

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

In re:)	
)	Chapter 11
LINN ENERGY, LLC, <i>et al.</i> , ¹)	Case No. 16-60040 (DRJ)
)	
Debtors.)	(Jointly Administered)
)	

**DEBTORS’ MOTION TO EXTEND THEIR EXCLUSIVE PERIODS
TO FILE A CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF**

A HEARING WILL BE CONDUCTED ON THIS MATTER ON AUGUST 25 AT 9:00 AM IN COURTROOM 400, 4th FLOOR, UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF TEXAS, 515 RUSK AVENUE, HOUSTON, TEXAS 77002.

IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY-ONE DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) respectfully state the following in support of this motion (this “Motion”):

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s federal tax identification number are as follows: Linn Energy, LLC (7591); Berry Petroleum Company, LLC (9387); LinnCo, LLC (6623); Linn Acquisition Company, LLC (4791); Linn Energy Finance Corp. (5453); Linn Energy Holdings, LLC (6517); Linn Exploration & Production Michigan LLC (0738); Linn Exploration Midcontinent, LLC (3143); Linn Midstream, LLC (9707); Linn Midwest Energy LLC (1712); Linn Operating, Inc. (3530); Mid-Continent I, LLC (1812); Mid-Continent II, LLC (1869); Mid-Continent Holdings I, LLC (1686); Mid-Continent Holdings II, LLC (7129). The Debtors’ principal offices are located at JPMorgan Chase Tower, 600 Travis, Suite 5100, Houston, Texas 77002.

Introduction²

1. In the early stages of these chapter 11 cases, the Debtors have continued their prepetition efforts to maximize value for all of the Debtors' stakeholders. The Debtors used their initial Exclusive Periods to stabilize their operations, obtain Court approval of important operational programs, file schedules and statements of financial affairs for all Debtors, and finalize a new long-term business plan. The Debtors also dedicated substantial time and resources to successfully litigating—and ultimately resolving objections to—their ability to use cash collateral.

2. Most importantly, the Debtors have dedicated considerable time to developing a strategy to bring these cases to a successful conclusion. The Debtors have been engaged in and are continuing discussions with each of their key stakeholder groups, including:

- (a) ***LINN First Lien Lenders.*** Prior to the Petition Date, the Debtors negotiated debtor-friendly take-back paper with the LINN First Lien Lenders that paves the way for an exit from chapter 11 and executed a restructuring support agreement (the "RSA") with the LINN First Lien Lenders. The Debtors are in compliance with the RSA and presently anticipate meeting the September 8, 2016 milestone to file their disclosure statement and plan of reorganization. Additionally, the Debtors have spent considerable time negotiating a hedging program that will protect the estates against future fluctuations in commodity prices.
- (b) ***LINN Second Lien Noteholders.*** Prior to the Petition Date, the Debtors executed the second lien settlement agreement, which contemplated a negotiating framework for a comprehensive restructuring deal supported by the second lien noteholders. The Debtors continue negotiating postpetition with the LINN Second Lien Noteholders within the framework established prepetition to develop a restructuring transaction supported by the LINN Second Lien Noteholders. In light of ongoing discussions, the parties agreed to an extension of time to seek approval of the second lien settlement.
- (c) ***LINN Unsecured Noteholders.*** Notwithstanding the time and resources required by the cash collateral litigation, the Debtors continue to engage in a constructive dialogue with the LINN Unsecured Noteholders regarding a potential

² Capitalized terms used but defined in this Introduction shall have the meanings ascribed to such terms in this Motion.

restructuring pursuant to which the LINN unsecured noteholders would equitize and possibly contribute new capital to the companies.

- (d) **Berry First Lien Lenders.** As contemplated in the RSA with the Berry First Lien Lenders, the Debtors have commenced the Berry marketing process. To date, the Debtors have contacted over 140 potential buyers and executed confidentiality agreements with over 30 potential purchasers. Non-binding indications of interest are due on August 8, 2016, with final bids to follow in early September.
- (e) **Berry Ad Hoc Group.** As the Court is aware, the Berry Ad Hoc Group has made a proposal to the Debtors and the Berry First Lien Lenders to acquire Berry. The Debtors are continuing to work with all parties to facilitate a counterproposal from the Berry First Lien Lenders while simultaneously pursuing the ongoing Berry marketing process. In addition, the Debtors are working actively to improve the level of information sharing with the Berry Ad Hoc Group, including with respect to developing a work plan to separate Berry from Linn, as set forth in the final cash management order [Docket No. 731].
- (f) **Official Committee.** The Debtors implemented a protocol with the Committee for weekly status calls to keep the Committee apprised of key issues. Additionally, the Debtors and the Committee agreed on a protocol for information sharing regarding the Debtors' mortgage analysis, as set forth in the final cash collateral order [Docket No. 730]. Simultaneously, the Debtors have engaged the Committee and the Office of the United States Trustee in numerous workstreams to ensure transparency as the Debtors continue to operate as debtors in possession. These efforts cleared the way for entry of the majority of the Debtors' first-day and second-day orders on a fully consensual basis as well as settlement with the Committee regarding the Debtors' employee compensation programs.

