

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

In re	§	
	§	Chapter 11
	§	
EXPRESS ENERGY SERVICES	§	
OPERATING, LP, <i>et al.</i> ,	§	Case No. 09-____ (____)
	§	
	§	
Debtors.	§	
	§	
	§	Joint Administration Requested

**APPLICATION PURSUANT TO SECTIONS 327(a) AND 328(a)  
OF THE BANKRUPTCY CODE AND FEDERAL RULE OF BANKRUPTCY  
PROCEDURE 2014(a) FOR AUTHORIZATION TO EMPLOY AND RETAIN  
WEIL, GOTSHAL & MANGES LLP AS ATTORNEYS FOR THE  
DEBTORS NUNC PRO TUNC TO THE COMMENCEMENT DATE**

**THIS APPLICATION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE APPLICATION YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN TWENTY DAYS OF THE DATE THIS APPLICATION WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE APPLICATION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE APPLICATION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE APPLICATION AT THE HEARING.**

**REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEYS.**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Express Energy Services Operating, LP (“**EES**”) and its affiliated debtors in the above referenced chapter 11 cases, as debtors and debtors in possession (collectively, the “**Debtors**”),<sup>1</sup> file this application (the “**Application**”) and respectfully represent as follows:

<sup>1</sup> A list of the Debtors in these chapter 11 cases is attached hereto as **Exhibit A**.

I.

**BACKGROUND**

1. On October 27, 2009 (the “**Commencement Date**”), each of the Debtors filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Contemporaneously herewith, the Debtors filed a motion seeking joint administration of their chapter 11 cases pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

2. Information regarding the Debtors’ business and events leading to the Debtors’ bankruptcy filings can be found in the Declaration of Darron Anderson in Support of the Debtors’ Chapter 11 Petitions and First Day Motions, filed contemporaneously herewith.

II.

**JURISDICTION**

3. This Court has jurisdiction to consider this Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

III.

**RELIEF REQUESTED**

4. By this Application, the Debtors respectfully request, pursuant to sections 327(a) and 328(a) of the Bankruptcy Code and Bankruptcy Rule 2014(a), entry of an order, substantially in the form attached hereto as **Exhibit C**, authorizing the employment and retention of Weil, Gotshal & Manges LLP (“**WG&M**”), nunc pro tunc to the Commencement Date, as their attorneys in connection with the commencement and prosecution of their chapter 11 cases

in accordance with WG&M's normal hourly rates in effect when services are rendered and normal reimbursement policies. In support of this Application, the Debtors rely upon the Declaration of Alfredo R. Pérez, a member of WG&M (the "**Pérez Declaration**"), annexed hereto as **Exhibit B**.

#### IV.

#### **BASIS FOR RELIEF REQUESTED**

##### **A. The Retention of WG&M**

5. The Debtors have been informed that Alfredo R. Pérez, a member of WG&M, and Christopher M. López and Manesh J. Shah, associates of WG&M, as well as other members of, counsel to, and associates of WG&M who will be employed in these chapter 11 cases, are members in good standing of, among others, the Bar of the State of Texas and the United States District Court for the Southern District of Texas.

6. The Debtors have selected WG&M as their attorneys because of the firm's knowledge of the Debtors' businesses and financial affairs and its extensive general experience and knowledge, and in particular, its recognized expertise in the field of debtor's protections and creditors' rights and business reorganizations under chapter 11 of the Bankruptcy Code. Over the last several decades, WG&M has been actively involved in numerous major chapter 11 cases.<sup>2</sup>

