

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

-----  
In re:

Barrow Shaver Resources Company LLC,<sup>1</sup>

Debtor.  
-----

§  
§  
§  
§  
§  
§  
§

Chapter 11

Case No. 24-33353

**DEBTOR'S EMERGENCY MOTION FOR ENTRY OF AN ORDER (I) APPROVING  
THE BIDDING PROCEDURES AND AUCTION, (II) SCHEDULING BID DEADLINES,  
AN AUCTION, OBJECTION DEADLINES, AND A HEARING, (III) APPROVING THE  
FORM AND MANNER OF NOTICE OF THE SALE TRANSACTION, THE AUCTION,  
THE HEARING, AND ASSUMPTION AND ASSIGNMENT PROCEDURES, (IV)  
AUTHORIZING THE DEBTOR TO ENTER INTO A LEAD BIDDER  
AGREEMENT, AND (V) GRANTING RELATED RELIEF**

**EMERGENCY RELIEF HAS BEEN REQUESTED. RELIEF IS REQUESTED NOT LATER THAN JUNE 18, 2025, AT 1:00 P.M. (PREVAILING CENTRAL TIME). IF YOU OBJECT TO THE RELIEF REQUESTED OR YOU BELIEVE THAT EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST APPEAR AT THE HEARING OR FILE A WRITTEN RESPONSE PRIOR TO THE DATE THAT RELIEF IS REQUESTED. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.**

**A HEARING WILL BE CONDUCTED ON THIS MATTER ON JUNE 18, 2025, AT 1:00 P.M. (PREVAILING CENTRAL TIME) IN COURTROOM 400, 515 RUSK, HOUSTON, TEXAS 77002. YOU MAY PARTICIPATE IN THE HEARING EITHER IN PERSON OR BY AN AUDIO AND VIDEO CONNECTION.**

**AUDIO COMMUNICATION WILL BE BY USE OF THE COURT'S DIAL-IN FACILITY. YOU MAY ACCESS THE FACILITY AT 832-917-1510. ONCE CONNECTED, YOU WILL BE ASKED TO ENTER THE CONFERENCE ROOM NUMBER. JUDGE PÉREZ'S CONFERENCE ROOM NUMBER IS 282694. VIDEO**

<sup>1</sup> 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. All pleadings, as well as additional information related to the administration of the above-captioned bankruptcy case, are accessible free of charge on the case website at the following link: <https://cases.ra.kroll.com/BSR/>.

COMMUNICATION WILL BE BY USE OF THE GOTOMEETING PLATFORM. CONNECT VIA THE FREE GOTOMEETING APPLICATION OR CLICK THE LINK ON JUDGE PÉREZ'S HOME PAGE. THE MEETING CODE IS "JUDGEPEREZ". CLICK THE SETTINGS ICON IN THE UPPER RIGHT CORNER AND ENTER YOUR NAME UNDER THE PERSONAL INFORMATION SETTING. HEARING APPEARANCES MUST BE MADE ELECTRONICALLY IN ADVANCE OF BOTH ELECTRONIC AND IN-PERSON HEARINGS. TO MAKE YOUR APPEARANCE, CLICK THE "ELECTRONIC APPEARANCE" LINK ON JUDGE PÉREZ'S HOME PAGE. SELECT THE CASE NAME, COMPLETE THE REQUIRED FIELDS, AND CLICK "SUBMIT" TO COMPLETE YOUR APPEARANCE.

Barrow Shaver Resources Company LLC (the "**Debtor**" or "**BSR**"), debtor and debtor-in-possession in the above-captioned chapter 11 bankruptcy case (the "**Bankruptcy Case**") files this Motion (the "**Motion**") and respectfully states the following:

**RELIEF REQUESTED**

1. The Debtor seeks entry of an order, substantially in the form attached hereto (the "**Bidding Procedures Order**"):

(a) authorizing and approving the proposed bidding procedures attached as **Exhibit B** to the Bidding Procedures Order (the "**Bidding Procedures**") by which the Debtor will (i) conduct a sale (the "**Sale Transaction**") of substantially all or any portion of the interests and/or assets further described below through a naked auction process pursuant to one or more sales under section 363 of the Bankruptcy Code and (ii) consummate the Sale Transaction of the Assets through a chapter 11 plan pursuant to sections 1123 and 1129 of the Bankruptcy Code;

(b) if the Debtor so chooses to enter into an agreement with a Lead Bidder (as defined below), establishing certain dates and deadlines for submission of lead bid proposals and other qualified bids, including scheduling a hearing to consider and approve a selected Lead Bidder, if one is chosen;

(c) if the Debtor so chooses to enter into an agreement with a Lead Bidder, authorizing the Debtor to enter into an asset purchase agreement (the "**Lead Bidder Purchase Agreement**"),<sup>2</sup> subject to Court approval at a hearing on August 6, 2025, or such other time when the Court is available, if a Lead Bidder is selected for

---

<sup>2</sup> For avoidance of doubt, if the Debtor elects to choose a Lead Bidder, the Lead Bidder Purchase Agreement will be filed with the July 18, 2025 notice of Lead Bidder, or as soon as reasonably practicable thereafter.

substantially all of the Debtor's assets, as divided into three separate Lots (as further defined below), subject to higher and better offers submitted in accordance with the Bidding Procedures, and approving the form and manner of notice thereof, attached as **Exhibit A** to the Bidding Procedures Order (the "**Notice of Lead Bidder**");

(d) establishing certain dates and deadlines for the sale process, including scheduling an auction (the "**Auction**"), if needed, with respect to the approval of the Sale Transaction through a chapter 11 plan at the confirmation hearing (the "**Confirmation Hearing**");<sup>3</sup>

(e) approving the manner of notice of the Auction, if any, attached as **Exhibit F** to the Bidding Procedures Order (the "**Sale Notice**");

(f) approving procedures for the assumption and assignment of certain executory contracts and unexpired leases in connection with the Sale Transaction attached as **Exhibit C** to the Bidding Procedures Order and approving the form and manner of notice thereof, attached as **Exhibit D** to the Bidding Procedures Order (the "**Assignment Notice**");

(g) establishing certain dates and deadlines for submission of DIP proposals, including scheduling a hearing to consider and approve a selected DIP proposal by separate motion (the "**DIP Hearing**");<sup>4</sup> and

(h) granting related relief.

2. The Debtor requests that the Bidding Procedures Order establish certain dates and deadlines as set forth herein, subject to extension and other modifications by the Debtor, as set forth in the Bidding Procedures.

### **JURISDICTION AND VENUE**

3. 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. The Debtor

---

<sup>3</sup> For avoidance of doubt, this Motion is not seeking approval of a chapter 11 plan but instead setting deadlines for the Debtor to solicit and consider potential lead bids and other bids for substantially all of its assets. The Debtor will file its proposed chapter 11 plan at a later date.

<sup>4</sup> For avoidance of doubt, this Motion is not seeking approval of a DIP loan but instead setting deadlines for the Debtor to solicit and consider DIP loan proposals. If a DIP loan proposal is selected through the Bidding Procedures, a notice will be filed with the Court on July 18, 2025, substantially in the form as **Exhibit E** to the Bidding Procedures Order. Simultaneously with the notice, or as soon as reasonably practicable, the Debtor will file the proposed DIP credit agreement and a motion to approve the same that shall be considered at the DIP Hearing.

confirms its consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

4. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

5. The statutory bases for the relief requested herein are sections 105, 363, 365, 503, 507, 1123, 1125, 1126, 1128, and 1129 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “**Bankruptcy Code**”), Bankruptcy Rules 2002, 3016, 3017, 3018, 3020, 6004, 9006, 9007, and 9014.

## **BACKGROUND**

### **I. Overview of the Assets**

#### **A. Working Interests in Hidden Rock Operations**

6. As part of its operations, since approximately 2017, the Debtor has been the lessee and operator under certain oil and gas leases pertaining to oil and gas operations in the Hidden Rock Field in and around Cass County, Texas (such operations being the “**Hidden Rock Operations**”). Additionally, the Debtor has operator and non-operator ownership interests in the other oil and gas leases in East and West Texas, other than the Hidden Rock Field (such ownership interests being the “**Legacy Assets**”).

7. The Debtor drilled the first two successful wells in what would later become the Hidden Rock field in a joint venture with GeoSouthern Energy in 2014 and 2015. Following the dissolution of the joint venture in 2017, the Debtor as operator, along with new joint venture

partners, began to build a sizeable lease position in the southwest corner of Cass County, as well as Morris and Upshur counties.

8. By year-end 2018, the Debtor had drilled the first five vertical wells in the field, all of which are still producing and have made approximately 500,000 barrels of oil to date. The first five wells' productivity indicated the field extended east to west approximately 20 miles based on the distance between the Pollan #1 and Watson #1. During this time the Debtor had assembled approximately 22,000 net acres under its area of mutual interest with the joint venture partners.

9. Since that time, the Debtor has drilled an additional 23 vertical wells and 11 horizontal wells. It was also during this time the Debtor encountered a competitor in the field who also began taking leases and drilling their own wells. Competition for the full development of the field continues to this day with that competitor, Rose City Resources LLC and the NETX Parties (as defined and further described below), and is the subject of several lawsuits further described below.

10. Today, the Debtor holds approximately 22,000 net acres by production and has approximately 7,000 net acres under primary term leases. The Debtor's current production fluctuates around 2,000 barrels of oil per day.

11. As part of the ongoing sale and marketing process, the Debtor has identified approximately 120 future drilling locations, all of which can be drilled within existing producing units. Approximately 2/3 of the future HBP well locations are vertical wells with 1/3 being horizontal well locations. There are no drilling commitments on the acreage nor are there any requirements to drill horizontal versus vertical wells, providing maximum flexibility for future

development. The number of future HBP locations would increase significantly if the identified horizontal wells were replaced with vertical well locations given the difference in required acreage.

## **B. NETX Litigation**

12. Prior to the Voluntary Petition Date, as defined below, the Debtor was actively litigating issues against NETX Acquisitions, LLC (“**NETX**”) and its affiliate, ETX Minerals, LLC (“**ETX**” and collectively, the “**NETX Parties**”), in the following seven (7)<sup>5</sup> lease termination lawsuits against the Debtor:

(1) *ETX Minerals, LLC and NETX Acquisitions, LLC v. Barrow Shaver Resources Company, LLC and CARR Resources, INC.*, Cause No. 22C326 in the 5th Judicial Court of Cass County, Texas (the “**Manning-Kessler Litigation**”);

(2) *ETX Minerals, LLC and NETX Acquisitions, LLC v. Barrow Shaver Resources Company, LLC, CARR Resources, INC., and Marion-Cass Development Company*, Cause No. 22C472 in the 5th Judicial Court of Cass County, Texas (the “**Templeton-Bridge Litigation**”);

(3) *NETX Acquisitions, LLC v. Barrow Shaver Resources Company, LLC and CARR Resources, INC.*, Cause No. 23C105 in the 5th Judicial Court of Cass County, Texas (the “**Goode-McMahan Litigation**”);

(4) *NETX Acquisitions, LLC v. Barrow Shaver Resources Company, LLC and CARR Resources, INC.*, Cause No. 23C106 in the 5th Judicial Court of Cass County, Texas (the “**Rhyne Litigation**”);

(5) *NETX Acquisitions, LLC v. Barrow Shaver Resources Company, LLC and CARR Resources, INC.*, Cause No. 23C149 in the 5th Judicial Court of Cass County, Texas (the “**McFarlane-Alford Litigation**”);

(6) *NETX Acquisitions, LLC v. Barrow Shaver Resources Company LLC and CARR Resources, INC.*, Cause No. 23C421 in the 5th

---

<sup>5</sup> In addition to the lease termination lawsuits, on July 24, 2024, ETX Oil & Gas LLC filed suit for a declaratory judgment against BSR in the 5th Judicial District Court, Cass County, Texas in Cause No. 24C220 regarding the Winne #1, Wilmeth Wren (AW) well.

Judicial Court of Cass County, Texas (the “**Hays-Glover Litigation**”); and

(7) *NETX Acquisitions, LLC v. Barrow Shaver Resources Company, LLC and CARR Resources, INC.*, Cause No. 23C181 in the 5th Judicial Court of Cass County, Texas (the “**Ayers-Keasler Litigation**” collectively, the “**NETX Litigation**”).

13. The NETX Litigation affects the Debtor’s property as follows:

| <b>NETX Litigation</b>      | <b>Debtor’s Implicated Property</b>                                                                                                                                                                                              |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Manning-Kessler Litigation  | <b><u>Units:</u></b> Manning Unit, Williams Unit, Steelman Unit, Kessler Unit, Mays Unit, and Rankel Unit<br><b><u>Wells:</u></b> Manning-Kessler and Hays-Campbell                                                              |
| Templeton-Bridge Litigation | <b><u>Units:</u></b> Templeton Unit, O’Keefe Unit, Bridge Unit, Smith Unit, Ayers Unit, MCD Unit, Dugan Unit, and Burke Unit<br><b><u>Wells:</u></b> Templeton-Bridge, MCD, Ayers-Keasler, Ayers-Humphrey, and Templeton-Goodson |
| Goode-McMahan Litigation    | <b><u>Units:</u></b> Goode Unit, Crow Unit, Harrison Unit, Martin Unit, and McMahan Unit<br><b><u>Wells:</u></b> Goode-McMahan                                                                                                   |
| Rhyne Litigation            | <b><u>Units:</u></b> Rhyne Unit, Hill Unit, Hervey Unit, and Krumbholz Unit<br><b><u>Wells:</u></b> Rhyne, Hill, Hill-Knowles, and Knowles                                                                                       |
| McFarlane-Alford Litigation | <b><u>Units:</u></b> McFarlane Unit, Pace Unit, McKinney Unit, and Alford Unit<br><b><u>Wells:</u></b> McFarlane-Alford                                                                                                          |
| Ayers-Keasler Litigation    | <b><u>Units:</u></b> Ayers Unit, Bush Unit, Williams Unit, and Keasler Unit<br><b><u>Wells:</u></b> Ayers-Keasler                                                                                                                |
| Hays-Glover Litigation      | <b><u>Units:</u></b> Tyler Unit<br><b><u>Wells:</u></b> Hays-Glover                                                                                                                                                              |

14. The causes of action and issues among the NETX Litigation can generally be placed into the following categories:

- Bad Faith Pooling;
- Sufficiency of Operations;

- Construction of Pugh Clause;
- Construction of Depth Severance Clause;
- Regulation and Delay/10-Month Extension of Primary Term;
- Trespass;
- Tortious Interference With a Contract; and
- Counter-Claim for Tortious Interference With a Contract.

15. Despite the allegations contained in the NETX Litigation, the Debtor is confident that it has complied with the various clauses in the leases, and has timely commenced operations on the leases to maintain them in the Debtor's estate. Because the leases are still the Debtor's property—and did not transfer to the NETX Parties—the NETX Parties' claims for trespass and tortious interference likewise fail. In fact, the Cass County District Court (the "**State Court**"), ruled in favor of the Debtor in considering the parties' cross-motions for summary judgment in the Hays-Glover Litigation.<sup>6</sup>

### C. Statutory Lien Holders

16. The Debtor has significant outstanding accounts receivable to what initially presented as approximately \$68 million in statutory liens. Indeed, the county records reflect approximately \$68 million in liens filed against the Debtor's assets. While the lien analysis is still ongoing, the Debtor believes that its preliminary analysis provides a more accurate reality of the lien status. Specifically, after reviewing the liens filed in the country records, reviewing the Debtor's books and records with regards to amounts paid or satisfied, and a preliminary review of

---

<sup>6</sup> A copy of the order is attached hereto as **Exhibit 2**. Upon NETX's request, the order on the motion for summary judgment relating to the Goode-McMahan Litigation—which was decided in the Debtor's favor—is subject to the State Court's *Order Granting NETX Acquisitions, LLC's Motion for Reconsideration of the Court's March 6, 2024 Order on Cross Motions for Summary Judgment and Setting Hearings*. See *NETX Acquisitions, LLC v. Barrow Shaver Resources Co.*, Cause No. 23C105 (Tex. Dist. Ct. May 30, 2024).

defects in the filed liens, the Debtor appreciates the outstanding lien amount to be closer to \$54 million, with the possibility that the \$54 million will be less.

## **II. The Debtor's Bankruptcy Case**

17. On July 23, 2024 (the “**Involuntary Petition Date**”), Axis Energy Services, LLC, DOC Energy Services, Inc., Cudd Pressure Control, Inc., Thru Tubing Solutions, Inc., Genesis Fluids, LLC, and Force Pressure Control, LLC filed an involuntary petition under chapter 7 (the “**Involuntary Petition**”) of the Bankruptcy Code.

18. On August 19, 2024 (the “**Voluntary Petition Date**”), the Debtor consented to an order for relief by filing its voluntary petition under chapter 11 (the “**Voluntary Petition**”) of the Bankruptcy Code. During the period between the Involuntary Petition Date and the Voluntary Petition Date (the “**Gap Period**”), the Debtor operated its business in the ordinary course of business pursuant to section 303(f) of the Bankruptcy Code. During the Gap Period, James A. Katchadurian was appointed as Chief Restructuring Officer (the “**CRO**”) of the Debtor.

19. The Debtor continues to manage and operate its business as debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. On August 30, 2024, the United States Trustee (the “**UST**”) filed the United States Trustee's Notice of Appointment of Committee of Unsecured Creditors [Docket No. 124] appointing the members of the Official Committee of Unsecured Creditors (the “**UCC**”).

## **III. The Sale Process**

20. Prior to the Voluntary Petition Date, the Debtor was engaged in several informal discussions with exploration and production companies regarding potential joint ventures, asset sales, or other strategic transactions. The discussions, however, did not materialize prior to the

filing of the Involuntary Petition. Consequently, the Debtor filed the Voluntary Petition to pursue a value-maximizing transaction to pay creditors.

21. During the first few weeks of the Bankruptcy Case, the Debtor and the Insiders,<sup>7</sup> filed a *Stipulation and Agreed Order by and Among the Debtor and Certain Insiders* (as may be amended, the “**Stipulation**”),<sup>8</sup> whereby the Insiders agreed to allow the Debtor to market and sell certain working interests that were allegedly owned by the Insiders (the “**Stipulated Assets**”).

22. On November 1, 2024, the Debtor filed an application to retain Chaffe & Associates, Inc. (“**Chaffe**”) as investment banker to assist in providing advice related to any type of sale, transfer, or conveyance of substantially all of the Debtor’s assets, including the working interest outlined in the Stipulation. The Court entered an order approving the application on December 2, 2024.

23. As of the filing of this Motion, Chaffe has contacted 152 parties regarding the Debtor’s assets. Forty (40) parties executed confidentiality agreements and received the confidential information memorandum and access to the virtual data room. Of the interested parties, Chaffe has held management meetings with eight (8) interested parties, and four (4) interested parties conducted site visits. This interest has generated eight (8) bid proposals, and six (6) parties expressing an interest in serving as a stalking horse.

24. For the purposes of the Bidding Procedures, the assets are divided into three lots (the “**Lots**,” each a “**Lot**,” and collectively as described herein, the “**Assets**”). Each of the Lots are described in further detail below in the Material Terms table and in the Bidding Procedures.

---

<sup>7</sup> For the purposes of this Motion and the Bidding Procedures, Insiders shall mean SOS-LMC, LLC; The Linda D. Barrow Family Revocable Trust; Barrow Shaver Production LLC; Scott O. Shaver; and Linda D. Barrow.

<sup>8</sup> Docket No. 247. The Stipulation is attached hereto as **Exhibit 1**. The Debtor reserves the right to file an amended or supplemented Stipulation.

Summarily, Lot 1 consists of (i) the working interest in the Hidden Rock Field and the Stipulated Assets, pursuant to the Stipulation; and (ii) the pipeline located on the Hidden Rock Field. Lot 1 must be purchased subject to all claims and causes of action relating to the NETX Litigation, or, the Bid must incorporate a resolution, subject to the Debtor's approval, of the NETX Litigation.

25. Lot 2 consists of (i) all of the Debtor's claims and causes of action with respect to the remaining oil and gas interests not included in the Stipulation (the "**Remaining Oil and Gas Interests**") in the Hidden Rock Field; (ii) all of the Debtor's claims and causes of action against Insiders regarding alleged overriding royalty assignments ("**ORRIs**"); (iii) all of the Debtor's claims and causes of action with respect to the Debtor's ORRIs and other entities and individuals allegedly holding ORRIs in Hidden Rock Field, other than the ORRIs held by Seif Oil and Gas Company, LLC (Joe Kast) and such ORRIs determined by the Court to be a valid ORRIs not subject to avoidance; and (iv) any claims in relation to working interest owners' failure to pay their joint interest billings and proportionate share of other costs and expenses (collectively, "**JIBs**") with respect to their ownership interest in the leases and wells comprising the Remaining Oil and Gas Interests.

26. Lot 3 is all right, title, and interest of the Debtor in and to the other oil and gas leases associated with the Debtor's Legacy Assets. A full schedule of the assets comprising Lot 3 will be available to interested parties upon request to the Debtor Notice Parties.

### **PROPOSED SALE TRANSACTION AND BIDDING PROCEDURES**

27. It is the intent of the Debtor to maximize the value of the estate assets for the benefit of creditors. Given the complexity of the issues facing the oil and gas interests, the Debtor has concluded that the best way to achieve its goal is to sell its oil and gas interests through an auction process.

## I. The Bidding Procedures

28. The Bidding Procedures are intended to permit a fair and robust competitive sale process. Consistent with the timeline of the Bankruptcy Case and the Debtor's prior representations to the Court, the Debtor is moving forward with a naked auction process where it has the option, in its business judgment, to select a Lead Bidder and a potential DIP lender. The Bidding Procedures will allow the Debtor to solicit multiple offers for the Assets. The Bidding Procedures are attached as **Exhibit B** to the Bidding Procedures Order and are summarized herein. Generally speaking, the Bidding Procedures establish, among other things:<sup>9</sup>

| MATERIAL TERMS OF THE BIDDING PROCEDURES                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Participation Requirements and Due Diligence for Bidding |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Identification of Potential Bidders</b>               | The Debtor, in consultation with (i) Chaffe, and (ii) CR3 Partners, LLC (" <b>CR3</b> "), in its capacity as financial advisor, have developed a list that Chaffe and CR3 will continue to supplement (the " <b>Potential Bidder List</b> ") of parties whom they believe may be interested in, and whom the Debtor reasonably believes would have the financial resources to consummate the Sale Transaction.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Confidentiality Agreement</b>                         | <p>The Debtor shall distribute (to the extent not already distributed) to each party on the Potential Bidder List and any other interested party: (i) a copy of the Bidding Procedures and the Bidding Procedures Order, (ii) a form of confidentiality agreement (a "<b>Confidentiality Agreement</b>"), and (iii) such other materials as the Debtor deems appropriate under the circumstances.</p> <p>To receive due diligence information, including full access to the Debtor's electronic data room and additional non-public information regarding the Debtor, a party potentially interested in bidding on the Assets must deliver an executed Confidentiality Agreement on terms acceptable to the Debtor, to the extent not already executed, to each of: (i) the Debtor, c/o James A. Katchadurian and Avery Alcorn, 977 Pruitt Place, Tyler, Texas 75703 (james.katchadurian@cr3partners.com and avery.alcorn@cr3partners.com); (ii) counsel to the Debtor, Jones Walker LLP, c/o Joseph E. Bain and Sean T. Wilson, 811 Main Street, Suite 2900, Houston, Texas 77002 (jbain@joneswalker.com and swilson@joneswalker.com); and (iii) Chaffe c/o Michael H. Schmidt and Taylor H. Gilbert, 201 St Charles Ave, Suite 1410. New Orleans, LA 7017 (mschmidt@chaffe-associates.com and tgilbert@chaffe-associates.com) (collectively, the "<b>Debtor Notice Parties</b>").</p> |

<sup>9</sup> This summary is provided for the convenience of the Court and parties in interest. To the extent there is any conflict between this summary and the Bidding Procedures, the Bidding Procedures govern in all respects. Capitalized terms used but not otherwise defined in this summary shall have the meanings set forth in the Bidding Procedures.

|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Electronic Data Room and Due Diligence</b> | <p>After a party delivers the executed Confidentiality Agreement in accordance with the Bidding Procedures, the Debtor shall provide such party with access to an electronic data room and due diligence information, as reasonably requested by such party, and the Debtor shall post substantially all written due diligence provided to any such party to the Debtor's electronic data room. All due diligence requests must be directed to Chaffe. To the extent necessary and reasonably practicable, Chaffe will also facilitate meetings between any such party and the Debtor's other restructuring advisors and management team. The Debtor and its advisors will coordinate all reasonable requests from such parties for additional information and due diligence access; provided that the Debtor may decline to provide such information to any party who, at such time and in the Debtor's reasonable business judgment, has not established that it intends in good faith to, or has the capacity to, consummate the Sale Transaction. Parties which enter into Confidentiality Agreements with the Debtor will not, directly or indirectly, contact or initiate, or engage in discussions with respect to matters relating to the Debtor or a potential transaction with any customer, supplier, or contractual counterparty of the Debtor without the prior written consent of the Debtor. The due diligence period will end on the Bid Deadline (as defined below), and, after the Bid Deadline, the Debtor will have no obligation to furnish or update any due diligence information.<sup>10</sup></p> |
| <b>Bidder Qualification Summaries</b>         | <p>In order to be eligible to be selected as a Lead Bidder or be considered a Qualified Bidder (each as defined below), a party must submit a Bidder Qualification Summary (a "<b><u>Bidder Qualification Summary</u></b>") in writing to the Debtor Notice Parties by June 27, 2025, by 5:00 P.M. (prevailing Central Time) (which deadline may be extended by the Debtor without notice or hearing before the Court); provided, however, that the Debtor reserves its right to waive the requirement for Eligible Bidders to submit a Bidder Qualification Summary for any party in the Debtor's reasonable business judgment, without further order from the Court.</p> <p>The Bidder Qualification Summary must: (i) identify the interested party, including details on the acquisition structure, ownership structure, as well as legal form and jurisdiction of the interested party; (ii) identify with reasonable specificity the Assets the party is interested in acquiring; (iii) set forth a proposed purchase price for the proposed Sale Transaction, including by identifying any cash and non-cash components of the proposed Sale Transaction consideration, including, for example, any liabilities to be assumed; (iv) provide detailed information regarding the proposed financing sources; and (v) provide evidence of such interested party's financial capacity to close the proposed Sale Transaction, which may include financial statements of, or verified financial commitments obtained by, such party (with the assistance of its advisors).</p>                                           |
| <b>Selecting a Lead Bidder</b>                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Selecting a Lead Bidder</b>                | <p>The Debtor may, at any time on or before July 18, 2025, propose to select one or more parties that have submitted a Bidder Qualification Summary and have subsequently submitted a Bid that complies with the Bid Requirements (as defined below) to act as a lead bidder (the "<b><u>Lead Bidder</u></b>", and the Bid of such Lead Bidder, the "<b><u>Lead Bid</u></b>") with respect to substantially all of the Assets, provided, that in order to be eligible to be selected as a Lead Bidder, a party must have submitted the Sale</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

<sup>10</sup> For avoidance of doubt, if the NETX Parties are selected as the Winning Bidder, they may have access to the due diligence for seven (7) days after such selection.

