

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
SOUTHCROSS ENERGY PARTNERS, L.P.,	)	Case No. 19-10702 (MFW)
<i>et al.</i> ,	)	
	)	Jointly Administered
	)	
Reorganized Debtors. <sup>1</sup>	)	
	)	Hearing Date: June 8, 2020 at 10:30 a.m. (ET)
	)	Obj. Deadline: May 22, 2020 at 4:00 p.m. (ET)
	)	

**REORGANIZED DEBTORS’ SECOND OMNIBUS OBJECTION  
(SUBSTANTIVE) TO CERTAIN CLAIMS PURSUANT TO 11 U.S.C. § 502,  
FED. R. BANKR. P. 3007 AND DEL. L.R. 3007-1  
(NO LIABILITY, CONTINGENT AND UNLIQUIDATED CLAIMS)**

\* \* \*

TO THE CLAIMANTS LISTED IN EXHIBIT 1 AND EXHIBIT 2 ATTACHED TO THE PROPOSED ORDER (AS DEFINED HEREIN): YOUR RIGHTS MAY BE AFFECTED BY THIS OBJECTION AND BY ANY FURTHER OBJECTION(S) THAT MAY BE FILED BY THE REORGANIZED DEBTORS. THE RELIEF SOUGHT HEREIN IS WITHOUT PREJUDICE TO THE REORGANIZED DEBTORS’ RIGHTS TO PURSUE FURTHER SUBSTANTIVE OR NON-SUBSTANTIVE OBJECTIONS AGAINST THE CLAIMS LISTED IN EXHIBIT 1 AND EXHIBIT 2 TO THE PROPOSED ORDER. CLAIMANTS RECEIVING THIS OBJECTION SHOULD LOCATE THEIR NAMES AND CLAIMS IN EXHIBIT 1 AND/OR EXHIBIT 2 TO THE PROPOSED ORDER.

\* \* \*

The above-captioned reorganized debtors (the “Debtors” or the “Reorganized Debtors,” as applicable) in the above-captioned chapter 11 cases (the “Chapter 11 Cases”)<sup>2</sup> hereby file this *Reorganized Debtors’ Second Omnibus Objection (Substantive) to Certain Claims Pursuant to 11 U.S.C. § 502, Fed. R. Bankr. P. 3007, and Del. L.R. 3007-1 (No Liability, Contingent and Unliquidated Claims)* (the “Objection”). In support of this Objection, the Reorganized Debtors submit the *Declaration of Erin McKeighan in Support of the Reorganized Debtors’ Second*

<sup>1</sup> The debtors and debtors in possession in the Chapter 11 Cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Gulf Coast Transmission Ltd. (0546). The debtors’ mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.

<sup>2</sup> As appropriate from the context, the terms Debtors, Reorganized Debtors, and Chapter 11 Cases shall include reference to Closing Debtors (as defined below) and their respective Chapter 11 Cases.



*Omnibus Objection (Substantive) to Certain Claims Pursuant to 11 U.S.C. § 502, Fed. R. Bankr. P. 3007, and Del. L.R. 3007-1 (No Liability, Contingent and Unliquidated Claims)*, attached hereto as Exhibit B, and incorporated by reference, and respectfully state as follows:

**RELIEF REQUESTED**

1. By this Objection, and pursuant to section 502 of title 11 of the United States Code (the “**Bankruptcy Code**”), rule 3007 of the Federal Rules of Bankruptcy Procedures (the “**Bankruptcy Rules**”) and rule 3007-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”), the Reorganized Debtors seek entry of an order, substantially in the form attached hereto as Exhibit A (the “**Proposed Order**” and, if entered, the “**Order**”), disallowing each of the Claims identified on Exhibit 1 to the Proposed Order (the “**No Liability Claims**”) and Exhibit 2 to the Proposed Order (the “**Contingent and Unliquidated Claim**”).

**JURISDICTION AND VENUE**

2. The United States Bankruptcy Court for the District of Delaware (the “**Court**”) has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012.

3. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2) and, pursuant to Local Rule 9013-1(f), the Reorganized Debtors consent to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

4. Venue of the Chapter 11 Cases and related proceedings is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

## **BACKGROUND**

### **A. General Background**

5. On April 1, 2019, each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. Subsequent to the Petition Date, the Debtors continued in possession of their property and continued to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. The Chapter 11 Cases are being jointly administered pursuant to Bankruptcy Rule 1015(b) and the *Order Directing Joint Administration of Chapter 11 Cases* [D.I. 48] entered by the Court on April 2, 2019 in each of the Chapter 11 Cases.

7. No request has been made for the appointment of a trustee or examiner, and no official committee was appointed in the Chapter 11 Cases.

8. On January 24, 2020, the Debtors filed the *First Amended Chapter 11 Plan for Southcross Energy Partners L.P. and its affiliated Debtors* [D.I. 863] (as amended, the “**Plan**”). The Plan was confirmed on January 27, 2020 pursuant to the *Order Confirming First Amended Chapter 11 Plan for Southcross Energy Partners, L.P. and its Affiliated Debtors* [D.I. 873]. The Effective Date (as defined in the Plan) of the Plan occurred on January 31, 2020 [D.I. 881].

9. On March 6, 2020, the Court entered the *Final Decree (I) Closing Certain Chapter 11 Cases and (II) Terminating Certain Claims and Noticing Services* [D.I. 928] (the “**Final Decree**”), closing all but two of the Reorganized Debtors’ affiliated Chapter 11 Cases. Paragraph 6 of the Final Decree dictates that all Proofs of Claim against the Closing Debtors (each as defined therein) shall remain unaffected by entry of the Final Decree and such Proofs of

Claim shall be administered in the Chapter 11 Case of Debtor Southcross Energy Partners, L.P. without prejudice to the rights of any claimant related thereto.

10. Additional information about the Debtors' businesses and affairs, prepetition capital structure, and prepetition indebtedness, and the events leading up to the Petition Date, can be found in the *Declaration of Michael B. Howe in Support of Debtors' Chapter 11 Proceedings and First Day Pleadings* [D.I. 2], which is incorporated herein by reference.

**B. Claims Resolution Process in the Chapter 11 Cases**

11. On April 2, 2019, the Court entered the *Order Authorizing Debtors to Employ and Retain Kurtzman Carson Consultants LLC as Notice and Claims Agent for Debtors Nunc Pro Tunc to the Petition Date* [D.I. 49] (the "**KCC Noticing and Claims Retention Order**"), thereby appointing Kurtzman Carson Consultants LLC ("**KCC**") as the claims and noticing agent for the Chapter 11 Cases. On June 10, 2019, the Court entered the *Order Authorizing The Debtors To Employ and Retain Kurtzman Carson Consultants LLC as Administrative Advisor of the Debtors Nunc Pro Tunc to the Petition Date* [D.I. 258] (the "**KCC Administrative Advisor Retention Order**") and, together with the KCC Noticing and Claims Retention Order, the "**KCC Retention Orders**" and, KCC in its capacity under the KCC Retention Orders, the "**Claims Agent**"), thereby authorizing the Debtors to employ KCC as the administrative advisor to the Debtors in the Chapter 11 Cases.

12. On June 10, 2019, the Court entered the *Order Establishing Deadlines and Procedures for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof* [D.I. 260] (the "**Bar Date Order**") establishing July 19, 2019 at 5:00 p.m. (prevailing Eastern Time) and September 30, 2019 at 5:00 p.m. (prevailing Eastern Time) as the General Bar Date and Governmental Bar Date, respectively (each as defined therein, collectively, the "**Bar**

**Date**<sup>3</sup>). Furthermore, pursuant to Section 3.2 of the Plan, the bar date for Administrative Expense Claims (as defined therein) was March 1, 2020, and pursuant to Section 3.3 of the Plan, the bar date for Professional Fee Claims (as defined therein) was March 27, 2020.

