

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

In re:

BARROW SHAVER RESOURCES
COMPANY LLC,

Debtor.¹

Chapter 11

Case No. 24-33353 (ARP)

**Related ECF Nos.: 425, 467, 469, 475, 473, 474,
475, 476, 507, 513**

**THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS’
(I) OBJECTION TO PETITIONING CREDITORS’ JOINDER IN PROFRAC’S AND
CACTUS WELLHEAD’S MOTIONS FOR ENTRY OF AN ORDER GRANTING
ADEQUATE PROTECTION AND SEPARATE MOTION FOR ENTRY OF AN ORDER
GRANTING ADEQUATE PROTECTION AND
(II) JOINDER TO THE DEBTOR’S OBJECTION**

The Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 case (the “Chapter 11 Case”) of the above-captioned debtor and debtor-in-possession (the “Debtor”) files this (i) objection (the “Objection”) to Axis Energy Services, LLC (“Axis”), DOC Energy Services, LLC (“DOC Energy”), Cudd Pressure Control, Inc. (“Cudd”), Thru Tubing Solutions, Inc. (“Thru Tubing”), Genesis Fluids, LLC (“Genesis”), Force Pressure Control, LLC (“Force”), and Reliance Well Service, Inc.’s (“Reliance”) (collectively the “Movants”) *Joinder in ProFrac’s and Cactus Wellhead’s Motions for Entry of an Order Granting Adequate Protection and Separate Motion for Entry of an Order Granting Adequate Protection* [ECF No. 473] (the “AP Motion”) and (ii) joinder to the Debtor’s *Objection to Petitioning Creditors’ Joinder in ProFrac’s and Cactus Wellhead’s Motions for Entry of an Order Granting Adequate Protection and Separate Motion for Entry of an Order Granting Adequate Protection* [ECF No. 513]

¹ The last four digits of the Debtor’s federal tax identification number are 0510. The Debtor’s corporate headquarters is located at 977 Pruitt Place, Tyler, TX 75703.

regarding the AP Motion and respectfully states as follows²:

OBJECTION

1. As predicted in the Committee’s *(I) Objection to ProFrac Services LLC’s Motion for Entry of an Order Granting Adequate Protection, (II) Objection to Cactus Wellhead, LLC and Princess Three Operating LLC’s Joinder of ProFrac’s Motion for Entry of an Order Granting Adequate Protection and Separate Motion for Entry of an Order Granting Adequate Protection, and (III) Joinder to the Debtor’s Objection* [ECF No. 476] (the “First Committee AP Objection”), ProFrac’s and Cactus/Princess’ motions for adequate protection have inspired others to make similar filings, leading to further delay, expense, and confusion to the Chapter 11 Case. Pursuant to the AP Motion, the Movants seek an order from the Court for the Debtor to provide the Movants with adequate protection of the Movants’ interests in their respective alleged collateral. As outlined in the First Committee AP Objection, the Committee believes that *any* request for adequate protection is premature and will only serve to disrupt the progress the Debtor has made to date.

2. The primary purpose of a secured creditor receiving adequate protection is to protect that secured creditor “against a decrease in the value of its collateral due to the debtor’s use, sale or lease of that collateral” while the automatic stay is in place. *United Savs. Ass’n of Tex. v. Timbers of Inwood Forest Assocs., Ltd. (In re Timbers of Inwood Forest Assocs., Ltd.)*, 793 F.2d 1380, 1389 (5th. Cir. 1986); *see also In re Geijssel*, 480 B.R. 238, 265 n.19 (Bankr. N.D. Tex. 2012) (“The purpose of adequate protection payments is to adequately protect creditors from the diminution of value in a creditor’s collateral.”). It is also well-settled that adequate protection is

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

not to be granted absent a showing of diminution in value. *See In re Continental Airlines, Inc.*, 146 B.R. 536, 539 (Bankr. D. Del. 1992) (“Post-*Timbers* courts have uniformly required a movant seeking adequate protection to show a decline in value of its collateral.”).

3. Like the previous motions for adequate protection, the Movants have not made the requisite showing that there has been a diminution in the value of collateral justifying adequate protection of its claim. The Movants provide similar conclusory statements as ProFrac and Cactus/Princess regarding the diminution of value of their alleged liens, without providing any evidence that their collateral has actually diminished in value. Again, this speculation does not discharge the Movants’ burden on this issue. Further, the Movants allude to forms that adequate protection may take, but have not provided a specified request for adequate protection. They simply request that they be granted adequate protection.

4. In order to avoid burdening the Court with unnecessarily duplicative submissions, and in an effort to minimize the incurrence of legal expenses, the Committee hereby restates the arguments made in the First Committee AP Objection.

5. We believe the Committee and the Movants are seeking the same outcome—a value maximizing solution for all stakeholders. The Committee understands the Movants’ frustrations with the sale process and uncertainty related to the conclusion of the Chapter 11 Case. However, these motions for adequate protection, filed without evidence of any actual diminution of value but based on a belief that there must be *some* diminution based on the length of the case, are only hindering this reorganization process. To preserve value for *all* stakeholders, and save the Chapter 11 Case from more unnecessary administrative expense burn, the Committee believes that the determination of any diminution of value should wait until the conclusion of the sale process.

JOINDER

6. Additionally, the Committee hereby joins in the Debtor's *Objection to Petitioning Creditors' Joinder in ProFrac's and Cactus Wellhead's Motions for Entry of an Order Granting Adequate Protection and Separate Motion for Entry of an Order Granting Adequate Protection* [ECF No. 513] and further objects to the Motion for reasons set forth therein.

RESERVATION OF RIGHTS

7. The Committee hereby reserves all of its rights, claims, defenses, and remedies, including the right to seek discovery, to raise objections, and to introduce evidence relating to the AP Motion at any hearing and without in any way limiting any other rights of the Committee to object on any grounds to the AP Motion, or any other matter in connection therewith, as may be appropriate.

Respectfully submitted,

Dated: February 28, 2025
Houston, Texas

FAEGRE DRINKER BIDDLE & REATH LLP

/s/ Kristen L. Perry

Kristen L. Perry
State Bar No. 24090015
kristen.perry@faegredrinker.com
2323 Ross Ave, Suite 1700
Dallas, Texas 75201
Telephone: (469) 357-2500
Facsimile: (469) 327-0860

Richard J. Bernard
richard.bernard@faegredrinker.com
1177 Avenue of the Americas, 41st Floor
New York, New York 10036, USA
Telephone: (212) 248-3140
Facsimile: (212) 248-3141

Michael T. Gustafson
mike.gustafson@faegredrinker.com
320 S. Canal Street, Suite 3300
Chicago, Illinois 60606, USA
Telephone: (312) 569-1000
Facsimile: (312) 569-3000

Counsel to the Official Committee of Unsecured Creditors

CERTIFICATE OF SERVICE

The undersigned certifies that on February 28, 2025, a true and correct copy of the foregoing document was electronically filed and served via CM/ECF on all parties that have entered an appearance and requested service in the above-referenced case.

/s/ Kristen L. Perry
Kristen L. Perry