

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

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In re	:	Chapter 11
	:	
SEMCRUDE, L.P., et al.,	:	Case No. 08-11525 (BLS)
	:	
Debtors.	:	Jointly Administered
	:	
	:	
	:	
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**DEBTORS' FIRST STATEMENT CERTIFYING COMPLIANCE
WITH ORDER PURSUANT TO SECTIONS 105(a), 327, 328, AND 330
OF THE BANKRUPTCY CODE AUTHORIZING THE DEBTORS TO
EMPLOY PROFESSIONALS USED IN THE ORDINARY COURSE OF BUSINESS**

SemCrude, L P , its parent, SemGroup, L P ("SemGroup"), and certain direct and indirect subsidiaries of SemGroup, as debtors and debtors in possession (collectively, the "Debtors"),¹ submit this statement certifying compliance (the "Statement of Compliance") with the terms of this Court's *Order Authorizing Debtors and Debtors in Possession to Employ Professionals Used in the Ordinary Course of the Debtors' Business* [Docket No 812] (the "OCP Order") In support of the Statement of Compliance, the Debtors respectfully represent as follows.

¹ The Debtors in these chapter 11 cases, along with the last four (4) digits of each Debtor's federal tax identification number, are: SemCrude, L P (7524), Chemical Petroleum Exchange, Incorporated (8866), Eaglewing, L P (7243), Grayson Pipeline, L L C (0013), Greyhawk Gas Storage Company, L L C (4412), K C Asphalt L L C (6235), SemCanada II, L P (3006), SemCanada L P (1091), SemCap, L L C (5317), SemCrude Pipeline, L L C (9811), SemFuel Transport LLC (6777), SemFuel, L P (1015), SemGas Gathering LLC (4203), SemGas Storage, L L C (0621), SemGas, L P (1095), SemGroup Asia, L L C (5852), SemGroup Finance Corp (3152), SemGroup, L P (2297), SemKan, L L C (8083), SemManagement, L L C (0772), SemMaterials Vietnam, L L C (5931), SemMaterials, L P (5443), SemOperating G P , L L C (5442), SemStream, L P (0859), SemTrucking, L P (5355), Steuben Development Company, L L C (9042), and SemCap, L L C (5317) It should be noted that SemGroup Holdings, L P (6746) ("SemGroup Holdings") is not a jointly administered Debtor in these chapter 11 cases Consequently, the relief requested herein does not apply to SemGroup Holdings In the event, however, that SemGroup Holdings is subsequently procedurally consolidated with the Debtors, the Debtors reserve the right to request that any relief granted under this Motion be made applicable to SemGroup Holdings

Background

1 On July 22, 2008, and continuing periodically thereafter (the “Petition Date”), the Debtors commenced voluntary cases under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in this Court. The Debtors’ chapter 11 cases have been consolidated for procedural purposes only and are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”). The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2 On August 1, 2008, the Office of the United States Trustee (the “U.S. Trustee”) appointed a statutory committee of unsecured creditors (the “Unsecured Creditors’ Committee”). On October 14, 2008, the Court appointed Louis J. Freeh, Esquire to serve as examiner (the “Examiner”) in the chapter 11 cases. On October 24, 2008, the U.S. Trustee appointed a statutory committee of oil and gas producers and suppliers (the “Producers’ Committee”) and with the Unsecured Creditors’ Committee, the “Committees”).

Certification of Compliance

3 The OCP Order authorizes the Debtors to employ, subject to various terms and conditions, the Ordinary Course Professionals identified on Exhibit A to the OCP Order as well as those additional professionals identified in supplemental filings.²

4 The OCP Order directs that, approximately every ninety (90) days, the Debtors shall file Statements of Compliance certifying compliance with the terms of the OCP Order and disclosing the following information: (i) the name of the Ordinary Course Professional, (ii) the aggregate amounts paid as compensation for services rendered and

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

reimbursement of expenses incurred by that Ordinary Course Professional during the reported quarter, and (iii) a general description of the services rendered by that Ordinary Course Professional. This information is listed on Schedule 1.1 attached hereto.³

Notice

5. No trustee has been appointed in these chapter 11 cases. The Debtors have served notice of this Motion on: (a) the U.S. Trustee, (b) counsel to the Unsecured Creditors' Committee, (c) counsel to Bank of America, N.A., as administrative agent for the Debtors' prepetition and postpetition lenders, (d) counsel to the Examiner, (e) counsel to the Producers' Committee, and (f) all other parties who have timely filed requests for notice under Bankruptcy Rule 2002. The Debtors submit that no other or further notice need be provided.

³ As this is the first Statement of Compliance being filed, the information on Schedule 1.1 covers the period from September 30, 2008 through December 31, 2008.