13. On June 12, 2019, the Debtors prepared and filed their schedules of assets and liabilities (the “**Schedules**”) and statements of financial affairs [D.I. 268–295, 297–322].

14. On June 13, 2019, KCC duly served the *Notice of Deadlines of Filing Proofs of Claim Against the Debtors* [D.I. 325] (the “**Bar Date Notice**”). See *Affidavit of Service of Priscilla Romera* [D.I. 343]. On June 21, 2019, the Debtors caused the Bar Date Notice to be published in the *USA Today*. See *Affidavit of Publication of Notice of Deadlines for Filing Proofs of Claim Against the Debtors in USA Today* [D.I. 341].

15. In the ordinary course of business, the Reorganized Debtors maintain books and records (the “**Book and Records**”) that reflect, among other things, the Reorganized Debtors’ liabilities and the amounts thereof owed to their creditors.

16. The Reorganized Debtors’ claims register (the “**Claims Register**”), prepared and maintained by KCC, reflects that approximately 650 proofs of claim (collectively, the “**Proofs of Claim**”) have been filed in the Chapter 11 Cases asserting claims against the Debtors (collectively, the “**Claims**”).<sup>4</sup> The Reorganized Debtors and their advisors are comprehensively reviewing and reconciling all claims, including both the claims listed on the Schedules (the “**Scheduled Claims**”) and the Claims asserted in the Proofs of Claim (including any supporting documentation) filed in the Chapter 11 Cases. The Reorganized Debtors are also comparing the

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<sup>3</sup> The Governmental Bar Date (for the United States only) was extended to October 15, 2019 by order of the Court [D.I. 606].

<sup>4</sup> On October 10, 2019, the Debtors filed the *Debtors’ Notice of Claims Satisfied in Full* [D.I. 518] and contemporaneously herewith, the Debtors are filing the *Reorganized Debtors’ Second Notice of Claims Satisfied in Full*.

Claims asserted in the Proofs of Claims with the Reorganized Debtors' Books and Records to determine the validity of the asserted Claims.

17. This reconciliation process includes identifying particular categories of Claims that the Reorganized Debtors believe should be disallowed. To avoid a possible double recovery or otherwise improper recovery by claimants, the Reorganized Debtors will continue to file omnibus objections to such categories of Claims if and where warranted. This Objection is one such omnibus objection.

### **BASIS FOR RELIEF**

18. Pursuant to section 101 of the Bankruptcy Code, a creditor holds a claim against a bankruptcy estate only to the extent that (a) it has a "right to payment" for the asserted liabilities and (b) the claim is otherwise allowable. 11 U.S.C. §§ 101(5) and 101(10).

19. When asserting a claim against a bankrupt estate, a claimant must allege facts that, if true, would support a finding that the debtor is legally liable to the *claimant*. See *In re Allegheny Int'l, Inc.*, 954 F.2d 167, 173 (3d Cir. 1992); *In re Int'l Match Corp.*, 69 F. 2d 73, 76 (2d Cir. 1934) (finding that a proof of claim should at least allege facts from which legal liability can be seen to exist). Where the claimant alleges sufficient facts to support its claim, its claim is afforded *prima facie* validity. *In re Allegheny Int'l, Inc.*, 954 F.2d at 173. A party wishing to dispute such a claim must produce evidence in sufficient force to negate the claim's *prima facie* validity. *Id.* In practice, the objecting party must produce evidence that would refute at least one of the allegations essential to the claim's legal sufficiency. *Id.* at 173-74. Once the objecting party produces such evidence, the burden shifts back to the claimant to prove the validity of its claim by a preponderance of the evidence. *Id.* at 174. The burden of persuasion is always on the claimant. *Id.*

**A. No Liability Claims**

20. For the reasons set forth herein and on Exhibit 1 to the Proposed Order, the Reorganized Debtors object to the No Liability Claims because the No Liability Claims assert a claim for which there is no amount due and owing by a Reorganized Debtor to a claimant.