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Documents (as defined in the Bidding Procedures) to the Debtor Notice Parties so as to be actually received on or before June 27, 2025, at 5:00 p.m. prevailing Central Time).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Lead Bidder Notice</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Upon execution and acceptance of a Lead Bid, the Debtor shall file a notice with the Court regarding its selection of a Lead Bidder no later than July 18, 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Bid Deadline</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Each party that (a) timely submits a Bidder Qualification Summary, including any Lead Bidder (unless the obligation to submit a Bidder Qualification Summary is waived in accordance with the terms of the Bidding Procedures), or (b) submits by the Bid Deadline, an executed Confidentiality Agreement and reasonable evidence demonstrating the party's financial capability to consummate the Sale Transaction as reasonably determined by the Debtor, shall be an " <b>Eligible Bidder</b> ." Any Eligible Bidder that desires to make a binding proposal, solicitation, or offer, including any Lead Bid (each, a " <b>Bid</b> "), shall transmit the Bid to the Debtor Notice Parties so as to be actually received on or before June 27, 2025, at 5:00 p.m. (prevailing Central Time) (the " <b>Bid Deadline</b> "). The Bid Deadline may be extended by the Debtor. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Bid Requirements</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| All Bids must be submitted in writing and satisfy the requirements as fully set forth in the Bidding Procedures (collectively, the " <b>Bid Requirements</b> "), which include the following key requirements:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Assets to Be Sold By Lot</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>Bids will be accepted for the Assets based on the Lots. Accordingly, in order for a Bid to be considered a Qualified Bid (as such term is defined and further described below) such Bid must assign a specific offer for each Lot that is the subject of the Bid.</p> <p>The following will not be considered Qualified Bids, unless determined by the Debtor to be a benefit to the Estate:</p> <ul style="list-style-type: none"> <li>i. combined Bids (i.e., Bids with a single price for multiple Lots);</li> <li>ii. Bids where the purchase of a Lot is conditioned on the bidder being the Winning Bidder for the purchase of a separate Lot; and</li> <li>iii. Bids conditioned on the resolution of the NETX Litigation.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Assets – Lot 1</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>"<b>Lot 1</b>" is all right, title, and interest of the Debtor in and to (i) all leasehold interests, working interests, mineral fee interests, royalty interests, and any other oil and gas interests in Camp, Cass, Marion, Morris and Upshur Counties, Texas, and the Stipulated Assets, including without limitation those interests described in <b>Exhibit 1</b> to this Motion and customary related and appurtenant interests (pooled and communitized interests, equipment, improvements, easements, surface rights, post-closing production and production in the tanks and other similar interests) (collectively, the "<b>Stipulated Oil and Gas Interests</b>"); (ii) the incomplete pipeline located in the Hidden Rock Field (the "<b>Hidden Rock Pipeline</b>").<sup>11</sup> A form APA for Lot 1 will be available to interested parties upon request to the Debtor Notice Parties.</p> <p>Lot 1 must be purchased subject to all claims and causes of action with respect to the NETX Litigation or, the Bid must incorporate a resolution, subject to the Debtor's approval, of the NETX Litigation.</p> |

<sup>11</sup> A forthcoming 9019 motion transfers ownership of the Hidden Rock Pipeline to the Debtor, subject to Court approval.

|                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Assets – Lot 2</b>      | <p><b>“Lot 2”</b> is (i) all claims and causes of action held by the Debtor with respect to the Remaining Oil and Gas Interests,<sup>12</sup> including those claims attributable to the avoidance of unrecorded working interests (such claims being the <b>“Potential Avoidance Actions”</b>); (ii) all claims and causes of action held by the Debtor with respect to the Stipulated Oil and Gas Interests, including those claims attributable to the avoidance of Insider overriding royalty assignments; (iii) other than the overriding royalty interests (<b>“ORRIs”</b>) held by Seif Oil and Gas Company, LLC (Joe Kast) and such ORRIs determined by the Court to be a valid ORRIs not subject to avoidance, all ORRIs that the Debtor owns in the Stipulated Oil and Gas Interests and any avoidance actions related to the ORRIs that may be owned by third parties in the Stipulated Oil and Gas Interests; and (iv) any claims in relation to working interest owners’ failure to pay their joint interest billings and proportionate share of other costs and expenses (collectively, <b>“JIBs”</b>) with respect to their ownership interest in the leases and wells comprising the Remaining Oil and Gas Interests.</p> <p>A form APA for Lot 2 will be available to interested parties upon request to the Debtor Notice Parties.</p> |
| <b>Assets – Lot 3</b>      | <p><b>“Lot 3”</b> is all right, title and interest of the Debtor in and to the other oil and gas interests in East and West Texas other than the Hidden Rock Field, as detailed in the forthcoming form APA for Lot 3 will be available to interested parties upon request to the Debtor Notice Parties.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Purchase Price</b>      | <p>Each Bid must clearly set forth the purchase price to be paid, specifying (i) any cash and (ii) any non-cash components (including a credit bid), in sufficient detail satisfactory to the Debtor (the <b>“Purchase Price”</b>). Each Bid for a combination of Assets must: (x) provide a breakdown of the share of the Purchase Price allocable to each of the Assets included in the Bid, specifically the allocation of the Purchase Price to each Lot; and (y) state whether the Eligible Bidder is willing to purchase any of the Lots included in the Bid individually, and if so, the price such Eligible Bidder would pay for each such Lot.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Deposit</b>             | <p>Each Bid must be accompanied by a cash deposit in an amount equal to 10% of the cash portion of the Purchase Price to be submitted by wire transfer to an escrow account to be identified and established by the Debtor.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Committed Financing</b> | <p>Each Bid must contain evidence of the Eligible Bidder’s ability to consummate the Sale Transaction within thirty (30) calendar days of such Bid being declared the Winning Bid. To the extent that a Bid is not accompanied by evidence of such party’s capacity to consummate the Sale Transaction set forth in its Bid with cash on hand, each Bid must include committed financing, documented to the Debtor’s satisfaction that demonstrates that such party has received sufficient debt and/or equity funding commitments to satisfy the Bid’s Purchase Price and other obligations thereunder. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements diligence, or credit committee approvals, and shall have covenants and conditions acceptable to the Debtor.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

<sup>12</sup> Remaining Oil and Gas Interests shall mean the remaining interest of Hidden Rock Field that is not the Stipulated Oil and Gas Interest.

|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>No Financing or Diligence Outs</b>           | A Bid shall not be conditioned on the obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence, or on the receipt of any regulatory or third party approvals (except as provided in the Bidding Procedures with respect to Government Approvals), but may be subject to the accuracy at the closing of specified representations and warranties or the satisfaction at the closing of specified conditions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Assumed Liabilities</b>                      | Each Bid must identify the Debtor's liabilities that each Eligible Bidder seeks to assume.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Adequate Assurance of Future Performance</b> | Each Bid must: (i) identify any executory contracts and unexpired leases to be assumed and assigned in connection with such Bid; (ii) provide for the payment by the Eligible Bidder of all cure costs related to such executory contracts and unexpired leases; (iii) demonstrate, in the Debtor's reasonable business judgment that the Eligible Bidder can provide adequate assurance of future performance under all such executory contracts and unexpired leases; and (iv) identify with particularity the Debtor's other contracts and leases with respect to which the Eligible Bidder seeks to assume and receive an assignment.                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>As-Is, Where-Is</b>                          | Each Bid must include a written acknowledgement and representation that the Eligible Bidder: (i) has had an opportunity to conduct any and all due diligence regarding the Assets prior to making its offer; (ii) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Assets in making its Bid; and (iii) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Assets or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in the Bidding Procedures and in the representations and warranties contained in the Sale Documents submitted as part of the Bid (as they may be modified before acceptance and execution by the Debtor) and disclaims reliance on any such written or oral statements, representations, promises, warranties, or guaranties. <sup>13</sup> |
| <b>Honoring the Bidding Procedures</b>          | Each Bid must affirmatively state agreement, and by submitting its Bid, each Eligible Bidder is so agreeing, to abide by and honor the terms of the Bidding Procedures (including if such Bid is declared the Winning Bidder or Backup Bidder (as defined below)) and to refrain from submitting a Bid or seeking to reopen the Auction after conclusion of the Auction. The submission of a Bid shall constitute a binding and irrevocable offer to acquire the Assets reflected in such Bid. Each Bid must state that the Eligible Bidder consents to the jurisdiction of the Court and to the entry of a final judgment or order with respect to the Bid, as well as with respect to any aspect of these Bidding Procedures, and all orders of the Court entered with respect to the Sale Transaction, if it is determined that the Court would lack Article III jurisdiction to enter such final order or judgment absent consent of the parties.                                                                                    |
| <b>Additional Diligence</b>                     | Each Eligible Bidder shall comply with all reasonable requests for additional information and due diligence access by the Debtor or its advisors regarding the Bid.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Expenses</b>                                 | Each Bid shall not contemplate or request any break-up fee, transaction fee, termination fee, expense reimbursement, or any similar type of payment or reimbursement, and by submitting its Bid, each Eligible Bidder is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

<sup>13</sup> Notwithstanding the foregoing, the NETX Parties, if selected as the Winning Bidder, may have an additional due diligence period of seven (7) days after such selection.

| <b>Designation of Qualified Bidders</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Qualified Bidder</b>                 | A Bid will be considered a “ <b>Qualified Bid</b> ,” and each Eligible Bidder that submits a Qualified Bid will be considered a “ <b>Qualified Bidder</b> ,” if the Debtor determines in its reasonable business judgment that such Bid: (i) satisfies the Bid Requirements; and (ii) is reasonably likely (based on availability of financing, antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid, within a time-frame reasonably acceptable to the Debtor.                                                                                                                                                                                                                                                                          |
| <b>Notification</b>                     | Within two (2) business days after the Bid Deadline, or as soon as reasonably practicable, the Debtor will notify each Eligible Bidder whether such party is a Qualified Bidder.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Bid Modification</b>                 | Between the date that the Debtor notifies a Bidder that it is a Qualified Bidder and the Auction: (i) the Debtor may discuss, negotiate, or seek clarification of any Qualified Bid from a Qualified Bidder; and (ii) a Qualified Bidder may not, without the prior written consent of the Debtor, modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase their Purchase Price, or otherwise improve the terms of, the Qualified Bid, provided that any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in the Bidding Procedures.                                                                                                                                                                                           |
| <b>Bid Selection and Criterion</b>      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Baseline Bid</b>                     | No later than one (1) business day before the Auction, or as soon as reasonably practicable, the Debtor will notify all Qualified Bidders of the highest or otherwise best Qualified Bid with respect to each Lot or a combination of the Lots, as applicable. Each such highest or otherwise best Qualified Bid, which Qualified Bid may be a Lead Bid, shall be the “ <b>Baseline Bid</b> ” and the Debtor shall provide copies of the documents supporting each Baseline Bid to all Qualified Bidders.                                                                                                                                                                                                                                                                                                        |
| <b>Bid Assessment Criteria</b>          | The determination of which Qualified Bid constitutes the Baseline Bid and, ultimately, the Winning Bid shall take into account any factors the Debtor reasonably deems relevant to the value of the Qualified Bid to the Debtor’s estate, including, among other things: (i) the type and amount of Assets sought to be purchased; (ii) the amount and nature of the Purchase Price; (iii) the Qualified Bidder’s ability to consummate the Sale Transaction and the timing thereof; and (iv) the effect on the Debtor’s ability to wind down its estate in accordance with applicable law.                                                                                                                                                                                                                      |
| <b>The Auction Procedure</b>            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Time and Place</b>                   | If the Debtor receives two (2) or more Qualified Bids with respect to a Lot or a combination of the Lots, as applicable, then the Debtor will conduct the Auction to determine the Winning Bidder(s) (as defined below) with respect to such Assets. The Auction shall take place at the offices of Jones Walker LLP, 811 Main Street, Suite 2900, Houston, TX, 77002 and will (unless the Debtor provides notice otherwise) be held electronically via video/telephone, or at such later date, time or other place, as selected by the Debtor or approved by order of the Court. If the Debtor receives one (1) Qualified Bid with respect to a Lot or a combination of Lots, as applicable, then the Debtor may select such Qualified Bid as the Winning Bid and notify all other Bidders promptly thereafter. |
| <b>Eligibility</b>                      | Only Qualified Bidders that have submitted Qualified Bids by the Bid Deadline are eligible to participate in the Auction, subject to other limitations as may be reasonably imposed by the Debtor in accordance with the Bidding Procedures; provided that such other limitations are (i) not inconsistent with the Bidding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

|                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                    | Procedures Order, any other order of the Bankruptcy Court, or the Bankruptcy Code, (ii) disclosed orally or in writing to all Qualified Bidders, and (iii) determined by the Debtor to further the goals of the Bidding Procedures.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Attendance</b>                                                                                                                                                                                                                                                                                                                                  | <p>Qualified Bidders participating in the Auction must appear at the Auction, or through a duly authorized representative. If a Qualified Bidder appears through a duly authorized representative, such representative must have been granted a valid and enforceable power of attorney or have other written proof evidencing his or her ability to bind such party, which document(s) shall be delivered to the Debtor at least one (1) business day before the Auction.</p> <p>All other parties in interest (other than a Qualified Bidder) will need written consent from Debtor's counsel to attend the Auction. The Debtor may, in its sole and exclusive discretion, establish a reasonable limit to the number of representatives and/or professional advisors that may appear on behalf of or accompany each Qualified Bidder or permitted party in interest at the Auction.</p>                                                                                                                                                                |
| <b>Closing the Auction</b>                                                                                                                                                                                                                                                                                                                         | The Auction shall continue until the Debtor selects, in its reasonable business judgment, pursuant to the Bidding Procedures, the highest or otherwise best Qualified Bid for a combination of the Lots or each Lot, as applicable. Such Qualified Bid shall be declared the " <b><u>Winning Bid</u></b> ," and such Qualified Bidder, the " <b><u>Winning Bidder</u></b> ," and at which point the Auction will be closed. The Debtor may also select, in its reasonable business judgment, pursuant to the Bidding Procedures, the next-highest or otherwise second-best Qualified Bid for a combination of the Lots or each Lot, as applicable, to be the " <b><u>Backup Bidder</u></b> ." As soon as reasonably practicable after closing the Auction, the Debtor shall finalize definitive documentation to implement the terms of the Winning Bid, and, as applicable, cause such definitive documentation to be filed with the Court. The acceptance by the Debtor of the Winning Bid is conditioned upon approval by the Court of the Winning Bid |
| <b>Terms of Overbids</b>                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Any Bids made at the Auction by a Qualified Bidder subsequent to the Debtor's announcement of the Baseline Bid(s) shall be " <b><u>Overbids</u></b> " and must comply with the conditions set forth below and shall be made and received on an open basis, with all material terms of each Overbid fully disclosed to all other Qualified Bidders. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Minimum Initial Overbid</b>                                                                                                                                                                                                                                                                                                                     | <p>Any initial Overbid to the Baseline Bid(s) shall be no less than the value of the Baseline Bid(s)'s Purchase Price of the Assets, plus:</p> <ul style="list-style-type: none"> <li>i. Lot 1: \$1 million;</li> <li>ii. Lot 2: \$500,000; and</li> <li>iii. Lot 3: \$50,000.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Minimum Overbid Increment</b>                                                                                                                                                                                                                                                                                                                   | <p>Any subsequent Overbids shall be in increments of value equal to the below, as determined by the Debtor in an exercise of its reasonable business judgment:</p> <ul style="list-style-type: none"> <li>i. Lot 1: \$500,000;</li> <li>ii. Lot 2: \$250,000; and</li> <li>iii. Lot 3: \$50,000.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Announcing Highest Bid</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | After each Overbid, the Debtor shall announce the material terms of the Overbid, including value attributed to the Overbid.                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Backup Bidder</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Designation of Backup Bidder</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | If an Auction is conducted, then the Qualified Bidder with the next-highest or otherwise second-best Qualified Bid at the Auction for a combination of the Lots or each Lot, as applicable, as determined by the Debtor in the exercise of its reasonable business judgment, shall be required to serve as a backup bidder (the “ <b><u>Backup Bidder</u></b> ”) until such time as the applicable Sale Transaction is consummated, and each Qualified Bidder shall agree and be deemed to agree to be the Backup Bidder if so designated by the Debtor. |
| <b>Identity of Backup Bidder</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | The identity of the Backup Bidder and the amount and material terms of the Qualified Bid of the Backup Bidder shall be announced by the Debtor at the conclusion of the Auction at the same time the Debtor announces the identity of the Winning Bidder. The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable until such time as the Sale Transaction is consummated.                                                            |
| <b>Consummating a Sale with Backup Bidder</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | If a Winning Bidder fails to consummate the approved Sale Transaction contemplated by its Winning Bid, then the Debtor may select the Backup Bidder as the Winning Bidder, and such Backup Bidder shall be deemed a Winning Bidder for all purposes. The Debtor will be authorized, but not required, to consummate all transactions contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party.                                                                                                            |
| <b>Confirmation Hearing</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Plan Confirmation Hearing</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | The evidentiary hearing to consider approval of the Winning Bid will be at the confirmation hearing of the Debtor’s forthcoming chapter 11 plan (the “ <b><u>Confirmation Hearing</u></b> ”).                                                                                                                                                                                                                                                                                                                                                            |
| <b>Return Deposit</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <p>The Deposits for each Qualified Bidder shall be held in one or more escrow accounts on terms acceptable to the Debtor in its sole discretion and shall be returned (other than with respect to the Winning Bidder and the Backup Bidder) within three (3) business days after the Auction is closed, or as soon as is reasonably practicable thereafter. Upon the return of the Deposits, the applicable Qualified Bidders shall receive any interest that will have accrued thereon.</p> <p>The Deposit of the Winning Bidder shall be applied to the purchase price of such Sale Transaction at closing. If a Winning Bidder (including a Backup Bidder that becomes a Winning Bidder) fails to consummate a proposed transaction because of a breach by such Winning Bidder, the Debtor will not have any obligation to return the Deposit deposited by such Winning Bidder, which may be retained by the Debtor as liquidated damages, in addition to any rights, remedies, or causes of action that may be available to the Debtor. If a Winning Bidder consummates a proposed transaction or fails to consummate a proposed transaction but the Debtor elects to not consummate the proposed transaction with the Backup Bidder, then the Backup Bidder’s Deposit shall be returned within three (3) business days thereof, or as soon as is reasonably practicable thereafter.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Participation Requirements and Due Diligence for DIP Proposal</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Identification of Potential DIP Lenders</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | The Debtor, in consultation with (i) Chaffe, and (ii) CR3, in its capacity as financial advisor, will develop a list (the “ <b><u>Potential DIP Lender List</u></b> ”) of parties whom they believe may be interested in, and whom the Debtor reasonably believes would have the financial resources to perform as a DIP Lender.                                                                                                                                                                                                                         |
| <b>Confidentiality Agreement</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | The Debtor shall distribute (to the extent not already distributed) to each party on the Potential DIP Lender List and any other interested party: (i) a copy of the Bidding Procedures and the Bidding Procedures Order, (ii) a form of confidentiality                                                                                                                                                                                                                                                                                                 |

|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                               | <p>agreement (a “<b>Confidentiality Agreement</b>”), and (iii) such other materials as the Debtor deems appropriate under the circumstances.</p> <p>To receive due diligence information, including full access to the Debtor’s electronic data room and additional non-public information regarding the Debtor, a party potentially interested in submitting a DIP Proposal must deliver an executed Confidentiality Agreement on terms acceptable to the Debtor, to the extent not already executed, to each of the Debtor Notice Parties.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Electronic Data Room and Due Diligence</b> | <p>After a party delivers the executed Confidentiality Agreement in accordance with the Bidding Procedures, the Debtor shall provide such party with access to an electronic data room and due diligence information, as reasonably requested by such party, and the Debtor shall post substantially all written due diligence provided to any such party to the Debtor’s electronic data room. All due diligence requests must be directed to Chaffe. To the extent necessary and reasonably practicable, Chaffe will also facilitate meetings between any such party and the Debtor’s other restructuring advisors and management team. The Debtor and its advisors will coordinate all reasonable requests from such parties for additional information and due diligence access; provided that the Debtor may decline to provide such information to any party who, at such time and in the Debtor’s reasonable business judgment, has not established that it intends in good faith to, or has the capacity to, perform as a DIP Lender. Parties which enter into Confidentiality Agreements with the Debtor will not, directly or indirectly, contact or initiate, or engage in discussions with respect to matters relating to the Debtor or a potential transaction with any customer, supplier, or contractual counterparty of the Debtor without the prior written consent of the Debtor. The due diligence period will end on the DIP Proposal Deadline (as defined below), and, after the DIP Proposal Deadline, the Debtor will have no obligation to furnish or update any due diligence information.</p> |
| <b>DIP Lender Qualification Summaries</b>     | <p>In order to be eligible to be selected as a DIP Lender or to be eligible to submit a DIP Proposal (each as defined below), a party must submit a DIP Lender Qualification Summary (a “<b>DIP Lender Qualification Summary</b>”) in writing to the Debtor Notice Parties by June 27, 2025, by 5:00 P.M. (prevailing Central Time) (which deadline may be extended by the Debtor without notice or hearing before the Court); provided, however, that the Debtor reserves its right to waive the requirement for Eligible DIP Lenders to submit a DIP Lender Qualification Summary for any party in the Debtor’s reasonable business judgment, without further order from the Court.</p> <p>The DIP Lender Qualification Summary must: (i) identify the interested party, including details on the ownership structure, as well as legal form and jurisdiction of the interested party; (ii) provide detailed information regarding the proposed financing sources; (iii) set forth a proposed amount of the DIP loan; and (iv) provide evidence of such interested party’s financial capacity to perform under the DIP Proposal, which may include financial statements of, or verified financial commitments obtained by, such party (with the assistance of its advisors).</p>                                                                                                                                                                                                                                                                                                                                      |

| <b>Selecting a DIP Lender</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The Debtor may, at any time on or before July 18, 2025, propose to select one or more parties that have submitted a DIP Qualification Summary and have subsequently submitted a DIP Proposal that complies with the DIP Proposal Requirements (as defined below) to act as a DIP Lender (the “ <b>DIP Lender</b> ”), subject to Court approval, provided, that in order to be eligible to be selected as a DIP Lender, a party must have submitted the DIP Documents (as defined in the Bidding Procedures) to the Debtor Notice Parties so as to be actually received on or before June 27, 2025, at 5:00 p.m. (prevailing Central Time).                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>DIP Proposal Deadline</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Each party that (a) timely submits a DIP Lender Qualification Summary (unless the obligation to submit a DIP Lender Qualification Summary is waived in accordance with the terms of the Bidding Procedures), or (b) submits by the DIP Proposal Deadline, an executed Confidentiality Agreement and reasonable evidence demonstrating the party’s financial capability to perform as a DIP Lender as reasonably determined by the Debtor, shall be an “ <b>Eligible DIP Lender</b> .” Any Eligible DIP Lender that desires to make a binding proposal or offer, shall transmit the DIP Proposal to the Debtor Notice Parties so as to be actually received on or before June 27, 2025, at 5:00 p.m. (prevailing Central Time) (the “ <b>DIP Proposal Deadline</b> ”). The DIP Proposal Deadline may be extended by the Debtor. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>DIP Proposal Requirements</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| All DIP Proposals must be submitted in writing and satisfy the requirements as fully set forth in the Bidding Procedures (collectively, the “ <b>DIP Proposal Requirements</b> ”), which include the following key requirements:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>DIP Credit Agreement</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | All DIP Proposals must be submitted in the same form and with the same terms as the form DIP Credit Agreement, which will be available to interested parties upon request to the Debtor Notice Parties (such agreement being the “ <b>DIP Credit Agreement</b> ”).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Committed Financing</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Each DIP Proposal must contain evidence of the Eligible DIP Lender’s ability to perform as DIP Lender under the DIP Proposal. To the extent that a DIP Proposal is not accompanied by evidence of such party’s capacity to perform as DIP Lender with cash on hand, each DIP Proposal must include committed financing, documented to the Debtor’s satisfaction that demonstrates that such party has received sufficient debt and/or equity funding commitments to satisfy the DIP Proposal’s terms and other obligations thereunder. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements diligence, or credit committee approvals, and shall have covenants and conditions acceptable to the Debtor.                                                    |
| <b>No Financing or Diligence Outs</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | A DIP Proposal shall not be conditioned on the obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence, or on the receipt of any regulatory or third party approvals (except as provided in the Bidding Procedures with respect to Government Approvals), but may be subject to the accuracy at the closing of specified representations and warranties or the satisfaction at the closing of specified conditions.                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Honoring the Bidding Procedures</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Each DIP Proposal must affirmatively state agreement, and by submitting its DIP Proposal, each Eligible DIP Lender is so agreeing, to abide by and honor the terms of the Bidding Procedures (including if such DIP Proposal is declared the final DIP Lender (as defined below)) and to refrain from submitting a DIP Proposal after conclusion of the Auction. The submission of a DIP Proposal shall constitute a binding and irrevocable offer to serve as the DIP Lender under the terms of such DIP Proposal. Each DIP Proposal must state that the Eligible DIP Lender consents to the jurisdiction of the Court and to the entry of a final judgment or order with respect to the DIP Proposal, as well as with respect to any aspect of these Bidding Procedures, and all orders of the Court entered with respect to the DIP Proposal, if |

|                             |                                                                                                                                                                                  |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                             | it is determined that the Court would lack Article III jurisdiction to enter such final order or judgment absent consent of the parties.                                         |
| <b>Additional Diligence</b> | Each Eligible DIP Lender shall comply with all reasonable requests for additional information and due diligence access by the Debtor or its advisors regarding the DIP Proposal. |

29. Importantly, the Bidding Procedures recognize the Debtor's fiduciary obligations to maximize value, and, as such, do not impair the Debtor's ability to consider all Qualified Bid proposals, and preserve the Debtor's right to modify the Bidding Procedures as necessary or appropriate to maximize value for the estate. If the Debtor receives Bids for an individual Lot or multiple Lots, the Bidding Procedures contemplate that the Debtor may conduct multiple Auctions on a Lot by Lot basis. If the Debtor determines that pursuing a transaction or transactions resulting from multiple Auctions would result in a higher or otherwise better value than a sale for the Assets on a consolidated basis, the Debtor may declare the winner of a Sub-Auction as the Winning Bidder. Furthermore, through the Bidding Procedures, the Debtor has agreed to provide substantial information about the ongoing sale process to those parties that notify the Debtor Notice Parties to ensure that they are apprised of the status and determinations related to such sale.

## **II. Summary of Key Terms of a Potential Lead Bid**

30. The Debtor requests that the Court grant it authority, but with no obligation, to (i) to select a Lead Bidder for substantially all of the Assets, and to enter into a Lead Bidder Agreement, subject to Court approval, with such Lead Bidder, if one is chosen.

31. Promptly upon the execution and acceptance of a Lead Bid, the Debtor shall file a notice, substantially in the form attached to the proposed Bidding Procedures Order as **Exhibit A** (the "**Lead Bidder Notice**"), with the Court regarding its selection of a Lead Bidder no later than July 18, 2025, as provided for in the Bidding Procedures. The proposed Lead Bidder Purchase Agreement will be filed with the Lead Bidder Notice, or as soon as reasonably practicable

thereafter. Any objection to the designation of the Lead Bidder or Lead Bidder Purchase Agreement (a “**Lead Bidder Objection**”) shall be filed no later than July 30, 2025.

### III. The Proposed Sale Schedule

32. The Debtor respectfully requests that the Court approve the following proposed timeline for a sale process:

| Date / Time                                                                         | Event                                                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Five (5) business days after the Bidding Procedures Motion is approved by the Court | Deadline by which Debtor must file the Cure Notice with the Court and serve the Cure Notice on the Contract Counterparties.                                                                                                                                                                                                                          |
| June 27, 2025<br>5:00 p.m.<br>(prevailing Central Time)                             | Bid deadline by which a Bidder must submit Bids (as well as the Deposit, Bidder Qualification Summaries, and all other documentation required under the Bidding Procedures), and Sale Documents (as defined in the Bidding Procedures) in order to be eligible to be selected as a Lead Bidder and considered a Qualified Bidder.                    |
| June 27, 2025<br>5:00 p.m.<br>(prevailing Central Time)                             | DIP Proposal deadline by which all DIP Proposals must be submitted (including the DIP Qualification Summaries, DIP Documents, and all other documentation required under the Bidding Procedures) must be submitted in accordance with the Bidding Procedures in order to be eligible to be selected as a DIP Lender.                                 |
| Two (2) weeks after the filing of the Cure Notice                                   | Deadline by which to file objections to proposed Cure Payment.                                                                                                                                                                                                                                                                                       |
| July 18, 2025                                                                       | Deadline by which Debtor must make a Lead Bid selection, if any. Filed simultaneously with the notice of a Lead Bid selection, or as soon as practicable thereafter, the Debtor will file the proposed Lead Bidder Purchase Agreement.                                                                                                               |
| July 18, 2025                                                                       | Deadline by which Debtor must make a DIP Proposal selection, if any. Filed simultaneously with the notice of a DIP Proposal selection, or as soon as practicable thereafter, the Debtor will file the proposed DIP Credit Agreement and a motion to approve the same that shall be considered at the DIP Hearing (the “ <b><u>DIP Motion</u></b> ”). |

|                                                                         |                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>July 30, 2025</b>                                                    | Deadline by which to file an objection to the Lead Bid selection and Lead Bidder Purchase Agreement, or DIP Proposal selection and DIP Motion, if any.                                                                                                                                            |
| <b>August 6, 2025<br/>[•]:00 [•].m.<br/>(prevailing Central Time)</b>   | Date on which the hearing on the Debtor's Lead Bid (if any objections are filed), DIP Proposal selection(s), and DIP Motion shall occur, if any, subject to the Court's availability.                                                                                                             |
| <b>August 8, 2025<br/>[•]. (prevailing Central Time)</b>                | Date on which the Auction (if any) shall be held electronically via video/telephone, and in person at Jones Walker LLP's offices located at 811 Main St., Suite 2900, Houston, TX, 77002 or at such later date, time or other place, as selected by the Debtor or approved by order of the Court. |
| <b>Two (2) weeks after the Debtor files notice of Successful Bidder</b> | Deadline to object to adequate assurance of future performance of payment.                                                                                                                                                                                                                        |

33. The Debtor believes that this timeline will provide parties with sufficient time to obtain information necessary to formulate a competitive bid, maximizing the prospect of receiving an offer that would benefit the Debtor's estate and its stakeholders. In formulating the Sale Transaction timeline, the Debtor balanced the need to provide adequate and appropriate notice to parties in interest and to potential purchasers with the need to quickly and efficiently sell the Assets. By the time parties are required to submit their final bids, the Assets will have been marketed for more than six (6) months, giving parties sufficient time to conduct their due diligence with respect to the Assets. Accordingly, the Debtor believes the relief requested by this Motion is

in best interest of the Debtor's estate, will provide interested parties with sufficient opportunity to participate, and, therefore, should be approved.

#### **IV. Form and Manner of Sale Notice**

34. As soon as reasonably practicable after entry of the Bidding Procedures Order, the Debtor will serve the Sale Notice, the Bidding Procedures Order, and the Bidding Procedures upon all parties listed on (i) Debtor's Master Service List (available on the Debtor's case website at <https://cases.ra.kroll.com/BSR/>); and (ii) all parties who have expressed a written interest to the Debtor in acquiring all or a substantial portion of the Assets. Additionally, as soon as practicable after entry of the Bidding Procedures Order, the Debtor shall publish a notice, substantially in the form of the Sale Notice, on one occasion, in the (i) Houston Chronicle, (ii) Dallas Morning News, and (iii) Tyler Morning Telegraph. This publication notice will provide notice of the Sale Transaction to any other interested parties whose identities are unknown to the Debtor.

35. The Debtor submits that the Sale Notice is reasonably calculated to provide all interested parties with timely and proper notice of the proposed Sale Transaction, including: (a) the date, time, and place of the Auction (if one is held); (b) the Bidding Procedures and the dates and deadlines related thereto; and (c) instructions for promptly obtaining a copy of the Lead Bidder Purchase Agreement and DIP Credit Agreement (once finalized). Accordingly, the Debtor requests that the form and manner of the Sale Notice be approved and that the Court determine that no other or further notice of the Auction is required.

#### **V. Assumption and Assignment Procedures**

36. The Debtor is also seeking approval of procedures for the assumption and assignment of certain executory contracts and unexpired leases in connection with the Sale Transaction (the "**Assumption Procedures**") to facilitate the fair and orderly assumption and assignment of certain executory contracts in connection with the Sale Transaction. The

Assumption Procedures are fully set forth in **Exhibit C** attached to the Bidding Procedures Order. Generally speaking, the Assumption Procedures (a) outline the process by which the Debtor will serve notice to all counterparties to executory contracts and unexpired leases (the “**Assigned Contracts**”) regarding the proposed assumption and assignment and related cure amounts, if any, informing such parties of their rights and the procedures to object thereto, and (b) establish objection and other relevant deadlines and the manner for resolving disputes relating to assumption and assignment of certain Assigned Contracts to the extent necessary.

### **BASIS FOR RELIEF**

#### **I. The Bidding Procedures Are Fair, Designed to Maximize the Value Received for the Assets, and Consistent with the Debtor’s Reasonable Business Judgment**

37. Section 363(b) of the Bankruptcy Code provides that “[t]he [debtor in possession], after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate . . . .”<sup>14</sup> A debtor’s business judgment is entitled to substantial deference with respect to the procedures to be used in selling an estate’s assets.<sup>15</sup>

38. The paramount goal in any proposed sale of property of the estate is to maximize the proceeds received by the estate.<sup>16</sup> Bidding procedures, such as those proposed here, may be

---

<sup>14</sup> 11 U.S.C. § 363(b)(1).

