



ENTERED
07/07/2021

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

In re: §
§ **Chapter 11**
§
EP ENERGY E&P COMPANY, L.P., § **Case No. 19-35647 (MI)**
§
Reorganized Debtor.¹ §
§

**STIPULATION AND AGREED ORDER REGARDING PROOFS
OF CLAIM NOS. 960, 965, 966, 967, 969, AND 972 FILED BY THE UNITED
STATES DEPARTMENT OF THE INTERIOR, BUREAU OF INDIAN AFFAIRS,
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT, BUREAU OF
LAND MANAGEMENT, AND OFFICE OF NATURAL RESOURCES REVENUE**

EP Energy E&P Company, L.P. in the above-captioned chapter 11 case, as reorganized (the “**Debtor**” or the “**Reorganized Debtor**”), and the Federal Agencies (as defined herein, and together with the Reorganized Debtor, the “**Parties**”), by and through their respective undersigned counsel, hereby enter into this stipulation and agreed order (the “**Stipulation and Agreed Order**”) as follows:

RECITALS

A. On October 3, 2019 (the “**Petition Date**”), EP Energy Corporation and its debtor affiliates, as reorganized (collectively, the “**Company**”) commenced a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Bankruptcy Court**”).

¹ The Reorganized Debtor in this case, along with the last four digits of the debtor’s federal tax identification number, is EP Energy E&P Company, L.P. (7092). The Reorganized Debtor’s primary mailing address is 601 Travis St., Suite 1400, Houston, TX 77002. On December 28, 2020, the Bankruptcy Court entered the *Final Decree Closing Certain of the Chapter 11 Cases* [ECF No. 1587] (the “**Final Decree**”) closing the chapter 11cases for the following Reorganized Debtors: EP Energy Corporation; EPE Acquisition, LLC; EP Energy LLC; Everest Acquisition Finance Inc.; EP Energy Global LLC; EP Energy Management, L.L.C.; and EP Energy Resale Company, L.L.C.

B. The United States of America, on behalf of the United States Department of the Interior, Bureau of Indian Affairs (“**BIA**”), the Bureau of Safety and Environmental Enforcement (“**BSEE**”), and the Bureau of Land Management (“**BLM**”) filed protective proofs of claim against the Reorganized Debtor, which have been assigned proof of claim numbers 965, 969, and 972, asserting protective Claims for plugging and abandonment, reclamation, and decommissioning obligations. The proofs of claim state the United States’ position that the proofs of claim were protective in nature and that regulatory obligations of the Debtor are mandatory injunctive obligations for which proofs of claim need not be filed under the Bankruptcy Code.

C. The Department of the Interior, Office of Natural Resources Revenue (“**ONRR**,” and together with the BIA, BSEE, and BLM, the “**Federal Agencies**”), filed proofs of claim numbers 960, 966, and 967 (the “**ONRR Claims**”) asserting Claims for unpaid or underpaid prepetition royalties arising under the Federal Leases (as defined below). Proof of claim number 960 asserted a Claim in the amount of \$130,951.12. Proof of claim number 966 asserted a Claim in the amount of \$13,439.42. Proof of claim number 967 asserted a Claim in the amount of \$131,846.13.

D. On July 1, 2020, the Court entered the *Order Authorizing Assumption of Unexpired Leases of Nonresidential Real Property* [ECF No. 1318] (the “**Assumption Order**”) which provided for the assumption of the federal leases referred to in proof of claim numbers 960, 965, 966, 967, 969, and 972 (the “**Federal Leases**”) and all obligations under the Federal Leases.

E. On August 27, 2020, the Court entered the *Proposed [sic] Findings of Fact, Conclusions of Law, and Order (I) Approving Disclosure Statement on a Final Basis, (II) Confirming Modified Fifth Amended Joint Chapter 11 Plan of EP Energy Corporation and Its Affiliated Debtors and (III) Granting Related Relief* [ECF No. 1411] (the “**Confirmation Order**”) approving, on a final basis, the *Disclosure Statement for Fifth Amended Joint Chapter 11 Plan of*

EP Energy Corporation and Its Affiliated Debtors, dated as of July 20, 2020 [ECF No. 1345] (the “**Disclosure Statement**”) and confirming the *Modified Fifth Amended Joint Chapter 11 Plan of EP Energy Corporation and Its Affiliated Debtors* [ECF No. 1411] (the “**Plan**”).² Paragraph 32(i) of the Confirmation Order provided, inter alia, that nothing in the Confirmation Order and Plan releases, discharges, limits, precludes, or enjoins certain liabilities to Governmental Units. The Plan became effective on October 1, 2020 (the “**Effective Date**”).

NOW, THEREFORE, it is hereby ordered, agreed and stipulated as follows:

1. In accordance with paragraph 32(i) of the Confirmation Order and paragraph 3 of the Assumption Order, the liabilities for plugging and abandonment, reclamation, and decommissioning set forth in proof of claim numbers 965, 969, and 972 were not released, discharged, limited, precluded, or enjoined.

2. Proof of Claim number 965 filed by BIA is withdrawn.

3. Proof of Claim number 969 filed by BSEE is withdrawn.

4. Proof of Claim number 972 filed by BLM is withdrawn.

5. Proof of Claim number 960 filed by ONRR is allowed in the amount of \$29,009.89.

6. Proof of Claim number 966 filed by ONRR is allowed in the amount of \$17,248.54.

7. Proof of Claim number 967 filed by ONRR is allowed in the amount of \$161,387.93.

8. The Reorganized Debtor will pay ONRR the allowed amounts provided in paragraphs 5, 6, and 7 in full and final satisfaction of the ONRR Claims within 10 business days

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan and Confirmation Order.

of the Bankruptcy Court's approval of this Stipulation and Agreed Order.