21. The No Liability Claims should be disallowed in full because, based on careful review of the Books and Records, the Schedules, and the Proofs of Claim, including supporting documentation provided by the claimants, if any, the Reorganized Debtors have determined that there is no amount due and owing to the claimants with respect to such claims.

22. Accordingly, the No Liability Claims should be disallowed.

**B. Contingent and Unliquidated Claim**

23. For the reasons set forth herein and on Exhibit 2 to the Proposed Order, the Reorganized Debtors object to the Contingent and Unliquidated Claim because a portion of the Claim is contingent and unliquidated as described in the Proof of Claim.

24. With respect to the Contingent and Unliquidated Claim, the Reorganized Debtors and/or their advisors have carefully reviewed the Books and Records, the Schedules, the Claims Register, and the Proof of Claim, including supporting documents provided by the claimant, if any, and, as set forth on Exhibit 2 to the Proposed Order, have determined that the Contingent and Unliquidated Claim asserts a portion that is subject to estimation under section 502(c) of the Bankruptcy Code (the “**Estimated Portion**”). The Reorganized Debtors request that the Court estimate the Estimated Portion of the Contingent and Unliquidated Claim in the amount of zero dollars (\$0.00), as set forth on Exhibit 2, and further request that \$6,000.00 be the maximum amount in which the Contingent and Unliquidated Claim may ultimately become an allowed Claim.

25. Accordingly, the Estimated Portion of the Contingent and Unliquidated Claim should be disallowed.

**SEPARATE CONTESTED MATTERS**

26. Each of the Claims and the Objection with respect thereto constitutes a separate contested matter as contemplated by Bankruptcy Rule 9014. The Reorganized Debtors request that any order entered by the Court with respect to a request for disallowance herein shall be deemed a separate order with respect to each Claim.

**RESPONSE TO OMNIBUS OBJECTIONS**

27. To contest an objection, a claimant must file and serve a written response to this Objection (a “Response”) so that it is received no later than the **deadline set forth in the accompanying notice** (the “Response Deadline”). Every Response must be filed with the Office of the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 Market Street, Wilmington, Delaware 19801, and served upon the following so that the Response is received no later than the Response Deadline at the following address:

Davis Polk & Wardwell LLP  
450 Lexington Avenue  
New York, New York 1001  
Attn: Darren S. Klein and Steven Z. Szanzer

-and-

MORRIS, NICHOLS, ARSHT & TUNNELL LLP  
1201 North Market Street, P.O. Box 1347  
Wilmington, Delaware 19899-1347  
Attn: Robert J. Dehney and Andrew R. Remming

*Counsel to the Reorganized Debtors*

28. Every Response to this Objection must contain, at a minimum, the following information:

- a. A caption setting forth the name of the Court, the name of the Debtor, the case number, and the title of the Objection to which the response is directed;
- b. The name of the claimant, the claim number, and a description of the basis for the amount of the Claim;
- c. The specific factual basis and supporting legal argument upon which the party will rely in opposing this Objection;
- d. Any supporting documentation, to the extent that it was not included in the Proof of Claim previously filed with the clerk or the Claims Agent, upon which the claimant intends to rely to support the basis for and amounts asserted in the Proof of Claim; and
- e. The name, address, telephone number and fax number, if any, of the person(s) (which may be the claimant or the claimant's legal representative) with whom counsel for the Reorganized Debtors should communicate with respect to the Claim or the Objection and who possess authority to reconcile, settle, or otherwise resolve the Objection to the disputed Claim on behalf of the claimant.

29. If a claimant fails to file and serve a timely Response by the Response Deadline, the Reorganized Debtors may present to the Court an appropriate order disallowing the claim, without further notice or a hearing.

#### **ADJOURNMENT OF HEARING**

30. The Reorganized Debtors reserve the right to seek an adjournment of the hearing on any Response to this Objection. In the event that the Reorganized Debtors seek such an adjournment, it will be noted on the notice of agenda for the hearing, and such agenda will be served on the affected claimant by serving the person designated in the Response.