<sup>15</sup> See, e.g., *In re Institutional Creditors of Continental Air Lines, Inc. v. Continental Air Lines, Inc., et al. (In re Continental Air Lines, Inc.)*, 780 F.2d 1223, 1226 (5th Cir. 1986) (“[F]or a debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.”); *In re Crutcher Resources Corp.*, 72 B.R. 628, 631 (Bankr. N.D. Tex. 1987) (“A Bankruptcy Judge has considerable discretion in approving a § 363(b) sale of property of the estate other than in the ordinary course of business but the movant must articulate some business justification for the sale.”).

<sup>16</sup> See *In re Edwards*, 228 B.R. 552, 561 (Bankr. E.D. Pa. 1998) (“The purpose of procedural bidding orders is to facilitate an open and fair public sale designed to maximize value for the estate.”); *In re Food Barn Stores, Inc.*, 107 F.3d 558, 564–65 (8th Cir. 1997) (in bankruptcy sales, “a primary objective of the Code [is] to enhance the value of the estate at hand”); *In re Integrated Res., Inc.*, 147 B.R. 650, 659 (S.D.N.Y. 1992) (“[I]t is a well-established principle of bankruptcy law that the objective of the bankruptcy rules and the trustee’s duty with respect to such sales is to obtain the highest price or greatest overall benefit possible for the estate.”) (internal citations omitted).

used in court-supervised asset sales because they streamline the acquisition process, “help to provide an adequate basis by which to compare offers,” and maximize value.<sup>17</sup> To that end, courts uniformly recognize that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate and therefore are appropriate in the context of bankruptcy transactions.<sup>18</sup> In addition, the Bidding Procedures provide proper incentives for potential bidders to participate in the proposed auction process in order to submit each bidder’s “best and final” offer for the Assets.

39. The Debtor has carefully evaluated a number of qualitative and quantitative factors in designing a process that it believes will maximize the value of the estate, produce maximum recoveries, and result in a successful restructuring of the estate. This process includes both a potential Lead Bidder Purchase Agreement and the Bidding Procedures, which are designed to promote active bidding from seriously interested parties and to elicit the highest or otherwise best offers available for the Assets. The Debtor is confident that the Bidding Procedures will allow the Debtor to solicit additional offers and conduct its sale process in a controlled, fair, and open fashion that will encourage participation by financially capable bidders who will offer the best package for the Assets and who can demonstrate the ability take on the Assets, obligations, and liabilities being transferred. In particular, the Bidding Procedures contemplate an open auction process with

---

<sup>17</sup> John J. Jerome & Robert D. Drain, *Bankruptcy Court Is Newest Arena for M&A Action*, N.Y.L.J., June 3, 1991.

<sup>18</sup> See *Official Comm. of Subordinated Bondholders v. Integrated Res., Inc. (In re Integrated Res., Inc.)*, 147 B.R. 650, 659 (S.D.N.Y. 1992) (bidding procedures “are important tools to encourage bidding and to maximize the value of the debtor’s assets”); see also *In re Fin. News Network, Inc.*, 126 B.R. 152, 156 (Bankr. S.D.N.Y. 1991) (“[C]ourt-imposed rules for the disposition of assets . . . [should] provide an adequate basis for comparison of offers, and [should] provide for a fair and efficient resolution of bankrupt estates.”).

minimum barriers to entry and provide potential bidding parties with sufficient time to perform due diligence and acquire the information necessary to submit a timely and well-informed bid.

40. The Debtor submits that the Bidding Procedures will encourage competitive bidding, are appropriate under the relevant standards governing auction proceedings and bidding incentives in bankruptcy proceedings, and are consistent with other procedures previously approved by this district and in other jurisdictions.<sup>19</sup> It is well-settled that where there is a court-approved auction process, a full and fair price is presumed for the assets sold because the best way to determine value is exposure to the market.<sup>20</sup>

41. This is true here where any Sale Transaction of the Assets and related transactions have been subjected to a marketing process and intensively scrutinized by the Debtor and its retained advisors. Having the option to enter into a Lead Bidder Purchase Agreement with a Lead Bidder ensures that the Debtor retains flexibility to “lock in” a minimum purchase price for any Assets that will be subject to a further market test. As a result, the Debtor and its creditors can be assured that, taking into account current macroeconomic and industry conditions, the consideration obtained will be fair and reasonable and at or above market.

42. The Debtor respectfully submits that a potential Lead Bidder Purchase Agreement and the Bidding Procedures will encourage robust bidding for the Assets and are appropriate under, and consistent with, the relevant standards governing overbid processes in bankruptcy proceedings. Accordingly, the Debtor respectfully submits that the Court should approve the

---

<sup>19</sup> See, e.g., *In re Westmoreland Coal Co.*, No 18-35672 (DRJ) (Bankr. S.D. Tex. Oct. 18, 2018) (similar).

<sup>20</sup> See *Bank of Am. Nat'l Trust & Sav. Ass'n. v. LaSalle St. P'ship*, 526 U.S. 434, 457 (1999); see also *In re Trans World Airlines, Inc.*, No. 01-00056, 2001 WL 1820326, at \*4 (Bankr. D. Del. 2001) (while a “sale transaction does not require an auction procedure,” “the auction procedure has developed over the years as an effective means for producing an arm’s length fair value transaction”).

Bidding Procedures and authorize the Debtor to enter into a potential Lead Bidder Purchase Agreement, if it so chooses in its business judgment.

43. Adoption of the Bidding Procedures is a valid exercise of the Debtor's business judgment. Courts have made clear that a debtor's business judgment is entitled to substantial deference with respect to the procedures to be used in selling assets from its estate.<sup>21</sup> This standard prohibits other parties from second-guessing the debtor's business judgment if the debtor has shown that the proposed use will benefit the debtor's estate.<sup>22</sup>

44. The paramount goal in any sale of property of a debtor's estate is to maximize the proceeds realized by the estate.<sup>23</sup> Accordingly, courts uniformly recognize that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value realized by the estate and therefore are appropriate in the context of bankruptcy transactions.<sup>24</sup>

---

<sup>21</sup> See, e.g., *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1301, 1311-13 (5th Cir. 1985), (“[W]e see no reason to require the debtor to do more than justify its actions under the ‘business judgment’ standard . . .”); *In re Lowry Graphics, Inc.*, 86 B.R. 74, 76 (Bankr. S.D. Tex. 1988); *In re ASARCO LLC*, 441 B.R. 813 (S.D. Tex. 2010).

<sup>22</sup> See *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1301 at 1313 (finding no reason to doubt a debtor's decision to assume a lease so long as such a decision was a valid exercise of a debtor's business judgment); see also *In re Continental Airlines, Inc.*, 780 F.2d 1223 (5th Cir. 1986) (“[F]or the debtor-in-possession or trustee to satisfy its fiduciary duty to the debtor, creditors and equity holders, there must be some articulated business justification. . .”).

<sup>23</sup> *Louisiana World Exposition v. Federal Ins. Co.*, 858 F.2d 233, 246 (citing *Commodity Futures Trading Comm'n. v. Weintraub*, 471 U.S. 343, 352 (1985)) (“Moreover, as the Supreme Court has held, ‘the [debtor] is accountable for all property received. . . and has the duty to maximize the value of the estate.’”) (emphasis in original); *ASARCO, LLC*, 396 B.R. 278 (S.D. Tex. 2008) (recognizing the debtor's duties to maximize recovery to creditors of the estate); *In re Adams Res. Expl. Corp.*, No. 17-10866 (KG), at 12 (Bankr. D. Del. 2017) (“The relief requested in the Sale Motion . . . is a necessary and appropriate step toward enabling the Debtor to maximize the value of its bankruptcy estate, and it is in the best interests of the Debtor, its estate, and its creditors.”).

<sup>24</sup> See *In re ASARCO, L.L.C.*, 650 F.3d 593, 603 (5th Cir. 2011) (affirming bankruptcy court's approval of bidding procedures designed to maximize the value of the debtor's estate); *In re Energy Future Holdings Corp.*, 593 B.R. 217, 246 (Bankr. D. Del. 2018) (recognizing the appropriateness of a Debtor's bidding procedures where the “objective at all times was to maximize value for their estates, consistent with their fiduciary duties; *In re Integrated Res., Inc.*, 147 B.R. 650, 656–57 (Bankr. S.D.N.Y. 1992) (bidding procedures “encourage bidding and . . . maximize the value to the debtor's assets”).

Moreover, Courts in this district have approved procedures similar to the proposed Bidding Procedures in connection with chapter 11 asset sales.<sup>25</sup>

45. The Debtor believes that the proposed Bidding Procedures will encourage prospective bidders to put forward their best bids quickly in order to generate the highest or best recoveries for the Debtor's stakeholders and also provide for substantial flexibility with respect to the structure of any Sale Transaction.

46. For these reasons, the Debtor requests that the Court authorize the Debtor's adoption of the Bidding Procedures as a valid exercise of the Debtor's business judgment.

## **II. The Bidding Procedures Are Fair and Reasonable**

47. The Bidding Procedures are reasonable and appropriate and should be approved as proposed. Section 363 of the Bankruptcy Code permits the sale of all or some of a debtor's assets. Moreover, under section 105(a) of the Bankruptcy Code, "[t]he court may issue any order . . . that is necessary or appropriate to carry out the provisions of this title."<sup>26</sup> In essence, the Court may enter an order that safeguards the value of the debtor's estate if doing so is consistent with the Bankruptcy Code.<sup>27</sup>

---

<sup>25</sup> See, e.g., *In re Alta Mesa Res., Inc.*, Case No. 19-35133 (Bankr. S.D. Tex. 2019) [Docket No. 317]; *In re Geokinetics Inc.*, Case No. 18-33410 (Bankr. S.D. Tex. 2018) [Docket Nos. 110 & 154]; *In re Francis Drilling Fluids, Ltd.*, Case No. 18- 35441 (Bankr. S.D. Tex. 2018) [Docket No. 236]; *In re Cobalt Int'l Energy, Inc.*, [Docket No. 299]; *In re EMAS CHIYODA Subsea Ltd.*, Case No. 17-31146 (Bankr. S.D. Tex. 2017) [Docket No. 317]; *In re Vanguard Nat. Res., LLC*, Case No. 17-30560 (Bankr. S.D. Tex. 2017) [Docket No. 583].

<sup>26</sup> 11 U.S.C. § 105(a).

<sup>27</sup> See, e.g., *Chinichian v. Campolongo (In re Chinichian)*, 784 F.2d 1440, 1443 (9th Cir. 1986) ("Section 105 sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the purposes of the Bankruptcy Code."); *In re Cooper Props. Liquidating Tr., Inc.*, 61 B.R. 531, 537 (Bankr. W.D. Tenn. 1986) (acknowledging that "the [b]ankruptcy [c]ourt is one of equity and as such it has a duty to protect whatever equities a debtor may have in property for the benefit of its creditors as long as that protection is implemented in a manner consistent with the bankruptcy laws").

48. To that end, courts recognize that procedures intended to enhance competitive bidding are consistent with the goal of maximizing the value received by the estate, and, therefore, are appropriate in the context of bankruptcy sales.<sup>28</sup>

49. The Bidding Procedures provide for an orderly, uniform, and competitive process through which interested parties may submit offers to purchase all or substantially all of the Assets. The Debtor, with the assistance of its advisors, has structured the Bidding Procedures to promote active bidding by interested parties and to reach the highest or otherwise best offers reasonably available. Additionally, the Bidding Procedures will allow the Debtor to conduct an Auction in a fair and transparent manner that will encourage participation by financially capable bidders with demonstrated ability to timely consummate the Sale Transaction. The Bidding Procedures provide the Debtor with an adequate opportunity to consider competing bids and to select the highest or otherwise best offers for the potential completion of a sale.

50. The Debtor submits that the proposed Bidding Procedures will encourage competitive bidding, are appropriate under the relevant standards governing auction proceedings and bidding incentives in bankruptcy proceedings, and are consistent with other procedures previously approved by this Court and courts in other districts.<sup>29</sup>

---

<sup>28</sup> See *In re ASARCO, L.L.C.*, 650 F.3d 593, 603 (5th Cir. 2011) (affirming the bankruptcy court's approval of bid procedures designed to maximize the value of the debtor's estate); *In re Bigler, LP*, 443 B.R. 101, 115 (Bankr. S.D. Tex. 2010) (providing that the two goals for a sale of the Debtor's assets are "maximizing value for the estate and preserving the integrity of the judicial process"); *In re Monitor Dynamics, Inc.*, 2010 Bankr. LEXIS 4170, at \*3 (Bankr. W.D. Tex. Aug. 3, 2010) (approving bid procedures and finding that they "represent the method for maximizing value for the benefit of the Debtor's estate").

<sup>29</sup> See e.g., *In re Steward Health Care Sys.*, No. 24-90213 (CML) (Bankr. S.D. Tex. Jun. 3, 2024); *In re Robertshaw US Holding Corp.*, No. 24-90052 (CML) (Bankr. S.D. Tex. Mar. 21, 2024); *In re Center for Autism and Related Disorders, LLC*, No. 23-90709 (DRJ) (Bankr. S.D. Tex. Jun. 12, 2024); *In re Nielsen & Bainbridge, LLC*, No. 23-90071 (DRJ) (Bankr. S.D. Tex. Mar. 1, 2024); *In re Bouchard Trans. Co., Inc.*, No. 20-34682 (DRJ) (Bankr. S.D. Tex. Aug. 11, 2021); *In re Westmoreland Coal Co.*, No. 18-35672 (DRJ) (Bankr. S.D. Tex. Nov. 11, 2018).

### III. The Court Should Authorize the Debtor to Enter Into a Lead Bidder Purchase Agreement As it Is a Sound Exercise of Business Judgment

51. Section 363(b)(1) of the Bankruptcy Code provides that a debtor, “after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.”<sup>30</sup> Although section 363 of the Bankruptcy Code does not specify a standard for determining when it is appropriate for a court to authorize the use, sale, or lease of property of the estate, bankruptcy courts routinely authorize sales of a debtor’s assets if such sale is based upon “some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.”<sup>31</sup>

52. As mentioned, the business judgment rule shields a debtor’s management’s decisions from judicial second-guessing.<sup>32</sup> The business judgment rule protects certain debtor decisions from reevaluation by a court with the benefit of hindsight.<sup>33</sup> If a debtor’s actions satisfy the business judgment rule, then the transaction in question should be approved under section 363(b)(1) of the Bankruptcy Code.

53. Based on this rationale, courts have authorized a debtor’s sale of assets as a sound exercise of business judgment under section 363 of the Bankruptcy Code.

---

<sup>30</sup> 11 U.S.C. § 363(b)(1).

<sup>31</sup> *In re Continental Air Lines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986); *In re Martin*, 91 F.3d 389, 395 (3d Cir. 1996).

<sup>32</sup> *Comm. of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 615–16 (Bankr. S.D.N.Y. 1986) (a “presumption of reasonableness attaches to a debtor’s management decisions” and courts generally will not entertain objections to the debtor’s conduct after a reasonable basis is set forth). Once a debtor articulates a valid business justification, the court should review that request under the business judgment rule. *See In re Gulf Coast Oil Corp.*, 404 B.R. 407, 415 (Bankr. S.D. Tex. 2009) (noting that a debtor in possession has the discretionary authority to exercise business judgment given to an officer or director of a corporation).

<sup>33</sup> *See Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F. 2d 1303, 1311 (5th Cir. 1985) (“More exacting scrutiny would slow the administration of the debtor’s estate and increase its cost, interfere with the Bankruptcy Code’s provision for private control of administration of the estate, and threaten the court’s ability to control a case impartially.”).

**A. A Sound Business Purpose Exists for the Sale Transaction**

54. The Debtor has a sound business justification for selling the Assets. As is set forth more fully in the *Declaration of James A. Katchadurian in Support of Chapter 11 Petition and First Day Pleadings* [Docket No. 63], the Debtor consented to the Bankruptcy Case with the goal of continuing to pursue the ongoing marketing process. The Debtor and its advisors believe that exploring a more comprehensive marketing process for a potential sale will unlock the highest possible value for the Assets and is in the best interest of the Debtor's estate. In light of the Debtor's duty to maximize value for the estate, the Debtor has a sound business purpose for the Sale Transaction.

55. Additionally, any Lead Bidder and Lead Bidder Purchase Agreement will be subject to competing bids, enhancing the Debtor's ability to receive the highest or otherwise best value for the Assets. Consequently, the ultimate successful bid, after being subject to a further "market check" in the form of the Auction (if any), will constitute, in the Debtor's reasonable business judgment, the highest or otherwise best offer for the Assets and will provide a greater recovery for the estate than any known or practicably available alternative.<sup>34</sup>

**B. The Sale of the Assets Should be Free and Clear of Liens and Claims Pursuant to Section 363(f) of the Bankruptcy Code**

56. Section 363(f) of the Bankruptcy Code permits the Debtor to sell assets free and clear of all liens, claims, interests, charges and encumbrances (with any such liens, claims, interests, charges, and encumbrances attaching to the net proceeds of the Sale Transaction with the same rights and priorities therein as in the sold assets). As section 363(f) of the Bankruptcy Code is stated in the disjunctive, when proceeding pursuant to section 363(f), it is only necessary to meet

---

<sup>34</sup> See, e.g., *In re Trans World Airlines, Inc.*, No. 01-00056, 2001 WL 1820326, at \*4 (Bankr. D. Del. 2001) (while a "section 363(b) sale transaction does not require an auction procedure . . . the auction procedure has developed over the years as an effective means for producing an arm's length fair value transaction.").

one of the five conditions of section 363(f).<sup>35</sup> The Debtor believes that it will be able to demonstrate at the Confirmation Hearing that it has satisfied one or more of these conditions.

**C. A Successful Bidder Should Be Entitled to the Protections of Section 363(m) of the Bankruptcy Code**

57. Pursuant to section 363(m) of the Bankruptcy Code, a good faith purchaser is one who purchases assets for value, in good faith, and without notice of adverse claims. Section 363(m) protects a good faith purchaser's interest in property purchase from a debtor, notwithstanding that the Sale Transaction under section 363(b) of the Bankruptcy Code may subsequently be reversed or modified on appeal. Courts in this jurisdiction have recognized that "the purpose of § 363(m)'s stay requirement is in furtherance of the policy of not only affording finality to the judgment of the bankruptcy court, but particularly to give finality to those orders and judgments upon which third parties rely."<sup>36</sup>

58. Although the Bankruptcy Code does not define "good faith," the Fifth Circuit has defined the term in two ways in the context of section 363(m) of the Bankruptcy Code. First, it has "defined a 'good faith purchaser' as 'one who purchases the assets for value, in good faith, and without notice of adverse claims.'"<sup>37</sup> Second, the Fifth Circuit has "noted that 'the misconduct that would destroy a purchaser's good faith status . . . involves fraud, collusion between the purchaser and other bidders of the trustee, or an attempt to take grossly unfair advantage of other bidders.'"  
*Id.* (citations omitted).

---

<sup>35</sup> *In re Nature Leisure Times, LLC*, No. 06-41357, 2007 WL 4554276, at \*3 (Bankr. E.D. Tex. Dec. 19, 2007) ("The language of § 363(f) is in the disjunctive such that a sale free and clear of an interest can be approved if any one of the aforementioned conditions contained in § 363(f) are satisfied.").

<sup>36</sup> *In re TMT Procurement Corp.*, 764 F.3d 512, 521 (5th Cir. 2014) (citation and internal quotation marks omitted); *Matter of Gilchrist*, 891 F.2d 559, 560 (5th Cir. 1990).

<sup>37</sup> *TMT Procurement Corp.*, 764 F.3d at 521 (citations omitted).

59. The Debtor submits that the Winning Bidder would be a “good faith purchaser” within the meaning of section 363(m) of the Bankruptcy Code. The Bidding Procedures require each Qualified Bidder participating in the Auction to confirm that it has not engaged in any collusion with respect to any Bid or the Sale Transaction. Any asset purchase agreement with the Winning Bidder will be negotiated at arm’s-length and in good faith. The Debtor believes that providing any Winning Bidder with such protection will ensure that the maximum price will be received by the Debtor for the assets and closing of the same will occur promptly.

#### **IV. The Form and Manner of Notice Should Be Approved**

60. Pursuant to Bankruptcy Rule 2002(a), the Debtor is required to provide creditors with 21 days’ notice of an auction. Pursuant to Bankruptcy Rule 2002(c), such notice must include the time and place of the proposed auction and the deadline for filing any objections to such a sale.

61. As soon as reasonably practicable following entry of the Bidding Procedures Order, the Debtor will cause the Sale Notice, the Bidding Procedures Order, and the Bidding Procedures to be served upon the Notice Parties.

62. The Debtor submits that the Sale Notice constitutes good and adequate notice of the Auction and the proceedings with respect thereto in compliance with, and satisfaction of, the applicable requirements of Bankruptcy Rule 2002 and Local Rule 6004-1. Accordingly, no further notice is necessary and the Debtor requests that this Court approve the form and manner of the notice of the Sale Notice.

#### **V. The Assumption and Assignment of Executory Contracts and Unexpired Leases Should Be Approved**

##### **A. The Assumption Procedures Are Appropriate and Should Be Approved**

63. In connection with the assumption and assignment of certain Assigned Contracts, the Debtor believes it is necessary to establish a process by which (a) the Debtor and counterparties

to Assigned Contracts can reconcile cure obligations, if any, in accordance with section 365 of the Bankruptcy Code and (b) such counterparties can object to the assumption and assignment of the Assigned Contracts and/or related cure amounts.

64. To facilitate and effectuate the Sale Transaction, the Debtor seeks authority to assign or transfer the Assigned Contracts to a Successful Bidder to the extent required by such bidder. Section 365 of the Bankruptcy Code authorizes a debtor to assume and/or assign its executory contracts and unexpired leases, subject to the approval of the court, provided that the defaults under such contracts and leases are cured and adequate assurance of future performance is provided. The Debtor's decision to assume or reject an executory contract or unexpired lease must only satisfy the "business judgment rule" and will not be subject to review unless such decision is clearly an unreasonable exercise of such judgment.<sup>38</sup>

65. As set forth in the Bidding Procedures Order, the Debtor also requests that any party that fails to object to the proposed assumption and assignment of any Assigned Contract be deemed to consent to (a) the assumption and assignment of the applicable Assigned Contract pursuant to section 365 of the Bankruptcy Code and (b) assignment notwithstanding any anti-alienation provision or other restriction on assignment.<sup>39</sup>

66. The Debtor believes that the Assumption Procedures are fair and reasonable, provide sufficient notice to parties to the executory contracts, and provide certainty to all parties

---

<sup>38</sup> See, e.g., *Richmond Leasing Co. v. Capital Bank, N.A.*, 762 F.2d 1303, 1309 (5th Cir. 1985) (applying a business judgment standard to debtor's determination to assume unexpired lease).

<sup>39</sup> See, e.g., *Hargrave v. Township of Pemberton (In re Tabone, Inc.)*, 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (by not objecting to sale motion, creditor deemed to consent); *Pelican Homestead v. Wooten (In re Gabel)*, 61 B.R. 661, 667 (Bankr. W.D. La. 1985) (same).

in interest regarding their obligations and rights in respect thereof. Accordingly, the Debtor request the Court approve the Assumption Procedures set forth in the Bidding Procedures Order.

**B. The Assumption and Assignment of the Assigned Contracts Reflects the Debtor's Reasonable Business Judgment**

67. The Debtor also must demonstrate that the assumption of the executory contracts in connection with the sale reflects sound business judgment.<sup>40</sup> A motion to assume an executory contract is considered a summary proceeding, whereby courts efficiently review a “debtor’s decision to adhere to a particular contract in the course of the swift administration of the bankruptcy estate.”<sup>41</sup> In conducting such review, bankruptcy courts should “examine a contract and the surrounding circumstances and apply its best ‘business judgment’ to determine if it would be beneficial or burdensome to the estate to assume it.”<sup>42</sup>

68. In other words, the Court must place itself in the position of the Debtor and determine “whether assuming the contract would be a good business decision or a bad one.”<sup>43</sup> If a debtor’s business judgment has been exercised reasonably, the court should approve the assumption of an executory contact.<sup>44</sup>

69. Here, a review of relevant facts demonstrates that the Court should approve the decision to assume and assign the executory contracts in connection with the Sale Transaction as

---

<sup>40</sup> See *Matter of Federated Dep’t Stores, Inc.*, 131 B.R. 808, 811 (S.D. Ohio 1991) (“Courts traditionally have applied the business judgment standard in determining whether to authorize the rejection of executory contracts and unexpired leases.”); *In re Greektown Holdings, L.L.C.*, 51 Bankr. Ct. Dec. 173, \*3 (Bankr. E.D. Mich. 2009) (“Courts initially apply a ‘business judgment’ and ‘benefit to the estate’ test under §365(a) to determine whether or not a debtor should be allowed to assume an executory contract.”).

<sup>41</sup> See *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1099.

<sup>42</sup> *Id.* (the court “sits as an overseer of the wisdom with which the bankruptcy estate’s property is being managed”).

<sup>43</sup> *In re Penn Traffic Co.*, 524 F.3d 373, 383 (2d Cir. 2008); see also *Orion Pictures*, 4 F.3d at 1099.

<sup>44</sup> *Allied Tech., Inc. v. R.B. Brunemann & Sons, Inc.*, 25 B.R. 484, 495 (Bankr. S.D. Ohio 1982) (“As long as assumption of a lease appears to enhance a debtor’s estate, Court approval of a debtor in possession’s decision to

a sound exercise of the Debtor's business judgment, consistent with the well-settled standard in this district governing same.

- a) First, the Assigned Contracts are necessary to run the business segments associated with the purchased Assets. As such, they are essential to inducing the best offer for the purchased Assets.
- b) Second, it is unlikely that any purchaser would want to acquire any Assets on a going-concern basis unless a significant number of the Assigned Contracts needed to conduct the business and manage the day-to-day operations were included in the transaction.
- c) Third, a Lead Bidder Purchase Agreement would provide that the assumption and assignment of certain Assigned Contracts is integral to, and inextricably integrated in, the Sale Transaction.
- d) Finally, certain Assigned Contracts will be assumed and assigned though the process approved by the Court by the Bidding Procedures Order, and thus will be reviewed by key constituents, including the contract and lease counterparties.

70. Accordingly, the Debtor submits that the assumption and assignment of the Assigned Contracts by way of the Assumption Procedures should be approved as an exercise of its business judgment.

### **C. Defaults Under the Assigned Contracts Will be Cured Through the Sale**

71. Upon finding that a debtor has exercised its business judgment in determining that assuming an executory contract or unexpired lease is in the best interest of its estate, courts must then evaluate whether the assumption meets the requirements of section 365(b) of the Bankruptcy Code that a debtor (a) cure, or provide adequate assurance of prompt cure of, prepetition defaults in the executory contract, (b) compensate parties for pecuniary losses arising therefrom, and (c) provide adequate assurance of future performance thereunder.<sup>45</sup> This section “attempts to strike a

---

assume the lease should only be withheld if the debtor's judgment is clearly erroneous, too speculative, or contrary to the provisions of the Bankruptcy Code, and particularly of 11 U.S.C. § 365.”).

<sup>45</sup> 11 U.S.C. § 365.

balance between two sometimes competing interests, the right of the contracting nondebtor to get the performance it bargained for and the right of the debtor's creditors to get the benefit of the debtor's bargain."<sup>46</sup>

72. The Debtor submits that the statutory requirements of section 365(b)(1)(A) of the Bankruptcy Code will be promptly satisfied. Specifically, a Lead Bidder Purchase Agreement or the relevant purchase agreement entered into by the Winning Bidder will ensure that all defaults associated with the Assigned Contracts are properly cured. Because the Bidding Procedures Order (once approved) provides a clear process by which to resolve disputes over cure amounts or other defaults, the Debtor is confident that if defaults exist that must be cured, such cure will be achieved fairly, efficiently, and properly, consistent with the Bankruptcy Code and with due respect to the rights of non-debtor parties.

**D. Non-Debtor Parties Will Be Adequately Assured of Future Performance**

73. Similarly, the Debtor submits that the third requirement of section 365(b)(1)(C) of the Bankruptcy Code—adequate assurance of future performance—is also satisfied given the facts and circumstances present here. “The phrase ‘adequate assurance of future performance’ adopted from section 2-609(1) of the Uniform Commercial Code, is to be given a practical, pragmatic construction based upon the facts and circumstances of each case.”<sup>47</sup> Although no single solution will satisfy every case, the required assurance will fall short of an absolute guarantee of performance. Among other things, adequate assurance may be given by demonstrating the

---

<sup>46</sup> *Matter of Luce Indus., Inc.*, 8 B.R. 100, 107 (Bankr. S.D.N.Y. 1980).

<sup>47</sup> *Matter of U.L. Radio Corp.*, 19 B.R. 537, 542 (Bankr. S.D.N.Y. 1982).

assignee's financial health and experience in managing the type of enterprise or property assigned.<sup>48</sup>

74. The Debtor believes that they can and will demonstrate that the requirements for assumption and assignment of certain Assigned Contracts to the Lead Bidder (or other successful bidder) will be satisfied at the Confirmation Hearing. As required by the Bidding Procedures, the Debtor will evaluate the financial wherewithal of potential bidders before designating such party a Qualified Bidder (e.g., financial credibility, willingness and ability of the interested party to perform under the Assigned Contracts). Further, all counterparties will be provided with notice of the proposed assumption and assignment and will have adequate time and opportunity to object to the assumption or proposed cure amount or otherwise be heard with respect thereto.

#### **WAIVER OF BANKRUPTCY RULE 6004(a) AND 6004(h)**

75. To implement the foregoing successfully, the Debtor seeks a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay of an order authorizing the use, sale, or lease of property under Bankruptcy Rule 6004(h).