3. Having achieved a soft landing into chapter 11 and commenced productive stakeholder discussions, the Debtors are maintaining and redoubling their full attention to maximizing stakeholder value by pursuing their key restructuring initiatives, which are summarized as follows:

- (a) **New Business Plan.** The Debtors are in the process of finalizing a new long-term business plan (including detailed projections and updated capital expenditure budgets). The business plan development process has been—and will continue to be—a bottoms-up analysis of every aspect of the operation of the Debtors' natural gas and crude oil productive assets and their capital expenditure budget in a rapidly-evolving market. The Debtors' new long-term business plan, once complete, will serve as the basis for continued negotiations with all major creditor constituencies as the Debtors work to formulate and file a plan of reorganization in advance of the September 8, 2016 milestone set forth in the RSA.

- (b) ***Mortgage and Lien Analysis.*** Prior to the Petition Date, the Debtors undertook a comprehensive analysis of the mortgages and liens securing the First Lien Lenders' claims. While most of the work was completed prior to the Petition Date, the Debtors continued to refine the analysis during the early months of these cases and ultimately delivered the completed analysis to the Committee on July 12, 2016. The Debtors are committed to working with the Committee as it conducts its due diligence on the Debtors' analysis.
- (c) ***Contracts and Leases.*** The Debtors are evaluating whether to restructure, replace, or terminate their existing leases and contracts (including, among other contracts, their existing gas processing agreements) using the tools available in chapter 11. Through this initiative, the Debtors expect to increase revenue, reduce costs, and enhance the value of their exploration and production assets.
- (d) ***Claims Process.*** On July 8, 2016, the Debtors filed more than 15,000 pages of schedules of assets and liabilities and statements of financial affairs. Furthermore, since the Petition Date, parties in interest have filed more than 440 proofs of claim against the estates, and parties are expected to continue to file proofs of claim ahead of the September 16, 2016 non-governmental claims bar date. The Debtors continue to evaluate claims that have been asserted, or that may be asserted, against the estates.
- (e) ***Berry Separation Process.*** To satisfy their obligations under the RSA, the Debtors worked to develop a transition services agreement with the Berry First Lien Lenders, which will serve as a framework in the event these cases result in the deconsolidation of Berry from LINN. Moreover, to resolve the Berry Ad Hoc Group's objections to the Debtors' use of cash collateral, the Debtors agreed to formulate a work plan within 60 days of entry of the final order approving cash collateral to separate Berry from the LINN Debtors.

4. A 180-day extension of the Exclusive Periods is merited to provide the Debtors sufficient time to achieve the successful conclusion to these cases for which the Debtors have worked so hard thus far. Given the size and complexity of their businesses, the Debtors' request for additional time to complete their key restructuring initiatives is amply justified. Additionally, such an extension will provide the Debtors sufficient time to satisfy the RSA milestone for the effective date of a plan of reorganization.

5. For the foregoing reasons, the Debtors submit that an extension of the Exclusive Periods will serve the best interests of all parties, avoid wasteful distraction, and provide the appropriate environment for the major stakeholders in these chapter 11 cases to work

collaboratively toward a value-maximizing restructuring. Accordingly, the Debtors respectfully request that the Court grant the Debtors' requested extension of the Exclusive Periods.

Relief Requested

6. The Debtors seek entry of an order, substantially in the form attached hereto as **Exhibit A**, extending the period during which the Debtors have the exclusive right to file a chapter 11 plan (the "Filing Exclusive Period") through and including March 7, 2017, and the deadline under which the Debtors have the exclusive right to solicit a plan filed during the Filing Exclusive Period (the "Solicitation Exclusive Period," and, together with the Filing Exclusive Period, collectively, the "Exclusive Periods") through and including May 8, 2017.