9. The Reorganized Debtor shall also pay ONRR all outstanding post-petition liabilities within 10 business days of the Bankruptcy Court's approval of this Stipulation and Agreed Order. The Reorganized Debtor shall also pay ONRR all late payment charges and interest at the rate established in 30 C.F.R. § 1218.54 accruing on the associated post-petition liabilities as provided on an interest invoice to be issued by ONRR and shall pay such amounts by the due date set forth in the interest invoice.

10. The Reorganized Debtor shall pay ONRR \$29,009.89 with regard to Proof of Claim 960 within 10 business days of the Bankruptcy Court's approval of this Stipulation and Agreed Order.

11. The Reorganized Debtor shall pay ONRR \$17,248.54, wherein \$13,439.42 is the principal and \$3,809.12 is the outstanding pre-petition interest, with regard to Proof of Claim 966 within 10 business days of the Bankruptcy Court's approval of this Stipulation and Agreed Order.

12. The Reorganized Debtor shall pay ONRR \$161,387.93, wherein \$131,846.13 is the principal and \$29,541.80 is the outstanding pre-petition interest, with regard to Proof of Claim 967 within 10 business days of the Bankruptcy Court's approval of this Stipulation and Agreed Order.

13. The Reorganized Debtor will continue to comply with its obligations to the Federal Agencies under applicable non-bankruptcy law and the Federal Leases referenced in each of the proofs of claim referenced herein in the ordinary course of business, unless otherwise stated.

14. Upon receipt of the payments identified in Paragraphs 5, 6, 7, 8, 9, 10, 11 and 12 relating to Proof of Claim Nos. 960, 966, 967, pre-petition interest, and post-petition liabilities, ONRR agrees to waive the reporting requirements of the Reorganized Debtor for the

period of October 1, 2009, through June 30, 2015, in connection with allotted major portion price liabilities for oil produced on the Ute-Uintah and Ouray Reservation from Federal Leases and relating to Proof of Claim No. 966, and for the period of April 1, 2012, through June 30, 2015, in connection with tribal oil major portion price liabilities for oil produced on the Ute-Uintah and Ouray Reservation from Federal Leases and relating to Proof of Claim No. 967. The Reorganized Debtor will not be required to reverse, report, re-report, or otherwise file, amend, or re-file any papers, reports, or adjustments for the properties identified in Proof of Claim Nos. 966 and 967, for the period of October 1, 2009, through June 30, 2015, as identified in Proof of Claim No. 966, and April 1, 2012, through June 30, 2015, as identified in Proof of Claim No. 967, including transportation and processing allowance forms, Report of Sales and Royalty Remittance Form ONRR-2014s, Oil and Gas Operations Reports (OGOR Form ONRR-4054s), and any other papers, reports, or adjustments concerning the matters stipulated herein (collectively, the “**Reporting Requirements**”).

15. The Reorganized Debtor agrees not to amend any reports for the period of October 1, 2009, through June 30, 2015, in connection with allotted major portion price liabilities for oil produced on the Ute-Uintah and Ouray Reservation from Federal Leases and relating to Proof of Claim No. 966, and for the period of April 1, 2012, through June 30, 2015, in connection with tribal oil major portion price liabilities for oil produced on the Ute-Uintah and Ouray Reservation from Federal Leases and relating to Proof of Claim No. 967. The Reorganized Debtor agrees that this is a limited waiver of the Reporting Requirements for the properties and time periods set out in Proof of Claim Nos. 966 and 967, and no other filing of reports for any other time period or for any other federal leases shall be subject to any waiver of the Reporting Requirements.

16. The Parties acknowledge their respective rights and obligations pursuant to

the Confirmation Order and the Assumption Order and that, notwithstanding anything to the contrary in this Stipulation and Agreed Order, nothing in this Stipulation and Agreed Order modifies any provision of the Confirmation Order or the Assumption Order.

17. The claims agent in the Reorganized Debtor's chapter 11 case is authorized to adjust the claims register in accordance with this Stipulation and Agreed Order.

18. All payments to be made by the Reorganized Debtor under this Stipulation and Agreed Order shall be wired to the U.S. Department of Justice-Civil Division. Counsel for the Reorganized Debtor shall request wire instructions from counsel for the United States when such payments are due to be made.

19. All other rights and claims not specified herein are reserved.

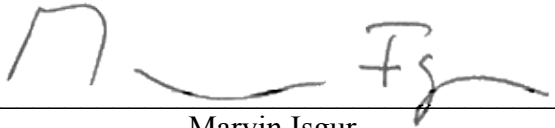
20. This Stipulation and Agreed Order may not be modified, amended, or vacated other than by a signed writing executed by the Parties.

21. This Stipulation and Agreed Order is and shall be binding on the Parties and their successors and assigns.

22. This Court shall retain jurisdiction to interpret, implement, and enforce the provisions of this Stipulation and Agreed Order.

IT IS SO ORDERED.

Signed: July 07, 2021



Marvin Isgur
United States Bankruptcy Judge

STIPULATED AND AGREED TO THIS 10TH DAY OF JUNE, 2021:

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