#### **RESERVATION OF RIGHTS**

76. Except as otherwise set forth in the Bidding Procedures, the Debtor shall have the right, in its reasonable discretion and subject to the exercise of its business judgment to modify or terminate the Bidding Procedures; to waive terms and conditions set forth in the Bidding Procedures with respect to all potential bidders; accelerate or extend the dates and deadlines set forth in the Bidding Procedures; announce at any Auction modified or additional procedures for conducting the Auctions; alter the assumptions set forth in the Bidding Procedures, provide

---

<sup>48</sup> *Luce Indus.*, 8 B.R. at 107; *see also In re Great Atl. & Pac. Tea Co., Inc.*, 472 B.R. 666, 674 (S.D.N.Y. 2012) (“A debtor need not provide ‘an absolute guarantee of performance.’”).

reasonable accommodations to any potential bidder with respect to such terms, conditions, and deadlines of the bidding and Auction Process to promote bids (including, without limitation, extending deadlines as may be required to comply with any additional filing and review procedures with the applicable regulators in connection with any law or regulation) and/or to terminate discussions with any and all prospective acquirers and investors at any time and without specifying the reasons therefore, in each case to the extent not materially inconsistent with the objectives of the Bidding Procedures and/or the Bidding Procedures Order.

### **NOTICE**

77. The Debtor has provided notice of this Motion to the entities on the Master Service List (available on the Debtor's case website at <https://cases.ra.kroll.com/BSR/>). The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

### **NO PRIOR REQUEST**

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

### **EMERGENCY CONSIDERATION**

79. Pursuant to Local Rule 9013-1(i), the Debtor respectfully requests emergency consideration of this Motion because the Debtor needs to sell the Assets, and any delay may materially harm the Debtor and its estate as a result of any potential decline in the Assets' value.

**WHEREFORE**, Barrow Shaver Resources Company LLC respectfully requests that the Court grant the Motion in the form of the proposed order attached hereto.

*[Continues on Next Page]*

Dated: June 9, 2025

Respectfully Submitted,

*/s/ Sean T. Wilson*

---

Joseph E. Bain (TX Bar No. 24085187)

Sean T. Wilson (TX Bar No. 24077962)

Olivia K. Greenberg (TX Bar No. 24127683)

Elizabeth De Leon (TX Bar No. 24127215)

**JONES WALKER LLP**

811 Main Street, Suite 2900

Houston, Texas 77002

Telephone: (713) 437-1800

Facsimile: (713) 437-1810

Email: [jbain@joneswalker.com](mailto:jbain@joneswalker.com)

[swilson@joneswalker.com](mailto:swilson@joneswalker.com)

[ogreenberg@joneswalker.com](mailto:ogreenberg@joneswalker.com)

[edeleon@joneswalker.com](mailto:edeleon@joneswalker.com)

*Counsel to the Debtor and Debtor-in-Possession*

**CERTIFICATE OF SERVICE**

I certify that on June 9, 2025, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas on those parties required to receive service pursuant to the Bankruptcy Rules.

/s/ Sean T. Wilson

**CERTIFICATE OF ACCURACY PURSUANT TO LOCAL RULE 9013-1(I)**

I hereby certify that the factual statements made in the foregoing Motion are accurate to the best of my knowledge.

/s/ Sean T. Wilson  
Sean T. Wilson

**Exhibit 1**

**Stipulation**

**ENTERED**

October 03, 2024

Nathan Ochsner, Clerk

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

|                                                  |   |                   |
|--------------------------------------------------|---|-------------------|
| In re:                                           | § |                   |
|                                                  | § | Chapter 11        |
|                                                  | § |                   |
| Barrow Shaver Resources Company LLC <sup>1</sup> | § | Case No. 24-33353 |
|                                                  | § |                   |
|                                                  | § |                   |
| Debtor.                                          | § |                   |

**STIPULATION AND AGREED  
ORDER BY AND AMONG THE DEBTOR AND CERTAIN INSIDERS**

This stipulation and agreed order (this “**Stipulation and Agreed Order**”) is entered by and among the above-captioned debtor in the above-captioned case (the “**Debtor**”); SOS-LMC, LLC; The Linda D. Barrow Family Revocable Trust; and Barrow Shaver Production LLC (collectively, the “**Insiders**”) and the together with the Debtor, the “**Parties**”).

WHEREAS, on July 23, 2024, (the “**Involuntary Petition Date**”), Axis Energy Services, LLC, DOC Energy Services, Inc., Cudd Pressure Control, Inc., Thru Tubing Solutions, Inc., Genesis Fluids, LLC, and Force Pressure Control, LLC filed an involuntary petition (the “**Involuntary Petition**”) under chapter 7 of title 11 of the United States Code (the “**Bankruptcy Code**”);

WHEREAS, on August 19, 2024 (the “**Voluntary Petition Date**”), the Debtor consented to an order for relief under chapter 11 by filing its voluntary petition for relief under chapter 11 of the Bankruptcy Code in the Court. During the period between the Involuntary Petition Date and the Voluntary Petition Date (the “**Gap Period**”), the Debtor operated its business in the ordinary

<sup>1</sup> 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.

course of business pursuant to section 303(f) of the Bankruptcy Code. The Debtor continues to manage and operate its business as debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, the Parties have identified certain potential contested issues, including but not limited to, the ownership of certain working interest in certain wells identified on **Exhibit A** (the “**Hidden Rock WI**”) operated by the Debtor in that area commonly referred to as the Hidden Rock Field;

WHEREAS, the Parties seek to facilitate the marketing of the Debtor’s assets for purposes of a sale in the context of the Debtor’s bankruptcy case;

WHEREAS, the Parties recognize that the disputes pertaining to the sale of the Hidden Rock WI could affect such sale.

**NOW, THEREFORE**, in consideration of the foregoing recitals, which are incorporated into this Stipulation and Agreed Order, the Parties hereby stipulate and agree as follows:

1. The Debtor may market and sell the Hidden Rock WI;
2. All Parties’ rights as to the proceeds of the Hidden Rock WI are preserved;
3. Except as otherwise provided herein, nothing in this Stipulation and Agreed Order, nor any actions taken pursuant hereto, shall be deemed: (a) a waiver of any Party’s right to dispute any contested issue, including but not limited to, (i) ownership and title issues related to any contested issues related to the Hidden Rock WI, on any grounds, and/or (ii) the amount and/or extent of any listed Net Revenue Interest; or (b) a waiver of the Debtor’s rights under the Bankruptcy Code or any other applicable law.
4. The terms and conditions of this Stipulation and Agreed Order shall be immediately effective and enforceable upon entry by the Bankruptcy Court.

5. This Stipulation and Agreed Order is intended by the Parties to be binding upon their successors, agents, assigns, including bankruptcy trustees and estate representatives, and any parent, subsidiary, or affiliated entity of the Parties.

6. The undersigned hereby represent and warrant that they have full authority to execute this Stipulation and Agreed Order on behalf of the respective parties and that the respective parties have full knowledge of, and have consented to, this Stipulation and Agreed Order.

7. The Parties agree that each of them has had a full opportunity to participate in the drafting of this Stipulation and Agreed Order and any claimed ambiguity shall be construed neither for nor against either of the Parties.

8. This Stipulation and Agreed Order constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior discussions, agreements, and understandings, both written and oral, among the Parties with respect thereto.

9. This Stipulation and Agreed Order shall not be modified, altered, amended or supplemented except by (i) a writing executed by the Parties or their authorized representatives; or (ii) further order of this Court.

10. The Bankruptcy Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Stipulation and Agreed Order, and the Parties hereby consent to such jurisdiction to resolve any disputes or controversies arising from or related to this Stipulation and Agreed Order.

Signed: October 03, 2024

  
Alfredo R Pérez  
United States Bankruptcy Judge

IN WITNESS WHEREOF, the Parties executed this Stipulation and Agreed Order as of the date written below.

Houston, Texas  
October 2, 2024

**JONES WALKER LLP**

/s/ Sean T. Wilson

Jospeh E. Bain (TX Bar No. 24085187)  
Sean T. Wilson (TX Bar No. 24077962)  
Oliva K. Greenberg (TX Bar No. 24127683)  
Elizabeth De Leon (TX Bar No. 24127215)  
811 Main Street, Suite 2900  
Houston, TX 77002  
Telephone: 713-437-1800  
Facsimile: 713-437-1810  
Email: jbain@joneswalker.com  
swilson@joneswalker.com  
ogreenberg@joneswalker.com  
edeleon@joneswalker.com

**PROPOSED COUNSEL FOR THE  
DEBTOR**

**DANIELS & TREDENNICK PLLC**

/s/ J. Maxwell Beatty (signed with permission)

J. Maxwell Beatty  
State Bar No. 24051740  
Email: max@dtlawyers.com  
6363 Woodway Dr., Suite 700  
Houston, Texas 77057  
Telephone: 713-800-3681  
Fax: 713-917-0026  
**COUNSEL FOR SCOTT SHAVER, SOS-  
LMC, LLC, AND SCOTT SHAVER TRUST  
#2**

**THE LINDA D. BARROW FAMILY  
REVOCABLE TRUST**

By: /s/ Linda D. Barrow (signed with permission)  
Linda D. Barrow, as Trustee

**BARROW SHAVER PRODUCTION LLC**

By: /s/ Scott Shaver (signed with permission)  
Scott Shaver, Manager

## Exhibit A

## Well List - Insider Working Interest Only - Hidden Rock Field

| Lease Name                    | Well Name                             | API #        | Owner Name                              | WI [%]         | NRI [%] <sup>1</sup> |
|-------------------------------|---------------------------------------|--------------|-----------------------------------------|----------------|----------------------|
| <b>ALLEN</b>                  | <b>Allen 1V-Lone Star</b>             |              |                                         | <b>44.813%</b> | <b>34.506%</b>       |
| ALLEN                         | Allen 1V-Lone Star                    | 42-067-30908 | Barrow Shaver Production LLC            | 7.113%         | 5.477%               |
| ALLEN                         | Allen 1V-Lone Star                    | 42-067-30908 | The Linda D. Barrow Family Revocable Tr | 18.850%        | 14.515%              |
| ALLEN                         | Allen 1V-Lone Star                    | 42-067-30908 | SOS-LMC, LLC                            | 18.850%        | 14.515%              |
| <b>ANDERSON</b>               | <b>Anderson #1-Lone Star</b>          |              |                                         | <b>50.000%</b> | <b>38.500%</b>       |
| ANDERSON                      | Anderson #1-Lone Star                 | 42-067-30887 | Barrow Shaver Production LLC            | 6.000%         | 4.620%               |
| ANDERSON                      | Anderson #1-Lone Star                 | 42-067-30887 | The Linda D. Barrow Family Revocable Tr | 22.000%        | 16.940%              |
| ANDERSON                      | Anderson #1-Lone Star                 | 42-067-30887 | SOS-LMC, LLC                            | 22.000%        | 16.940%              |
| <b>BRAY</b>                   | <b>Bray #1 V Lone Star</b>            |              |                                         | <b>51.875%</b> | <b>39.944%</b>       |
| BRAY                          | Bray #1 V Lone Star                   | 42-067-30895 | Barrow Shaver Production LLC            | 7.875%         | 6.064%               |
| BRAY                          | Bray #1 V Lone Star                   | 42-067-30895 | The Linda D. Barrow Family Revocable Tr | 22.000%        | 16.940%              |
| BRAY                          | Bray #1 V Lone Star                   | 42-067-30895 | SOS-LMC, LLC                            | 22.000%        | 16.940%              |
| <b>DIAMOND</b>                | <b>Diamond 1V Lone Star</b>           |              |                                         | <b>44.813%</b> | <b>34.506%</b>       |
| DIAMOND                       | Diamond 1V Lone Star                  | 42-067-30922 | Barrow Shaver Production LLC            | 7.113%         | 5.477%               |
| DIAMOND                       | Diamond 1V Lone Star                  | 42-067-30922 | The Linda D. Barrow Family Revocable Tr | 18.850%        | 14.515%              |
| DIAMOND                       | Diamond 1V Lone Star                  | 42-067-30922 | SOS-LMC, LLC                            | 18.850%        | 14.515%              |
| <b>DOWNS</b>                  | <b>Downs #1</b>                       |              |                                         | <b>20.533%</b> | <b>15.811%</b>       |
| DOWNS                         | Downs #1                              | 42-067-30812 | Barrow Shaver Production LLC            | 20.533%        | 15.811%              |
| <b>EMMA</b>                   | <b>Emma #1 V- Lone Star</b>           |              |                                         | <b>44.813%</b> | <b>34.506%</b>       |
| EMMA                          | Emma #1 V- Lone Star                  | 42-067-30924 | Barrow Shaver Production LLC            | 7.113%         | 5.477%               |
| EMMA                          | Emma #1 V- Lone Star                  | 42-067-30924 | The Linda D. Barrow Family Revocable Tr | 18.850%        | 14.515%              |
| EMMA                          | Emma #1 V- Lone Star                  | 42-067-30924 | SOS-LMC, LLC                            | 18.850%        | 14.515%              |
| <b>FOREST</b>                 | <b>Forest #1 - Lone Star</b>          |              |                                         | <b>44.813%</b> | <b>34.506%</b>       |
| FOREST                        | Forest #1 - Lone Star                 | 42-067-30912 | Barrow Shaver Production LLC            | 7.113%         | 5.477%               |
| FOREST                        | Forest #1 - Lone Star                 | 42-067-30912 | The Linda D. Barrow Family Revocable Tr | 18.850%        | 14.515%              |
| FOREST                        | Forest #1 - Lone Star                 | 42-067-30912 | SOS-LMC, LLC                            | 18.850%        | 14.515%              |
| <b>GOODHART</b>               | <b>Goodhart 1V - Lone Star</b>        |              |                                         | <b>46.667%</b> | <b>35.933%</b>       |
| GOODHART                      | Goodhart 1V - Lone Star               | 42-067-30896 | The Linda D. Barrow Family Revocable Tr | 22.000%        | 16.940%              |
| GOODHART                      | Goodhart 1V - Lone Star               | 42-067-30896 | Barrow Shaver Production LLC            | 2.667%         | 2.053%               |
| GOODHART                      | Goodhart 1V - Lone Star               | 42-067-30896 | SOS-LMC, LLC                            | 22.000%        | 16.940%              |
| <b>GRUBBS</b>                 | <b>Grubbs #1- Lone Star</b>           |              |                                         | <b>44.000%</b> | <b>33.880%</b>       |
| GRUBBS                        | Grubbs #1- Lone Star                  | 42-067-30862 | The Linda D. Barrow Family Revocable Tr | 22.000%        | 16.940%              |
| GRUBBS                        | Grubbs #1- Lone Star                  | 42-067-30862 | SOS-LMC, LLC                            | 22.000%        | 16.940%              |
| <b>HILL</b>                   | <b>Hill #1 V- Lone Star</b>           |              |                                         | <b>44.813%</b> | <b>34.506%</b>       |
| HILL                          | Hill #1 V- Lone Star                  | 42-067-30928 | Barrow Shaver Production LLC            | 7.113%         | 5.477%               |
| HILL                          | Hill #1 V- Lone Star                  | 42-067-30928 | The Linda D. Barrow Family Revocable Tr | 18.850%        | 14.515%              |
| HILL                          | Hill #1 V- Lone Star                  | 42-067-30928 | SOS-LMC, LLC                            | 18.850%        | 14.515%              |
| <b>JAMES</b>                  | <b>James # 1- Lone Star</b>           |              |                                         | <b>62.500%</b> | <b>48.125%</b>       |
| JAMES                         | James # 1- Lone Star                  | 42-067-30898 | Barrow Shaver Production LLC            | 18.500%        | 14.245%              |
| JAMES                         | James # 1- Lone Star                  | 42-067-30898 | The Linda D. Barrow Family Revocable Tr | 22.000%        | 16.940%              |
| JAMES                         | James # 1- Lone Star                  | 42-067-30898 | SOS-LMC, LLC                            | 22.000%        | 16.940%              |
| <b>JENKINS</b>                | <b>Jenkins #1</b>                     |              |                                         | <b>20.533%</b> | <b>15.811%</b>       |
| JENKINS                       | Jenkins #1                            | 42-067-30815 | Barrow Shaver Production LLC            | 20.533%        | 15.811%              |
| <b>JOHNSON</b>                | <b>Johnson #1</b>                     |              |                                         | <b>70.000%</b> | <b>53.900%</b>       |
| JOHNSON                       | Johnson #1                            | 42-067-30927 | Barrow Shaver Production LLC            | 26.000%        | 20.020%              |
| JOHNSON                       | Johnson #1                            | 42-067-30927 | The Linda D. Barrow Family Revocable Tr | 22.000%        | 16.940%              |
| JOHNSON                       | Johnson #1                            | 42-067-30927 | SOS-LMC, LLC                            | 22.000%        | 16.940%              |
| <b>KERR</b>                   | <b>Kerr 1 (Lone Star)</b>             |              |                                         | <b>44.000%</b> | <b>33.880%</b>       |
| KERR                          | Kerr 1 (Lone Star)                    | 42-067-30854 | The Linda D. Barrow Family Revocable Tr | 22.000%        | 16.940%              |
| KERR                          | Kerr 1 (Lone Star)                    | 42-067-30854 | SOS-LMC, LLC                            | 22.000%        | 16.940%              |
| <b>LANTZ</b>                  | <b>Lantz 1V - Lone Star</b>           |              |                                         | <b>70.000%</b> | <b>53.900%</b>       |
| LANTZ                         | Lantz 1V - Lone Star                  | 42-067-30931 | Barrow Shaver Production LLC            | 26.000%        | 20.020%              |
| LANTZ                         | Lantz 1V - Lone Star                  | 42-067-30931 | The Linda D. Barrow Family Revocable Tr | 22.000%        | 16.940%              |
| LANTZ                         | Lantz 1V - Lone Star                  | 42-067-30931 | SOS-LMC, LLC                            | 22.000%        | 16.940%              |
| <b>MANNING-FOSTER (AW)</b>    | <b>LSHZ10 Manning-Foster AW1</b>      |              |                                         | <b>44.813%</b> | <b>34.506%</b>       |
| MANNING-FOSTER (AW)           | LSHZ10 Manning-Foster AW1             | 42-067-30906 | Barrow Shaver Production LLC            | 44.813%        | 34.506%              |
| <b>HAYS-GLOVER (AW)</b>       | <b>LSHZ13 Hayes-Glover AW 1H</b>      |              |                                         | <b>44.813%</b> | <b>34.506%</b>       |
| HAYS-GLOVER (AW)              | LSHZ13 Hayes-Glover AW 1H             | 42-067-30926 | Barrow Shaver Production LLC            | 44.813%        | 34.506%              |
| <b>TEMPLETON-GOODSON (AW)</b> | <b>LSHZ3-Templeton Goodson AW #1H</b> |              |                                         | <b>60.042%</b> | <b>46.232%</b>       |
| TEMPLETON-GOODSON (AW)        | LSHZ3-Templeton Goodson AW #1H        | 42-067-30875 | Barrow Shaver Production LLC            | 60.042%        | 46.232%              |
| <b>AYERS-KEASLER (AW)</b>     | <b>LSHZ4-Ayers-Keasler AW #1H (So</b> |              |                                         | <b>40.558%</b> | <b>31.230%</b>       |
| AYERS-KEASLER (AW)            | LSHZ4-Ayers-Keasler AW #1H (So        | 42-067-30877 | Barrow Shaver Production LLC            | 40.558%        | 31.230%              |
| <b>AYERS-HUMPHREY (AW)</b>    | <b>LSHZ5-Ayers-Humphrey AW #1H</b>    |              |                                         | <b>45.000%</b> | <b>34.650%</b>       |
| AYERS-HUMPHREY (AW)           | LSHZ5-Ayers-Humphrey AW #1H           | 42-067-30897 | Barrow Shaver Production LLC            | 45.000%        | 34.650%              |
| <b>HAYS-CAMPBELL (AW)</b>     | <b>LSHZ6- Hays-Campbell AW #1H</b>    |              |                                         | <b>48.333%</b> | <b>37.217%</b>       |
| HAYS-CAMPBELL (AW)            | LSHZ6- Hays-Campbell AW #1H           | 42-067-30890 | Barrow Shaver Production LLC            | 48.333%        | 37.217%              |
| <b>MCFARLANE-ALFORD (AW)</b>  | <b>LSHZ7-McFarlane-Alford AW #1H</b>  |              |                                         | <b>46.667%</b> | <b>35.933%</b>       |
| MCFARLANE-ALFORD (AW)         | LSHZ7-McFarlane-Alford AW #1H         | 42-067-30893 | Barrow Shaver Production LLC            | 46.667%        | 35.933%              |
| <b>GOODE-MCMAHAN (AW)</b>     | <b>LSHZ8 Goode-McMahan</b>            |              |                                         | <b>48.333%</b> | <b>37.217%</b>       |
| GOODE-MCMAHAN (AW)            | LSHZ8 Goode-McMahan                   | 42-067-30886 | Barrow Shaver Production LLC            | 48.333%        | 37.217%              |

<sup>1</sup> The Net Revenue Interests ("NRIs") attributable to the working interests listed below are an average of seventy-seven percent (77%) of the working interest percentage as more fully discussed in the Exploration Agreement dated December 22, 2017. Parties expressly do not stipulate as to the exact NRI per working interest as listed below and reserve all rights related thereto.

## Exhibit A

## Well List - Insider Working Interest Only - Hidden Rock Field

| Lease Name                   | Well Name                             | API #        | Owner Name                              | WI [%]         | NRI [%] <sup>1</sup> |
|------------------------------|---------------------------------------|--------------|-----------------------------------------|----------------|----------------------|
| <b>WILMETH-WREN (AW)</b>     | <b>LSHZ9-Wilmeth-Wren AW #1H</b>      |              |                                         | <b>68.542%</b> | <b>52.777%</b>       |
| WILMETH-WREN (AW)            | LSHZ9-Wilmeth-Wren AW #1H             | 42-067-30894 | Barrow Shaver Production LLC            | 68.542%        | 52.777%              |
| <b>MANNING-KESSLER (AW)</b>  | <b>Manning-Kessler AW #1H (Sth)</b>   |              |                                         | <b>37.000%</b> | <b>28.490%</b>       |
| MANNING-KESSLER (AW)         | Manning-Kessler AW #1H (Sth)          | 42-067-30856 | Barrow Shaver Production LLC            | 37.000%        | 28.490%              |
| <b>MCD</b>                   | <b>MCD #1-Lone Star</b>               |              |                                         | <b>52.708%</b> | <b>40.585%</b>       |
| MCD                          | MCD #1-Lone Star                      | 42-067-30881 | Barrow Shaver Production LLC            | 8.708%         | 6.705%               |
| MCD                          | MCD #1-Lone Star                      | 42-067-30881 | The Linda D. Barrow Family Revocable Tr | 22.000%        | 16.940%              |
| MCD                          | MCD #1-Lone Star                      | 42-067-30881 | SOS-LMC, LLC                            | 22.000%        | 16.940%              |
| <b>MITCHELL</b>              | <b>Mitchell #1</b>                    |              |                                         | <b>44.813%</b> | <b>34.506%</b>       |
| MITCHELL                     | Mitchell #1                           | 42-067-30921 | Barrow Shaver Production LLC            | 7.113%         | 5.477%               |
| MITCHELL                     | Mitchell #1                           | 42-067-30921 | The Linda D. Barrow Family Revocable Tr | 18.850%        | 14.515%              |
| MITCHELL                     | Mitchell #1                           | 42-067-30921 | SOS-LMC, LLC                            | 18.850%        | 14.515%              |
| <b>MOORE</b>                 | <b>Moore #1</b>                       |              |                                         | <b>70.000%</b> | <b>53.900%</b>       |
| MOORE                        | Moore #1                              | 42-067-30935 | Barrow Shaver Production LLC            | 26.000%        | 20.020%              |
| MOORE                        | Moore #1                              | 42-067-30935 | The Linda D. Barrow Family Revocable Tr | 22.000%        | 16.940%              |
| MOORE                        | Moore #1                              | 42-067-30935 | SOS-LMC, LLC                            | 22.000%        | 16.940%              |
| <b>OWENS</b>                 | <b>Owens #1 - Lone Star</b>           |              |                                         | <b>38.975%</b> | <b>30.011%</b>       |
| OWENS                        | Owens #1 - Lone Star                  | 42-067-30880 | The Linda D. Barrow Family Revocable Tr | 19.487%        | 15.005%              |
| OWENS                        | Owens #1 - Lone Star                  | 42-067-30880 | SOS-LMC, LLC                            | 19.487%        | 15.005%              |
| <b>PAIGE</b>                 | <b>Paige 1V- Lone Star</b>            |              |                                         | <b>44.813%</b> | <b>34.506%</b>       |
| PAIGE                        | Paige 1V- Lone Star                   | 42-067-30915 | Barrow Shaver Production LLC            | 7.113%         | 5.477%               |
| PAIGE                        | Paige 1V- Lone Star                   | 42-067-30915 | The Linda D. Barrow Family Revocable Tr | 18.850%        | 14.515%              |
| PAIGE                        | Paige 1V- Lone Star                   | 42-067-30915 | SOS-LMC, LLC                            | 18.850%        | 14.515%              |
| <b>POLLAN</b>                | <b>Pollan # 1</b>                     |              |                                         | <b>20.533%</b> | <b>15.811%</b>       |
| POLLAN                       | Pollan # 1                            | 42-343-30110 | Barrow Shaver Production LLC            | 20.533%        | 15.811%              |
| <b>QUARLES</b>               | <b>Quarles #1</b>                     |              |                                         | <b>44.000%</b> | <b>33.880%</b>       |
| QUARLES                      | Quarles #1                            | 42-343-30109 | Barrow Shaver Production LLC            | 44.000%        | 33.880%              |
| <b>RHYNE</b>                 | <b>Rhyne #1-Lone Star</b>             |              |                                         | <b>48.500%</b> | <b>37.345%</b>       |
| RHYNE                        | Rhyne #1-Lone Star                    | 42-067-30888 | Barrow Shaver Production LLC            | 4.500%         | 3.465%               |
| RHYNE                        | Rhyne #1-Lone Star                    | 42-067-30888 | The Linda D. Barrow Family Revocable Tr | 22.000%        | 16.940%              |
| RHYNE                        | Rhyne #1-Lone Star                    | 42-067-30888 | SOS-LMC, LLC                            | 22.000%        | 16.940%              |
| <b>STURDIVANT</b>            | <b>Sturdivant #1-Lone Star</b>        |              |                                         | <b>41.642%</b> | <b>32.064%</b>       |
| STURDIVANT                   | Sturdivant #1-Lone Star               | 42-067-30883 | The Linda D. Barrow Family Revocable Tr | 19.487%        | 15.005%              |
| STURDIVANT                   | Sturdivant #1-Lone Star               | 42-067-30883 | Barrow Shaver Production LLC            | 2.667%         | 2.053%               |
| STURDIVANT                   | Sturdivant #1-Lone Star               | 42-067-30883 | SOS-LMC, LLC                            | 19.487%        | 15.005%              |
| <b>TEMPLETON-BRIDGE (AW)</b> | <b>Templeton-Bridge AW 1H (South)</b> |              |                                         | <b>37.811%</b> | <b>29.375%</b>       |
| TEMPLETON-BRIDGE (AW)        | Templeton-Bridge AW 1H (South)        | 42-067-30870 | Barrow Shaver Production LLC            | 37.811%        | 29.375%              |
| <b>TEMPLETON</b>             | <b>Templeton #1</b>                   |              |                                         | <b>70.000%</b> | <b>53.900%</b>       |
| TEMPLETON                    | Templeton #1                          | 42-067-30941 | Barrow Shaver Production LLC            | 26.000%        | 20.020%              |
| TEMPLETON                    | Templeton #1                          | 42-067-30941 | The Linda D. Barrow Family Revocable Tr | 22.000%        | 16.940%              |
| TEMPLETON                    | Templeton #1                          | 42-067-30941 | SOS-LMC, LLC                            | 22.000%        | 16.940%              |
| <b>THORNTON</b>              | <b>Thornton #1 - Lone Star</b>        |              |                                         | <b>62.313%</b> | <b>47.981%</b>       |
| THORNTON                     | Thornton #1 - Lone Star               | 42-067-30900 | Barrow Shaver Production LLC            | 18.313%        | 14.101%              |
| THORNTON                     | Thornton #1 - Lone Star               | 42-067-30900 | The Linda D. Barrow Family Revocable Tr | 22.000%        | 16.940%              |
| THORNTON                     | Thornton #1 - Lone Star               | 42-067-30900 | SOS-LMC, LLC                            | 22.000%        | 16.940%              |
| <b>WATSON</b>                | <b>Watson #1</b>                      |              |                                         | <b>44.000%</b> | <b>33.880%</b>       |
| WATSON                       | Watson #1                             | 42-067-30787 | Barrow Shaver Production LLC            | 44.000%        | 33.880%              |
| <b>WINNE</b>                 | <b>Winne 1V -Lone Star</b>            |              |                                         | <b>62.313%</b> | <b>47.981%</b>       |
| WINNE                        | Winne 1V -Lone Star                   | 42-067-30904 | Barrow Shaver Production LLC            | 18.313%        | 14.101%              |
| WINNE                        | Winne 1V -Lone Star                   | 42-067-30904 | The Linda D. Barrow Family Revocable Tr | 22.000%        | 16.940%              |
| WINNE                        | Winne 1V -Lone Star                   | 42-067-30904 | SOS-LMC, LLC                            | 22.000%        | 16.940%              |

## Exhibit A

## Well List - Insider Working Interest Only - Hidden Rock Field

| Lease Name                  | Well Name                           | API #        | Owner Name                              | WI [%]         | NRI [%] <sup>1</sup> |
|-----------------------------|-------------------------------------|--------------|-----------------------------------------|----------------|----------------------|
| <b>ASHLEY (15770)</b>       | <b>Ashley - Non-Op-(Lawsuit)</b>    |              |                                         | <b>11.579%</b> | <b>8.916%</b>        |
| ASHLEY (15770)              | Ashley - Non-Op-(Lawsuit)           | 42-067-30826 | Barrow Shaver Production LLC            | 11.579%        | 8.916%               |
| <b>TERRY (15926)</b>        | <b>Terry #1- Non-Op</b>             |              |                                         | <b>11.579%</b> | <b>7.711%</b>        |
| TERRY (15926)               | Terry #1- Non-Op                    | 42-067-30864 | Barrow Shaver Production LLC            | 11.579%        | 7.711%               |
| <b>STOERMER SWD</b>         | <b>Hidden Rock SWD</b>              |              |                                         | <b>66.667%</b> | <b>-</b>             |
| STOERMER SWD                | Hidden Rock SWD                     | 42-067-30944 | Barrow Shaver Production LLC            | 22.667%        | -                    |
| STOERMER SWD                | Hidden Rock SWD                     | 42-067-30944 | The Linda D. Barrow Family Revocable Tr | 22.000%        | -                    |
| STOERMER SWD                | Hidden Rock SWD                     | 42-067-30944 | SOS-LMC, LLC                            | 22.000%        | -                    |
| <b>Hidden Rock Pipeline</b> | <b>Hidden Rock Pipeline Phase 1</b> |              |                                         | <b>56.042%</b> | <b>-</b>             |
| Hidden Rock Pipeline        | Hidden Rock Pipeline Phase 1        |              | Barrow Shaver Production LLC            | 56.042%        | -                    |
| <b>Hidden Rock Pipeline</b> | <b>Hidden Rock Pipeline Phase 2</b> |              |                                         | <b>56.667%</b> | <b>-</b>             |
| Hidden Rock Pipeline        | Hidden Rock Pipeline Phase 2        |              | Barrow Shaver Production LLC            | 56.667%        | -                    |
| <b>Hidden Rock Pipeline</b> | <b>Hidden Rock Pipeline Phase 3</b> |              |                                         | <b>56.667%</b> | <b>-</b>             |
| Hidden Rock Pipeline        | Hidden Rock Pipeline Phase 3        |              | Barrow Shaver Production LLC            | 56.667%        | -                    |
| <b>Hidden Rock Pipeline</b> | <b>Hidden Rock Pipeline Phase 4</b> |              |                                         | <b>56.667%</b> | <b>-</b>             |
| Hidden Rock Pipeline        | Hidden Rock Pipeline Phase 4        |              | Barrow Shaver Production LLC            | 56.667%        | -                    |
| <b>Hidden Rock Pipeline</b> | <b>Hidden Rock Pipeline Phase 5</b> |              |                                         | <b>68.333%</b> | <b>-</b>             |
| Hidden Rock Pipeline        | Hidden Rock Pipeline Phase 5        |              | Barrow Shaver Production LLC            | 24.333%        | -                    |
| Hidden Rock Pipeline        | Hidden Rock Pipeline Phase 5        |              | The Linda D. Barrow Family Revocable Tr | 22.000%        | -                    |
| Hidden Rock Pipeline        | Hidden Rock Pipeline Phase 5        |              | SOS-LMC, LLC                            | 22.000%        | -                    |

**Exhibit 2**

Hays Glover MSJ Order

FILED FOR RECORD  
CASS COUNTY, TEXAS  
7/12/2024 1:57 PM  
JAMIE ALBERTSON  
DISTRICT CLERK

**Cause No. 23C421**

**NETX ACQUISITIONS, LLC,**  
*Plaintiff,*

**V.**

**BARROW SHAVER RESOURCES,  
COMPANY, LLC AND CARR  
RESOURCES, INC.,**  
*Defendants.*

§  
§  
§  
§  
§  
§  
§  
§

**IN THE DISTRICT COURT**

**OF CASS COUNTY, TEXAS**

**5<sup>TH</sup> JUDICIAL DISTRICT**

**ORDER ON CROSS MOTIONS FOR SUMMARY JUDGMENT**

1. Came on to be considered Plaintiff NETX Acquisitions, LLC's (hereinafter "NETX") *Traditional Motion for Partial Summary Judgment On Defendant's Force Majeure Defense* and Defendant Barrow Shaver Resources Company, LLC's (hereinafter "BSR") *Traditional Motion for Summary Judgment (Regulation and Delay)*. The Court having considered the arguments of counsel as to both motions, considered the motions,<sup>1</sup> the responses, the replies, as well as the objections to summary judgment evidence, hereby enters the following order.