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<sup>2</sup> WG&M currently represents or has represented the following debtors: Motors Liquidation Company (f/k/a General Motors Corporation), General Growth Properties, Inc., BearingPoint, Inc., Crescent Resources, LLC, Magna Entertainment Corp., Aleris International, Inc., Lehman Brothers Holdings Inc., Recycled Paper Greetings, Inc., Pilgrim's Pride Corporation, Lenox Sales, Inc., Washington Mutual, Inc., Lexington Precision Corp., Sharper Image Corporation, PRC, LLC, Silicon Graphics, Inc., Saint Vincent's Catholic Medical Centers, Atkins Nutritionals, Inc., Footstar, Inc., New World Pasta Company, Parmalat USA Corp., Loral Space & Communications Ltd., TL Administration Corporation, Republic Engineered Product Holdings, WestPoint Stevens Inc., Worldcom, Inc., Adelpia Business Solutions, Inc., Enron Corp., APW Ltd., Agway, Inc., Formica Corp., Global Crossing Ltd., Kasper A.S.L., Ltd., Ames Department Stores, Inc., AI Realty Marketing of New York, Inc., Pergament Home Centers, Inc., Regal Cinemas, Inc., Republic Technologies Int'l, LLC, Rhythms NetConnections Inc., Sunbeam Corporation, Bethlehem Steel Corporation, Armstrong Worldwide Industries and many others.

7. In or around March 2008, WG&M began rendering legal services to Macquarie Energy Holdings LLC and its affiliates (collectively, "Macquarie"), the Debtors' largest equity sponsor, in connection with Macquarie's investment in the Debtors. WG&M's representation of Macquarie previously included advice concerning the Debtors' affairs, debt obligations, and restructuring alternatives. On or about August 12, 2009, the Debtors retained WG&M to represent and advise them with regard to a potential restructuring of the Debtors' financial obligations. As a result, on August 12, 2009, with the consent of the Debtors and Macquarie, WG&M withdrew from the representation of Macquarie and continued to advise the Debtors exclusively.

8. During the course of their representation of the Debtors, WG&M has become familiar with the Debtors' businesses, financial affairs, and capital structure. Accordingly, WG&M has the necessary background to deal effectively with many of the potential legal issues and problems that may arise in the context of the Debtors' chapter 11 cases. The Debtors believe that WG&M is both well qualified and uniquely able to represent them in their chapter 11 cases in a most efficient and timely manner.

9. Were the Debtors required to retain attorneys other than WG&M in connection with the prosecution of these chapter 11 cases, the Debtors, their estates and all parties in interest would be unduly prejudiced by the time and expense necessarily attendant to such attorneys' familiarization with the intricacies of the Debtors and their business operations.

10. The Debtors have also submitted or will be submitting applications to retain Alvarez & Marsal North America, LLC as their restructuring and financial advisors and The Garden City Group, Inc. as their claims, noticing, and balloting agent in their chapter 11 cases. WG&M intends to monitor and coordinate carefully the efforts of all professionals, and

delineate clearly their respective duties so as to prevent duplication of effort, whenever possible. Rather than resulting in any extra expense to the Debtors' estates, it is anticipated that the efficient coordination of efforts of the Debtors' attorneys and other professionals will greatly add to the progress and effective administration of these chapter 11 cases.

**B. Scope of Services**

11. The employment of WG&M under a general retainer is appropriate and necessary to enable the Debtors to execute their duties as debtors and debtors in possession faithfully and to implement this restructuring and reorganization. Subject to further order of this Court, it is proposed that WG&M be employed to render the following professional services:

- a. take all necessary action to protect and preserve the estates of the Debtors, including the prosecution of actions on the Debtors' behalf, the defense of any actions commenced against the Debtors, the negotiation of disputes in which the Debtors are involved, and the preparation of objections to claims filed against the Debtors' estates;
- b. prepare on behalf of the Debtors, as debtors in possession, all necessary motions, applications, answers, orders, reports, and other papers in connection with the administration of the Debtors' estates;
- c. to take all necessary actions in connection with a plan or plans of reorganization and related disclosure statement(s) and all related documents, and such further actions as may be required in connection with the administration of the Debtors' estates; and
- d. perform all other necessary legal services in connection with the prosecution of these chapter 11 cases.

12. It is necessary for the Debtors to employ attorneys under a general retainer to render the foregoing professional services. WG&M has stated its desire and willingness to act in these cases and render the necessary professional services as attorneys for the Debtors.

**C. WG&M's Disinterestedness**

13. To the best of the Debtors' knowledge, the members of, counsel of, and associates of, WG&M do not have any connection with or any interest adverse to the Debtors, their creditors, or any other party in interest, or their respective attorneys and accountants, except as may be set forth in the Pérez Declaration.

