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Liquidating Trustee of PR Liquidating Trust*

**UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

In re:	§	Case No. 09-33886-HDH
	§	
PROVIDENT ROYALTIES, LLC, et. al.	§	Chapter 11
	§	
Debtors.	§	(Jointly Administered)

**TRUSTEE'S THIRD OMNIBUS OBJECTION:
DUPLICATE CLAIMS**

A HEARING WILL BE CONDUCTED ON THIS OBJECTION ON MAY 30, 2012 AT 9:00 A.M. (CDT) BEFORE THE HONORABLE HARLIN D. HALE, UNITED STATES BANKRUPTCY JUDGE, 1100 COMMERCE STREET, 14TH FLOOR, DALLAS, TEXAS 75242-1496. UNLESS A WRITTEN RESPONSE IS FILED WITH THE CLERK OF THE UNITED STATES BANKRUPTCY COURT, NORTHERN DISTRICT OF TEXAS, DALLAS DIVISION, 1100 COMMERCE STREET, DALLAS, TEXAS 75242 AND SERVED UPON UNDERSIGNED COUNSEL FOR MILO H. SEGNER, JR., TRUSTEE WITHIN TWENTY-FIVE (25) DAYS FROM THE DATE OF SERVICE UNLESS THE COURT SHORTENS OR EXTENDS THE TIME FOR FILING SUCH RESPONSE. IF NO RESPONSE IS TIMELY SERVED AND FILED, THIS PLEADING SHALL BE DEEMED TO BE UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING THE RELIEF SOUGHT. IF YOU FAIL TO APPEAR AT THE HEARING, YOUR RESPONSE MAY BE STRICKEN. THE COURT RESERVES THE RIGHT TO SET A HEARING ON ANY MATTER.

Milo H. Segner, Jr., Liquidating Trustee of the PR Liquidating Trust, hereby files this Third Omnibus Objection: Duplicate Claims (the "Third Omnibus Objection") and respectfully represents as follows:¹

1. This Court has jurisdiction to consider this matter 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.

PROCEDURAL BACKGROUND

A. The Bankruptcy Cases.

2. On June 22, 2009, the Debtors² filed for relief in this Court under Chapter 11 of the United States Bankruptcy Court.

3. On June 8, 2010 the Court held a hearing to confirm the Debtor's and Fourth Amended Joint Plan of Liquidation ("Plan"). On June 10, 2010, the Court entered an order confirming the Plan.

4. Milo H. Segner, Jr. is the duly authorized representative of the PR Liquidating Trust (the "Trustee") and now has standing to assert, prosecute and settle any and all objections,

¹ Please review the Frequently Asked Questions page of the PR Liquidating Trust's website (<http://www.prliquidatingtrust.com/faq.html>) for information before contacting the Trustee, the chairman of the Trust, or the Trust's professionals with questions about this objection.

² The "Provident Debtors" or the "Debtors" are: Provident Royalties, LLC, Case No. 09-33886, Provident Operating Company, LLC, Case No. 09-33893, Somerset Lease Holdings, Inc., Case No. 09-33892, Somerset Development, Inc., Case No. 09-33912, Provident Energy 1, LP, Case No. 09-33888, Provident Resources 1, LP, Case No. 09-33887, Provident Energy 2, LP, Case No. 09-33894, Provident Energy 3, LP, Case No. 09-33899, Shale Royalties II, Inc., Case No. 09-33889, Shale Royalties 3, LLC, Case No. 09-33891, Shale Royalties 4, Inc., Case No. 09-33890, Shale Royalties 5, Inc., Case No. 09-33895, Shale Royalties 6, Inc., Case No. 09-33896, Shale Royalties 7, Inc., Case No. 09-33898, Shale Royalties 8, Inc., Case No. 09-33900, Shale Royalties 9, Inc., Case No. 09-33902, Shale Royalties 10, Inc., Case No. 09-33901, Shale Royalties 12, Inc., Case No. 09-33903, Shale Royalties 14, Inc., Case No. 09-33905, Shale Royalties 15, Inc., Case No. 09-33904, Shale Royalties 16, Inc., Case No. 09-33906, Shale Royalties 17, Inc., Case No. 09-33913, Shale Royalties 18, Inc., Case No. 09-33907, Shale Royalties 19, Inc., Case No. 09-33908, Shale Royalties 20, Inc., Case No. 09-33910, Shale Royalties 21, Inc., Case No. 09-33909, and Shale Royalties 22, Inc., Case No. 09-33911.

counterclaims, rights of setoff, rights of recoupment, and other defenses to Claims asserted against the Estate. *See* PR Liquidating Trust Agreement §§ 3.2-3.3.