2. The dispute is one of several lawsuits between NETX and BSR. This case has been referred to by the parties as the "Hays-Glover" case. This dispute arises from the interpretation of five identical oil and gas mineral lease agreements executed between BSR and Jimmy Preston Henderson, John Larry Henderson, Mary Jo Foster and her husband Jerry L. Foster, Sr., the Gigliotti/Foster Family Trust, and the Jerry and Catherine Foster Family Trust in March and April of 2018. The effective dates of the leases were March 29, March 30, April 3 and April 20, 2018. The terms of each lease are the same, and the same mineral estates were leased to BSR (collectively hereinafter referred to as the "BSR leases" or "Lease Agreements").

---

<sup>1</sup> The Court takes judicial notice of Defendant Carr's joinder of BSR's Motion for Summary Judgment. For purposes of this Order, the Court applies its rulings and findings herein to Defendant Carr.

3. In October and November 2022, NETX also acquired five oil and gas mineral leases from the Hendersons, Fosters, and the Trusts with effective dates of March and April 2023 (hereinafter the “NETX leases” or “top leases”). The top leases were agreed to commence upon the “primary term” expiration dates in the corresponding BSR leases. Like the BSR leases, the five NETX leases are identical except for the lessor(s) executing the lease. The NETX leases, however, were made expressly subject to the existing BSR leases, including any provisions in the BSR leases that would extend them beyond their primary terms.<sup>2</sup> Each of the NETX leases provide that if the corresponding BSR lease was extended beyond its primary term “by virtue of production, operations, or any other provisions of the Prior Lease which would allow it to be perpetuated beyond its current primary term...” then the NETX lease’s “Beginning Date” falls on “the day after the day of termination, expiration, or release of the Prior Lease.”<sup>3</sup>

4. Accordingly, the question presented by the parties’ cross motions for summary judgment is whether the BSR leases terminated. If the BSR leases terminated, the NETX leases began “on the day after the day of termination” and NETX holds the rights to the oil and gas pursuant to the NETX leases from that date of termination. If the BSR leases did not terminate, NETX only holds a contingent interest in the oil and gas minerals pending the termination of the BSR leases.

5. NETX characterizes its motion as a request to grant summary judgment as to BSR’s “defense” of force majeure. BSR characterizes its motion as a request for the Court to construe the contractual language of the leases finding that they did not terminate because BSR exercised an “option” to extend the leases by ten months, during which time drilling operations were

---

<sup>2</sup> See, paragraph 16 of the five top leases.

<sup>3</sup> *Id.* Each BSR lease is referred to as the “Prior Lease” in each of the corresponding NETX leases.

commenced and continue.<sup>4</sup> Whatever terms the parties use, “force majeure clauses are now, for the most part, creatures of contract. Their meaning and scope are dependent upon the meaning and scope assigned by the parties via their agreement.”<sup>5</sup>

6. NETX’s *Traditional Motion for Partial Summary Judgment* seeks only a determination that the BRS leases have terminated because the “Regulation and Delay” clause was not triggered.<sup>6</sup> Whether the BSR leases have terminated appears to further determine whether any of NETX’s cause of actions may be viable. To prevail, NETX must prove there is no genuine issue of material fact and that it is entitled to judgment (or to prevail on this issue) as a matter of law on its argued claim for trespass to try title. To do so, it must prove “a superior title to that of the defendant out of a common source<sup>7</sup>” as a matter of law. If the BRS leases terminated, NETX argues it has superior title to the mineral estates. Similarly, BSR’s *Motion for Traditional Motion for Summary Judgment (Regulation and Delay)* also argues the matter before the Court is one solely of law<sup>8</sup> and that if the Court determines the BSR leases have not terminated, all NETX claims should be dismissed.

7. Here, neither party suggests the language of the BSR leases is ambiguous, and the Court finds that the language is not ambiguous. Therefore, in reviewing the BSR leases, the primary purpose of the Court is to “ascertain the true intentions of the parties as expressed in the instrument.” *Coker v. Coker*, 605 S.W.2d 391, 393 (Tex. 1983); *R & P Enterprises v. LaGuarta, Gavrel & Kirk, Inc.*, 596 S.W.2d 517, 518 (Tex.1980); *City of Pinehurst v. Spooner Addition Water Co.*, 432 S.W.2d 515, 518 (Tex.1968); *Lee v. Rogers Agency*, 517 S.W.3d 137, 145 (Tex. App. —

---

<sup>4</sup> There appears to be no disagreement that drilling operations were underway on the leased premises at least by December 2023.

<sup>5</sup> *Sun Operating L.P. v. Holt*, 984 S.W.2d 277, 289 (Tex. App.—Amarillo 1998, pet. denied).

<sup>6</sup> NETX’s *Motion*, p. 4, ¶10; p 15 ¶35.

<sup>7</sup> See, *Brumley v. McDuff*, 616 S.W.3d 826 (Tex. 2021).

<sup>8</sup> BSR’s *Motion*, ¶8.

Texarkana 2016, pet. denied); *Davis v. Norris*, 352 S.W.3d 715, 721 (Tex. App. — Texarkana 2011, pet. denied). In doing so, the Court must:

examine and consider the entire writing in an effort to harmonize and give effect to all the provisions of the contract so that none will be rendered meaningless. No single provision taken alone will be given controlling effect; rather, all the provisions must be considered with reference to the whole instrument.

*Seagull Energy E & P, Inc. v. Eland Energy, Inc.*, 207 S.W.3d 342, 345 (Tex. 2006) (quoting *Coker v. Coker*, 650 S.W.2d 391, 394 (Tex. 1983)); *Lee v. Rogers Agency*, at 145.

8. The BSR leases provide for a primary term of five years from March 28, 2018, April 3, 2018 and April 20, 2018. Thus, the termination of the BSR leases would have occurred on March 28, 2023, April 3, 2023 and April 20, 2023 unless the leases were extended by some other provision into a “secondary term” or the primary term is otherwise extended. The BSR leases’ habendum clauses provide that the leases can be extended under two circumstances: either, by the production of covered minerals “in paying quantities from the leased premises”<sup>9</sup> or because the “lease is otherwise maintained in effect pursuant to the provisions hereof.”<sup>10</sup> Neither party suggests there was production of covered minerals in paying quantities on March 28, 2023, April 3, 2023 or April 20, 2023. Thus, the leases terminated unless they were “maintained in effect” by some other provision in the BSR leases, as required by paragraph 2.

9. NETX relies on two arguments to suggest the BSR leases terminated and were not extended by the “Regulation and Delay” clause. One argument is that the clause was not effective because a triggering event did not occur. The second, relying primarily on *Point Energy Partners Permian, LLC v. MRC Permian Co.*, 669 S.W.3d 796 (Tex. 2023), is that even if a triggering event occurred, the delay or prevention did not causally link to the termination of the lease. Therefore,

---

<sup>9</sup> *Lease Agreements*, paragraph 2.

<sup>10</sup> *Id.*

the lack of a causal nexus between the a triggering event and the termination prevents application of the *force majeure*.<sup>11</sup> Essentially, NETX claims that because the claimed delay occurred early in the lease term and the prevention or delay was concluded before the end of the “primary” term, BSR cannot exercise the provision of the clause providing that “the period of such prevention or delay shall be added to the term hereof.”

10. However, as the Supreme Court made clear in *MRC Permian Co.*: “Force majeure clauses, however, come in many shapes, sizes, and forms.”<sup>12</sup> Indeed, the Supreme Court reviewed the multitude of different variables associated with these kinds of clauses but concluded that:

the application of a particular force majeure clause depends on the terms the contracting parties freely chose, and each clause must be construed according to its own terms because there is no “one size fits all” construction.<sup>13</sup>

11. Paragraph 10 of the BSR Lease Agreements<sup>14</sup> provide, in relevant part, that:

Lessee’s obligations under this lease, whether expressed or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction, including restrictions on the drilling and production of wells and regulation of the price or transportation of oil, gas and other substances covered hereby. When drilling, reworking, production, or other operations are prevented or delayed by. . . inability to obtain. . . equipment, services, material. . . or by inability to obtain a satisfactory market for production or failure of purchasers to take or transport such production, or by any other cause not reasonably within Lessee’s control, this lease shall not terminate because of such prevention or delay, and at Lessee’s option, the period of such prevention or delay shall be added to the term hereof. . . .<sup>15</sup>

12. Broken down into its subparts, the provision provides that either “prevented” or “delayed” operations would not result in termination of the lease “because of such prevention or

---

<sup>11</sup> See, *Plaintiff’s Motion*, p. 2, ¶¶ 4,5, & 6; *Plaintiff’s Response to Defendant’s Motion*, p. 10, ¶ III.A.

<sup>12</sup> *Point Energy Partners Permian, LLC v. MRC Permian Co.*, 669 S.W.3d 796, 805 (Tex. 2023).

<sup>13</sup> *Id.*, at 806-7.

<sup>14</sup> BSR refers to this paragraph as labeled in the lease: the “Regulation and Delay” clause. NETX refers to this paragraph as a “Force Majeure” clause. Pursuant to paragraph 26 of the lease, the labels do not control. Instead, the Court looks to the substance of the language of the paragraph.

<sup>15</sup> *BSR Lease Agreements*, paragraph 10.

delay” and “*at Lessee’s option*, the period of such prevention or delay *shall be added to the term hereof*.” (Emphasis added). Thus, if there is any operation<sup>16</sup> prevented or delayed by the occurrence of an event addressed in paragraph 10, the plain language of the parties’ agreement provides that that period of delay or prevention *shall* be added to the term of the lease *if* Lessee exercises that option. Paragraph 10 does not set forth any procedure or mechanism for Lessee’s exercise of that option. More importantly, paragraph 10 does not subject Lessee’s right to extend the primary term to any restrictions or balancing check by either the Lessors or any other third party. *See, Barrow-Shaver Resources Co. v. Carrizo Oil & Gas, Inc.*, 590 S.W.3d 471 (2019) (declining to impose duties or rights the parties did not contract for). Here, Lessors did not contract for any check on Lessee’s ability to invoke the “delay clause” and extend the primary term. As the Court noted in *MRC Permian Co.*:

parties are free to contract in a manner that either allocates the risk for when a lessee erroneously schedules an untimely operation or allows a lessee to invoke a *force majeure clause based on operational delays entirely divorced from lease deadlines*, regardless of whether such contractual language produces odd results or comports with a utilitarian perspective.<sup>17</sup> (Emphasis added).

13. The only restriction on Lessee’s right to exercise the option to extend the primary term is contained in the “triggering events” which must occur before the Lessee’s right to “add[] to the term hereof” can be invoked. Those triggering events break down into five categories. The first category includes events that are governmental actions “by all applicable laws, rules, regulations or orders”. The second category of events include those that create an “inability to obtain permits<sup>18</sup>, equipment, services, material, water, electricity, fuel, access or easements”. The

---

<sup>16</sup> The Leases do not define operations, but “other operations” has been addressed by the Courts. Consistent with those courts, this Court construes “other operations” to include not only production, but the exploration and development, sale, marketing and transportation of minerals. *See, Sun Operating L.P., supra*, at 285.

<sup>17</sup> *MRC Permian Co.*, at 811.

<sup>18</sup> “Permits” would also necessarily fall under the events triggered by governmental action.

third category of events include the traditional force majeure events of “fire, flood, adverse weather conditions, was sabotage, rebellion, insurrection, riot, strike or labor disputes”. The fourth category of events is the “inability to obtain a satisfactory market for production or failure of purchasers to take or transport such production”. And finally, the parties agreed to a catch all, fifth category of events which could be “any other cause not reasonably within Lessee’s control.” Thus, (i) if any of the categories of events occurred, and (ii) that triggering event caused the “prevention or delay” of “drilling, reworking, production, or other operations” then (iii) under a plain reading of the parties’ agreements, BSR had the unilateral option to extend the primary term of the lease by that period of prevention or delay.

14. BSR argues the COVID-19 pandemic of 2020 into 2021 was the underlying event triggering its right to exercise its option to “add[] to the term hereof”. That event does not fall into the first 4 categories of triggering events. Instead, COVID-19 must fall into the “catch-all” category of “any other cause not reasonably within Lessee’s control.” The Court finds as a matter of law, and by judicial notice,<sup>19</sup> that the COVID-19 pandemic experienced by Cass County, the State of Texas, the United States, and the World during 2020 and 2021 was not an event “reasonably within Lessee’s control”. Defendant argues the pandemic event, including the social distancing requirements imposed by governmental orders, stay at home orders, 14 day quarantining orders, etc..., also resulted in its inability to obtain equipment, services, and materials

---

<sup>19</sup> The Court also takes judicial notice of the Texas Gubernatorial and Presidential declarations of disaster relating to COVID-19. See, March 13, 2020 Proclamation by the Governor of the State of Texas, [https://gov.texas.gov/uploads/files/press/DISASTER\\_covid19\\_disaster\\_proclamation\\_IMAGE\\_03-13-2020.pdf](https://gov.texas.gov/uploads/files/press/DISASTER_covid19_disaster_proclamation_IMAGE_03-13-2020.pdf) (last visited February 28, 2024); the March 19, 2020 Public Health Disaster in the State of Texas ([https://gov.texas.gov/uploads/files/press/DECLARATION\\_of\\_public\\_health\\_disaster\\_Dr\\_Hellerstedt\\_03-19-2020.pdf](https://gov.texas.gov/uploads/files/press/DECLARATION_of_public_health_disaster_Dr_Hellerstedt_03-19-2020.pdf), last visited February 29, 2024) Declaring a National Emergency Concerning the Novel Coronavirus Disease (COVID-19) Outbreak, 85 Fed. Reg. 15337 (Mar. 13, 2020), 2020 WL 1272563 [hereinafter Presidential Declaration]. The Presidential Declaration noted that, on March 11, 2020, the World Health Organization announced that the COVID-19 outbreak “can be characterized as a pandemic.” Presidential Declaration, 85 Fed. Reg. at 15337. See also, Tex. R. Evid. 201.

and because of the sudden glut of oil created by governmental stay at home and social distancing orders<sup>20</sup> led to the inability to obtain a satisfactory market for production.

15. Plaintiff argues the “inability to obtain a satisfactory market” cannot be a “force majeure” or a “triggering event” because the oil and gas business is a boom or bust industry and bad markets are foreseeable.<sup>21</sup> But, foreseeability only becomes a legal issue in a force majeure clause if the clause at issue does not directly address the unforeseen event. This contract does address the instability of the market. As the Court stated in *TEC Olmos, LLC*, “Because fluctuations in the oil and gas market are foreseeable as a matter of law, it cannot be considered a force majeure event *unless specifically listed as such in the contract.*”<sup>22</sup> (Emphasis added). In this “Regulation and Delay” clause, however, the parties did specifically address market conditions as a possible “triggering event” for preventing or delaying “drilling, reworking, production or other operations.” The parties specifically contracted that “the inability to obtain a satisfactory market for production” would be a condition which could trigger the Lessee’s rights under the clause. Thus, BSR need not show the unforeseeability of a market turndown or an unsatisfactory market.

16. In *MRC Permian Co.*, the Court found that clause (i) defined the “force majeure”, (ii) included a casual nexus requirement, (iii) required remedial action, (iv) required notice (v) and provided a grace period for the delayed performance.<sup>23</sup> However that clause is significantly different from the “Regulation and Delay” clause in issue here. In *MRC Permian Co.*, the “force majeure” definition was only a general “non-economic event beyond Lessee’s control”<sup>24</sup>. Here, however, the clause defines the “force majeure” events through 5 different categories of triggering

---

<sup>20</sup> BSR Motion for Summary Judgment, p. 1, ¶ 2; Exhibit A.

<sup>21</sup> See, Plaintiff’s Response to Defendant’s Motion, p. 15, ¶¶ 28-31.

<sup>22</sup> *TEC Olmos, LLC v. ConocoPhillips Co.*, 555 S.W.3d 176, 184 (Tex. App. 2018).

<sup>23</sup> *MRC Permian Co.*, at 806.

<sup>24</sup> *Id.*

events, four being specific categories of triggering events with a final “catch all” triggering event. Relevant here is the specifically included events of “inability to obtain necessary... equipment, services, material...” or “inability to obtain satisfactory market for production...” or “any other cause not reasonably within Lessee’s control”.<sup>25</sup>

17. In *MRC Permian Co.*, there was a remedial requirement that Lessee “must use its best efforts to overcome the problem”<sup>26</sup>. In the BSR leases, there is no requirement for remedial action. In the *MRC Permian Co.*, Lessee was required to provide notice through a “reasonable written description of the problem”.<sup>27</sup> In the BSR Leases there is not a notice requirement. Finally, the Court found that in the *MRC Permian Co.* clause the effect of the triggering event was that the lease would “remain in force during the continuance of such delay”<sup>28</sup> and for “90 days after the reasonable removal of such majeure”<sup>29</sup> in which time operations would have to resume.<sup>30</sup> Importantly, the Supreme Court found that that clause’s “grace period” only permitted a delay “during the continuance of such delay” and affording an additional 90 days “to resume operations.” But, the total period of delay and resumption of operations could be no more than 180 days.<sup>31</sup> Further, that clause provided specifically that the force majeure paragraph “shall not extend the lease”. The interpretation of the clause at issue in *MRC Permian Co.* necessarily required the Supreme Court to find the triggering event required a causal nexus to the contract’s deadlines because the period of delay and period of time to resume operations together could not exceed 180 days. But this “Regulation and Delay” clause is not the *MRC Permian Co.* clause.

---

<sup>25</sup> BSR Leases ¶ 10.

<sup>26</sup> *MRC Permian Co.*, p. 806.

<sup>27</sup> *Id.*

<sup>28</sup> *Id.*, at 801; 807.

<sup>29</sup> *Id.*

<sup>30</sup> *Id.*

<sup>31</sup> *Id.* Additionally, the *MRC Permian Co.* force majeure clause provides specifically that “this paragraph *shall not extend this lease* or relieve Lessee for liability for any breach thereof for a period in excess of 180 days...” (emphasis added) at 801.

18. The BSR Leases do not have such requirements and these clause are not tied to contract deadlines. Here, there is no limit on the time period of delay. Paragraph 10 does not limit the “grace period” to “during the continuance” of the delay period. In other words, while the BSR leases do require one of five possible triggering events to result in, or cause, a period of delay or prevention, the clause does not require the period of delay or prevention to be connected to the end of the lease. Instead, the effect of a triggering event is that (1) “the Lease shall not terminate because of such prevention or delay” *and* (2) “at Lessee’s option the period of such prevention or delay *shall be added to the term hereof.*” As the clause clearly provides, once a triggering event has occurred, the period of the “prevention or delay” is an extension of the primary term of the lease, if Lessee exercises that right under the contract.

19. So, is there a question of fact involved in determining whether a “triggering event” or event of *force majeure* has occurred? Or is there no genuine issue of material fact and, as a matter of law, the lease did or did not terminate. While the Court recognizes and takes judicial notice that the COVID-19 Pandemic was clearly an event “not in Lessee’s control”, the effect of the pandemic was only a triggering event that caused “prevention or delay” because of the effects it had on BSR’s alleged “inability to obtain...equipment, services, materials...” and its effect on its alleged “inability to obtain a satisfactory market for production”. Other than the impact on BSR as indicated above, BSR has not presented any evidence that COVID-19 had any effect *directly* to prevent or delay operations.<sup>32</sup>

20. BSR argues there was an inability to obtain “equipment, services, material” and that much of the oil and gas industry collapsed during the COVID-19 pandemic. Specifically,

---

<sup>32</sup> For example, there is not any evidence that a particular crew was hospitalized with COVID-19 and, as a result, was unable to operate a particular drilling rig for a specific period of time.

BSR provides evidence in support of its motion that “BSR was constantly monitoring the availability of drilling rigs and other necessary equipment and services.”<sup>33</sup> BSR also offers evidence that it could not have procured vendors, equipment, or their services to instigate drilling operations during 2020 into 2021.<sup>34</sup> The inability to obtain either equipment to drill rigs, services from vendors, or material to begin the drilling process is clearly a triggering event contemplated by the parties in the “Regulation and Delay” clause and BSR has met its initial burden. Accordingly, NETX must rebut this evidence to raise a question of fact about whether there was an “inability to obtain” those rigs, services, or materials during the alleged delay period.

21. NETX claims, at minimum, there is a fact question about BSR’s ability to obtain “equipment, services, materials” and submits evidence that BSR could have obtained equipment, services and materials, had it chosen to do so. NETX produces evidence that it drilled four wells during the period claimed by BSR as evidence that equipment, service and materials could be obtained.<sup>35</sup> Additionally, NETX presents evidence that raises a fact question about whether BSR had an “inability” to obtain “equipment, services, or materials” or just chose not to.<sup>36</sup> As to this issue, the Court finds NETX has raised sufficient evidence, creating a fact question for a trier of fact, on this issue.

22. However, while NETX has also submitted evidence that it suggests shows there was not a significant turndown in the oil and gas market in Cass County<sup>37</sup> and argues that the Court should add “reasonable” to the language “inability to obtain a satisfactory market...,” the Court holds that the plain reading of the language agreed to by the parties provides that BSR has the

---

<sup>33</sup> *Id.*, at p. 21, ¶ 42; Exhibit A.

<sup>34</sup> *See, Exhibit B at 231:14 – 232:22; 324:24 – 325:10; Exhibit C at 154:5 – 11.*

<sup>35</sup> Plaintiff’s Exhibit K to NETX’s Motion for Partial Summary Judgment; *see also* Plaintiff’s Exhibit O, Declaration of Chad Holliday, at ¶ 3.

<sup>36</sup> *See, Exhibit. D to NETX’s Motion for Partial Summary Judgment and Exhibit O, Declaration of Chad Holliday.*

<sup>37</sup> *See, NETX Exhibit C, testimony of Stephen Becker, December 21, 2023, pp. 257-259.*

unilateral right to decide if the market is unsatisfactory to the extent that “drilling, reworking, production or other operations” is “prevented or delayed”. As the Amarillo Court stated, “when the parties have themselves defined the contours of force majeure in their agreement, those contours dictate the application, effect, and scope of force majeure.”<sup>38</sup> As a matter of law, the Court finds that the parties have granted BSR the right to determine whether the market is satisfactory and if that unsatisfactory market causes a period of prevention or delay in operations, BSR is entitled to add that period of prevention or delay to the terms of the lease. In *Sun Operating Ltd.*, the Amarillo Court’s review of that clause provided that:

the clause says nothing about requiring the lessee to “exercise[ ] due diligence and take all reasonable steps to avoid, remove and overcome the effects of ‘force majeure.’ ” (emphasis added). It says nothing about the lessee having to act reasonably to remediate the result caused by the force majeure event. *Rather, the parties merely agreed that when certain specified acts occurred, any resulting delay or interruption in “drilling or other operations” was not to “be counted against Lessee.”* Given this, we choose not to rewrite the contract by interjecting such a duty.<sup>39</sup> (Emphasis added).

23. Like the clause at issue in *Sun Operating Ltd.*, these clauses permit BSR to declare the application of the “Regulation and Delay” clause when the effects of the Covid-19 Pandemic created an unsatisfactory market, that resulted in the prevention or delay of its planned operations. Because the Court finds that the determination of the “inability to obtain a satisfactory market for production...” is a unilateral decision specifically contemplated by the contract, there is no question of fact. Instead, upon proof of an inability to obtain a satisfactory market, BSR may designate the period of such occurrence which period “*shall be added to the term*” of the lease. The Court finds that there is no genuine issue of material fact related to whether BSR found the COVID-19 time period from April 2020 through February 2021 a triggering event that resulted in

---

<sup>38</sup> *Sun Operating Ltd. Partnership v. Holt*, 984 S.W.2d 277, 283 (Tex. App.-Amarillo 1998, writ denied).

<sup>39</sup> *Id.*

BSR's inability to obtain a satisfactory market..." and, therefore, such time extends the primary term of the leases.

24. Accordingly, the Court GRANTS BSR's Motion for Summary Judgment and DENIES NETX's Motion for Partial Summary Judgment.

IT IS SO ORDERED.

Signed: July 12, 2024

  
12:56 pm, July 12, 2024  
Unique Digital Signature Identifier:

378729597572300540-1720806992540

---

Bill Miller, Judge Presiding  
5<sup>th</sup> Judicial District of Texas  
Cass County, Texas

**Automated Certificate of eService**

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Envelope ID: 89722341

Filing Code Description: No Fee Documents

Filing Description: order denying motions to strike

Status as of 7/12/2024 2:26 PM CST

Associated Case Party: NETX Acquisitions, LLC

| Name                | BarNumber | Email                     | TimestampSubmitted   | Status   |
|---------------------|-----------|---------------------------|----------------------|----------|
| William Grubb       |           | wgrubb@mcginnislaw.com    | 7/12/2024 1:57:20 PM | NOT SENT |
| Christopher Halgren |           | chalgren@mcginnislaw.com  | 7/12/2024 1:57:20 PM | NOT SENT |
| Donald D.Jackson    |           | djackson@mcginnislaw.com  | 7/12/2024 1:57:20 PM | NOT SENT |
| Derrick Price       |           | dprice@mcginnislaw.com    | 7/12/2024 1:57:20 PM | NOT SENT |
| Alejandra Salas     |           | asalas@mcginnislaw.com    | 7/12/2024 1:57:20 PM | NOT SENT |
| Martin R.Bennett    |           | mbennett@mrbpc.com        | 7/12/2024 1:57:20 PM | NOT SENT |
| Mary Leonard        |           | mleonard@mcginnislaw.com  | 7/12/2024 1:57:20 PM | NOT SENT |
| Vicki Hunt          |           | vhunt@mcginnislaw.com     | 7/12/2024 1:57:20 PM | NOT SENT |
| Jody Olson          |           | jolson@mcginnislaw.com    | 7/12/2024 1:57:20 PM | NOT SENT |
| Jonathan Baughman   |           | jbaughman@mcginnislaw.com | 7/12/2024 1:57:20 PM | NOT SENT |

**Case Contacts**

| Name              | BarNumber | Email                     | TimestampSubmitted   | Status   |
|-------------------|-----------|---------------------------|----------------------|----------|
| BROCK SHELLEY     |           | bskelley@swenergylaw.com  | 7/12/2024 1:57:20 PM | NOT SENT |
| Judy Garrison     |           | ygarrison@ccsb.com        | 7/12/2024 1:57:20 PM | NOT SENT |
| Corey Wehmeyer    | 24051903  | cwehmeyer@swenergylaw.com | 7/12/2024 1:57:20 PM | NOT SENT |
| Carolyn Taylor    |           | ctaylor@ccsb.com          | 7/12/2024 1:57:20 PM | NOT SENT |
| Judy Salas        |           | jsalas@swenergylaw.com    | 7/12/2024 1:57:20 PM | NOT SENT |
| Angie Locke       |           | alocke@mrbpc.com          | 7/12/2024 1:57:20 PM | NOT SENT |
| Kelly Christy     |           | kchristy@swenergylaw.com  | 7/12/2024 1:57:20 PM | NOT SENT |
| Stephanie Dishman |           | sdishman@swenergylaw.com  | 7/12/2024 1:57:20 PM | NOT SENT |
| Heather Ramos     |           | hramos@swenergylaw.com    | 7/12/2024 1:57:20 PM | NOT SENT |

**Automated Certificate of eService**

This automated certificate of service was created by the eFiling system. The filer served this document via email generated by the eFiling system on the date and to the persons listed below. The rules governing certificates of service have not changed. Filers must still provide a certificate of service that complies with all applicable rules.