Jurisdiction, Venue, and Procedural Background

7. The United States Bankruptcy Court for the Southern District of Texas (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The basis for the relief requested herein is section 1121 of title 11 of the United States Code (the "Bankruptcy Code").

8. On May 11, 2016, each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the "Petition Date"). A detailed description of the facts and circumstances leading to these chapter 11 cases is set forth in the *Declaration of Arden L. Walker, Jr., Chief Operating Officer of Linn Energy, LLC, in Support of Chapter 11 Petitions and First Day Motions* [Docket No. 19]. The Debtors continue to operate and manage their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On May 23, 2016, the Office of the United States Trustee for the Southern District of Texas (the "U.S. Trustee") appointed an official committee of unsecured creditors (the "Committee") [Docket No. 159].

Basis for Relief

9. To promote balanced and successful reorganizations under chapter 11 of the Bankruptcy Code, Congress provided debtors with the exclusive right to propose a plan of reorganization and solicit votes on that plan. Section 1121(b) of the Bankruptcy Code establishes an initial period of 120 days after the commencement of a chapter 11 case during which only a debtor may file a plan and an additional 60-day period during which only the debtor may solicit votes for a plan. Currently, the Filing Exclusive Period will expire on September 8, 2016, and the Solicitation Exclusive Period will expire on November 7, 2016. The Debtors believe it is prudent to seek an extension of the Exclusive Periods because these cases are in their early stages and many contingencies could have a significant effect upon the terms of a chapter 11 plan proposed by the Debtors.

10. Section 1121(d)(1) of the Bankruptcy Code permits a court to extend a debtor's exclusivity "for cause." Although the Bankruptcy Code does not define "cause," bankruptcy courts have discretion to extend exclusivity to promote the orderly, consensual, and successful reorganization of a debtor's affairs. *See In re Timbers of Inwood Forest Assocs., Ltd.*, 808 F.2d 363, 372 (5th Cir. 1987) (noting that the meaning of "cause" under section 1121 should be viewed in context of the Bankruptcy Code's goal of fostering reorganization in a way that avoids an "imbalance between the debtor and its creditors"); *In re Mirant Corp.*, No. 4-04-CV-476-A, 2004 WL 2250986, at *2 (N.D. Tex. Sept. 30, 2004) (noting that an extension of exclusivity is typically granted where "the debtor has shown substantial progress toward reorganization"); *see also In re Lehman Bros. Holdings, Inc.*, No. 08-13555 (JMP) (Bankr. S.D.N.Y.), Hr'g Tr. July 15, 2009, 137:8-11 (granting debtors' second exclusivity extension because debtors should be entitled to as much time as needed to develop their best plan and "exclusivity was designed, in part, to give debtors that privilege, unless it's being abused"); *In re Adelpia Commc'ns Corp.*,

336 B.R. 610, 674 (Bankr. S.D.N.Y. 2006) (citing factors relevant to whether “cause” exists to extend exclusive periods).³

11. Courts often use the following factors in determining whether “cause” exists to extend (or to terminate) a debtor’s exclusive plan filing period: (a) the size and complexity of the case; (b) the need for sufficient time to permit the debtor to negotiate a plan of reorganization and prepare adequate information; (c) whether the debtor has made progress in negotiations with its creditors; (d) the existence of good faith progress toward reorganization; (e) whether the debtor is seeking to extend exclusivity to pressure creditors to accede to the debtor’s reorganization demands; (f) whether the debtor has demonstrated reasonable prospects for filing a viable plan; (g) the fact that the debtor is paying its bills as they become due; (h) the amount of time that has elapsed in the case; and/or (i) whether an unresolved contingency exists. *See, e.g., In re New Millennium Mgmt, LLC*, No. 13-35719 (LZP), 2014 WL 792115, at *6 (Bankr. S.D. Tex. Feb. 25, 2014) (listing factors relevant to whether “cause” exists to extend exclusivity periods) (citing *In re GMG Cap. Partners III, L.P.*, 503 B.R. 596 (Bankr. S.D.N.Y. 2014); *see also In re Adelphia*, 336 B.R. at 674 (denying motion to terminate exclusivity based on factors for cause).

