



**IT IS HEREBY ADJUDGED and DECREED that the below described is WITHDRAWN.**

**Dated: November 15, 2013**

*Tony M. Davis*

**TONY M. DAVIS  
UNITED STATES BANKRUPTCY JUDGE**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION**

**In re:**

**VPR OPERATING, LLC *et al.*,**

**Debtors.**

**CASE NO. 13-10599-TMD  
CHAPTER 11**

**Jointly Administered**

**ORDER GRANTING THE OFFICIAL CREDITORS' COMMITTEE'S  
MOTION FOR A STRUCTURED CONVERSION TO A CASE UNDER CHAPTER 7**

On this day, the Court considered the *Motion for a Structured Conversion to a Case Under Chapter 7 ("Motion to Convert")* filed by the Official Creditors' Committee (the "Committee"). Having reviewed the *Motion to Convert*, the evidence submitted in support of the *Motion to Convert*, and the arguments of counsel, the Court finds that the *Motion to Convert* is meritorious and should be granted, and that converting the Debtors' bankruptcy cases to cases under Chapter 7 of the Bankruptcy Code is in the best interest of the Debtors, the Debtors' Bankruptcy Estates, and the Debtors' creditors.

**THE COURT HEREBY FINDS THAT:**

A. This Court has jurisdiction under 28 U.S.C. §§ 157 and 1334, and the *Order of Reference of Bankruptcy Cases and Proceedings* entered in the United States District Court for the Western District of Texas on October 4, 2013 to consider the Committee's *Motion to Convert*. Venue is proper under 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding under 28 U.S.C. § 157(b)(2)(A) and (O).

B. On March 25, 2013 (the "Petition Date"), the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.<sup>1</sup> On April 15, 2013, the Committee was appointed by the U.S. Trustee pursuant to Section 1102(a)(1) and (b)(1) of the Bankruptcy Code.

C. Prior to and during their bankruptcy cases, the Debtors owned and operated several oil and gas properties located throughout Oklahoma and New Mexico. On September 18, 2013, this Court entered orders approving the sale of substantially all of the Debtors' assets.<sup>2</sup> Except for cash that is subject to disputed liens and claims, the only remaining material assets of the Debtors are litigation assets. The Debtors no longer generate any new revenue, nor do they continue to operate any businesses.

D. All fees payable under 28 U.S.C. § 1930, including the fees to the U.S. Trustee, have been paid or will be paid when due.

<sup>1</sup> The Debtors' bankruptcy cases are: (i) *In re VPR Operating, LLC*, Case No. 13-10599-TMD; (ii) *In re VPR (OK), LLC*, Case No. 13-10607-TMD; (iii) *In re VPR (NM), LLC*, Case No. 13-10606-TMD; and (iv) *In re VPR Corp.*, Case No. 13-10604-TMD.

<sup>2</sup> The orders entered are: (i) *Order Under Sections 105(a), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 6004 and 6006 Approving (I) Sale of Certain Assets and (II) Assumption and Assignment of Certain Executory Agreements and Granting Related Relief* [Docket No. 354] and (ii) *Order Authorizing and Approving (I) the Sale of Oklahoma Assets and All "Conventional" New Mexico Assets Free and Clear of All Claims, Liens, Liabilities, Rights, Interests, and Encumbrances to Stanolind Oil and Gas LP; (II) the Debtors' Entry Into and Performance of Their Obligations Under the Purchase and Sale Agreement; (III) the Debtors' Assumption and Assignment of Certain Executory Agreements; and (IV) Related Relief* [Docket No. 355].

E. Good cause has been shown for the entry of this *Order* and the relief granted in this *Order* is in the best interests of the Debtors, the Debtors' Bankruptcy Estates, and the Debtors' creditors.

**IT IS THEREFORE ORDERED THAT:**

**a. Conversion to Chapter 7**

1. Subject to the terms and conditions of this *Order*, the following Chapter 11 bankruptcy cases are converted to jointly administered cases under Chapter 7 of the Bankruptcy Code:

- a. *In re VPR Operating, LLC*, Case No. 13-10599-TMD;
- b. *In re VPR Corp.*, Case No. 13-10604-TMD;
- c. *In re VPR (NM), LLC*, Case No. 13-10606-TMD; and
- d. *In re VPR (OK), LLC*, Case No. 13-10607-TMD

The conversion of these cases shall be effective as of November 15, 2013 (the "Conversion Date")

2. Upon the conversion date, the Debtors shall cooperate with the appointed Chapter 7 Trustee(s) in a manner consistent with the Bankruptcy Code, the Bankruptcy Rules, including Bankruptcy Rule 1019, and the Local Rules.

3. After the Conversion Date, the Debtors shall comply with the provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules regarding conversion.

**b. Payment of Professional Fees Owed as of the Conversion Date**

4. Any professionals retained in the Debtors' Chapter 11 bankruptcy cases shall file with the Court, on or before November 14, 2013, final applications for allowance of compensation, reimbursement of expenses, and payment of any holdbacks in connection with

services rendered by such professionals during the time period of the Petition Date through the Conversion Date. Final applications shall be served upon the Debtor, the Committee, the U.S. Trustee, and parties requesting notice.

**c. Assignment to the Debtors' Chapter 7 Bankruptcy Estates**

5. Upon the Conversion Date, the Debtors' Chapter 7 Bankruptcy Estates are assigned from the Committee all litigation positions, including, without limitation, claim objections, claims, remedies, and causes of action, including, but not limited to, negligence, gross negligence, promissory estoppel, willful misconduct, fraud, conversion, embezzlement, inducement, misappropriation, defalcation, recklessness, or breach of a fiduciary or quasi-fiduciary duty, reserved for the Committee and its successor pursuant to this Court's *Final Order* [Docket No. 232].

6. Upon the Conversion Date, all claims of third parties that were assigned to the Debtors' Chapter 11 Bankruptcy Estates shall be assigned to the Debtors' Chapter 7 Bankruptcy Estates.

7. The Chapter 7 Trustee(s) of the Debtors' Bankruptcy Estates shall have the standing and authority to prosecute all claims, including assigned claims, of the Debtors' Chapter 7 Bankruptcy Estates.

**d. Miscellaneous**

8. Upon the Conversion Date, the Committee shall be disbanded.

9. (This Order) shall be binding upon and inure to the benefit of the Debtors, any Chapter 7 Trustee appointed in the Debtors' bankruptcy cases, and the Committee, as well as their respective successors and assigns.

10. The Court shall retain jurisdiction to enforce, interpret, and implement the terms and provisions of any order entered in the Debtors' Chapter 11 bankruptcy cases.

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Proposed Order submitted by:

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ATTORNEYS FOR THE OFFICIAL CREDITORS' COMMITTEE