#### **RESERVATION OF RIGHTS**

31. The Reorganized Debtors expressly reserve the right to amend, modify, or supplement this Objection. Should the grounds for objection stated in this Objection be dismissed or overruled, the Reorganized Debtors reserve the right to object to each of the Claims

on any other grounds that the Reorganized Debtors discover or elect to pursue. The Reorganized Debtors reserve their right to assert substantive and/or one or more additional non-substantive objections to the Claims at a later time.

32. Notwithstanding anything contained in this Objection or the exhibits attached thereto, nothing herein shall be construed as a waiver of any rights that the Reorganized Debtors may have to (a) commence avoidance actions under the applicable sections of the Bankruptcy Code, including, but not limited to, sections 547 and 548 of the Bankruptcy Code, against the claimants subject to this Objection, (b) enforce the Reorganized Debtors' rights of setoff against the claimants relating to such avoidance actions, or (c) seek disallowance pursuant to section 502(d) of the Bankruptcy Code of claims of the claimants that are subject to such avoidance actions.

**NO PRIOR REQUEST**

33. No prior request for the relief sought herein has been made to this or any other court.

34. Notice of this Objection will be given to (a) the Office of the United States Trustee for the District of Delaware, (b) each of the parties listed on Exhibit 1 and Exhibit 2 attached to the Proposed Order, and (c) all parties requesting notice pursuant to Bankruptcy Rule 2002. The Reorganized Debtors submit that, under the circumstances, no other or further notice is required.

WHEREFORE, the Reorganized Debtors respectfully request that the Court (i) enter an order substantially in the form attached hereto as Exhibit A disallowing the Claims as requested herein, and (ii) grant such other and further relief as is just and proper.

Dated: May 8, 2020  
Wilmington, Delaware

Respectfully submitted,  
MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Eric W. Moats  
Robert J. Dehney (No. 3578)  
Andrew R. Remming (No. 5120)  
Joseph C. Barsalona II (No. 6102)  
Eric W. Moats (No. 6441)  
1201 North Market Street, 16th Floor  
P.O. Box 1347  
Wilmington, Delaware 19899-1347  
Tel.: (302) 658-9200  
Fax: (302) 658-3989  
rdehney@mnat.com  
aremring@mnat.com  
jbarsalona@mnat.com  
emoats@mnat.com

-and-

DAVIS POLK & WARDWELL LLP  
Marshall S. Huebner (admitted pro hac vice)  
Darren S. Klein (admitted pro hac vice)  
Steven Z. Szanzer (admitted pro hac vice)  
450 Lexington Avenue  
New York, New York 10017  
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Fax: (212) 701-5800  
marshall.huebner@davispolk.com  
darren.klein@davispolk.com  
steven.szanzer@davispolk.com

*Counsel to the Reorganized Debtors*



IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

Dated: May 8, 2020  
Wilmington, Delaware

Respectfully submitted,

MORRIS, NICHOLS, ARSHT & TUNNELL LLP

/s/ Eric W. Moats

Robert J. Dehney (No. 3578)

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steven.szanzer@davispolk.com

*Counsel to the Reorganized Debtors*

**EXHIBIT A**

**Proposed Order**



to the parties listed therein, and it appearing that no other or further notice need be provided; and the Court having reviewed and considered the Objection; and the Court having the opportunity to hold a hearing on the Objection; and the Court having determined that the legal and factual bases set forth in the Objection establish just cause for the relief granted herein; and the Court having found that the relief granted herein being in the best interests of the Reorganized Debtors, their creditors, and all other parties in interest; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefor,