12. Not all factors are relevant to every case, and the existence of even one of these factors may be sufficient to extend a debtor’s exclusivity periods. *See, e.g., In re Express One Int’l, Inc.*, 194 B.R. 98, 100 (Bankr. E.D. Tex. 1996) (listing all nine factors later set forth in *Adelphia*, but relying on only four as relevant in determining whether there was “cause” to extend exclusivity). Moreover, courts routinely grant a debtor’s first request for an extension of the debtor’s exclusive period to file a chapter 11 plan. *See In re Mirant Corp.*, 2004 WL

³ The various hearing transcripts referenced herein are not attached hereto due to their voluminous nature; however, copies of such documents are available upon request to the Debtors’ counsel.

2250986, *2 (noting that “the debtor’s burden gets heavier with each extension it seeks as well as the longer the period of exclusivity lasts”); *see also In re Apex Pharm., Inc.*, 203 B.R. 432, 441 (N.D. Ind. 1996) (“It is true that during the initial 120-day period in which debtors have an exclusive right to file a plan of reorganization . . . the bankruptcy courts apply a lesser standard in determining whether the burden of showing ‘a reasonable possibility of a successful reorganization within a reasonable time’ has been satisfied.”) (citation omitted).⁴

13. As explained herein, sufficient cause exists here to extend the Exclusive Periods. And, it bears noting at the outset, there is ample precedent for an initial extension of exclusivity of at least six months, as the Debtors seek here. *See, e.g., In re Edison Mission Energy*, No. 12-49219 (JPC) (Bankr. N.D. Ill. May 5, 2013) (granting an initial exclusivity extension of 205 days); *In re Energy Future Holdings Corp.*, No. 14-10979 (CSS) (Bankr. D. Del. Sept. 16, 2014) (granting an initial exclusivity extension of 180 days); *In re Gen. Growth Props., Inc.*, No. 09-11977 (ALG) (Bankr. S.D.N.Y. July 28, 2009) (granting an initial exclusivity extension of 205 days); *In re Calpine Corp.*, No. 05-60200 (BRL) (Bankr. S.D.N.Y. Apr. 11, 2006) (granting an initial exclusivity extension of 255 days). This makes sense, as serial short-term extensions do not create stability and force parties to continue returning to court to litigate exclusivity. *See In re MSR Resort Golf Course LLC*, No. 11-10372 (SHL) (Bankr. S.D.N.Y.), Hr’g Tr. Feb. 21, 2012, 7:24–8:3 (extending exclusivity, in part, because “everything else in the case ground to a significant halt, in light of prior fights about exclusivity”); *In re Cengage Learning, Inc.*, No. 13-44106 (ESS) (Bankr. E.D.N.Y.), Hr’g Tr. Oct. 25, 2013, 47:9–48:4

⁴ *See also, e.g., In re Borders Grp., Inc.*, 460 B.R. 818, 825 (Bankr. S.D.N.Y. 2011) (same); *In re MSR Resort Golf Course LLC*, No. 11-10372 (SHL) (Bankr. S.D.N.Y.), Hr’g Tr. June 29, 2011, 77:19–25 (noting that debtors rarely lose their first request to extend exclusivity); *In re Cengage Learning, Inc.*, No. 13-44106 (ESS) (Bankr. E.D.N.Y.), Hr’g Tr. Oct. 25, 2013, 64:4–7 (emphasizing that it is “important to note” that “[t]his is the first request”).

(extending exclusivity and concluding that a short-term extension would not benefit the parties because “[i]t is hard to imagine . . . a scenario where there would not be some extension beyond January”).

I. The Debtors’ Chapter 11 Cases Are Large and Complex.

14. The Debtors’ chapter 11 cases are immense in both size and complexity. On a consolidated basis, the Debtors—whose operations include approximately 1,650 employees and approximately 27,000 gross productive wells in the United States, including in California, Colorado, Illinois, Kansas, Louisiana, Michigan, New Mexico, North Dakota, Oklahoma, Texas, Utah and Wyoming—generated approximately \$368 million of net cash from oil and gas production for 2015 and had approximately \$7.95 billion in funded debt as of the Petition Date.

15. These chapter 11 cases also include an array of constituents, each of which has engaged their own legal counsel and financial advisors: the Committee; the LINN first lien lenders (the “LINN First Lien Lenders”), the LINN second lien lenders (the “LINN Second Lien Lenders”), the LINN unsecured notes trustee (the “LINN Unsecured Noteholders”) the Berry first lien lenders (the “Berry First Lien Lenders”), and the ad hoc group of Berry unsecured noteholders (the “Berry Ad Hoc Group”). The U.S. Trustee—which commented on many of the Debtors’ first and second day pleadings and objected to the Debtors’ incentive and retention programs [Docket Nos. 318 and 582]—has also been an active participant throughout these chapter 11 cases.