Envelope ID: 89722341

Filing Code Description: No Fee Documents

Filing Description: order denying motions to strike

Status as of 7/12/2024 2:26 PM CST

**Case Contacts**

|                 |  |                            |                      |          |
|-----------------|--|----------------------------|----------------------|----------|
| Heather Ramos   |  | hramos@swenergylaw.com     | 7/12/2024 1:57:20 PM | NOT SENT |
| Henri Inocencio |  | hinocencio@swenergylaw.com | 7/12/2024 1:57:20 PM | NOT SENT |
| Sabrina Torres  |  | storres@swenergylaw.com    | 7/12/2024 1:57:20 PM | NOT SENT |

Associated Case Party: Carr Resources, Inc.

| Name          | BarNumber | Email              | TimestampSubmitted   | Status   |
|---------------|-----------|--------------------|----------------------|----------|
| Sven Stricker |           | sstricker@ccsb.com | 7/12/2024 1:57:20 PM | NOT SENT |
| Neil RBurger  |           | nburger@ccsb.com   | 7/12/2024 1:57:20 PM | NOT SENT |

## **Proposed Bidding Procedures Order**

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

|                                                   |   |                   |
|---------------------------------------------------|---|-------------------|
| In re:                                            | § |                   |
|                                                   | § | Chapter 11        |
|                                                   | § |                   |
| Barrow Shaver Resources Company LLC, <sup>1</sup> | § | Case No. 24-33353 |
|                                                   | § |                   |
|                                                   | § |                   |
| Debtor.                                           | § |                   |

**ORDER GRANTING DEBTOR’S EMERGENCY MOTION FOR ENTRY OF AN  
ORDER (I) APPROVING THE BIDDING PROCEDURES AND AUCTION, (II)  
SCHEDULING BID DEADLINES, AN AUCTION, OBJECTION DEADLINES, AND A  
HEARING, (III) APPROVING THE FORM AND MANNER OF NOTICE OF THE SALE  
TRANSACTION, THE AUCTION, THE HEARING, AND ASSUMPTION AND  
ASSIGNMENT PROCEDURES, (IV) AUTHORIZING THE DEBTOR TO ENTER INTO  
A LEAD BIDDER AGREEMENT, AND (V) GRANTING RELATED RELIEF**

Upon the Motion<sup>2</sup> filed by the above-referenced Debtor and debtor-in-possession (the “**Debtor**”) for entry of an order (the “**Bidding Procedures Order**”) (i) authorizing and approving the proposed bidding procedures (the “**Bidding Procedures**”) attached hereto as **Exhibit B** by which the Debtor will (x) conduct a sale (the “**Sale Transaction**”) of substantially all or any portion of the Assets pursuant to one or more sales under section 363 of the Bankruptcy Code and/or (y) consummate the Sale Transaction of the Assets through a chapter 11 plan pursuant to sections 1123 and 1129 of the Bankruptcy Code; (ii) authorizing the Debtor to enter into a Lead Bidder Purchase Agreement, if a Lead Bidder is chosen;<sup>3</sup> (iii) approving procedures (the

---

<sup>1</sup> 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. All pleadings, as well as additional information related to the administration of the above-captioned bankruptcy case, are accessible free of charge on the case website at the following link: <https://cases.ra.kroll.com/BSR/>.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Motion.

<sup>3</sup> For avoidance of doubt, if the Debtor elects to choose a Lead Bidder, the Lead Bidder Purchase Agreement will be filed with the July 18, 2025 notice of Lead Bidder, or as soon as reasonably practicable thereafter.

**“Assumption and Assignment Procedures”**) for the assumption and assignment of certain executory contracts and unexpired leases in connection with the Sale Transaction (collectively, the **“Assigned Contracts”**) attached hereto as **Exhibit C**, including notice of proposed cure amounts (the **“Cure Notice”**) and notice of assumption and assignment (the **“Assignment Notice”**), attached hereto as **Exhibit D**; (iv) scheduling an auction in connection with the Sale Transaction (the **“Auction”**); (v) approving the form and manner of notice of the Auction and Sale Transaction, attached hereto as **Exhibit F** (the **“Sale Notice”**); (vii) approving the Bidding Procedures in connection with the Debtor’s solicitation of DIP Proposals and setting a hearing to approve the same by separate motion (the **“DIP Hearing”**);<sup>4</sup> and (viii) granting related relief; and the Court having jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and the Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the 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 the Court having reviewed the Motion; and the Court having found that the relief requested in the Motion is in the best interests of the Debtor and its estate, creditors, and other parties in interest; and the Court having found that proper and adequate notice of the Motion and hearing thereon has been given and that no other or further notice is necessary; and the Court having found that good and sufficient cause exists for the granting of the relief requested in the Motion after having given due deliberation upon the Motion and all of the proceedings had before the Court in connection with the Motion,

---

<sup>4</sup> For avoidance of doubt, this Bidding Procedures Order does not approve any forthcoming DIP loan but instead sets deadlines for the Debtor to solicit and consider DIP loan proposals. If a DIP loan proposal is selected through the Bidding Procedures, a notice will be filed with the Court on July 18, 2025, substantially in the form as **Exhibit E** to the Bidding Procedures Order. Simultaneously with the notice, or as soon as reasonably practicable, the Debtor will file the proposed DIP credit agreement and a motion to approve the same that shall be considered at the DIP Hearing.

**IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** as set forth herein.
2. Any objections to the Motion not resolved or otherwise withdrawn are

**OVERRULED.****A. Key Dates and Deadlines.**

3. The Sale Schedule is approved as set forth below and subject to modification in accordance with the Bidding Procedures.

| <b>Date / Time</b>                                                                         | <b>Event</b>                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Five (5) business days after the Bidding Procedures Motion is approved by the Court</b> | Deadline by which Debtor must file the Cure Notice with the Court and serve the Cure Notice on the Contract Counterparties.                                                                                                                                                                                                       |
| <b>June 27, 2025<br/>5:00 p.m.<br/>(prevailing Central Time)</b>                           | Bid deadline by which a Bidder must submit Bids (as well as the Deposit, Bidder Qualification Summaries, and all other documentation required under the Bidding Procedures), and Sale Documents (as defined in the Bidding Procedures) in order to be eligible to be selected as a Lead Bidder and considered a Qualified Bidder. |
| <b>June 27, 2025<br/>5:00 p.m.<br/>(prevailing Central Time)</b>                           | DIP Proposal deadline by which all DIP Proposals must be submitted (including the DIP Qualification Summaries, DIP Documents, and all other documentation required under the Bidding Procedures) must be submitted in accordance with the Bidding Procedures in order to be eligible to be selected as a DIP Lender.              |
| <b>Two (2) weeks after the filing of the Cure Notice</b>                                   | Deadline by which to file objections to proposed Cure Payment.                                                                                                                                                                                                                                                                    |
| <b>July 18, 2025</b>                                                                       | Deadline by which Debtor must make a Lead Bid selection, if any. Filed simultaneously with the notice of a Lead Bid selection, or as soon as practicable thereafter, the Debtor will file the proposed Lead Bidder Purchase Agreement.                                                                                            |

|                                                                         |                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>July 18, 2025</b>                                                    | Deadline by which Debtor must make a DIP Proposal selection, if any. Filed simultaneously with the notice of a DIP Proposal selection, or as soon as practicable thereafter, the Debtor will file the proposed DIP Credit Agreement and a motion to approve the same that shall be considered at the DIP Hearing (the “ <b>DIP Motion</b> ”). |
| <b>July 30, 2025</b>                                                    | Deadline by which to file an objection to the Lead Bid selection and Lead Bidder Purchase Agreement or DIP Proposal selection and DIP Motion, if any.                                                                                                                                                                                         |
| <b>August 6, 2025<br/>[•]:00 [•].m.<br/>(prevailing Central Time)</b>   | Date on which the hearing on the Debtor’s Lead Bid (if any objections are filed), DIP Proposal selection(s), and DIP Motion shall occur, if any, subject to the Court’s availability.                                                                                                                                                         |
| <b>August 8, 2025<br/>[•]. (prevailing Central Time)</b>                | Date on which the Auction (if any) shall be held electronically via video/telephone, and in person at Jones Walker LLP’s offices located at 811 Main St., Suite 2900, Houston, TX, 77002 or at such later date, time or other place, as selected by the Debtor or approved by order of the Court.                                             |
| <b>Two (2) weeks after the Debtor files notice of Successful Bidder</b> | Deadline to object to adequate assurance of future performance of payment.                                                                                                                                                                                                                                                                    |

### **B. The Bidding Procedures**

4. The Bidding Procedures, substantially in the form attached hereto as **Exhibit B**, are hereby approved in their entirety, and the Bidding Procedures shall govern the submission, receipt, and analysis of all DIP proposals and bids relating to the proposed sale of the Assets. Any party desiring to submit a DIP proposal and/or bid on one or more individual Assets or all or substantially all of the Assets shall comply with the Bidding Procedures and this Bidding Procedures Order. The Debtor is authorized to take any and all actions necessary to implement the Bidding Procedures.

### **C. Notice Procedures**

5. The Sale Notice substantially in the form attached hereto as **Exhibit F** is approved.

6. Notice of the Motion coupled with service of the Sale Notice, constitutes good and adequate notice of the Auction and Sale Transaction and the proceedings with respect thereto in compliance with, and satisfaction of, the applicable requirements of Bankruptcy Rule 2002.

7. No other or further notice of the Auction and Sale Transaction shall be required.

**D. The Assumption and Assignment Procedures**

8. The Assumption and Assignment Procedures substantially in the form attached as **Exhibit C** hereto are approved.

9. The notice to be provided under the Assumption and Assignment Procedures shall constitute adequate and sufficient notice and no additional notice need be provided.

10. Within five (5) business days of this Order being entered (the “**Assumption and Assignment Service Date**”), the Debtor shall file with the Court, and serve on the Contract Counterparties, the Cure Notice including the Assigned Contracts Schedule.

11. Assigned Contract Objections, if any, must comply with the Assigned Contract Objection Requirements and be filed with the Court no later than two weeks after the date of service of the Cure Notice regarding the proposed Cure Amount or assumption and assignment of any contract or lease included on the Cure Notice.

12. As set forth in the Assumption and Assignment Procedures, the Debtors may file with the Court and serve the Supplemental Cure Notice until such time as the closing of the Sale Transaction. Any objection to a Supplemental Cure Notice, including the Cure Amount, must be filed within 14 days following the date of service of such Supplemental Cure Notice (the “**Supplemental Cure Objection Deadline**”).

13. The form of the Assignment Notice substantially in the form attached as **Exhibit D** hereto is approved. The Debtor is authorized to serve the Assignment Notice on all non-Debtor counterparties to Assigned Contracts (if any) as soon as possible after the Debtor files the Notice

of Successful Bid. The inclusion of a contract in any list of Assigned Contracts or an Assignment Notice, Cure Notice (as defined in the Assumption and Assignment Procedures), or Supplemental Cure Notice (as defined in the Assumption and Assignment Procedures) shall not (a) obligate the Debtor to assume or assign such contract or (b) constitute any admission or agreement by the Debtors that such contract is an executory contract. Only those contracts that are included on a schedule of assumed and acquired contracts attached to definitive documentation in the Sale Transaction that is approved by the confirmation order will be assumed and assigned.

14. Objections to the assumption and assignment of any contract, including (a) the Successful Bidder's adequate assurance of future performance, or (b) the proposed assumption and assignment of any executory contract or unexpired lease, must be filed within two weeks after the date of filing of the Notice of Successful Bidder.

15. Any Assigned Contract Objection that remains unresolved as of the Confirmation Hearing shall be resolved at the Confirmation Hearing, or such later hearing as may be agreed between the Successful Bidder and the Contract Counterparty, but such Assigned Contract shall be assumed and assigned only upon satisfactory resolution of the Assigned Contract Objection, to be determined in the Successful Bidder's discretion. If an Assigned Contract Objection is not satisfactorily resolved, the Successful Bidder may determine that such Assigned Contract should be rejected and not assigned, in which case the Successful Bidder will not be responsible for any Cure Costs or Adequate Protection with respect to such contract.

16. If a Contract Counterparty does not file an Assigned Contract Objection: (a) the Cure Costs and Adequate Assurance, if any, set forth in the Cure Notice shall be controlling, notwithstanding anything to the contrary in any Assigned Contract or any other document; and (b) the Contract Counterparty will be deemed to have consented to the assumption and assignment

of the Assigned Contract and the Cure Costs and Adequate Assurance, if any, and will be forever barred from objecting to the assumption and assignment of such Assigned Contract and rights thereunder.

17. The inclusion of an Assigned Contract on the Assigned Contract Schedule will not: (a) obligate the Debtor to assume any Assigned Contract listed thereon or obligate the Successful Bidder to take assignment of such Assigned Contract or (b) constitute any admission or agreement of the Debtor that such Assigned Contract is an executory contract or unexpired lease. Only those Assigned Contracts that are included on a schedule of assumed and assigned contracts attached to the definitive sale agreement with the Successful Bidder (including amendments or modifications to such schedules in accordance with such agreement) will be assumed and assigned to the Successful Bidder.

**E. Miscellaneous**

18. The Debtor is authorized to take all actions necessary to effectuate the relief granted pursuant to this Bidding Procedures Order in accordance with the Motion.

19. The failure to include or reference a particular provision of the Bidding Procedures or the Assumption and Assignment Procedures specifically in this Bidding Procedures Order shall not diminish or impair the effectiveness or enforceability of such provision.

20. In the event of any inconsistency between this Order and the Motion and/or the Bidding Procedures or the Assumption and Assignment Procedures, the Bidding Procedures and Assumption and Assignment Procedures shall govern in all respects.

21. Notwithstanding the relief granted herein and any actions taken hereunder, nothing contained in the Motion or this Bidding Procedures Order shall constitute, nor is it intended to constitute, an admission as to the validity or priority of any claim or lien against the Debtor, a waiver of the Debtor's rights to subsequently dispute such claim or lien, or the assumption or

adoption of any agreement, contract, or lease under section 365 of the Bankruptcy Code.

22. Notwithstanding anything to the contrary in the Motion, nothing in the Bidding Procedures or this Order shall require the Debtor, the Special Committee, or the board of directors, board of managers, or similar governing body of the Debtor, to take any action or to refrain from taking any action to the extent taking or failing to take such action would be inconsistent with applicable law or in a manner consistent with such fiduciary duties as may exist.

23. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

24. The requirements of Bankruptcy Rules 6004(h) and 6006(d) are hereby waived to the extent they apply.

25. The Court retains jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Bidding Procedures Order.

Signed: \_\_\_\_\_, 2025.

---

ALFREDO R. PÉREZ  
UNITED STATES BANKRUPTCY JUDGE

**EXHIBIT A**

**Notice of Lead Bid**

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

|                                                   |   |                   |
|---------------------------------------------------|---|-------------------|
| In re:                                            | § |                   |
|                                                   | § | Chapter 11        |
|                                                   | § |                   |
| Barrow Shaver Resources Company LLC, <sup>1</sup> | § | Case No. 24-33353 |
|                                                   | § |                   |
|                                                   | § |                   |
| Debtor.                                           | § |                   |

**NOTICE OF SELECTION OF LEAD BIDDER**

**PLEASE TAKE NOTICE** that on [•], the United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) entered the Order [•] [Docket No. [•]] (the “**Bidding Procedures Order**”).

**PLEASE TAKE FURTHER NOTICE** that in accordance with the Bidding Procedures Order, the Debtor selected [•] to act as the Lead Bidder, substantially on the terms of and in accordance with the Lead Bidder Purchase Agreement. The Purchase Price for the Assets that are proposed to be sold to the Lead Bidder is \$[•].

**PLEASE TAKE FURTHER NOTICE** that any objection to the designation of the Lead Bidder set forth herein and in the Lead Bidder Purchase Agreement (a “**Lead Bidder Objection**”) shall be filed no later than [•] (the “**Objection Deadline**”).

**PLEASE TAKE FURTHER NOTICE** that, if a timely Lead Bidder Objection is filed, the proposed designation of the Lead Bidder for under the Lead Bidder Purchase Agreement shall not be deemed approved unless approved by separate order of the Court.

**PLEASE TAKE FURTHER NOTICE** that, if no Lead Bidder Objection is timely filed and served, with respect to such Lead Bidder shall be deemed approved without further order of the Court upon the expiration of the Objection Deadline.

**PLEASE TAKE FURTHER NOTICE** that the Debtor and the Lead Bidder reserve all of their rights to amend, modify, change, revise, or otherwise alter in any respect the Lead Bidder Purchase

---

<sup>1</sup> 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. All pleadings, as well as additional information related to the administration of the above-captioned bankruptcy case, are accessible free of charge on the case website at the following link: <https://cases.ra.kroll.com/BSR/>.

Agreement in accordance with the terms of the Lead Bidder Purchase Agreement and the Bidding Procedures Order.

**PLEASE TAKE FURTHER NOTICE** that all pleadings, as well as additional information related to the administration of the Bankruptcy Case, are accessible free of charge on the case website at the following link: <https://cases.ra.kroll.com/BSR/>.

**EXHIBIT B**

**Bidding Procedures**

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

|                                                   |   |                   |
|---------------------------------------------------|---|-------------------|
| In re:                                            | § |                   |
|                                                   | § | Chapter 11        |
|                                                   | § |                   |
| Barrow Shaver Resources Company LLC, <sup>1</sup> | § | Case No. 24-33353 |
|                                                   | § |                   |
|                                                   | § |                   |
| Debtor.                                           | § |                   |

**BIDDING PROCEDURES**

On July 23, 2024 (the “**Involuntary Petition Date**”), Axis Energy Services, LLC, DOC Energy Services, Inc., Cudd Pressure Control, Inc., Thru Tubing Solutions, Inc., Genesis Fluids, LLC, and Force Pressure Control, LLC filed an involuntary petition under chapter 7 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “**Bankruptcy Code**”) against the above-captioned debtor (“**BSR**” or the “**Debtor**”) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “**Court**”). On August 19, 2024 (the “**Voluntary Petition Date**”), the Debtor consented to an order for relief by filing its voluntary petition under chapter 11 of the Bankruptcy Code. During the period between the Involuntary Petition Date and the Voluntary Petition Date (the “**Gap Period**”), the Debtor operated its business in the ordinary course of business pursuant to section 303(f) of the Bankruptcy Code. During the Gap Period, James A. Katchadurian was appointed as Chief Restructuring Officer (the “**CRO**”) of the Debtor.

The Debtor continues to manage and operate its business as debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. On [•], the Debtor filed the [•] [Docket No. [•]] (the “**Motion**”) seeking approval of, among other things, the procedures by which the Debtor is authorized to conduct an auction (the “**Auction**”), if any, for the sale (the “**Sale**”) of all, substantially all, or any combination of the Assets to the Winning Bidder.<sup>2</sup> On [•], the Court entered an order with respect to the Motion [Docket No. [•]] (the “**Bidding Procedures Order**”) approving the procedures contemplated herein, (the “**Bidding Procedures**”) and granting certain related relief.

<sup>1</sup> 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. All pleadings, as well as additional information related to the administration of the above-captioned bankruptcy case, are accessible free of charge on the case website at the following link: <https://cases.ra.kroll.com/BSR/>.

<sup>2</sup> Capitalized terms used but not defined herein have the meaning given to such terms in the Bidding Procedures Motion.

## I. Assets

### A. Lots

Bids will be accepted for the Assets based on the three lots (the “**Lots**”, each a “**Lot**”). “**Lot 1**” is all right, title, and interest of Debtor in and to (i) all leasehold interests, working interests, mineral fee interests, royalty interests, and any other oil and gas interests in Camp, Cass, Marion, Morris and Upshur Counties, Texas, and the Stipulated Assets, including without limitation those interests described in **Exhibit 1** to the Motion and customary related and appurtenant interests (pooled and communitized interests, equipment, improvements, easements, surface rights, post-closing production and production in the tanks and other similar interests) (collectively, the “**Stipulated Oil and Gas Interests**”); (ii) the incomplete pipeline located in the Hidden Rock Field (the “**Hidden Rock Pipeline**”). A form APA for Lot 1 will be available to interested parties upon request to the Debtor Notice Parties. Lot 1 must be purchased subject to all claims and causes of action with respect to the NETX Litigation or, the Bid must incorporate a resolution, subject to the Debtor’s approval, of the NETX Litigation.

“**Lot 2**” is (i) all claims and causes of action held by the Debtor with respect to the Remaining Oil and Gas Interests,<sup>3</sup> including those claims attributable to the avoidance of unrecorded working interests (such claims being the “**Potential Avoidance Actions**”); (ii) all claims and causes of action held by the Debtor with respect to the Stipulated Oil and Gas Interests, including those claims attributable to the avoidance of Insider overriding royalty assignments; (iii) other than the overriding royalty interests (“**ORRIs**”) held by Seif Oil and Gas Company, LLC (Joe Kast) and such ORRIs determined by the Court to be a valid ORRIs not subject to avoidance, all ORRIs that the Debtor owns in the Stipulated Oil and Gas Interests and any avoidance actions related to the ORRIs that may be owned by third parties in the Stipulated Oil and Gas Interests; and (iv) any claims in relation to working interest owners’ failure to pay their joint interest billings and proportionate share of other costs and expenses (collectively, “**JIBs**”) with respect to their ownership interest in the leases and wells comprising the Remaining Oil and Gas Interests. A form APA for Lot 2 will be available to interested parties upon request to the Debtor Notice Parties.

“**Lot 3**” is all right, title and interest of the Debtor in and to the other oil and gas interests in East and West Texas other than the Hidden Rock Field, as detailed in the forthcoming form APA for Lot 3 will be available to interested parties upon request to the Debtor Notice Parties.

## II. Marketing Process and Participation Requirements for Bidding

### A. Confidentiality Agreement.

The Debtor, in consultation with (i) its investment banker, Chaffe & Associates. Inc. (“**Chaffe**”), and (ii) CR3 Partners, LLC (“**CR3**”), in its capacity as financial advisor, have developed a list that Chaffe and CR3 will continue to supplement (the “**Potential Bidder List**”) of parties whom they believe may be interested in, and whom the Debtor reasonably believes

---

<sup>3</sup> Remaining Oil and Gas Interests shall mean the remaining interest of Hidden Rock Field that is not the Stipulated Oil and Gas Interest.

would have the financial resources to consummate the Sale.

The Debtor shall distribute to each such party (to the extent not already distributed) and any other interested party an “**Information Package**” consisting of: (i) a copy of these Bidding Procedures and the Bidding Procedures Order; (ii) a form confidentiality agreement (a “**Confidentiality Agreement**”); and (iii) such other materials as the Debtor deems appropriate under the circumstances.

To receive due diligence information, including full access to the Debtor’s electronic data room and additional non-public information regarding the Debtor, a party potentially interested in bidding on the Assets must deliver an executed Confidentiality Agreement on terms acceptable to the Debtor, to the extent not already executed, to each of: (i) the Debtor, c/o James A. Katchadurian and Avery Alcorn, 977 Pruitt Place, Tyler, Texas 75703 (james.katchadurian@cr3partners.com and avery.alcorn@cr3partners.com); (ii) counsel to the Debtor, Jones Walker LLP, c/o Joseph E. Bain and Sean T. Wilson, 811 Main Street, Suite 2900, Houston, Texas 77002 (jbain@joneswalker.com and swilson@joneswalker.com); and (iii) Chaffe c/o Michael H. Schmidt and Taylor H. Gilbert, 201 St Charles Ave, Suite 1410, New Orleans, LA 7017 (mschmidt@chaffe-associates.com and tgilbert@chaffe-associates.com) (collectively, the “**Debtor Notice Parties**”).

## **B. Electronic Data Room and Due Diligence.**

After a party delivers the executed Confidentiality Agreement in accordance with these Bidding Procedures, the Debtor shall provide such party with access to an electronic data room and due diligence information, as reasonably requested by such party, and the Debtor shall post substantially all written due diligence provided to any such party to the Debtor’s electronic data room. All due diligence requests must be directed to Chaffe. To the extent necessary and reasonably practicable, Chaffe will also facilitate meetings between any such party and the Debtor’s other restructuring advisors and management team. The Debtor and its advisors will coordinate all reasonable requests from such parties for additional information and due diligence access; *provided* that the Debtor may decline to provide such information to any party who, at such time and in the Debtor’s reasonable business judgment, has not established that it intends in good faith to, or has the capacity to, consummate a Sale. Parties that enter into Confidentiality Agreements with the Debtor will not, directly or indirectly, contact or initiate, or engage in discussions with respect to matters relating to the Debtor or a potential transaction with any customer, supplier, or contractual counterparty of the Debtor without the prior written consent of the Debtor. The due diligence period will end on the Bid Deadline (as defined below), and, after the Bid Deadline, the Debtor will have no obligation to furnish or update any due diligence information.<sup>4</sup>

For any party that the Debtor determines to be a competitor of the Debtor or affiliated with any competitor of the Debtor, the Debtor reserve the right to withhold or modify, or to delay providing, any due diligence information that the Debtor determines is business-sensitive or otherwise inappropriate for disclosure to such party at such time.

---

<sup>4</sup> Notwithstanding the foregoing, the NETX Parties, if as the Winning Bid, may have an additional due diligence period of seven (7) days after such selection.

### C. Bidder Qualification Summaries.

In order to be eligible to be selected as a Lead Bidder or to be considered a Qualified Bidder (each as defined below), a party must submit a Bidder Qualification Summary (a “**Bidder Qualification Summary**”) in writing to the Debtor Notice Parties by June 27, 2025, by 5:00 P.M. (prevailing Central Time) (which deadline may be extended by the Debtor without notice or hearing before the Court); provided, however, that the Debtor reserves its right to waive the requirement for Eligible Bidders to submit a Bidder Qualification Summary for any party in the Debtor’s reasonable business judgment, without further order from the Court.

The Bidder Qualification Summary must: (i) identify the interested party, including details on the acquisition structure, ownership structure, as well as legal form and jurisdiction of the interested party; (ii) identify with reasonable specificity the Assets the party is interested in acquiring; (iii) set forth a proposed purchase price for the proposed Sale, including by identifying any cash and non-cash components of the proposed Sale consideration, including, for example, any liabilities to be assumed; (iv) provide detailed information regarding the proposed financing sources; and (v) provide evidence of such interested party’s financial capacity to close a proposed Sale, which may include financial statements of, or verified financial commitments obtained by, such party (with the assistance of its advisors).

### III. **Selecting a Lead Bidder**

The Debtor may, at any time on or before July 18, 2025, as an exercise of its reasonable business judgment, propose to select one or more parties that have submitted a Bidder Qualification Summary and have subsequently submitted a Bid that complies with the Bid Requirements (as defined below) to act as a lead bidder (the “**Lead Bidder**”, and the Bid of such Lead Bidder, the “**Lead Bid**”) with respect to substantially all of the Assets and provide such Lead Bidder, provided, that in order to be eligible to be selected as a Lead Bidder, a party must have submitted the Sale Documents (as defined below) to the Debtor Notice Parties so as to be actually received on or before June 27, 2025, at 5:00 p.m. (prevailing Central Time).

Upon execution and acceptance of a Lead Bid, the Debtor shall file a notice with the Court regarding its selection of a Lead Bidder no later than July 18, 2025.

### IV. **Bidding and Auction Process**

#### A. Bid Deadline.

Each party that (a) timely submits a Bidder Qualification Summary, including any Lead Bidder (unless the obligation to submit a Bidder Qualification Summary is waived in accordance with the terms hereof), or (b) submits by the Bid Deadline, an executed Confidentiality Agreement and reasonable evidence demonstrating the party’s financial capability to consummate the Sale as reasonably determined by the Debtor, shall be an “**Eligible Bidder**.” Any Eligible Bidder that desires to make a binding proposal, solicitation, or offer, including any Lead Bid (each, a “**Bid**”), shall transmit the Bid to the Debtor Notice Parties so as to be actually received on or before June 27, 2025, at 5:00 p.m. (prevailing Central Time) (the “**Bid Deadline**”). The Bid Deadline may be extended by the Debtor in its sole discretion.

## B. Bid Requirements.

All Bids must be submitted in writing and satisfy the following requirements (collectively, the “**Bid Requirements**”):

### *i. Lot Requirements*

In order for a Bid to be considered a Qualified Bid such Bid must assign a specific offer for each Lot that is the subject of the Bid. The following will not be considered Qualified Bids, unless determined by the Debtor to be a benefit to the Estate: (i) combined Bids (i.e., Bids with a single price for multiple Lots); (ii) Bids where the purchase of a Lot is conditioned on the bidder being the Winning Bidder for the purchase of a separate Lot; and (iii) Bids conditioned on the resolution of the NETX Litigation.

### *ii. Purchase Price.*

Each Bid must clearly set forth the purchase price to be paid, specifying (i) any cash and (ii) any non-cash components (including a credit bid), in sufficient detail satisfactory to the Debtor (the “**Purchase Price**”). Each Bid for a combination of Assets must: (x) provide a breakdown of the share of the Purchase Price allocable to each of the Assets included in the Bid, specifically the allocation of the Purchase Price to each Lot; and (y) state whether the Eligible Bidder is willing to purchase any of the Lots included in the Bid individually, and if so, the price such Eligible Bidder would pay for each such Lot.

### *iii. Deposit.*

Each Bid must be accompanied by a cash deposit in an amount equal to 10% of the cash portion of the Purchase Price (the “**Deposit**”), to be submitted by wire transfer to a designated account to be identified and established by the Debtor.

### *iv. Sale Documents*

Each Bid must include a draft asset purchase agreement substantially in the form of the asset purchase agreement for each relevant Lot contained in the Bid to be shared with interested parties upon request to the Debtor Notice Parties, or such other form as may be acceptable to the Debtor (collectively, the “**Sale Documents**”).

### *v. Committed Financing.*

Each Bid must contain evidence of the Eligible Bidder’s ability to consummate the Sale within thirty (30) calendar days of such Bid being declared the Winning Bid. To the extent that a Bid is not accompanied by evidence of such party’s capacity to consummate the Sale set forth in its Bid with cash on hand, each Bid must include committed financing, documented to the Debtor’s satisfaction that demonstrates that such party has received sufficient debt and/or equity funding commitments to satisfy the Bid’s Purchase Price and other obligations thereunder.

Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements, diligence, or credit committee approvals, and shall have covenants and conditions acceptable to the Debtor.

*vi. No Financing or Diligence Outs.*

A Bid shall not be conditioned on the obtaining or the sufficiency of financing or any internal approval, or on the outcome or review of due diligence, or on the receipt of any regulatory or third party approvals (except as provided in the section below), but may be subject to the accuracy at the closing of specified representations and warranties or the satisfaction at the closing of specified conditions.

*vii. Identity.*

Each Bid must fully disclose the identity of each entity that will be bidding or otherwise participating in connection with such Bid (including each equity holder or other financial backer of the Eligible Bidder if such Eligible Bidder is an entity formed for the purpose of consummating the proposed Sale contemplated by such Bid), and the complete terms of any such participation. Under no circumstances shall any undisclosed principals, equity holders, or financial backers be associated with any Bid. Each Bid must also include contact information for the specific person(s) and counsel whom the Debtor's advisors should contact regarding such Bid.

*viii. Authorization.*

Each Bid must contain sufficient evidence that the Eligible Bidder has obtained authorization or approval from its board of directors (or a comparable governing body) with respect to the submission of its Bid and the consummation of the Sale contemplated in such Bid; *provided, however*, that if such Eligible Bidder is an entity formed for the purpose of consummating the proposed Sale, then such Eligible Bidder must furnish sufficient written evidence satisfactory to the Debtor of the approval of the submission of the Bid and consummation of the Sale by equity holder(s) of such Eligible Bidder.

*ix. NETX Litigation*

Each Bid that elects to purchase Lot 1, must purchase is subject to the NETX Litigation or the Bid must incorporate a resolution, subject to the Debtor's approval, of the NETX Litigation.

*x. Assumed Liabilities.*

Each Bid must identify the Debtor's liabilities that the Eligible Bidder seeks to assume.

*xi. Adequate Assurance of Future Performance.*

Each Bid must: (i) identify with particularity the Debtor's executory contracts and unexpired leases which the Eligible Bidder would obligate the Debtor to assume and assign an assignment in connection with such Bid; (ii) provide for the payment by the Eligible Bidder of all cure costs related to such executory contracts and unexpired leases; (iii) demonstrate, in the Debtor's reasonable business judgment, that the Eligible Bidder can provide adequate assurance

of future performance under all such executory contracts and unexpired leases; and (iv) identify with particularity the Debtor's other contracts and leases with respect to which the Eligible Bidder seeks to assume and receive an assignment.

*xii. Government Approvals.*

Each Bid must include a description of all governmental, licensing, regulatory, or other third-party approvals or consents that are required to consummate the proposed Sale, together with evidence satisfactory to the Debtor of the ability to obtain such consents or approvals in a timely manner, as well as a description of any material contingencies or other conditions that will be imposed upon, or that will otherwise apply to, obtaining any such consents or approvals.

*xiii. Government Approvals Timeframe.*

Each Bid must set forth an estimated timeframe for obtaining any required governmental, licensing, regulatory, or other third-party approvals or consents for consummating any proposed sale (and in the case that receipt of any such governmental, licensing, regulatory or other approval or consent is expected to take more than thirty days following the execution and delivery of the Asset Purchase Agreement, those actions the Eligible Bidder will take to ensure receipt of such approvals as promptly as possible).

*xiv. As-Is, Where-Is.*

Each Bid must include a written acknowledgement and representation that the Eligible Bidder: (a) has had an opportunity to conduct, and has completed, any and all due diligence regarding the Assets deemed necessary by such Eligible Bidder prior to making its offer; (b) has relied solely upon its own independent review, investigation, and/or inspection of any documents and/or the Assets in making its Bid; and (c) did not rely upon any written or oral statements, representations, promises, warranties, or guaranties whatsoever, whether express, implied by operation of law, or otherwise, regarding the Assets or the completeness of any information provided in connection therewith or the Auction, except as expressly stated in these Bidding Procedures and in the representations and warranties contained in the Sale Documents submitted as part of the Bid (as they may be modified before acceptance and execution by the Debtor) and disclaims reliance on any such written or oral statements, representations, promises, warranties, or guaranties.<sup>5</sup>

*xv. Honoring the Bidding Procedures.*

Each Bid must affirmatively state agreement, and by submitting its Bid, each Eligible Bidder is so agreeing, to abide by and honor the terms of these Bidding Procedures (including if such Bid is declared the Winning Bidder or Backup Bidder (as defined below)) and to refrain from submitting a Bid or seeking to reopen the Auction after conclusion of the Auction. The submission of a Bid shall constitute a binding and irrevocable offer to acquire the Assets reflected in such Bid. Each Bid must state that the Eligible Bidder consents to the jurisdiction of the Court and to the

---

<sup>5</sup> Notwithstanding the foregoing, the NETX Parties, if selected as the Winning Bidder, may have an additional due diligence period of seven (7) days after such selection.

entry of a final judgment or order with respect to the Bid, as well as with respect to any aspect of these Bidding Procedures, and all orders of the Court entered with respect to the Sale, if it is determined that the Court would lack Article III jurisdiction to enter such final order or judgment absent consent of the parties.

*xvi. Additional Diligence.*

Each Eligible Bidder shall comply with all reasonable requests for additional information and due diligence access by the Debtor or its advisors regarding the Bid.

*xvii. Expenses.*

Each Bid shall not contemplate or request any break-up fee, transaction fee, termination fee, expense reimbursement, or any similar type of payment or reimbursement, and by submitting its Bid, each Eligible Bidder is agreeing to refrain from and waive any assertion or request for reimbursement on any basis, including under section 503(b) of the Bankruptcy Code.

**C. Designation of Qualified Bidders.**

*i. Qualified Bidder.*

A Bid will be considered a “**Qualified Bid**,” and each Eligible Bidder that submits a Qualified Bid will be considered a “**Qualified Bidder**,” if the Debtor determines in its reasonable business judgment that such Bid: (a) satisfies the Bid Requirements; and (b) is reasonably likely (based on availability of financing, antitrust or other regulatory issues, experience, and other considerations) to be consummated, if selected as the Winning Bid, within a time-frame reasonably acceptable to the Debtor.

*ii. Notification.*

Within two (2) business days after the Bid Deadline, or as soon as reasonably practicable, the Debtor will notify each Eligible Bidder whether such party is a Qualified Bidder.

*iii. Bid Modifications.*

Between the date that the Debtor notifies a Bidder that it is a Qualified Bidder and the Auction: (a) the Debtor may discuss, negotiate, or seek clarification or enhancement of any Qualified Bid from a Qualified Bidder; and (b) a Qualified Bidder may not, without the prior written consent of the Debtor, modify, amend, or withdraw its Qualified Bid, except for proposed amendments to increase their Purchase Price, or otherwise improve the terms of, the Qualified Bid, *provided* that any improved Qualified Bid must continue to comply with the requirements for Qualified Bids set forth in these Bidding Procedures.

*iv. Combination of Bids; Overlapping Bids.*

Notwithstanding anything herein to the contrary, the Debtor reserves the right to work with: (a) Eligible Bidders and Qualified Bidders to aggregate two or more Indications of Interest or Bids into a single consolidated Bid prior to the Bid Deadline; (b) Qualified Bidders to aggregate two or

more Qualified Bids into a single Qualified Bid prior to the conclusion of the Auction; and (c) any Eligible Bidder in advance of the Auction to cure any deficiencies in a Bid that is not initially deemed to be a Qualified Bid. The Debtor may accept a single Qualified Bid or multiple Bids for non-overlapping material portions of the Assets such that, if taken together in the aggregate, the Bids would otherwise meet the standards for a single Qualified Bid (in which event those multiple bidders shall be treated as a single Qualified Bidder for purposes of the Auction).

#### **D. Bid Selection and Criterion.**

##### *i. Baseline Bid.*

No later than one (1) business day before the Auction, or as soon as reasonably practicable, the Debtor will notify all Qualified Bidders of the highest or otherwise best Qualified Bid with respect to each Lot or a combination of the Lots, as applicable. Each such highest or otherwise best Qualified Bid, which Qualified Bid may be a Lead Bid, shall be the “**Baseline Bid**” and the Debtor shall provide copies of the documents supporting each Baseline Bid to all Qualified Bidders.

##### *ii. Bid Assessment Criteria.*

The determination of which Qualified Bid constitutes the Baseline Bid and, ultimately, the Winning Bid shall take into account any factors the Debtor reasonably deems relevant to the value of the Qualified Bid to the Debtor’s estate, including, among other things: (a) the type and amount of Assets sought to be purchased; (b) the amount and nature of the Purchase Price; (c) the Qualified Bidder’s ability to consummate the Sale and the timing thereof; and (d) the effect on the Debtor’s ability to wind down its estate in accordance with applicable law.

#### **E. Auction Procedure.**

##### *i. Time and Place.*

If the Debtor receives two or more Qualified Bids with respect to each Lot or a combination of the Lots, as applicable, then the Debtor will conduct the Auction to determine the Winning Bidder(s) (as defined below) with respect to such Assets. The Auction shall take place at Jones Walker LLP’s offices located at 811 Main St., Suite 2900, Houston, TX, 77002, and will (unless the Debtor provide notice otherwise) be held electronically via video/telephone, or at such later date, time or other place, as selected by the Debtor or approved by order of the Court. If the Debtor receives one Qualified Bid with respect to a Lot or a combination of the Lots, as applicable, then the Debtor may select such Qualified Bid as the Winning Bid and notify all other Bidders promptly thereafter.

##### *ii. Conducting the Auction.*

The Debtor and its advisors shall direct and preside over the Auction. At the start of the Auction, the Debtor shall describe the terms of the Baseline Bid(s) and related Lots. Any Bids made at the Auction by a Qualified Bidder subsequent to the Debtor’s announcement of the Baseline Bid(s) shall be “**Overbids**” and must comply with the conditions set forth below and shall be made and received on an open basis, with all material terms of each Overbid fully disclosed to

all other Qualified Bidders. The Debtor shall maintain a written transcript of all Bids made and announced at the Auction, including the Baseline Bid(s), all Overbids, and the Winning Bid(s). The Debtor may (a) select, in its reasonable business judgment, pursuant to these Bidding Procedures, the highest or otherwise best Bid and the Winning Bidder(s) or Backup Bidder(s); and (b) reject any Bid (regardless of whether such Bid is a Qualified Bid) that, in the Debtor's reasonable business judgment, is (x) inadequate, insufficient, or not the highest or best Bid, (y) not in conformity with the requirements of the Bankruptcy Code, the Bankruptcy Rules, or these Bidding Procedures, or (z) contrary to, or otherwise not in the best interests of the Debtor's estate, affected stakeholders, or other parties in interest.

*iii. Terms of Overbids.*

1. Minimum Initial Overbid: Any initial Overbid to the Baseline Bid(s) shall be no less than the value of the Baseline Bid(s)'s Purchase Price of the Assets, plus:
  - i. Lot 1: \$1 million;
  - ii. Lot 2: \$500,000; and
  - iii. Lot 3: \$50,000.
2. Minimum Overbid Increments: Any subsequent Overbids shall be in increments of value equal to the below, as determined by the Debtor in an exercise of its reasonable business judgment:
  - i. Lot 1: \$500,000;
  - ii. Lot 2: \$250,000; and
  - iii. Lot 3: \$50,000
3. Announcing Highest Bid: After each Overbid, the Debtor shall announce the material terms of the Overbid, including value attributed to the Overbid.

*iv. Eligibility.*

Only Qualified Bidders that have submitted Qualified Bids by the Bid Deadline are eligible to participate in the Auction, subject to other limitations as may be reasonably imposed by the Debtor in accordance with these Bidding Procedures; *provided* that such other limitations are (a) not inconsistent with the Bidding Procedures Order, any other order of the Court, or the Bankruptcy Code, (b) disclosed orally or in writing to all Qualified Bidders and (c) determined by the Debtor to further the goals of these Bidding Procedures.

*v. Required Attendance.*

Qualified Bidders participating in the Auction must appear at the Auction, or through a duly authorized representative. If a Qualified Bidder appears through a duly authorized representative, such representative must have been granted a valid and enforceable power of

attorney or have other written proof evidencing his or her ability to bind such party, which document(s) shall be delivered to the Debtor at least one (1) business day before the Auction.

*vi. Permitted Attendance.*

All other parties in interest (other than a Qualified Bidder) will need written consent from Debtor's counsel to attend the Auction. The Debtor may, in its sole and exclusive discretion, establish a reasonable limit to the number of representatives and/or professional advisors that may appear on behalf of or accompany each Qualified Bidder or permitted party in interest at the Auction.

*vii. No Collusion; Good-Faith Bona Fide Offer.*

Each Qualified Bidder participating at the Auction will be required to confirm on the record at the Auction that: (a) it has not engaged in any collusion with respect to the bidding; and (b) its Qualified Bid is a good-faith *bona fide* offer and it intends to consummate the proposed Sale if selected as the Winning Bidder.

*viii. Adjourning the Auction.*

Notwithstanding anything else herein to the contrary, the Debtor reserves the right, in its reasonable business judgment to adjourn the Auction one or more times to, among other things: (a) facilitate discussions between the Debtor and Qualified Bidders; (b) allow Qualified Bidders to consider how they wish to proceed; (c) alter or combine the Lots; and (d) provide Qualified Bidders the opportunity to provide the Debtor with such additional evidence as the Debtor, in its reasonable business judgment may require, that the Qualified Bidder has sufficient internal resources or has received sufficient non-contingent debt and/or equity funding commitments to consummate the proposed Sale at the prevailing Overbid amount.

*ix. Closing the Auction; Confirmation Hearing.*

The Auction shall continue until the Debtor selects, in its reasonable business judgment, pursuant to these Bidding Procedures, the highest or otherwise best Qualified Bid for each Lot or a combination of the Lots, as applicable. Such Qualified Bid shall be declared the “**Winning Bid.**” and such Qualified Bidder, the “**Winning Bidder.**” and at which point the Auction will be closed. The Debtor may also select, in its reasonable business judgment pursuant to these Bidding Procedures, the next-highest or otherwise second-best Qualified Bid for each Lot or a combination of the Lots, as applicable, to be the “**Backup Bidder.**” As soon as reasonably practicable after closing the Auction, the Debtor shall finalize definitive documentation to implement the terms of the Winning Bid, and, as applicable, cause such definitive documentation to be filed with the Court. The acceptance by the Debtor of the Winning Bid is conditioned upon approval by the Court of the Winning Bid.

The evidentiary hearing to consider approval of the Winning Bid will be the confirmation hearing of the Debtor's forthcoming chapter 11 plan (the “**Confirmation Hearing**”).

x. *Backup Bidder.*

1. Designation of Backup Bidder: If an Auction is conducted, then the Qualified Bidder with the next-highest or otherwise second-best Qualified Bid at the Auction for each Lot or a combination of the Lots, as applicable, as determined by the Debtor in the exercise of its reasonable business judgment shall be required to serve as a backup bidder (the “**Backup Bidder**”) until such time as the applicable Sale is consummated, and each Qualified Bidder shall agree and be deemed to agree to be the Backup Bidder if so designated by the Debtor.
2. Identity of Backup Bidder: The identity of the Backup Bidder and the amount and material terms of the Qualified Bid of the Backup Bidder shall be announced by the Debtor at the conclusion of the Auction at the same time the Debtor announces the identity of the Winning Bidder. The Backup Bidder shall be required to keep its Qualified Bid (or if the Backup Bidder submits one or more Overbids at the Auction, its final Overbid) open and irrevocable until such time as the Sale is consummated.
3. Consummating a Sale with Backup Bidder: If a Winning Bidder fails to consummate the approved Sale contemplated by its Winning Bid, then the Debtor may select the Backup Bidder as the Winning Bidder, and such Backup Bidder shall be deemed a Winning Bidder for all purposes. The Debtor will be authorized, but not required, to consummate all transactions contemplated by the Bid of such Backup Bidder without further order of the Court or notice to any party.

xi. *Return of Deposit.*

The Deposits for each Qualified Bidder shall be held in one or more designated accounts on terms acceptable to the Debtor in its sole discretion and shall be returned (other than with respect to the Winning Bidder and the Backup Bidder) within three (3) business days after the Auction is closed, or as soon as is reasonably practicable thereafter. Upon the return of the Deposits, the applicable Qualified Bidders shall receive any interest that will have accrued thereon.

The Deposit of the Winning Bidder shall be applied to the purchase price of such sale at closing. If a Winning Bidder (including a Backup Bidder which becomes a Winning Bidder) fails to consummate a proposed transaction because of a breach by such Winning Bidder, the Debtor will not have any obligation to return the Deposit deposited by such Winning Bidder, which may be retained by the Debtor as liquidated damages, in addition to any rights, remedies, or causes of action that may be available to the Debtor. If a Winning Bidder consummates a proposed transaction or fails to consummate a proposed transaction but the Debtor elect to not consummate the proposed transaction with the Backup Bidder, then the Backup Bidder’s Deposit shall be returned within three (3) business days thereof, or as soon as is reasonably practicable thereafter.

xii. *Modification of Bidding Procedures.*

The Debtor reserves its right to modify these Bidding Procedures in its reasonable business judgment, in a manner consistent with its fiduciary duties and applicable law, without further order

from the Court, in any manner that will best promote the goals of these Bidding Procedures, or impose, at or prior to the Auction, additional customary terms and conditions on the Sale, including, without limitation: (a) extending or modifying any of the dates and deadlines set forth in these Bidding Procedures; (b) adding procedural rules that are reasonably necessary or advisable under the circumstances for conducting the Auction; (c) adjusting the applicable minimum Overbid increment, including by requesting that Qualified Bidders submit last or final bids on a “blind” basis; (d) adjourning or canceling the Auction; (e) adjusting the contents of Assets in the Lots; and (f) rejecting any or all Bids or Qualified Bids.

*xiii. Fiduciary Out.*

Notwithstanding anything to the contrary in these Bidding Procedures, nothing in these Bidding Procedures or the Bidding Procedures Order shall require the Debtor or the board of directors, board of managers, or similar governing body of the Debtor, to take any action or to refrain from taking any action to the extent taking or failing to take such action would be inconsistent with applicable law or its fiduciary obligations under applicable law.

*xiv. Consent to Jurisdiction.*

All Qualified Bidders at the Auction shall be deemed to have consented to the jurisdiction of the Court and waived any right to a jury trial in connection with any disputes relating to the Auction or the construction and enforcement of these Bidding Procedures.

**V. Participation Requirements and Due Diligence for DIP Proposal**

**A. Confidentiality Agreement**

The Debtor, in consultation with (i) Chaffe, and (ii) CR3, in its capacity as financial advisor, will develop a list (the “**Potential DIP Lender List**”) of parties whom they believe may be interested in, and whom the Debtor reasonably believes would have the financial resources to perform as a DIP Lender.

The Debtor shall distribute (to the extent not already distributed) to each party on the Potential DIP Lender List and any other interested party: (i) a copy of the Bidding Procedures and the Bidding Procedures Order, (ii) a form of confidentiality agreement (a “**Confidentiality Agreement**”), and (iii) such other materials as the Debtor deems appropriate under the circumstances.

To receive due diligence information, including full access to the Debtor’s electronic data room and additional non-public information regarding the Debtor, a party potentially interested in providing a DIP Proposal must deliver an executed Confidentiality Agreement on terms acceptable to the Debtor, to the extent not already executed, to each of the Debtor Notice Parties.

**B. Electronic Data Room and Due Diligence**

After a party delivers the executed Confidentiality Agreement in accordance with the Bidding Procedures, the Debtor shall provide such party with access to an electronic data room

and due diligence information, as reasonably requested by such party, and the Debtor shall post substantially all written due diligence provided to any such party to the Debtor's electronic data room. All due diligence requests must be directed to Chaffe. To the extent necessary and reasonably practicable, Chaffe will also facilitate meetings between any such party and the Debtor's other restructuring advisors and management team. The Debtor and its advisors will coordinate all reasonable requests from such parties for additional information and due diligence access; provided that the Debtor may decline to provide such information to any party who, at such time and in the Debtor's reasonable business judgment, has not established that it intends in good faith to, or has the capacity to, perform as a DIP Lender. Parties which enter into Confidentiality Agreements with the Debtor will not, directly or indirectly, contact or initiate, or engage in discussions with respect to matters relating to the Debtor or a potential transaction with any customer, supplier, or contractual counterparty of the Debtor without the prior written consent of the Debtor. The due diligence period will end on the DIP Proposal Deadline (as defined below), and, after the DIP Proposal Deadline, the Debtor will have no obligation to furnish or update any due diligence information.<sup>6</sup>

For any party that the Debtor determines to be a competitor of the Debtor or affiliated with any competitor of the Debtor, the Debtor reserve the right to withhold or modify, or to delay providing, any due diligence information that the Debtor determines is business-sensitive or otherwise inappropriate for disclosure to such party at such time.

### C. DIP Lender Qualification Summaries

In order to be eligible to be selected as a DIP Lender or to submit a DIP Proposal (each as defined below), a party must submit a DIP Lender Qualification Summary (a "**DIP Lender Qualification Summary**") in writing to the Debtor Notice Parties by June 27, 2025, by 5:00 P.M. (prevailing Central Time) (which deadline may be extended by the Debtor without notice or hearing before the Court) with its DIP Proposal; provided, however, that the Debtor reserves its right to waive the requirement for Eligible DIP Lenders to submit a DIP Lender Qualification Summary for any party in the Debtor's reasonable business judgment, without further order from the Court.

The DIP Lender Qualification Summary must: (i) identify the interested party, including details on the ownership structure, as well as legal form and jurisdiction of the interested party; (ii) provide detailed information regarding the proposed financing sources; (iii) set forth a proposed amount of the DIP loan; and (iv) provide evidence of such interested party's financial capacity to perform under the DIP Proposal, which may include financial statements of, or verified financial commitments obtained by, such party (with the assistance of its advisors).

---

<sup>6</sup> For avoidance of doubt, if the NETX Parties are selected as the DIP Lender, they may have access to the due diligence for seven (7) days after such selection.

## **VI. Selecting a DIP Lender**

The Debtor may, at any time on or before July 18, 2025, propose to select one or more parties that have submitted a DIP Qualification Summary and have subsequently submitted a DIP Proposal that complies with the DIP Proposal Requirements (as defined below) to act as a DIP Lender (the “**DIP Lender**”), subject to Court approval, provided, that in order to be eligible to be selected as a DIP Lender, a party must have submitted the DIP Documents (as defined below) to the Debtor Notice Parties so as to be actually received on or before June 27, 2025, at 5:00 p.m. (prevailing Central Time).

## **VII. DIP Proposal Deadline**

Each party that (a) timely submits a DIP Lender Qualification Summary (unless the obligation to submit a DIP Lender Qualification Summary is waived in accordance with the terms of the Bidding Procedures), or (b) submits by the DIP Proposal Deadline, an executed Confidentiality Agreement and reasonable evidence demonstrating the party’s financial capability to perform as a DIP Lender as reasonably determined by the Debtor, shall be an “**Eligible DIP Lender**.” Any Eligible DIP Lender that desires to make a binding proposal or offer, shall transmit the DIP Proposal to the Debtor Notice Parties so as to be actually received on or before June 27, 2025, at 5:00 p.m. (prevailing Central Time) (the “**DIP Proposal Deadline**”). The DIP Proposal Deadline may be extended by the Debtor.

## **VIII. DIP Proposal Requirements**

All DIP Proposals must be submitted in writing and satisfy the following requirements (collectively, the “**DIP Proposal Requirements**”).

### **A. DIP Credit Agreement**

Each DIP Proposal must include a draft DIP credit agreement substantially in the form of the DIP Credit Agreement to be shared with interested parties upon request to the Debtor Notice Parties, or such other form as may be acceptable to the Debtor (collectively, the “**DIP Documents**”).

## **B. Committed Financing**

Each DIP Proposal must contain evidence of the Eligible DIP Lender's ability to perform as DIP Lender under the DIP Proposal. To the extent that a DIP Proposal is not accompanied by evidence of such party's capacity to perform as DIP Lender with cash on hand, each DIP Proposal must include committed financing, documented to the Debtor's satisfaction that demonstrates that such party has received sufficient debt and/or equity funding commitments to satisfy the DIP Proposal's terms and other obligations thereunder. Such funding commitments or other financing must be unconditional and must not be subject to any internal approvals, syndication requirements diligence, or credit committee approvals, and shall have covenants and conditions acceptable to the Debtor.

## **C. Honoring the Bidding Procedures**

Each DIP Proposal must affirmatively state agreement, and by submitting its DIP Proposal, each Eligible DIP Lender is so agreeing, to abide by and honor the terms of the Bidding Procedures (including if such DIP Proposal is declared the final DIP Lender (as defined below)) and to refrain from submitting a DIP Proposal after conclusion of the Auction. The submission of a DIP Proposal shall constitute a binding and irrevocable offer to serve as the DIP Lender under the terms of such DIP Proposal. Each DIP Proposal must state that the Eligible DIP Lender consents to the jurisdiction of the Court and to the entry of a final judgment or order with respect to the DIP Proposal, as well as with respect to any aspect of these Bidding Procedures, and all orders of the Court entered with respect to the DIP Proposal, if it is determined that the Court would lack Article III jurisdiction to enter such final order or judgment absent consent of the parties.

## **D. Additional Diligence**

Each Eligible DIP Lender shall comply with all reasonable requests for additional information and due diligence access by the Debtor or its advisors regarding the DIP Proposal.

**EXHIBIT C**

**Assumption and Assignment Procedures**

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

|                                                   |   |                   |
|---------------------------------------------------|---|-------------------|
| In re:                                            | § |                   |
|                                                   | § | Chapter 11        |
|                                                   | § |                   |
| Barrow Shaver Resources Company LLC, <sup>1</sup> | § | Case No. 24-33353 |
|                                                   | § |                   |
|                                                   | § |                   |
| Debtor.                                           | § |                   |

**ASSUMPTION AND ASSIGNMENT PROCEDURES**

**Cure Notice.** Within five (5) business days after entry of the Bidding Procedures Order, the Debtor shall file with the Court and serve via first class mail, electronic mail, or overnight delivery, the Cure Notice on certain non-Debtor contract counterparties (collectively, the “**Contract Counterparties**”), and post the Cure Notice to the case website (<https://cases.ra.kroll.com/bsr/>).

**Content of Cure Notice.** The Cure Notice shall notify the applicable Contract Counterparties that the Contracts may be subject to assumption and assignment in connection with the Sale, and contain the following information: (i) a list of the applicable Contracts that may be assumed and assigned in connection with the Sale (the “**Assigned Contracts**,” and each individually, an “**Assigned Contract**”); (ii) the applicable Contract Counterparties; (iii) the Debtor’s good faith estimate of the proposed amount necessary to cure all monetary defaults, if any, under each Assigned Contract (the “**Cure Costs**”); and (iv) the deadline by which any Contract Counterparty to an Assigned Contract must file an objection to the proposed assumption, assignment, cure, and/or adequate assurance and the procedures relating thereto (the “**Cure Objection**”); provided that service of a Cure Notice does not constitute an admission that such Assigned Contract is an executory contract or unexpired lease or that such Assigned Contract will be assumed at any point by the Debtor or assumed and assigned pursuant to any Successful Bid.

**Cure Objections.** Cure Objections, if any, to a Cure Notice must: (i) be in writing; (ii) comply with the applicable provisions of the Bankruptcy Rules, the Bankruptcy Local Rules, and any order governing the administration of the Bankruptcy Case; (iii) state with specificity the nature of the objection and, if the Cure Objection pertains to the proposed Cure Costs, state the cure amount alleged to be owed to the objecting Contract Counterparty, together with any applicable and

---

<sup>1</sup> 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. All pleadings, as well as additional information related to the administration of the above-captioned bankruptcy case, are accessible free of charge on the case website at the following link: <https://cases.ra.kroll.com/BSR/>.

appropriate documentation in support thereof; and (iv) be filed no later than fourteen (14) days after service of the Cure Notice (the “**Cure Objection Deadline**”).

**Effects of Filing a Cure Objection.** A properly filed Cure Objection will reserve such objecting party’s rights against the Debtor only with respect to the assumption and assignment of the Assigned Contract at issue, and/or objection to the accompanying Cure Costs, as set forth in the Cure Objection, but will not constitute an objection to the remaining relief requested in the Motion.

**Dispute Resolution.** Any Cure Objection to the proposed assumption and assignment of an Assigned Contract or Cure Costs that remains unresolved after the Confirmation Hearing shall be heard at such later date as may be agreed upon by the parties or fixed by the Court. To the extent that any Cure Objection cannot be resolved by the parties, such Contract shall be assumed and assigned only upon satisfactory resolution of the Cure Objection, to be determined in the Successful Bidder’s reasonable discretion. To the extent a Cure Objection remains unresolved, the Contract may be conditionally assumed and assigned, subject to the consent of the Successful Bidder, pending a resolution of the Cure Objection after notice and a hearing. If a Cure Objection is not satisfactorily resolved, the Successful Bidder may determine that such Contract should be rejected and not assigned, in which case the Successful Bidder will not be responsible for any Cure Costs in respect of such contract. Notwithstanding the foregoing, if a Cure Objection relates solely to the Cure Costs (any such objection, a “**Cure Dispute**”), the applicable Assigned Contract may be assumed by the Debtor and assigned to the Successful Bidder provided that the cure amount the Contract Counterparty asserts is required to be paid under section 365(b)(1)(A) and (B) of the Bankruptcy Code (or such lower amount as agreed to by the Contract Counterparty) is deposited in an interest-free segregated account by the Debtor or the Successful Bidder pending the Court’s adjudication of the Cure Dispute or the parties’ consensual resolution of the Cure Dispute.

**Supplemental Cure Notice.** If the Debtor discovers Contracts inadvertently omitted from the Cure Notice or the Successful Bidder identifies inadvertently omitted Contracts that it desires to assume or assume and assign in connection with the Sale or the Debtor discovers inaccuracies in the Cure Costs associated with any Contracts in the Cure Notice, the Debtor may at any time before the closing of the Sale supplement the Cure Notice with previously omitted Contracts or modify a previously filed Cure Notice, including by modifying the previously stated Cure Costs associated with any Contracts (the “**Supplemental Cure Notice**”).