**IT IS HEREBY ORDERED THAT:**

1. The Objection is hereby granted, as set forth herein.
2. The No Liability Claims identified on Exhibit 1 are hereby disallowed in full.
3. The Estimated Portion of the Contingent and Unliquidated Claim identified on Exhibit 2 is hereby estimated at \$0.00, and \$6,000.00 is the maximum amount in which the Contingent and Unliquidated Claim may ultimately become an allowed general unsecured claim.
4. This Order shall be deemed a separate Order with respect to each of the Claims identified on Exhibit 1 and Exhibit 2. Any stay of this Order pending appeal by any claimants whose Claims are subject to this Order shall only apply to the contested matter which involves such claimant and shall not act to stay the applicability and/or finality of this Order with respect to the other contested matters listed in the Objection or this Order.
5. The Reorganized Debtors, Kurtzman Carson Consultants LLC, and the Clerk of this Court are authorized to take, or refrain from taking, any action necessary or appropriate to implement the terms of, and the relief granted in, this Order without seeking further order of the Court.
6. Notwithstanding any Bankruptcy Rule, Local Rule, or otherwise, the terms and

conditions of this Order shall be immediately effective and enforceable upon its entry.

7. This Court shall retain jurisdiction to hear and determine all matters arising from, arising under, or related to the Chapter 11 Cases and the Plan, to the fullest extent permitted by law, including, without limitation, to enforce this Order.

Dated: \_\_\_\_\_, 2020  
Wilmington, Delaware

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THE HONORABLE MARY F. WALRATH  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT 1**

**No Liability**

**SOUTHCROSS ENERGY PARTNERS, L.P., ET AL., CASE NO. 19-10702**  
**EXHIBIT 1**

**NO LIABILITY CLAIMS OBJECTION**

NAME	DATE FILED	CASE NUMBER	DEBTOR	CLAIM #	ASSERTED CLAIM AMOUNT
1 CALHOUN COUNTY APPRAISAL DISTRICT, ET AL MCCREARY, VESELKA, BRAGG & ALLEN, P.C. PO BOX 1269 ROUND ROCK, TX 78680-1269	1/23/2020	19-10702	Southcross Energy Partners, L.P.	641	\$ 352.28*
Reason: Claim 641 (Calhoun County Appraisal District, ET AL) is asserting administrative priority on 2020 Ad Valorem Tax estimates. According to section 8.01(b) of the APA, the purchasing entity shall pay the actual taxes and the debtor will reimburse the purchasing entity for liabilities related to any period prior to the closing date.					
2 LEWIS PETRO PROPERTIES, INC. 10101 REUNION PL., STE 1000 SAN ANTONIO, TX 78216	7/9/2019	19-10702	Southcross Energy Partners, L.P.	134	\$ 3,500.00*
Reason: According to the Debtors' books and records, the Debtors are not liable for the asserted claim per a review of the claimant's proof of claim, the documents attached thereto, and a reasonable review of the reorganized Debtors' books.					
3 MS DEPARTMENT OF REVENUE PO BOX 22808 JACKSON, MS 39225	4/9/2019	19-10702	Southcross Energy Partners, L.P.	3	Undetermined*
Reason: According to the Debtors' books and records, the Debtors are not liable for the asserted claim per a review of the claimant's proof of claim, the documents attached thereto, and a reasonable review of the reorganized Debtors' books.					
4 PEARL RIVER CO TAX PO BOX 509 POPLARVILLE, MS 39470	6/24/2019	19-10715	Southcross Mississippi Pipeline, L.P.	87	\$ 18,134.89*
Reason: Claim 87 (Pearl River Co Tax) is asserting priority on the 2019 Ad Valorem Tax. According to section 8.01(b)(i) of the APA [docket #470], the purchasing entity shall pay the actual taxes and the debtor will reimburse the purchasing entity for liabilities related to any period prior to the closing date.					
5 THE BLASE FAMILY FARM 2211 BEASLEY WEST END RD BEASLEY, TX 77417	7/22/2019	19-10706	Southcross Energy GP LLC	404	\$ 2,000.00*
Reason: The Debtors are not liable for the claim since the claimant is asserting liabilities related to assets no longer owned by the Debtors and were not owned by the Debtors during the period asserted by the claim.					
6 THE COUNTY OF WHARTON, TEXAS PO BOX 1269 ROUND ROCK, TX 78680	1/27/2020	19-10702	Southcross Energy Partners, L.P.	642	\$ 49,706.07*
Reason: Claim 642 (County of Wharton Texas) is asserting administrative priority on 2020 Ad Valorem Tax estimates. According to section 8.01(b) of the APA [docket #471], the purchasing entity shall pay the actual taxes and the debtor will reimburse the purchasing entity for liabilities related to any period prior to the closing date.					
7 THE DEPARTMENT OF THE TREASURY 1352 MARROWS ROAD, STE 204 NEWARK, DE 19711-5445	2/5/2020	19-10703	Southcross Energy Partners GP, LLC	645	\$ 22,112.15*
Reason: Claim is related to liabilities owed by a non-debtor entity based on review of the proof of claim and the Debtors' books and records.					