16. Beyond the complexities of owning and operating a multibillion dollar, nationwide enterprise, the Debtors continue to face the challenges that contributed to the commencement of these chapter 11 cases. Commodity prices, while rising of late, remain relatively low compared to historic levels, and this dynamic continues to impact exploration and production businesses such as the Debtors. This dynamic and uncertainty is heightened in light

of the fact that the Debtors' remain completely unhedged. The Debtors and their advisors continue to address and evaluate all strategic alternatives and potential restructuring opportunities facing their large, complex businesses.

17. Both Congress and courts have acknowledged that the size and complexity of a debtor's case alone may provide cause for extending a debtor's exclusivity periods. *See In re Express One Intern., Inc.*, 194 B.R. at 100 (approving debtor's third exclusivity extension and noting that "the traditional ground for cause is the large size of the debtor and the concomitant difficulty in formulating a plan of reorganization"); *see also In re Energy Future Holdings Corp.*, No. 14-10979 (CSS) (Bankr. D. Del.), Hr'g Tr. Sept. 16, 2014, 73:10–17 (granting debtors' six-month extension in "an extremely complex case" with "a lot of things that are moving" and where the debtors have "a long way to go in order to get to a plan of reorganization that is hopefully confirmable whether on a global basis or in pieces"); *In re Cengage Learning, Inc.*, No. 13-44106 (ESS) (Bankr. E.D.N.Y.), Hr'g Tr. Oct. 25, 2013, 59:4–14 (granting debtors' first request for extension in a case of "substantial size and complexity" where, among other things, the debtors had \$5.8 billion in debt and nearly 5,000 employees); *In re MSR Resort Golf Course LLC*, No. 11-10372 (SHL) (Bankr. S.D.N.Y.), Hr'g Tr. Nov. 3, 2011, 376:13–20 (granting debtors' second request for extension where "[t]he debtors have large and complex cases" involving over \$2 billion in consolidated assets, \$1.5 billion in secured debt, thirty debtors, and five large and complicated businesses). Thus, the Debtors respectfully submit that the size and complexity of these chapter 11 cases alone provide sufficient cause for the Court to extend the Exclusive Periods.

II. The Debtors Have Made Significant Progress Negotiating in Good Faith with Creditors and Administering These Chapter 11 Cases.

18. Put simply, the Debtors demonstrably have made significant progress in negotiating with their stakeholders and administering these cases in the approximately 100 days since the Petition Date, which further warrants an extension of the Exclusive Periods. The Debtors and their advisors have maintained regular contact with the major parties in interest on all material matters, including:

- (a) ***Obtaining First-Day Relief.*** The Debtors stabilized their business operations through various operational first day motions and orders. This allowed them to, among other things, pay employees, continue paying mineral interest holders, maintain insurance programs, and continue using their cash management system.
- (b) ***Engaging in Constructive Negotiations with Key Stakeholders for Operational Relief.*** Following the appointment of the Committee, the Debtors worked constructively with the Committee's advisors to resolve certain potential objections to the Debtors' second-day orders. The Debtors also engaged in productive discussions with the advisors to the LINN First Lien Lenders, the Berry First Lien Lenders, the LINN Second Lien Lenders, the LINN Unsecured Noteholders, the Berry Ad Hoc Group, and the Committee in parallel with ongoing litigation regarding certain modifications to the final cash collateral order and cash management order [Docket Nos. 730, 731]. The Debtors' productive collaboration with their key constituents—which the Debtors intend to build upon in the coming months—has kept the Debtors' business enterprise operating smoothly.
- (c) ***Approval of the Debtors' Employee Compensation Motions.*** After the filing their employee compensation motions, the Debtors engaged in discussions with, and provided relevant information to, the U.S. Trustee and the Committee's advisors regarding the terms of the Debtors' proposed retention program and incentive plan, including sharing copies of the applicable plan documents and engaging in limited discovery. The Debtors also convened multiple in-person meetings with the Committee's counsel during which the parties discussed and negotiated various aspects of the Debtors' proposed incentive plan. These efforts ultimately resulted in a settlement that resolved the Committee's potential objection to the incentive plan.
- (d) ***Filing Schedules of Assets and Liabilities and Statements of Financial Affairs.*** The Debtors filed their schedules and statements and sought to establish the claims bar date. This was a tremendous undertaking for the Debtors in these cases, resulting in over 15,000 pages of schedules and statements; yet, the Debtors were able to complete these filings within 61 days of the Petition Date.