14. Based upon the representations in the Pérez Declaration, the Debtors submit that WG&M is a "disinterested person," as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code. The Debtors have been informed that WG&M will conduct an ongoing review of its files to ensure that no disqualifying circumstances arise, and if any new relevant facts or relationships are discovered, WG&M will supplement its disclosure to the Court.

**D. Professional Compensation**

15. As set forth in the Pérez Declaration, WG&M received certain amounts from the Debtors as compensation for professional services performed relating to the potential restructuring of the Debtors' financial obligations and the potential commencement of these chapter 11 cases, and additional amounts for the reimbursement of reasonable and necessary expenses incurred in connection therewith. WG&M also has received a retainer fee and an advance against expenses for services to be performed in preparation for and prosecution of these chapter 11 cases, in the amount disclosed in the Pérez Declaration.

16. The Debtors understand that WG&M hereafter intends to apply to the Court for allowances of compensation and reimbursement of expenses in accordance with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules for the Southern District of Texas, and such other procedures as may be fixed by order of this Court for all services performed and expenses incurred after the Commencement Date.

17. Pursuant to section 328(a) of the Bankruptcy Code, the Debtors may retain WG&M on any reasonable terms and conditions. The Debtors, subject to the provisions of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules for the Southern District of Texas, and any orders entered by this Court, propose to pay WG&M its customary hourly rates for services rendered that are in effect from time to time, as set forth in the Pérez Declaration, and to reimburse WG&M according to its customary reimbursement policies, and respectfully submit that such rates are reasonable. WG&M shall notify the Debtors and the Office of the United States Trustee for the Southern District of Texas of any change in the hourly rates charged by WG&M for services rendered.

**V.**

**NOTICE**

18. The Debtors have served notice of this Application on (i) the Office of the United States Trustee for the Southern District of Texas; (ii) Credit Suisse, as administrative agent for (a) the Debtors' prepetition secured lenders under the Credit Agreement dated as of July 11, 2008, as amended, and (b) the Swap Agreement dated as of July 11, 2008; (iii) Akin Gump Strauss Hauer & Feld (Attn: J. Michael Chambers and Charles R. Gibbs), attorneys for Credit Suisse; (iv) the Debtors' 20 largest unsecured creditors (on a consolidated basis); (v) all applicable government agencies, to the extent required by the Bankruptcy Rules or the Bankruptcy Local Rules for the Southern District of Texas; and (vi) parties entitled to receive notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. The Debtors submit that no other or further notice need be provided.

WHEREFORE, the Debtors request entry of an order granting the relief requested herein and such other and further relief as is just.

Dated: October 27, 2009  
Houston, Texas

/s/ Darron Anderson  
Name: Darron Anderson  
Title: Chief Executive Officer

**EXHIBIT A****LIST OF DEBTORS**

<b>Debtor</b>	<b>Last Four Digits of Federal Tax I.D. No.</b>
Express Energy Services Operating, LP	7644
Express Energy Services (2008) LLC	3087
Express Energy Services Holding, LP	7122
Express Energy Services GP, LLC	7083
Express Energy Services CT, LP	8432
Express Energy Services Ark, LP	5287
Express Energy Services P&A, LP	8402
Express Energy Services WL, LP	2834
Express – Byrd R&S GP, LLC	7556
Express – Byrd R&S Oilfield Services, L.P.	7580
Express – MBCC GP, LLC	0760
Express – MBCC, Ltd.	0802
Express – Mike Byrd Casing Crews GP, LLC	0852
Express – Mike Byrd Casing Crews, Ltd.	0938
Express – R&S Tong Services GP, LLC	2230
Express – R&S Tong Services, Ltd.	7465
Express – BAH Leasing GP, LLC	0510
Express – BAH Leasing, Ltd.	0708
D&D Tongs GP, LLC	6566
D&D Tongs, L.P.	6586
Express – North Trail Oilfield Services, GP, LLC	7506
Express – North Trail Oilfield Services, Ltd.	7526
Express – Ace Rat Hole Service GP, LLC	6617
Express – Ace Rat Hole Service, Ltd.	6632