\* Indicates claim contains unliquidated and/or undetermined amounts

SOUTHCROSS ENERGY PARTNERS, L.P., ET AL., CASE NO. 19-10702  
EXHIBIT 1

NO LIABILITY CLAIMS OBJECTION

NAME	DATE FILED	CASE NUMBER	DEBTOR	CLAIM #	ASSERTED CLAIM AMOUNT
8 VICKSBURG WARREN SCHOOL DISTRICT PO BOX 820065 VICKSBURG, MS 39182	5/21/2019	19-10702	Southcross Energy Partners, L.P.	79	\$ 19,800.00
Reason: The claim is asserting \$19,800, which is a sum of \$1,100 annual right-of-way-payments covering the periods of May 2019 to May 2037. The 2019 annual payment was a postpetition liability due and paid on May 1, 2019. The underlying asset was sold and no longer owned by the Debtors as a part of the APA [docket #470], which was ordered on 10/22/2019. Thus the Debtors owe no liabilities asserted by the claim on right-of-way payments due in 2020 and beyond.					
9 VOG PALO VERDE LP C/O VENADO OIL & GAS LLC 13301 GALLERIA CIRCLE, SUITE 300 AUSTIN, TX 78738	7/17/2019	19-10711	Southcross Marketing Company Ltd.	283	Undetermined*
Reason: According to the Debtors' books and records, the Debtors are not liable for the asserted claim per a review of the claimant's proof of claim, the documents attached thereto, and a reasonable review of the reorganized Debtors' books.					
TOTAL					\$ 115,605.39*

\* Indicates claim contains unliquidated and/or undetermined amounts

**EXHIBIT 2**

**Contingent and Unliquidated Claim**

EXHIBIT 2

CONTINGENT AND UNLIQUIDATED CLAIMS

MODIFIED CLAIMS

ASSERTED CLAIMS

NAME	CLAIM#	DEBTOR	PRIORITY STATUS	AMOUNT	DEBTOR	PRIORITY STATUS	AMOUNT
1 JIMMY R. TIEMANN 2627 BEASLEY WEST END ROAD BEASLEY, TX 77417-9729	529	Southcross Energy Partners, L.P.	503(b)(9)	Undetermined*	Southcross Energy Partners, L.P.	503(b)(9)	\$0.00
		Southcross Energy Partners, L.P.	Unsecured	\$6,000.00*	Southcross Energy Partners, L.P.	Unsecured	\$6,000.00
		Subtotal		\$6,000.00*	Subtotal		\$6,000.00

Reason: A portion of the filed claim asserts an unliquidated amount. The modified amount reflects the liquidated and accurate amount based on a review of the Debtors' books and records.