19. The Debtors' efforts to promote consensus further support the extension of the Exclusive Periods. See *In re Mirant Corp.*, 2004 WL 2250986, at *2 (noting that an extension of exclusivity is typically granted where "the debtor has shown substantial progress toward reorganization"); see also *In re MSR Resort Golf Course LLC*, No. 11-10372 (SHL) (Bankr. S.D.N.Y.), Hr'g Tr. Nov. 3, 2011, 377:2–8 (granting debtors' second exclusivity extension based, in part, on compromises reached between the debtors and their stakeholders and concluding that the debtors' "good-faith progress is also evidenced by these settlements, which evidence . . . progress in trying to reach some consensus on the end game strategy in these cases, and the timing for such a strategy"); *In re Tribune Co.*, No. 08-13141 (KJC) (Bankr. D. Del.), Hr'g Tr. Dec. 7, 2009, 70:2–4 (extending exclusivity based, in part, on the fact that "there are ongoing discussions, which may or may not result in a global resolution").

20. Consistent with their fiduciary duties, the Debtors will use the requested extended Exclusive Periods to continue to negotiate with all stakeholders with the objective of reaching a consensual plan of reorganization that maximizes value for all stakeholders. It is clear to the Debtors that certain of their major stakeholders may disagree on core aspects of this case and the Debtors look forward to continuing to work with each stakeholder in an effort to make the process as consensual as possible. Regardless, it cannot credibly be disputed that the Debtors have been anything less than forthcoming in diligence, analysis, and collaboration. The Debtors' substantial progress in working with their creditors and administering their cases also supports the extension of the Exclusive Periods.

III. Given the Scope of the Debtors' Work, Relatively Little Time Has Elapsed in These Chapter 11 Cases.

21. This request for an extension of the Exclusive Periods is the Debtors' first and comes approximately 100 days into these chapter 11 cases. Courts routinely grant a debtor's

request for an initial extension. As explained above, the Debtors have accomplished a great deal to transition into chapter 11 and stabilize operations. The results so far indicate that a future consensual restructuring may be feasible. But complex issues—including the potential deconsolidation of Berry’s and LINN’s operations and obtaining approval of the second lien settlement—evidence the need for additional time for the Debtors to consult and negotiate with their stakeholders. The Debtors anticipate they will continue to make significant progress toward completing a consensual restructuring and emerging from chapter 11 with an appropriate capital structure. The early stage of these cases further supports the requested extensions. *See, e.g., In re Energy Future Holdings Corp.*, No. 14-10979 (CSS) (Bankr. D. Del.), Hr’g Tr. Sept. 16, 2014, 73:21–25 (granting debtors’ request for a six-month extension because “just a two month or three month even extension of exclusivity won’t accomplish anything, we’re going to be right back here having the same argument and you’re going to get the same ruling, provided things continue to move”).

IV. An Extension of the Exclusive Periods Is in the Best Interests of Creditors.

22. The Debtors seek to maintain exclusivity so parties with competing interests do not derail the Debtors’ efforts to formulate a consensual restructuring that maximizes value for all stakeholders. To the contrary, maintaining exclusivity will afford the Debtors the opportunity to work with all creditors on both the LINN side and the Berry side to formulate a restructuring transaction that reflects the Debtors’ current economic outlook and maximizes the distributable value available to the Debtors’ estates. Maintaining the Debtors’ exclusivity also fosters the stability that the Debtors already have created following their “soft landing” into chapter 11. And all stakeholders benefit from the continued stability and predictability that comes with engaging the Debtors as the only potential plan proponents—rather than multiple unknown

parties with potentially diverging interests—as they proceed toward a value-maximizing restructuring.