**EXHIBIT B**

**PÉREZ DECLARATION**



approval of the Debtors' retention of WG&M, as their attorneys in the above-captioned chapter 11 cases at their normal hourly rates in effect from time-to-time and in accordance with their normal reimbursement policies, in compliance with sections 327(a), 328(a), 329, and 504 of title 11 of the United States Code (the "**Bankruptcy Code**"), and to provide disclosure required under Rules 2014(a) and 2016(b) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"). Unless otherwise stated in this Declaration, I have personal knowledge of the facts set forth herein. To the extent any information disclosed herein requires amendment or modification upon WG&M's completion of further review or as additional party-in-interest information becomes available to it, a supplemental Declaration will be submitted to the Court reflecting such amended or modified information.

#### **WG&M's Disinterestedness**

3. Except as set forth herein, to the best of my knowledge, after due inquiry, neither I, WG&M, nor any member or counsel, or associate of the Firm represents any party in interest or any other entity other than the Debtors in connection with these chapter 11 cases.

4. WG&M is a "disinterested person," as that term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code. Insofar as I have been able to ascertain, I know of no conflict of interest that would preclude WG&M's representation of the Debtors in these cases. To the best of my knowledge, WG&M, its members, counsel, and associates:

- a. are not creditors, equity security holders, or insiders of the Debtors;
- b. are not and were not, within two years before the Commencement Date, a director, officer, or employee of the Debtors;
- c. do not have an interest materially adverse to the interests of the estates or of any class of creditors or equity security holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtors or for any other reason; and

- d. have not represented any party in connection with matters relating to the Debtors, although, as described below, WG&M has certain relationships with other parties in interest and other professionals in connection with unrelated matters.

**WG&M's Prepetition Relationship with the Debtors**

5. In or around March 2008, WG&M began rendering legal services to Macquarie Energy Holdings LLC and its affiliates (collectively, "**Macquarie**"), the Debtors' largest equity sponsor, in connection with Macquarie's investment in the Debtors. WG&M's representation of Macquarie previously included advice concerning the Debtors' affairs, debt obligations, and restructuring alternatives. On or about August 12, 2009, the Debtors retained WG&M to represent and advise them with regard to a potential restructuring of the Debtors' financial obligations. As a result, on August 12, 2009, with the consent of the Debtors and Macquarie, WG&M withdrew from the representation of Macquarie and continued to advise the Debtors exclusively. Macquarie has retained Sidley Austin LLP to advise them in connection with this matter.

6. The Debtors pursued various restructuring efforts from the time of WG&M's retention to the Commencement Date. Ultimately, however, the Debtors determined that restructuring their financial obligations could best be achieved through the chapter 11 process. WG&M was instrumental in helping the Debtors reach an agreement with certain of their senior secured lenders, which enabled the Debtors to file their chapter 11 cases with a pre-arranged plan of reorganization and accompanying disclosure statement. WG&M prepared the chapter 11 petitions for the Debtors, the initial motions, applications, and affidavits relating to these chapter 11 cases, and the proposed plan of reorganization and disclosure statement.

7. WG&M is not a creditor of the Debtors. In the one year prior to the commencement of these chapter 11 cases (the "**Commencement Date**"), WG&M received

advances in the aggregate amount of \$1,341,436.40, from the Debtors on account of services performed and to be performed, including the commencement and prosecution of these chapter 11 cases, and expenses incurred and to be incurred in connection therewith. As of the Commencement Date, the fees and expenses incurred by WG&M during the same one year period and debited against the amounts advanced to it by the Debtors were \$1,226,436.40. The precise amount will be determined upon the final recording of all time and expense charges. As of the Commencement Date, WG&M has a remaining credit balance in favor of the Debtors in the amount of \$115,000 for additional professional services performed and to be performed and expenses incurred and to be incurred in connection with these chapter 11 cases. After application of amounts for any additional prepetition professional services and related expenses, the excess advance amounts will be held by WG&M as a retainer.

8. None of the Debtors' prepetition payments to WG&M constitute voidable preferential transfers pursuant to section 547 of the Bankruptcy Code.

#### **WG&M Disclosure Procedures**

9. WG&M, which employs approximately 1,300 attorneys, has a large and diversified legal practice that encompasses the representation of many financial institutions and commercial corporations. WG&M has in the past represented, currently represents, and may in the future represent, entities that are claimants of or interest holders in the Debtors in matters unrelated to the Debtors' pending chapter 11 cases. Some of these entities are, or may consider themselves to be, creditors or parties in interest in the Debtors' pending chapter 11 cases or to otherwise have interests in these cases.

10. In preparing this Declaration, I used a set of procedures developed by WG&M to ensure compliance with the requirements of the Bankruptcy Code, the Bankruptcy

Rules, and the Bankruptcy Local Rules for the Southern District of Texas, regarding the retention of professionals by a debtor under the Bankruptcy Code (the “**Firm Disclosure Procedures**”).

Pursuant to the Firm Disclosure Procedures, I performed, or caused to be performed, the following actions to identify the parties relevant to this Declaration and to ascertain WG&M’s connection to such parties:

- a. A comprehensive list of the types of entities that may have contacts with the Debtors was developed through discussions with the WG&M attorneys who have provided services to the Debtors and in consultation with senior management of the Debtors (the “**Retention Checklist**”).
- b. WG&M obtained information responsive to the Retention Checklist through several inquiries of the Debtors’ senior management and review of documents provided by the Debtors to WG&M. WG&M then used that information, together with other information identified by WG&M, to compile a list of the names of entities that may be parties in interest in the chapter 11 cases (the “**Potential Parties In Interest**”).
- c. WG&M maintains a master client database as part of its conflict clearance and billing records. The master client database includes the names of the entities for which any attorney time charges have been billed since the database was first created, approximately 25 years ago (the “**Client Database**”). The Client Database includes the name of each current or former client, the names of the parties who are or were related or adverse to such current or former client, and the names of the WG&M personnel who are or were responsible for current or former matters for such client. It is the policy of WG&M that no new matter may be accepted or opened within the Firm without completing and submitting to those charged with maintaining the conflict clearance system the information necessary to check each such matter for conflicts, including the identity of the prospective client, the name of the matter, adverse parties and, in some cases, parties related to the client or to an adverse party. Accordingly, the database is updated for every new matter undertaken by WG&M. The accuracy of the system is a function of the completeness and accuracy of the information submitted by the attorney opening a new matter.
- d. WG&M compared the names of each of the Potential Parties In Interest to client matters in the Client Database for which professional time was recorded during the two years prior to the comparison.<sup>1</sup> Any matches to

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<sup>1</sup> For purposes of the Firm Disclosure Procedures, WG&M considers an entity a “former client” if all matters for such client have been closed or, if any matters for such client have not been closed, if no billable time for such client has been recorded in the past two years. Because the Firm Disclosure Procedures only reflect client activity during the past two years, matches to client matters outside that timeframe are not reflected in this Declaration.

names in the Client Database generated by the comparison were compiled in a list, together with the names of the respective WG&M personnel responsible for the identified client matters (the “**Match List**”).

- e. A WG&M attorney then reviewed the Match List and deleted obvious name coincidences and individuals or entities that were adverse to WG&M’s clients in both this matter and the matter referenced on the Match List.
- f. Using information in the Client Database concerning entities on the Match List, and making general and, if applicable, specific inquiries of WG&M personnel, WG&M verified that it does not represent and has not represented any entity on the Match List in connection with the Debtors or the chapter 11 cases.
- g. In addition, a general inquiry to all WG&M personnel (attorneys and staff) was sent by electronic mail to determine whether any such individual or any member of his or her household (i) owns any debt or equity securities of any of the Debtors; (ii) holds a claim against any of the Debtors; or (iii) is or was an officer, director, or employee of any of the Debtors.

**WG&M’s Connections with Parties in Interest  
in Matters Unrelated to these Chapter 11 Cases**

11. Either I or an attorney working under my supervision reviewed the connections between WG&M and the clients identified on the Match List and the connections between those entities and the Debtors and determined, in each case, that WG&M does not hold or represent an interest that is adverse to the Debtors’ estates and that WG&M is a “disinterested person” as such term is defined in section 101(14) of the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, for the reasons discussed below.