Dated. January 2, 2009
Wilmington, Delaware

Respectfully submitted,



Mark D Collins (No 2981)
John H Knight (No 3848)
L. Katherine Good (No 5101)
Maris J Finnegan (*DE admission pending*)
RICHARDS, LAYTON & FINGER, P A
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Telephone. (302) 651-7700
Facsimile. (302) 651-7701
Email. collins@rlf.com
knight@rlf.com
good@rlf.com
mfinnegan@rlf.com

-and-

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone. (212) 310-8000
Michael Kessler
Peter Gruenberger

-and-

WEIL, GOTSHAL & MANGES LLP
200 Crescent Court, Suite 300
Dallas, Texas 75201
Telephone. (214) 746-7700
Martin A Sosland
Sylvia A Mayer

*Attorneys for the Debtors and
Debtors-in-Possession*

Schedule 1.1

Payments to Ordinary Course Professionals During First Statement of Compliance Period

<u>PROFESSIONAL</u>	<u>AGGREGATE MONTHLY AMOUNT PAID DURING NINETY (90) DAY PERIOD FOLLOWING SEPTEMBER 30, 2008</u>	<u>SERVICES PROVIDED</u>
A J Park	N/A	Patent counsel.
A.A. Thornton & Co.	N/A	Patent counsel.
Adams & Adams	N/A	Patent counsel.
Al Tamimi & Co.	N/A	Trademark counsel.
BDO Seidman, LLP ¹	N/A	Performing audit of consolidated balance sheet of the Debtors as of December 31, 2008.
Becerril, Coca & Becerril, S.C.	N/A	Patent counsel.
BKD, LLP ²	N/A	Auditing of 2007 401k.
Blake, Cassels & Graydon LLP	N/A	Trademark counsel.
Block Law Firm	N/A	Defense in wrongful payment action; counsel in possible negligence action.
Burch, Porter & Johnson, PLLC	N/A	Representation in litigation relating to an automobile accident.
Crady, Jewett & McCulley, L.L.P	N/A	Defense in wrongful payment action.

¹ This professional was retained after the Petition Date, thus, was not listed on Exhibit A to the OCP Order.

² This professional was retained after the Petition Date, thus, was not listed on Exhibit A to the OCP Order.

<u>PROFESSIONAL</u>	<u>AGGREGATE MONTHLY AMOUNT PAID DURING NINETY (90) DAY PERIOD FOLLOWING SEPTEMBER 30, 2008</u>	<u>SERVICES PROVIDED</u>
DePenning & DePenning	N/A	Patent counsel.
Erickson, Arbuthnot, Kilduff, Day & Lindstrom, Inc.	N/A	Defense of personal injury and/or property damage matters.
Fleeson, Gooing, Coulson & Kitch, L.L.C. ³	N/A	Local counsel for Kansas real estate matters.
Freehills Patent & Trademark Mark Attorneys MLC Centre	N/A	Patent counsel.
Gorodissky & Partners	N/A	Patent counsel.
Gorodissky & Partners	N/A	Trademark counsel.
Harvey Kruse	N/A	Representation in litigation matter relating to a fuel oil spill and potential litigation regarding environmental matters.
Head, Johnson & Kachigian ⁴	N/A	Counseling relating to intellectual property matters. Counseling relating to intellectual property matters.
Hinkle Elkouri Law Firm L.L.C. ⁵	\$123.40	Defense in wrongful payment action.

³ This professional was retained after the Petition Date, thus, was not listed on Exhibit A to the OCP Order.

⁴ This professional was retained after the Petition Date, thus, was not listed on Exhibit A to the OCP Order.

⁵ This professional has not yet filed an Ordinary Course Affidavit and Retention Questionnaire (as defined in the OCP Order).

<u>PROFESSIONAL</u>	<u>AGGREGATE MONTHLY AMOUNT PAID DURING NINETY (90) DAY PERIOD FOLLOWING SEPTEMBER 30. 2008</u>	<u>SERVICES PROVIDED</u>
Jones Walker ⁶	N/A	Provide Louisiana state tax advice.
K & S Partners	N/A	Trademark counsel.
Klinedinst PC	N/A	Litigation relating to patent infringement claim.
Krishna & Saurastri	N/A	Patent counsel.
Lui, Shen & Associates	N/A	Patent counsel.
Lundy & Davis, L.L.P	N/A	Defense in suit for unpaid invoices.
Lysaght & Co.	N/A	Patent counsel.
Macdonald Devin, PC	N/A	Defense of personal injury and/or property damage matters.
McAnany, Van Cleave & Phillips, P.A.	N/A	Retained by insurance company on behalf of the Debtors for defense in potential personal injury and claim.
McKinney & Tighe L.L.P.	N/A	Defense in public policy wrongful discharge action.

⁶ This professional was retained after the Petition Date, thus, was not listed on Exhibit A to the OCP Order.

<u>PROFESSIONAL</u>	<u>AGGREGATE MONTHLY AMOUNT PAID DURING NINETY (90) DAY PERIOD FOLLOWING SEPTEMBER 30, 2008</u>	<u>SERVICES PROVIDED</u>
Perkins Core, LLP	\$258.00 (November) \$2594.41 (December)	Litigation relating to breach of contract claim, motion to pierce corporate veil of judgment debtor, objection to bankruptcy discharge of individual officer of judgment debtor, execution against assets of individual officers of judgment debtor.
Rivadeneyra, Trevino & De Campo S.C.	N/A	Trademark counsel.
Sim & McBurney	N/A	Patent counsel.
Spruson & Ferguson	N/A	Patent counsel.
Stuntz, Davis & Staffier	N/A	Regulatory counsel.
Sugarman Law Firm	N/A	Defense of personal injury and/or property damage matters.
Uhthoff, Gomez, Vega & Uhthoff, S.C. Hamurgo 260 Col. Juarez	N/A	Trademark counsel.
Vision & Associates	N/A	Patent counsel.
Waldrop & Hall PA	N/A	Defense of personal injury and/or property damage matters.
Wood, Thacker & Weatherly, P.C.	N/A	Legal support for a pipeline construction project, including the acquisition of easements.