V. The Debtors Are Not Pressuring Creditors to Submit to Any Reorganization Demands.

23. The Debtors’ restructuring process is intended to produce a consensual plan that maximizes value for all stakeholders. The Debtors have already embarked on a process that has involved extensive participation from all of their key stakeholders. The Debtors have engaged in multiple in-person and telephonic conferences with principles and/or advisors for each of the key creditor constituencies. These meetings have been productive, leading to the simultaneous negotiation of multiple term sheets with the ultimate goal of promoting a plan that obtains the consent of all creditor groups. Additional time to pursue this process will inure to the benefit of all creditors and will not result in undue pressure on any group to capitulate to any restructuring demands.

24. Further, the Debtors have agreed to substantial additional reporting for the Berry Ad Hoc Group, providing additional transparency and insight into Berry’s operations throughout the course of the extended Exclusive Periods. As a result, no party is being prejudiced by an extension of such periods. *See In re Timbers of Inwood Forest Assocs. Ltd.*, 808 F.2d at 372 (noting that “Section 1121 was designed, and should be faithfully interpreted, to limit the delay that makes creditors the hostages of Chapter 11 Debtors.”); *see also River Bend-Oxford Assocs.*, 114 B.R. 111, 114 (Bankr. D. Md. 1990) (“Section 1121 is designed to afford a debtor an exclusive period in which to propose a plan [and] . . . furthers the purpose of a rehabilitation”). Accordingly, the multi-factor analysis clearly weighs in favor of extending the Exclusive Periods by at least six months.

Notice

25. The Debtors will provide notice of this Motion to: (a) the Office of the United States Trustee for the Southern District of Texas; (b) counsel to the official committee of unsecured creditors; (c) counsel to Wells Fargo Bank, N.A., as administrative agent under LINN's prepetition credit facility and Berry's prepetition credit facility; (d) counsel to Wilmington Trust Company, as successor indenture trustee for LINN's 6.50% senior unsecured notes due 2019, 6.25% senior unsecured notes due 2019, 8.625% senior unsecured notes due 2020, 7.75% senior unsecured notes due 2021, and 6.5% senior unsecured notes due 2021; (e) counsel to the ad hoc group of LINN 12% second lien notes due 2020; (f) counsel to the ad hoc group of holders of Berry's 6.75% senior unsecured notes due 2020 and 6.375% senior unsecured notes due 2022; and (g) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

26. No prior request for the relief sought in this Motion has been made to this or any other court.

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WHEREFORE, the Debtors respectfully request entry of the Order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and granting such other relief as is just and proper.

Houston, Texas
Dated: August 1, 2016

/s/ Matthew D. Cavanaugh

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Co-Counsel to the Debtors and Debtors in Possession

Certificate of Service

I certify that on August 1, 2016, 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/ Matthew D. Cavanaugh

One of Counsel

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

In re:)	
)	Chapter 11
LINN ENERGY, LLC, <i>et al.</i> , ¹)	Case No. 16-60040 (DRJ)
)	
Debtors.)	(Jointly Administered)
)	
)	

**ORDER EXTENDING DEBTORS’ EXCLUSIVE PERIODS
TO FILE A CHAPTER 11 PLAN AND SOLICIT ACCEPTANCES THEREOF**

Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of an order (this “Order”) extending the periods during which the Debtors have the exclusive right to file and solicit a chapter 11 plan, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s federal tax identification number are as follows: Linn Energy, LLC (7591); Berry Petroleum Company, LLC (9387); LinnCo, LLC (6623); Linn Acquisition Company, LLC (4791); Linn Energy Finance Corp. (5453); Linn Energy Holdings, LLC (6517); Linn Exploration & Production Michigan LLC (0738); Linn Exploration Midcontinent, LLC (3143); Linn Midstream, LLC (9707); Linn Midwest Energy LLC (1712); Linn Operating, Inc. (3530); Mid-Continent I, LLC (1812); Mid-Continent II, LLC (1869); Mid-Continent Holdings I, LLC (1686); Mid-Continent Holdings II, LLC (7129). The Debtors’ principal offices are located at JPMorgan Chase Tower, 600 Travis, Suite 5100, Houston, Texas 77002.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT::

1. The Debtors' exclusive period to file a chapter 11 plan for each Debtor is extended through and including March 7, 2017.

2. The Debtors' exclusive period to solicit acceptances of a chapter 11 plan for each Debtor is extended through and including May 8, 2017.

3. Entry of this Order is without prejudice to (a) the Debtors' right to seek from this Court such additional and further extensions of the Exclusive Periods within which to file and solicit acceptance of a plan of reorganization as may be necessary or appropriate.

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

5. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

6. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

7. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: _____, 2016
Houston, Texas

DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE