



Re: In re Breitburn Energy Partners LP, et al., Case No. 16-11390 (SMB) (Request for Appointment of Equity Committee)

think\_tank\_think

to:

Golden, Susan (USTP), Karotkin, Stephen, Bernstein.chambers@nysb.uscourts.gov  
06/16/2016 02:17 PM

Cc:

"Morrissey, Richard (USTP)", "GBray@milbank.com", "paronzon@milbank.com",  
"WJJI@aol.com", "parker.andy@gmail.com", "jayganesan@gmail.com",  
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To: "Golden, Susan (USTP)" <Susan.Golden@usdoj.gov>, "Karotkin, Stephen"  
<stephen.karotkin@weil.com>, "Bernstein.chambers@nysb.uscourts.gov"  
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Cc: "Morrissey, Richard (USTP)" <Richard.Morrissey@usdoj.gov>,  
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Please respond to <think\_tank\_think@yahoo.com>

Honorable Judge & US Trustee,

Equity owners are concerned because the management of Breitburn Energy (Debtor) has not done anything in the recent past to show that they are protecting and safeguarding the interest of equity owners.

Many equity owners even think that the \$10 mil "restructure bonus" is a "pay off" to certain officers of the company, probably at the expense of equity owner's interests. Kindly consider this in light of Debtor's attorney arguing that "formation of an equity committee is an expensive proposition". We, equity owners just want to ensure that your esteemed court protect the interest of equity owners in light of the following facts.

- 1) Based on the most recent financial filing dated March 31, 2016, Breitburn Energy has Total Assets greater than Total Liabilities, with positive equity of \$1.3 Billion
- 2) Brietburn Energy has already done an asset write off and hence current assets on books are not inflated in value.
- 3) The price of oil averaged in \$30 per barrel during 2016 Q1 when the 10-Q and Balance sheet was filed. Kindly note that price of oil has steadily increased and is now above \$50. Therefore, asset value is higher as of now compared to Q1 and equity value should be even higher based on higher asset value.
- 4) If the Debtor is unable to complete a restructure of balance sheet ( Proportionate swap of preferred shares & possibly some debt into equity units is a viable option) , then we think a

chapter 7 liquidation of assets will recoup greater value to equity owners.

5) Swift Energy and Halcon Resource are two companies that filed for chapter 11 recently. Both companies has negative equity in their balance sheet with assets less than liabilities, but still equity owners are getting 4% stake in NEWCO. Kindly keep in mind that Balance sheet of Breitburn Energy, on the other hand, is showing a positive equity of \$1.3 Billion, having assets greater than liabilities. If the creditors or debtor is trying to downplay the asset value of Breitburn Energy Partners, then we equity owners are requesting a forensic valuation of the assets in light of the current oil prices.

It is our earnest request to the esteemed court and your honor to take care of the interest of poor equity owners in all your future decisions, in light of the above facts.

May God bless,  
James & family  
Date: June 16, 2016

On Wednesday, June 15, 2016 3:29 PM, "Golden, Susan (USTP)" <Susan.Golden@usdoj.gov> wrote:

Thank you.

Susan D. Golden  
Trial Attorney

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New York, NY 10014  
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**From:** Prestigiacom, Lisa [<mailto:Lisa.Presto@weil.com>] **On Behalf Of** Karotkin, Stephen  
**Sent:** Wednesday, June 15, 2016 3:24 PM  
**To:** Golden, Susan (USTP)  
**Cc:** Morrissey, Richard (USTP); GBray@milbank.com; paronzon@milbank.com; WJJAI@aol.com; parker.andy@gmail.com; jayganesan@gmail.com; johnnymyrick@gmail.com; itstomcat@gmail.com; RMenjivar123@yahoo.com; jeff.pies@gmail.com; think\_tank\_think@yahoo.com; lu.madar87@yahoo.com  
**Subject:** In re Breitburn Energy Partners LP, et al., Case No. 16-11390 (SMB) (Request for Appointment of Equity Committee)

Dear Ms. Golden:

Attached is the response letter of Breitburn Energy Partners LP and its debtor affiliates to the request for the appointment of an equity committee.

Respectfully,

Stephen Karotkin

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Stephen Karotkin

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