5. Pursuant to Article IX of the Plan, the Trustee is authorized to object to any claims up to 180 days after the Effective Date of the Plan unless otherwise extended by the Court. The Trustee has requested and received extensions of the objection deadline. The Court granted the Trustee's request to abate the deadline and require the Trustee to provide quarterly status reports and/or conferences given the voluminous nature of the claims at issue in this proceeding.

6. The Trustee is in the process of analyzing literally thousands of claims contained in the Debtors' bankruptcy schedules, as well as proofs of claims and interest filed in these jointly administered bankruptcy cases. The Trustee has determined that a certain claims should be disallowed because they are duplicates of other claims filed by the same investor. This Second Omnibus Objection is filed to seek an order disallowing these claims.

B. The Objectionable Claims.

7. There are approximately 10,323 claimants that have filed proofs of claim against the Debtor that constitute investors in these Offerings. The Trustee is in the process of reviewing these claims and comparing them to the Debtors' books and records. The Trustee has reviewed approximately 9,000 proofs of claims to date. After reviewing these claims and comparing them to the Court's claims register, 500 of the filed proofs of claim are invalid and disallowable because they duplicate claims filed by the same claimants (the "Objectionable Claims"). On Exhibit "A", in each instance, the Trustee has set forth the original claims filed (the "Remaining Claims") and the duplicate claims that are being objected to as the Objectionable Claims.

RELIEF REQUESTED

8. By this Third Omnibus Objection, the Trustee seeks, pursuant to sections 105(a) and 502 of the Bankruptcy Code, Bankruptcy Rules 3007(d) and 9007, and this Court's Order on Trustee's Motion for Omnibus Procedures, an order sustaining the Trustee's objections and authorizing the Trustee to remove the Objectionable Claims from the claims register as set forth on the attached Exhibit "A".

BASIS FOR RELIEF REQUESTED

9. Pursuant to Federal Rule of Bankruptcy Procedure 3007(d)(1) and 11 U.S.C. §§ 502(b)(2) and 726(a)(5), the Trustee objects to the Objectionable Claims because they duplicate claims filed by the same claimants.

10. The Trustee has reviewed the claims and the Court's claims register and has determined that the claims listed on Exhibit "A" are objectionable for the foregoing reasons and requests that the objections be sustained and that the claims be disallowed and expunged from the claims register as set forth on Exhibit "A." Pursuant to the Court's Order Omnibus Claims Objection Procedures entered October 22, 2011, the Trustee may object in omnibus fashion to claims of similarly situated Class VI Claimants if the grounds for objecting include a claim for being a duplicate claim *See Order on Trustee's Motion for Omnibus Claims Procedures*, Docket Entry No. 1109.

11. The Trustee believes that these claims should be disallowed as detailed on Exhibit "A." *See Exhibit "B"* (Declaration of Scott Reese).

RESERVATION OF RIGHTS

12. The Trustee reserves all rights to object to the Remaining Claims after the Objectionable Claims are expunged from the claims register. For example, the Remaining

Claims could be subject to further objections because, e.g., the claims (i) contradict the Debtors' books and records; (ii) do not include sufficient information or documentation providing a basis for the claims; (iii) do not include proper allowance for commercially reasonable mitigation of damages; (iv) are subject to pre-payment from the claimant pursuant to 11 U.S.C. § 502(d); (v) include an excessive claim for legal fees; (vi) include a claim for interest; and/or (vii) are filed by a selling registered representative of Provident Royalties securities. *See Order on Trustee's Motion for Omnibus Claims Procedures*, Docket Entry No. 1109. Furthermore, nothing herein constitutes a waiver of the Trustee's right to assert any claims, counterclaims, rights of offset or recoupment, preference actions, fraudulent-transfer actions, or any other bankruptcy or nonbankruptcy claims against claimants.

PRAYER FOR RELIEF

13. The Trustee respectfully requests that the Court (i) grant the relief requested herein; (ii) sustain this Third Omnibus Objection; (iii) disallow the Objectionable Claims as set forth on Exhibit "A"; and (iv) grant the Trustee any further relief to which he is entitled to at law or equity.

Respectfully submitted, this 30th day of April, 2012.

By: /s/ Eric M. Van Horn
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LIQUIDATING TRUSTEE OF PR LIQUIDATING
TRUST

CERTIFICATE OF SERVICE

A separate certificate of service will be filed to evidence proof of service.