12. WG&M previously has represented, currently represents, and may represent in the future the entities described below (or their affiliates), in matters totally unrelated to the Debtors:

<b>Matched Entity</b>	<b>Relationship to Debtors</b>	<b>Relationship to WG&amp;M</b>
AIG	Insurer	Current Client
Allied Irish Bank	Secured Lender	Current Client
Alvarez & Marsal North America, LLC	Restructuring Professional	Current Client
AON Premium Credit LLC	Insurer	Affiliate of a Current Client
Apollo	Secured Lender	Current Client
Bank of America Centre Pacific LLC	Secured Lender	Current Client
Barclays Bank PLC	Secured Lender	Current Client
Capital Source	Secured Lender	Current Client
Caterpillar Financial Services	Secured Lender	Former Client
Cerberus Serues Four Holdings LLC	Secured Lender	Current Client
CIT Bank	Secured Lender	Affiliate of a Current Client
Comcast	Utility	Affiliate of a Former Client
Commerce & Industry Insurance Company	Insurer	Affiliate of a Former Client
Credit Suisse	Agent to Secured Lenders	Current Client
CSAM	Secured Lender	Current Client
Deerfield Capital	Secured Lender	Current Client
Deutsche Asset Management	Secured Lender	Current Client
DirecTV	Utility	Current Client
Guggenheim	Secured Lender	Current Client
Hartford Insurance (Himco)	Secured Lender	Current Client
JPMorgan Chase Bank	Bank Account	Current Client

Matched Entity	Relationship to Debtors	Relationship to WG&M
Laminar Direct Capital	Equity Holder	Current Client
Marsh LLP	Insurance Agent	Current Client
Newstar Financial	Secured Lender	Current Client
Oklahoma Natural Gas	Utility	Affiliate of a Former Client
Pequot Special Opportunities Fund III, LP	Secured Lender	Current Client
Sankaty Advisors Inc.	Secured Lender	Current Client
Stanfield Capital Partners	Secured Lender	Affiliate of a Former Client
TXU Energy	Utility	Affiliate of a Former Client
Verizon Southwest	Utility	Current Client
Wachovia Capital Partners LLC	Equity Holder	Current Client
XL Insurance America, Inc.	Insurer	Current Client

13. As noted above, WG&M also represented Macquarie in the acquisition of a controlling interest in each of the Debtors, and a variety of related matters. WG&M continues to represent Macquarie on matters unrelated to the Debtors. In addition, WG&M also represents Lehman Brothers Holdings Inc. and its affiliated debtors in their chapter 11 bankruptcy proceedings. Lehman Brothers Commercial Bank is not a debtor in the Lehman bankruptcy proceedings.

14. In addition to the entities identified above, the following entities either (i) have a name similar to a client in the Client Database or (ii) are or may be related to a client (collectively, the “**Potential Clients**”). After a diligent effort, WG&M was unable to determine whether the similarity of names was in fact a name coincidence or whether, and to what extent,

the Potential Client is related to a client in the Client Database. However, out of an abundance of caution, WG&M has confirmed that, similar to the clients identified above, WG&M does not represent any of the Potential Clients in matters related to the Debtors' chapter 11 cases.

<b>Matched Entity</b>	<b>Relation to Debtors</b>	<b>Relation to WG&amp;M</b>
ACE American Insurance Co.	Insurer	May be an Affiliate of a Current Client
Churchill Management Limited	Secured Lender	May be an Affiliate of a Current Client
Gulf Stream Asset Management	Secured Lender	May be an Affiliate of a Current Client
National Union Fire Insurance Company	Insurer	May be an Affiliate of a Current Client
Orix Business Credit	Secured Lender	May be an Affiliate of a Current Client

15. To the best of my knowledge and information, the annual fees paid to WG&M by any of the Current Clients (and their respective affiliates) for either of the last three years did not exceed 1% (one percent) of the annual gross revenue of WG&M for such year, with the exception of Lehman Brothers, AIG, and General Electric.

16. Additionally, WG&M has represented, and may currently represent, entities that hold certain of the Debtors' debt in beneficial accounts on behalf of unidentified parties. These entities, however, maintain no direct financial stake in the Debtors' economic performance.