**Objection to the Supplemental Cure Notice.** Any Contract Counterparty listed on the Supplemental Cure Notice may file an objection (a “**Supplemental Cure Objection**”) only if such objection is to the proposed assumption or assumption and assignment of the applicable Contracts or the proposed Cure Costs, if any. All Supplemental Cure Objections must: (i) state, with specificity, the legal and factual basis for the objection as well as what Cure Costs are required, if any; (ii) include appropriate documentation in support thereof; and (iii) be filed no later than 5:00 p.m. (prevailing Central Time) on the date that is fourteen (14) days following the date of service of such Supplemental Cure Notice, which date will be set forth in the Supplemental Cure Notice.

**Dispute Resolution of Supplemental Cure Objection.** If a Contract Counterparty files a Supplemental Cure Objection in a manner that is consistent with the requirements set forth above, and the parties are unable to consensually resolve the dispute, the Debtor shall seek an expedited

hearing before the Court to determine the Cure Costs, if any, and approve the assumption of the relevant Contracts. If there is no such objection, then the Debtor shall obtain an order of this Court fixing the Cure Costs and approving the assumption of any Contract listed on a Supplemental Cure Notice. Notwithstanding the foregoing, if a Supplemental Cure Objection relates solely to a Cure Dispute, the applicable Assigned Contract may be assumed by the Debtor and assigned to the Successful Bidder provided that the cure amount the Contract Counterparty asserts is required to be paid under section 365(b)(1)(A) and (B) of the Bankruptcy Code (or such lower amount as agreed to by the Contract Counterparty) is deposited in an interest-free segregated account by the Debtor or the Successful Bidder pending the Court's adjudication of the Cure Dispute or the parties' consensual resolution of the Cure Dispute.

**No Cure Objections.** If there are no Cure Objections or Supplemental Cure Objections, or if a Contract Counterparty does not file and serve a Cure Objection or a Supplemental Cure Notice in a manner that is consistent with the requirements set forth above, and absent a subsequent order of the Court establishing an alternative Cure Cost, (i) the Cure Costs, if any, set forth in the Cure Notice (or Supplemental Cure Notice) shall be controlling, notwithstanding anything to the contrary in any Contract or any other document, and (ii) the Contract Counterparty will be deemed to have consented to the assumption or assumption and assignment of the Contract and the Cure Costs, if any, and will be forever barred from objecting to the assumption or assumption and assignment of such Contract and rights thereunder, including the Cure Costs, if any, and from asserting any other claims related to such Contract against the Debtor or the Successful Bidder, or the property of any of them.

**The Notice of Successful Bid.** As soon as reasonably practicable after the conclusion of the Auction, the Debtor shall file with the Court a notice identifying the Successful Bidder (a "**Notice of Successful Bid**"), which shall set forth, among other things, the Assigned Contracts and a certification by the Debtor that the Debtor have provided, or will provide, in coordination with the proposed assignee, the Successful Bidder's adequate assurance information to each affected counterparty on a confidential basis.

**The Assignment Notice.** As soon as possible after filing the Notice of Successful Bid, the Debtor will cause to be served by overnight mail or electronic mail upon each affected counterparty and its counsel (if known) a notice, substantially in the form attached to the Bidding Procedures Order as Exhibit D (the "**Assignment Notice**"), which shall: (i) identify of the Successful Bidder(s); (ii) identify the Assigned Contracts; (iii) identify the applicable Cure Amounts for each Assigned Contract; (iv) expressly state that assumption or assignment of an executory contract or unexpired lease is not guaranteed and is subject to Court approval; and (v) prominently displays the deadline to object solely on the basis of adequate assurance of future performance solely for Assigned Contracts identified by the Successful Bidder(s) by no later than two (2) weeks after the filing of the Notice of Successful Bid.

**Reservation of Rights.** At the Confirmation Hearing, the Debtor will seek Court approval of its assumption and assignment to any Successful Bidder (or Lead Bidder, if applicable) of only those executory contracts or unexpired leases that have been selected by any Successful Bidder to be

Assigned Contracts. The Debtor reserves any and all rights with respect to any executory contracts or unexpired leases that are not ultimately designated as Assigned Contracts.

### **Miscellaneous Provisions.**

Notwithstanding anything to the contrary herein, if after the Confirmation Hearing or the entry of the confirmation order additional executory contracts or unexpired leases of the Debtor are determined to be Assigned Contracts, as soon as practicable thereafter, the Debtor shall file with the Court and serve, by overnight delivery, on the counterparties a supplemental Assignment Notice (the “**Supplemental Assignment Notice**”), and such counterparties shall file any objections not later than twenty-one (21) days thereafter. If no objection is timely received, the Debtor shall be authorized to assume and assign such Assigned Contracts included on the Supplemental Assignment Notice to the Lead Bidder, if any, or any Successful Bidder, without further notice to creditors or other parties in interest and without the need for further order of the Court, and such assumption and assignment shall be subject to the terms of the confirmation order.

Counterparties to the Assigned Contracts may request adequate assurance of future performance by the Lead Bidder, Successful Bidder, or backup bidder by contacting (i) the Debtor, c/o James A. Katchadurian and Avery Alcorn, 977 Pruitt Place, Tyler, Texas 75703 (james.katchadurian@cr3partners.com and avery.alcorn@cr3partners.com); (ii) counsel to the Debtor, Jones Walker LLP, c/o Joseph E. Bain and Sean T. Wilson, 811 Main Street, Suite 2900, Houston, Texas 77002 (jbain@joneswalker.com and swilson@joneswalker.com). Such adequate assurance may be provided on a confidential basis for all nonpublic information.

The Successful Bidder or Lead Bidder, if any, will pay undisputed cure amounts consistent with the terms and procedures set forth in the Successful Bidder’s asset purchase agreement.

Except as otherwise ordered by the Court, any party or entity that fails to timely object to the assumption and assignment of a Assigned Contract on or before the objection deadline in accordance with the Bidding Procedures Order shall be forever barred from asserting any objection to the assumption and assignment of such Assigned Contract, the proposed cure amount, or adequate assurance of future performance. Any counterparty to an Assigned Contract that fails to object to the proposed assumption and assignment by the objection deadline will be deemed to assent to the assumption of the Assigned Contract on the terms set forth in the Assignment Notice or Supplemental Assignment Notice.

The inclusion of an executory contract or unexpired lease, or cure amounts with respect thereto on a Cure Notice, a Supplemental Cure Notice, an Assignment Notice, or a Supplemental Assignment Notice shall not constitute or be deemed a determination or admission by the Debtor, the Lead Bidder, if any, the Successful Bidder(s), or any other party in interest that such contract or lease is an executory contract or unexpired lease within the meaning of the Bankruptcy Code. The Debtor reserves all of its rights, claims, and causes of action with respect to each executory contract and unexpired lease listed on a Cure Notice, a Supplemental Cure Notice, or an Assignment Notice. The Debtor’s inclusion of any executory contract or unexpired lease on the Cure Notice, a Supplemental Cure Notice, an Assignment Notice, or Supplemental Assignment Notice shall not be a guarantee that such executory contract or unexpired lease, potential assumed contract, or Assigned Contract ultimately will be assumed or assumed and assigned.

**Assumption and assignment of any Assigned Contracts shall result in the full release and satisfaction of any cures, claims, or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or any bankruptcy-related defaults, arising at any time prior to the effective date of assumption. Any and all proofs of claim based upon executory contracts or unexpired leases that have been assumed in the chapter 11 case, including pursuant to the confirmation order, shall be deemed disallowed and expunged as of the later of (1) the date of entry of an order of the Court (including the confirmation order) approving such assumption and (2) the effective date of such assumption without the need for any objection or any further notice to or action, order, or approval of the Court.**

**EXHIBIT D**

**Assignment Notice**

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

|                                                   |   |                   |
|---------------------------------------------------|---|-------------------|
| In re:                                            | § |                   |
|                                                   | § | Chapter 11        |
|                                                   | § |                   |
| Barrow Shaver Resources Company LLC, <sup>1</sup> | § | Case No. 24-33353 |
|                                                   | § |                   |
|                                                   | § |                   |
| Debtor.                                           | § |                   |

**NOTICE OF PROPOSED ASSUMPTION AND ASSIGNMENT**

**PLEASE TAKE NOTICE** on July 23, 2024 (the “**Involuntary Petition Date**”), Axis Energy Services, LLC, DOC Energy Services, Inc., Cudd Pressure Control, Inc., Thru Tubing Solutions, Inc., Genesis Fluids, LLC, and Force Pressure Control, LLC filed an involuntary petition under chapter 7 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “**Bankruptcy Code**”) against the above-captioned debtor (“**BSR**” or the “**Debtor**”) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “**Court**”). On August 19, 2024 (the “**Voluntary Petition Date**”), the Debtor consented to an order for relief by filing its voluntary petition under chapter 11 of the Bankruptcy Code. During the period between the Involuntary Petition Date and the Voluntary Petition Date (the “**Gap Period**”), the Debtor operated its business in the ordinary course of business pursuant to section 303(f) of the Bankruptcy Code. During the Gap Period, James A. Katchadurian was appointed as Chief Restructuring Officer (the “**CRO**”) of the Debtor.

**PLEASE TAKE FURTHER NOTICE** that on [•], in connection with the proposed sale (the “**Sale**”) of all, substantially all, or certain of the Debtor’s assets to a potential lead bidder (the “**Lead Bidder**”) or another successful bidder or bidders (each, a “**Successful Bidder**”) at an auction, the Debtor filed a motion [Docket No. [•]] (the “**Motion**”) seeking, among other things, the entry of an order (a) authorizing the Debtor’s entry into an asset purchase agreement with a potential Lead Bidder, if one is chosen, (the “**Lead Bidder Purchase Agreement**”), (b) authorizing and approving the Debtor’s bidding procedures (the “**Bidding Procedures**”) in connection with the proposed auction (the “**Auction**”) for some or all of the Debtor’s assets (the “**Assets**”), (c) scheduling dates and deadlines in connection with the Sale (the “**Sale Schedule**”), (d) scheduling dates and deadlines in connection with selection and approval of a potential DIP

<sup>1</sup> 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. All pleadings, as well as additional information related to the administration of the above-captioned bankruptcy case, are accessible free of charge on the case website at the following link: <https://cases.ra.kroll.com/BSR/>.

loan, and (e) approving procedures for the assumption and assignment of executory contracts and unexpired leases in connection with the Sale (the “**Assumption Procedures**”).

**PLEASE TAKE FURTHER NOTICE** that on [•], the Court entered an order [Docket No. [•]] (the “**Bidding Procedures Order**”) granting certain of the relief sought in the Motion, including, among other things, approving (a) the Bidding Procedures, (b) the Sale Schedule, and (c) the Assumption Procedures.

**PLEASE TAKE FURTHER NOTICE** that upon the closing of the Sale, the Debtor intends to assume and assign to the Lead Bidder, if one is chosen, or any other Successful Bidder the executory contracts and unexpired leases set forth on **Exhibit [•]** hereto (each, an “**Assigned Contract**,” and collectively, the “**Assigned Contracts**”). In addition, the cure payments, if any, necessary for the assumption and assignment of the Assigned Contracts (the “**Cure Payments**”) are set forth on **Exhibit [•]** hereto.

**PLEASE TAKE FURTHER NOTICE** that nothing herein (i) alters in any way the prepetition nature of the Assigned Contracts or the validity, priority, or amount of any claims of a counterparty to any Assigned Contract against the Debtor that may arise under such Assigned Contract, (ii) creates a postpetition contract or agreement, or (iii) elevates to administrative expense priority any claims of a counterparty to any Assigned Contract against the Debtor that may arise under such Assigned Contract.

**YOU ARE RECEIVING THIS NOTICE BECAUSE YOU HAVE BEEN IDENTIFIED AS A COUNTERPARTY TO A POTENTIAL ASSIGNED CONTRACT OR UNEXPIRED LEASE, BUT THE INCLUSION OF YOUR CONTRACT ON THE NOTICE DOES NOT MEAN THAT THE LEAD BIDDER OR OTHER SUCCESSFUL BIDDER HAS DETERMINED WHETHER TO SEEK ASSUMPTION AND ASSIGNMENT OF YOUR CONTRACT OR LEASE.** Under the terms of the Assumption Procedures, the Lead Bidder or other Successful Bidder may modify the list of Assigned Contracts on **Exhibit [•]** hereto until the Final Bid Deadline (as defined herein). The Lead Bidder or other Successful Bidder may further modify the list of Assigned Contracts at any time prior to two (2) business days before the closing of the Sale to (a) add any contract as an Assumed Contract (subject to the terms of the Lead Bidder Purchase Agreement or other relevant purchase agreement) or (b) remove any contract that the Lead Bidder or other Successful Bidder does not wish to assume. The Debtor reserves the right at any time to (a) supplement the list of Assigned Contracts with previously omitted executory contracts or unexpired leases, (b) remove Assigned Contracts from the list of executory contracts and unexpired leases ultimately selected as Assigned Contracts that a Successful Bidder proposes be assumed and assigned to it in connection with the Sale, and/or (c) modify the previously stated Cure Payment associated with any Assigned Contracts. Any counterparty impacted by such a modification will receive notice thereof (the “**Supplemental Assignment Notice**”) and, if applicable, an opportunity to object to the proposed assumption and assignment of the Assigned Contract. To the extent the Lead Bidder or Successful Bidder adds or removes an Assigned

Contract from the list of Assigned Contracts, the Debtor will send notice to impacted counterparties as soon as practicable.

Copies of the Bidding Procedures Order, the Bidding Procedures, and any other related documents are available upon request to (i) the Debtor, c/o James A. Katchadurian and Avery Alcorn, 977 Pruitt Place, Tyler, Texas 75703 (james.katchadurian@cr3partners.com and avery.alcorn@cr3partners.com); (ii) counsel to the Debtor, Jones Walker LLP, c/o Joseph E. Bain and Sean T. Wilson, 811 Main Street, Suite 2900, Houston, Texas 77002 (jbain@joneswalker.com and swilson@joneswalker.com).

**PLEASE TAKE FURTHER NOTICE** that section 365(a) of the Bankruptcy Code conditions assignment on the Lead Bidder or the Successful Bidder providing “adequate assurance of future performance.” Counterparties to Assigned Contracts may request adequate assurance of future performance by the Successful Bidder or backup bidder by contacting (i) the Debtor, c/o James A. Katchadurian and Avery Alcorn, 977 Pruitt Place, Tyler, Texas 75703 (james.katchadurian@cr3partners.com and avery.alcorn@cr3partners.com); (ii) counsel to the Debtor, Jones Walker LLP, c/o Joseph E. Bain and Sean T. Wilson, 811 Main Street, Suite 2900, Houston, Texas 77002 (jbain@joneswalker.com and swilson@joneswalker.com). Such adequate assurance may be provided on a confidential basis for all nonpublic information. **If you object to assumption and assignment of your Assigned Contract based solely on the adequate assurance of future performance, you must object in accordance with the procedures described in this notice by no later than the objection deadline set forth below under the heading “Important Dates and Deadlines.”**

#### **Important Dates and Deadlines**

| <b>Date / Time</b>                                                                         | <b>Event</b>                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Five (5) business days after the Bidding Procedures Motion is approved by the Court</b> | Deadline by which Debtor must file the Cure Notice with the Court and serve the Cure Notice on the Contract Counterparties.                                                                                                                                                                                                       |
| <b>June 27, 2025<br/>5:00 p.m.<br/>(prevailing Central Time)</b>                           | Bid deadline by which a Bidder must submit Bids (as well as the Deposit, Bidder Qualification Summaries, and all other documentation required under the Bidding Procedures), and Sale Documents (as defined in the Bidding Procedures) in order to be eligible to be selected as a Lead Bidder and considered a Qualified Bidder. |
| <b>June 27, 2025<br/>5:00 p.m.<br/>(prevailing Central Time)</b>                           | DIP Proposal deadline by which all DIP Proposals must be submitted (including the DIP Qualification Summaries, DIP Documents, and all other documentation required under the Bidding Procedures) must be submitted in accordance with the Bidding Procedures in order to be eligible to be selected as a DIP Lender.              |

|                                                                         |                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Two (2) weeks after the filing of the Cure Notice</b>                | Deadline by which to file objections to proposed Cure Payment.                                                                                                                                                                                                                                                                                |
| <b>July 18, 2025</b>                                                    | Deadline by which Debtor must make a Lead Bid selection, if any. Filed simultaneously with the notice of a Lead Bid selection, or as soon as practicable thereafter, the Debtor will file the proposed Lead Bidder Purchase Agreement.                                                                                                        |
| <b>July 18, 2025</b>                                                    | Deadline by which Debtor must make a DIP Proposal selection, if any. Filed simultaneously with the notice of a DIP Proposal selection, or as soon as practicable thereafter, the Debtor will file the proposed DIP Credit Agreement and a motion to approve the same that shall be considered at the DIP Hearing (the “ <b>DIP Motion</b> ”). |
| <b>July 30, 2025</b>                                                    | Deadline by which to file an objection to the Lead Bid selection and Lead Bidder Purchase Agreement or DIP Proposal selection and DIP Motion, if any.                                                                                                                                                                                         |
| <b>August 6, 2025<br/>[•]:00 [•].m.<br/>(prevailing Central Time)</b>   | Date on which the hearing on the Debtor’s Lead Bid (if any objections are filed), DIP Proposal selection(s), and DIP Motion shall occur, if any, subject to the Court’s availability.                                                                                                                                                         |
| <b>August 8, 2025<br/>[•]. (prevailing Central Time)</b>                | Date on which the Auction (if any) shall be held electronically via video/telephone, and in person at Jones Walker LLP’s offices located at 811 Main St., Suite 2900, Houston, TX, 77002 or at such later date, time or other place, as selected by the Debtor or approved by order of the Court.                                             |
| <b>Two (2) weeks after the Debtor files notice of Successful Bidder</b> | Deadline to object to adequate assurance of future performance of payment.                                                                                                                                                                                                                                                                    |

### **Filing Assumption and Assignment Objections**

Pursuant to the Assumption Procedures, objections to the proposed assumption and assignment of an Assigned Contract, including any objection relating to the Cure Payment and/or adequate assurance of future performance, must: (a) be in writing; (b) comply with the applicable provisions of the Bankruptcy Rules, the Local Rules, and the Complex Case Procedures; (c) state with specificity the nature of such objection and, if the objection pertains to the Cure Payment, the correct Cure Payment alleged by the objecting counterparty, together with any applicable and appropriate documentation in support thereof; and (d) be filed with the Court and served so as to be actually received by (i) counsel to the Debtor, (ii) counsel to the UCC, and (iii) the United States

Trustee, before the applicable objection deadline as set forth herein or such deadline set forth in the Supplemental Assignment Notice, as applicable. Failure to timely file an objection shall constitute a waiver of any objections related to accepting performance by, or rendering performance to, the Lead Bidder or any other Successful Bidder for purposes of section 365(c)(1) of the Bankruptcy Code. Any objections to the adequate assurance of future performance of payment will be considered at the Confirmation Hearing, or as soon thereafter as counsel may be heard.

**Consequences of Failing to Timely File and Serve an Objection**

Any counterparty to an Assigned Contract who fails to timely file and serve an objection to the proposed assumption and assignment of an Assigned Contract in accordance with the Bidding Procedures Order and Assumption Procedures incorporated therein shall be forever barred from asserting any objection to the assumption and assignment of the Assigned Contract and/or the Cure Payment set forth on **Exhibit** [•] hereto, including asserting additional cure amounts with respect to an Assigned Contract relating to any period prior to the time of assumption and assignment.

**EXHIBIT E**  
**Notice of DIP Lender**

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

|                                                   |   |                   |
|---------------------------------------------------|---|-------------------|
| In re:                                            | § |                   |
|                                                   | § | Chapter 11        |
|                                                   | § |                   |
| Barrow Shaver Resources Company LLC, <sup>1</sup> | § | Case No. 24-33353 |
|                                                   | § |                   |
|                                                   | § |                   |
| Debtor.                                           | § |                   |

**NOTICE OF SELECTION OF DIP LENDER**

**PLEASE TAKE NOTICE** on July 23, 2024 (the “**Involuntary Petition Date**”), Axis Energy Services, LLC, DOC Energy Services, Inc., Cudd Pressure Control, Inc., Thru Tubing Solutions, Inc., Genesis Fluids, LLC, and Force Pressure Control, LLC filed an involuntary petition under chapter 7 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “**Bankruptcy Code**”) against the above-captioned debtor (“**BSR**” or the “**Debtor**”) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “**Court**”). On August 19, 2024 (the “**Voluntary Petition Date**”), the Debtor consented to an order for relief by filing its voluntary petition under chapter 11 of the Bankruptcy Code. During the period between the Involuntary Petition Date and the Voluntary Petition Date (the “**Gap Period**”), the Debtor operated its business in the ordinary course of business pursuant to section 303(f) of the Bankruptcy Code. During the Gap Period, James A. Katchadurian was appointed as Chief Restructuring Officer (the “**CRO**”) of the Debtor.

**PLEASE TAKE FURTHER NOTICE** that on [•], the United States Bankruptcy Court for the Southern District of Texas (the “**Court**”) entered the Order [•] [Docket No. [•]] (the “**Bidding Procedures Order**”).

**PLEASE TAKE FURTHER NOTICE** that in accordance with the Bidding Procedures Order, the Debtor selected [•] to act as the DIP Lender, subject to Court approval.

**PLEASE TAKE FURTHER NOTICE** the Debtor will file a motion to approve the DIP Credit Agreement (the “**DIP Motion**”) and a proposed order approving the DIP Motion.

**PLEASE TAKE FURTHER NOTICE** that any objection to the DIP Motion (a “**DIP Objection**”) shall be filed no later than July 30, 2025.

<sup>1</sup> 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. All pleadings, as well as additional information related to the administration of the above-captioned bankruptcy case, are accessible free of charge on the case website at the following link: <https://cases.ra.kroll.com/BSR/>.

**PLEASE TAKE FURTHER NOTICE** that a hearing on the DIP Motion will occur on August 6, 2025, at [•] .m (prevailing Central Time).

**PLEASE TAKE FURTHER NOTICE** that all pleadings, as well as additional information related to the administration of the Bankruptcy Case, are accessible free of charge on the case website at the following link: <https://cases.ra.kroll.com/BSR/>.

**EXHIBIT F**

**Sale Notice**

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

|                                                   |   |                   |
|---------------------------------------------------|---|-------------------|
| In re:                                            | § |                   |
|                                                   | § | Chapter 11        |
|                                                   | § |                   |
| Barrow Shaver Resources Company LLC, <sup>1</sup> | § | Case No. 24-33353 |
|                                                   | § |                   |
|                                                   | § |                   |
| Debtor.                                           | § |                   |

**SALE NOTICE**

**PLEASE TAKE NOTICE** on July 23, 2024 (the “**Involuntary Petition Date**”), Axis Energy Services, LLC, DOC Energy Services, Inc., Cudd Pressure Control, Inc., Thru Tubing Solutions, Inc., Genesis Fluids, LLC, and Force Pressure Control, LLC filed an involuntary petition under chapter 7 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “**Bankruptcy Code**”) against the above-captioned debtor (“**BSR**” or the “**Debtor**”) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the “**Court**”). On August 19, 2024 (the “**Voluntary Petition Date**”), the Debtor consented to an order for relief by filing its voluntary petition under chapter 11 of the Bankruptcy Code. During the period between the Involuntary Petition Date and the Voluntary Petition Date (the “**Gap Period**”), the Debtor operated its business in the ordinary course of business pursuant to section 303(f) of the Bankruptcy Code. During the Gap Period, James A. Katchadurian was appointed as Chief Restructuring Officer (the “**CRO**”) of the Debtor.

**PLEASE TAKE FURTHER NOTICE** that on [•], in connection with the proposed sale (the “**Sale**”) of all, substantially all, or certain of the Debtor’s assets to a potential lead bidder (the “**Lead Bidder**”) or another successful bidder or bidders (each, a “**Successful Bidder**”) at an auction, the Debtor filed a motion [Docket No. [•]] (the “**Motion**”) seeking, among other things, the entry of an order (a) authorizing the Debtor’s entry into an asset purchase agreement with a potential Lead Bidder, if one is chosen, (the “**Lead Bidder Purchase Agreement**”), (b) authorizing and approving the Debtor’s bidding procedures (the “**Bidding Procedures**”) in connection with the proposed auction (the “**Auction**”) for some or all of the Debtor’s assets (the “**Assets**”), (c) scheduling dates and deadlines in connection with the Sale (the “**Sale Schedule**”), (d) scheduling dates and deadlines in connection with selection and approval of a potential DIP

<sup>1</sup> 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. All pleadings, as well as additional information related to the administration of the above-captioned bankruptcy case, are accessible free of charge on the case website at the following link: <https://cases.ra.kroll.com/BSR/>.

loan, and (e) approving procedures for the assumption and assignment of executory contracts and unexpired leases in connection with the Sale (the “**Assumption Procedures**”).

**PLEASE TAKE FURTHER NOTICE** that on [•], the Court entered an order [Docket No. [•]] (the “**Bidding Procedures Order**”) granting certain of the relief sought in the Motion, including, among other things, approving (a) the Bidding Procedures, (b) the Sale Schedule, and (c) the Assumption Procedures.

**PLEASE TAKE FURTHER NOTICE** that the Debtor expects to seek approval of the Sale at a hearing confirming its forthcoming chapter 11 plan (the “**Confirmation Hearing**”). Any persons interested in making an offer to purchase the Assets should contact: (i) the Debtor, c/o James A. Katchadurian and Avery Alcorn, 977 Pruitt Place, Tyler, Texas 75703 (james.katchadurian@cr3partners.com and avery.alcorn@cr3partners.com); (ii) counsel to the Debtor, Jones Walker LLP, c/o Joseph E. Bain and Sean T. Wilson, 811 Main Street, Suite 2900, Houston, Texas 77002 (jbain@joneswalker.com and swilson@joneswalker.com).

### **Obtaining Information**

Copies of the Bidding Procedures Order, the Bidding Procedures, and any other related documents are available upon request to (i) the Debtor, c/o James A. Katchadurian and Avery Alcorn, 977 Pruitt Place, Tyler, Texas 75703 (james.katchadurian@cr3partners.com and avery.alcorn@cr3partners.com); (ii) counsel to the Debtor, Jones Walker LLP, c/o Joseph E. Bain and Sean T. Wilson, 811 Main Street, Suite 2900, Houston, Texas 77002 (jbain@joneswalker.com and swilson@joneswalker.com).

### **The Sale Schedule**

| <b>Date / Time</b>                                                                         | <b>Event</b>                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Five (5) business days after the Bidding Procedures Motion is approved by the Court</b> | Deadline by which Debtor must file the Cure Notice with the Court and serve the Cure Notice on the Contract Counterparties.                                                                                                                                                                                                       |
| <b>June 27, 2025<br/>5:00 p.m.<br/>(prevailing Central Time)</b>                           | Bid deadline by which a Bidder must submit Bids (as well as the Deposit, Bidder Qualification Summaries, and all other documentation required under the Bidding Procedures), and Sale Documents (as defined in the Bidding Procedures) in order to be eligible to be selected as a Lead Bidder and considered a Qualified Bidder. |
| <b>June 27, 2025<br/>5:00 p.m.<br/>(prevailing Central Time)</b>                           | DIP Proposal deadline by which all DIP Proposals must be submitted (including the DIP Qualification Summaries, DIP Documents, and all other documentation required under the Bidding Procedures) must be submitted in accordance with the Bidding Procedures in order to be eligible to be selected as a DIP Lender.              |

|                                                                         |                                                                                                                                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Two (2) weeks after the filing of the Cure Notice</b>                | Deadline by which to file objections to proposed Cure Payment.                                                                                                                                                                                                                                                                                |
| <b>July 18, 2025</b>                                                    | Deadline by which Debtor must make a Lead Bid selection, if any. Filed simultaneously with the notice of a Lead Bid selection, or as soon as practicable thereafter, the Debtor will file the proposed Lead Bidder Purchase Agreement.                                                                                                        |
| <b>July 18, 2025</b>                                                    | Deadline by which Debtor must make a DIP Proposal selection, if any. Filed simultaneously with the notice of a DIP Proposal selection, or as soon as practicable thereafter, the Debtor will file the proposed DIP Credit Agreement and a motion to approve the same that shall be considered at the DIP Hearing (the “ <b>DIP Motion</b> ”). |
| <b>July 30, 2025</b>                                                    | Deadline by which to file an objection to the Lead Bid selection and Lead Bidder Purchase Agreement or DIP Proposal selection and DIP Motion, if any.                                                                                                                                                                                         |
| <b>August 6, 2025<br/>[•]:00 [•].m.<br/>(prevailing Central Time)</b>   | Date on which the hearing on the Debtor’s Lead Bid (if any objections are filed), DIP Proposal selection(s), and DIP Motion shall occur, if any, subject to the Court’s availability.                                                                                                                                                         |
| <b>August 8, 2025<br/>[•]. (prevailing Central Time)</b>                | Date on which the Auction (if any) shall be held electronically via video/telephone, and in person at Jones Walker LLP’s offices located at 811 Main St., Suite 2900, Houston, TX, 77002 or at such later date, time or other place, as selected by the Debtor or approved by order of the Court.                                             |
| <b>Two (2) weeks after the Debtor files notice of Successful Bidder</b> | Deadline to object to adequate assurance of future performance of payment.                                                                                                                                                                                                                                                                    |

### **Filing Objections to the Selection of Lead Bidder and DIP Motion**

Pursuant to the Bidding Procedures, objections to the proposed Lead Bidder and DIP Motion, if any, must: (a) be in writing; (b) comply with the applicable provisions of the Bankruptcy Rules, the Local Rules, and the Complex Case Procedures; (c) state with specificity the nature of such objection; and (d) be filed with the Court and served so as to be actually received by (i) counsel to the Debtor, (ii) counsel to the UCC, and (iii) the United States Trustee, before the applicable objection deadline as set forth herein. Failure to timely file an objection shall constitute a waiver of any objections related to the selection of the Lead Bidder and approval of the DIP Motion. Any

objections will be considered at the August 6, 2025 hearing as stated above, subject to the Court's availability.

**Consequences of Failing to Timely File an Objection**

Any party or entity who fails to timely file an objection to the selection of the Lead Bidder or the DIP Motion on or before July 30, 2025, in accordance with the Bidding Procedures Order, shall be forever barred from asserting any objection to the Lead Bidder selection or the DIP Motion.