TOTAL \$ 6,000.00\* TOTAL \$ 6,000.00

\* Indicates claim contains unliquidated and/or undetermined amounts

**EXHIBIT B**

**McKeighan Declaration**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

	)	Chapter 11
In re:	)	
	)	Case No. 19-10702 (MFW)
SOUTHCROSS ENERGY PARTNERS, L.P.,	)	
<i>et al.</i> ,	)	Jointly Administered
	)	
Reorganized Debtors. <sup>1</sup>	)	
	)	
	)	
	)	

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**DECLARATION OF ERIN MCKEIGHAN IN SUPPORT OF  
REORGANIZED DEBTORS’ SECOND OMNIBUS OBJECTION  
(SUBSTANTIVE) TO CERTAIN CLAIMS PURSUANT TO 11 U.S.C. § 502,  
FED. R. BANKR. P. 3007, AND DEL. L.R. 3007-1  
(NO LIABILITY, CONTINGENT AND UNLIQUIDATED CLAIMS)**

I, Erin McKeighan, hereby declare as follows:

**Background**

1. I am a Managing Director of Alvarez & Marsal North America, LLC (“**A&M**”). A&M was retained by the above-captioned Reorganized Debtors as restructuring advisor in connection with the Chapter 11 Cases. I have more than 13 years of restructuring experience.
  
2. I make this declaration in support of the *Reorganized Debtors’ Second Omnibus Objection (Substantive) to Certain Claims Pursuant to 11 U.S.C. § 502, Fed. R. Bankr. P. 3007, and Del. L.R. 3007-1 (No Liability, Contingent and Unliquidated Claims)* (the “**Objection**”).<sup>2</sup> If I were called upon to testify, I could and would testify to each of the facts set forth herein.
  
3. I am generally familiar with the Reorganized Debtors’ day-to-day operations,

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<sup>1</sup> The debtors and debtors in possession in the Chapter 11 Cases, along with the last four digits of their respective Employer Identification Numbers, are as follows: Southcross Energy Partners, L.P. (5230); Southcross Gulf Coast Transmission Ltd. (0546). The debtors’ mailing address is 1717 Main Street, Suite 5300, Dallas, TX 75201.

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

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 Petition Date. I have read the Objection and corresponding Proposed Order, filed contemporaneously herewith.

4. To the best of my knowledge, information, and belief, the assertions made in the Objection are accurate. In evaluating the claims, the Reorganized Debtors and other reviewing parties have reviewed the Reorganized Debtors' Books and Records, the relevant Proofs of Claim, as well as the supporting documentation provided by the claimants, and determined that the No Liability Claims and Contingent and Unliquidated Claim should be disallowed or otherwise treated as set forth in the Objection and Proposed Order. I believe the disallowance or treatment of the claims listed on Exhibit 1 and Exhibit 2 to the Proposed Order on the terms set forth in the Objection and Proposed Order is appropriate.

**No Liability Claims**

5. To the best of my knowledge, based on the Reorganized Debtors' review of the Claims Register and each No Liability Claim, the No Liability Claims on Exhibit 1 to the Proposed Order have no amount due and owing to the claimants with respect to such claims and it is proper for the Court to enter the Proposed Order disallowing such claims as set forth therein and in the Objection.

**Contingent and Unliquidated Claim**

6. To the best of my knowledge, based on the Reorganized Debtors' review of the Claims Register and the Contingent and Unliquidated Claim, the Contingent and Unliquidated Claim on Exhibit 2 to the Proposed Order asserts a portion that is subject to estimation under section 502(c) of the Bankruptcy Code (the "**Estimated Portion**"). Accordingly, I believe that

the Court should estimate the Estimated Portion of the Contingent and Unliquidated Claim in the amount of zero dollars (\$0.00), as set forth on Exhibit 2 to the Proposed Order, and that \$6,000.00 should be the maximum amount in which the Contingent and Unliquidated Claim may ultimately become an allowed Claim. Accordingly, I believe it is proper for the Court to enter the Proposed Order disallowing the Estimated Portion of the Contingent and Unliquidated Claim as set forth therein and in the Objection.

**Compliance with Local Rule 3007-1**

7. I have reviewed Local Rule 3007-1 and hereby state that, to the best of my knowledge and belief, this Objection is in compliance therewith.

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.

Executed: May 8, 2020

/s/ Erin McKeighan  
Erin McKeighan

Managing Director,  
Alvarez & Marsal North America, LLC