17. WG&M has not, does not, and will not represent any of the Current Clients or their respective affiliates or subsidiaries in the Debtors' chapter 11 cases or in other matters directly adverse to the Debtors during the pendency of these chapter 11 cases. To the extent issues may arise which would cause the Debtors to be adverse to any of WG&M's clients

such that it would not be appropriate for WG&M to represent the Debtors with respect to such matters, another law firm will be retained to represent the Debtors with respect to such matters.

**WG&M Personnel Inquiry**

18. As noted above, WG&M has conducted a general inquiry of its personnel to determine whether any WG&M personnel or any member in his or her household (i) owns any debt or equity securities of any of the Debtors; (ii) holds a claim against any of the Debtors; or (iii) is or was an officer, director, or employee of any of the Debtors.

19. As a result of the inquiry, I have determined that no WG&M personnel maintains any connection with or relationship to the Debtors and holds no claims against the Debtors.

20. In addition to the foregoing, through diligent inquiry, I have ascertained no connection, as such term is used in section 101(14)(C) of the Bankruptcy Code, as modified by section 1107(b), and Bankruptcy Rule 2014(a), between WG&M and (i) the United States Trustee for the Southern District of Texas (the "**U.S. Trustee**") or any person employed by the Office of the U.S. Trustee, (ii) any attorneys, accountants, or financial consultants in the chapter 11 cases, and (iii) any investment bankers that represent or may represent the Debtors or claimants or other parties in interest in the chapter 11 cases, except as set forth herein. As part of its practice, WG&M appears in cases, proceedings, and transactions involving many different attorneys, accountants, financial consultants, and investment bankers, some of which now or may in the future represent claimants and other parties in interest in these cases. WG&M has not represented, and will not represent, any of such parties in relation to the Debtors or their chapter 11 cases. WG&M does not have any relationship with any such attorneys, accountants, financial consultants, and investment bankers that would be adverse to the Debtors or their estates.

21. Because distressed debt is actively traded in the commercial markets, WG&M may be unaware of the actual holder of such debt at any given moment. Because WG&M represents in unrelated matters numerous entities that may buy and sell distressed debt of chapter 11 debtors, out of an abundance of caution, I am listing here many such entities represented by WG&M: Salomon Smith Barney, Donaldson Lufkin Jenrette, JP Morgan/Chase Manhattan Bank, Bay Harbour Management, Mackay Shields, Perry Corporation, Whipporwill Associates, Teachers Insurance Company, Elliott Associates, Morgens Waterfall Vintiades & Co., Oaktree Associates, Argent Capital, Leucadia Corporation, Halcyon Management Co., Bennett Management Co., Resurgence Asset Management Co., M.D. Sass & Co., Angelo, Gordan & Co., Venor Capital Management, GSO Capital Partners, and Goldman Sachs & Co. In addition, WG&M has represented, may currently represent, and may in the future represent entities with respect to matters involving legal and regulatory authorities such as the Securities Exchange Commission and the Federal Trade Commission, among others, which may be involved in the Debtors' chapter 11 cases.

22. WG&M will continue to apply the Firm Disclosure Procedures as additional information concerning entities having a connection with the Debtors is developed and will file appropriate supplemental disclosure with the Court.

#### **WG&M's Rates and Billing Practices**

23. WG&M's current customary hourly rates, subject to change from time to time, are \$675 to \$950 for members and counsel, \$355 to \$640 for associates and \$50 to \$310 for paraprofessionals in our United States offices.

24. WG&M's disbursement policies pass through all out of pocket expenses at actual cost or an estimated actual cost when the actual cost is difficult to determine. For example, with respect to duplication charges, WG&M will charge \$.10 per page because the

actual cost is difficult to determine. Similarly, as it relates to computerized research, WG&M believes that it does not make a profit on that service as a whole although the cost of any particular search is difficult to ascertain. Other reimbursable expenses (whether the service is performed by WG&M in-house or through a third party vendor) include, but are not limited to, facsimiles, toll calls, overtime, overtime meals, deliveries, court costs, cost of food at meetings, transcript fees, travel, and clerk fees.

25. No promises have been received by WG&M or any member, counsel or associate thereof as to payment or compensation in connection with these cases other than in accordance with the provisions set forth herein. WG&M has no agreement with any other entity to share with such entity any compensation received by WG&M or by such entity.

