such claims "are inconsistent with the Debtors' books and records and for which the Debtors are not liable." Objection Procedures ¶ 1.

11. 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 satisfied or released during the case in accordance with the [Bankruptcy] Code, applicable rules, or a court order," "they are interests, rather than claims," "they were not timely filed, " or "they have been amended by subsequently filed proofs of claim[.]" 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 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

13. The Reorganized Debtors object to the No Liability Claims. As set forth in the Bechtel Declaration and further explained on Schedule 1 to the Order, the Reviewing Parties have thoroughly reviewed the Reorganized Debtors' books and records as reflected in their SAP Dolphin (trade and tax), Crowd Reason Total Property Tax (tax), and Horizon (marketing) software systems, as applicable, and the No Liability Claims identified on Schedule 1 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.

14. Certain No Liability Claims seek recovery for liabilities relating to assets that were divested prior to the date the alleged liability was incurred and should instead be asserted against non-debtor third parties. Other No Liability Claims relate to liabilities or obligations that have

already been satisfied in full via ACH payments or checks paid to the respective claimants by the Debtors or Reorganized Debtors, as identified on Schedule 1. Other No Liabilities Claims fail to include any supporting documentation or contain insufficient documentation for the Reorganized Debtors to identify any liability. In all cases, the Reorganized Debtors are unable to identify any liability in their books and records that is owed to the claimants. An explanation regarding each No Liability Claim is provided on Schedule 1.

15. Accordingly, the Reorganized Debtors request that the Court enter the Order disallowing the No Liability Claims identified on Schedule 1 to the Order in their entirety.

Equity Interest Claims

16. The Reorganized Debtors object to the Equity Interest Claims listed on Schedule 2 to the Order. As set forth in the Bechtel Declaration, the Reviewing Parties thoroughly reviewed the Reorganized Debtors' books and records, claims register, the Equity Interest Claims, and any documents filed in support therewith, and believe that the Equity Interest Claims identified on Schedule 2 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.

17. Accordingly, the Reorganized Debtors request that the Court enter an order disallowing the Equity Interest Claims identified on Schedule 2 to the Order.

Late-Filed Claims

18. The Reorganized Debtors object to the Late-Filed Claims listed on Schedule 3 to the Order. As set forth in the Bechtel Declaration, the Reviewing Parties have thoroughly reviewed the claims register, the Late-Filed Claims, and any documents filed in support therewith, and confirmed that the Late-Filed Claims identified on Schedule 3 were received after the applicable Bar Date or Administrative Claims Bar Date. 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.

19. Accordingly, the Reorganized Debtors request that the Court enter an order disallowing the Late-Filed Claims identified on Schedule 3 to the Order in their entirety.

Amended Claim

20. The Reorganized Debtors object to the Amended Claim listed on Schedule 4 to the Order. The Reviewing Parties thoroughly 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 4 to the Order (the “Remaining Amended Claim”). The Reorganized Debtors do not believe that they are liable for both the Amended Claim and the Remaining Amended Claim. Disallowing the Amended Claim will provide the Reorganized Debtors and the affected claimants with certainty regarding which claims will control for distribution purposes and will prevent a double-recovery to the holders of the Amended Claim to the detriment of other similarly situated creditors.

21. The Reorganized Debtors request that the Court enter an order disallowing the Amended Claim identified on Schedule 4 to the Order. This Objection does not affect the

Remaining Amended Claim, and the Reorganized Debtors reserve their right to object to the Remaining Amended Claim on any grounds whatsoever.