26. The Debtors' Application requests, pursuant to section 328(a) of the Bankruptcy Code, approval of their retention of WG&M on rates, terms and conditions consistent with what WG&M charges non-chapter 11 debtors, namely, prompt payment of its hourly rates as adjusted from time to time and reimbursement of out-of-pocket disbursements at cost or based on formulae that approximate the actual cost where the actual cost is not easily ascertainable. Subject to these terms and conditions, WG&M intends to apply pursuant to section 330 of the Bankruptcy Code for allowances of compensation for professional services rendered in these chapter 11 cases and for reimbursement of actual and necessary expenses incurred in connection therewith.

**Coordination with Other Professionals for the Debtors**

27. WG&M is aware that the Debtors have submitted, or intend to submit, applications to retain Alvarez & Marsal North America, LLC as their restructuring and financial advisors and The Garden City Group, Inc. as their claims, noticing, and balloting agent in their

chapter 11 cases. WG&M intends to carefully monitor and coordinate efforts of all professionals retained by the Debtors in the chapter 11 cases and will clearly delineate their respective duties so as to prevent duplication of effort, whenever possible.

28. The foregoing constitutes the statement of WG&M pursuant to sections 327(a), 328(a), 329, and 504 of the Bankruptcy Code and Bankruptcy Rules 2014(a) and 2016(b).

I declare under penalty of perjury that, to the best of my knowledge, and after reasonable inquiry, the foregoing is true and correct.

Executed this 27th day of October, 2009.

/s/ Alfredo R. Pérez  
Alfredo R. Pérez  
A Member of the Firm

**EXHIBIT C**

**PROPOSED ORDER**

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

In re	§	
	§	Chapter 11
	§	
EXPRESS ENERGY SERVICES OPERATING, LP, <i>et al.</i> ,	§	
	§	Case No. 09-____ (____)
	§	
Debtors.	§	
	§	
	§	Joint Administration Requested

**ORDER PURSUANT TO SECTIONS 327(a) AND 328(a)  
OF THE BANKRUPTCY CODE AND FEDERAL RULE OF BANKRUPTCY  
PROCEDURE 2014(a) FOR AUTHORIZATION TO EMPLOY AND RETAIN  
WEIL, GOTSHAL & MANGES LLP AS ATTORNEYS FOR THE  
DEBTORS NUNC PRO TUNC TO THE COMMENCEMENT DATE**

**[Related to Docket No. ]**

Upon the Application (the "**Application**") of Express Energy Services Operating, LP ("**EES**") and its affiliated debtors in the above referenced chapter 11 cases, as debtors and debtors in possession (collectively, the "**Debtors**") for an Order Pursuant to Sections 327(a) and 328(a) of Chapter 11 of Title 11 of the United States Code (the "**Bankruptcy Code**") and Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), for Authorization to Employ and retain Weil, Gotshal & Manges LLP ("**WG&M**") as their Attorneys Nunc Pro Tunc to the Commencement Date, all as more fully described in the Application; and upon consideration of the Declaration of Alfredo R. Pérez, a member of WG&M, dated October 27, 2009 (the "**Pérez Declaration**"); and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and upon consideration of the Declaration of Darron Anderson in Support of the Debtors' Chapter 11 Petitions and First Day Motions; and consideration of the Application and

the requested relief being a core proceeding the Court can determine pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application and the hearing thereon has been given under the circumstances and that no other or further notice need be provided; and the Court having determined that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is ORDERED that

1. The Application is GRANTED nunc pro tunc to the Commencement Date to the extent provided herein.

2. Pursuant to sections 327(a) and 328(a) of the Bankruptcy Code, the Debtors' retention of WG&M as their attorneys under a general retainer in accordance with WG&M's normal hourly rates and disbursement policies as set forth in the Pérez Declaration is approved.

3. WG&M shall apply for compensation and reimbursement in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Bankruptcy Local Rules for the Southern District of Texas, and such other procedures as may be fixed by order of this Court.

4. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Dated: \_\_\_\_\_  
Houston, Texas

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UNITED STATES BANKRUPTCY JUDGE