Reservation of Rights

22. 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

23. 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

24. 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
December 15, 2021

/s/ Alexandra Schwarzman

KIRKLAND & ELLIS LLP
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Counsel to the Reorganized Debtors

Certificate of Service

I certify that on December 15, 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**

<hr style="border: 0.5px solid black;"/> <div style="display: flex; justify-content: space-between;"><div style="width: 80%;"><p>In re:</p><p>CHESAPEAKE ENERGY CORPORATION, <i>et al.</i>,¹</p><p style="text-align: center;">Reorganized Debtors.</p></div><div style="width: 10%; text-align: center;"><p>§</p><p>§</p><p>§</p><p>§</p><p>§</p><p>§</p><p>§</p><p>§</p></div><div style="width: 10%; vertical-align: top;"><p>Chapter 11</p><p>Case No. 20-33233 (DRJ)</p><p>(Jointly Administered)</p></div></div>	
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**DECLARATION OF MICHAEL BECHTEL IN SUPPORT
OF REORGANIZED DEBTORS' TWENTY-NINTH OMNIBUS
OBJECTION TO CERTAIN PROOFS OF CLAIM (NO LIABILITY CLAIMS,
EQUITY INTEREST CLAIMS, LATE-FILED 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,

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.

the Reorganized Debtors' liabilities and the amount thereof owed to their creditors as of the Petition Date. I have read the *Reorganized Debtors' Twenty-Ninth Omnibus Objection to Certain Proofs of Claim (No Liability Claims, Equity Interest Claims, Late-Filed Claims, and Amended Claim)* (the "Objection").²

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 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 to the Order, the Reviewing Parties have thoroughly reviewed the Reorganized Debtors' books and records as reflected in their SAP Dolphin (trade and tax), Crowd Reason Total Property Tax (tax), and Horizon (marketing) software systems, as applicable, along with the No Liability Claims. Following the Reviewing Parties' investigation into the No Liability Claims, the Reorganized Debtors have determined that certain No Liability Claims seek recovery for liabilities relating to assets that were divested prior to the date the alleged liability was incurred and should instead be asserted against non-debtor third parties. Other No Liability Claims relate to liabilities or obligations that have already been satisfied in full via ACH payments or checks paid to the respective claimants by the Debtors or Reorganized Debtors, as identified on Schedule 1. Other

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

No Liabilities Claims fail to include any supporting documentation or contain insufficient documentation for the Reorganized Debtors to identify any liability. In all cases, the Reorganized Debtors are unable to identify any liability in their books and records that is owed to the claimants. An explanation regarding each No Liability Claim is provided on Schedule 1 to the Order.

5. 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 is appropriate.

Equity Interest Claims

6. In evaluating the Equity Interest Claims identified on Schedule 2 to the Order, the Reviewing Parties have thoroughly reviewed the Reorganized Debtors' books along with the Equity Interest Claims. Following the Reviewing Parties' investigation into the Equity Interest Claims, the Reorganized Debtors have determined that the Equity Interest Claims identified on Schedule 2 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 2 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.

7. I understand that failure to disallow the Equity Interest Claims could result in the applicable claimants receiving an improper recovery on account of the Equity Interest, to the detriment of the Reorganized Debtors’ and other, similarly situated creditors. I believe that the disallowance of the Equity Interest Claims is appropriate.

Late-Filed Claims

8. In evaluating the Late-Filed Claims identified on Schedule 3 to the Order, the Reviewing Parties have thoroughly reviewed the the claims register, the Late-Filed Claims, and any documents filed in support therewith. Following the Reviewing Parties’ investigation into the Late-Filed Claims, the Reorganized Debtors have determined 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.

9. I understand that failure to disallow the Late-Filed Claims would result in the applicable claimants receiving an improper recovery on account of the Late-Filed Claims, to the detriment of the Reorganized Debtors’ and other, similarly situated creditors. I believe that the disallowance of the Late-Filed Claims is appropriate.

Amended Claim

10. The Reorganized Debtors believe that the Amended Claim was amended and replaced by the claim in the column titled “Remaining Claim” identified on Schedule 4 to the Order. I understand that disallowing the Amended Claim will provide the Reorganized Debtors and the affected claimants with certainty regarding which Remaining Amended Claim will control for distribution purposes. I do not believe that the Reorganized Debtors are liable for both the

Amended Claim and the Remaining Amended Claim. I believe that the disallowance of the Amended Claim is appropriate.

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: December 15, 2021

/s/ Michael Bechtel

Michael Bechtel

Sr. Manager – Operations Accounting
Chesapeake Energy Corporation