

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

In re:	§	Chapter 11
	§	
SCANROCK OIL & GAS, INC., <i>et al.</i> ,	§	Case No. 25-90001-mxm-11
	§	
Debtors. ¹	§	Jointly Administered

**FIRST AMENDED DISCLOSURE STATEMENT IN SUPPORT OF
THE DEBTORS' AMENDED JOINT CONSOLIDATED PLAN OF REORGANIZATION**

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O'RYAN RANCHES, LTD.**

**ATTORNEYS FOR THE
OIL AND GAS DEBTORS
AND THE OREGON DEBTORS**

DATED: July 3, 2025

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, if any, are: Scanrock Oil & Gas, Inc. (0380); EON Production, LLC (0136); O'Ryan Family Limited Partnership (1913); O'Ryan Production & Exploration Ltd. (9950); O'Ryan Ponderosa, LLC (1476); Ryan C. Hoerauf, Inc. (0493); and Smackover Oil Treaters, Ltd. (9529); O'Ryan Ranches, Ltd. (7184); O'Ryan Ranches, LLC (6467); and O'Ryan Oregon Ranches, LLC. The location of the Debtors' service address is 8180 Lakeview Center, Ste. 300, Odessa, TX 79765. More information about the Debtors, and copies of pleadings in the above-captioned bankruptcy case, may be obtained on the website of the Debtors' noticing agent, Stretto, Inc., at: <https://cases.stretto.com/scanrock>.

Important Information for You to Read²

SUPPORT FOR THE PLAN
The management of Scanrock Oil & Gas, Inc. and each of its affiliated Debtors (as of the date hereof) have unanimously approved the transactions contemplated by the Plan and recommend that all creditors and stakeholders whose votes are being solicited submit ballots to accept the Plan.
PLAN VOTING DEADLINE
The deadline to vote on the Plan is [----], 2025, at 5:00 p.m. (prevailing Central Time) unless extended by the Debtors. For your vote to be counted, your Ballot must be actually received by Stretto, Inc. before the Voting Deadline in accordance with the instructions provided herein. The Debtors are providing you with the information in this Disclosure Statement (as may be amended, altered, modified, revised, or supplemented from time to time, the “<u>Disclosure Statement</u>”) for the Plan because you may be a creditor entitled to vote on the Plan. Nothing in this Disclosure Statement may be relied upon or used by any Entity for any other purpose.
QUESTIONS AND ADDITIONAL INFORMATION
If you would like to obtain additional copies of this Disclosure Statement, the Plan, any of the documents attached hereto or referenced herein, or have questions about the solicitation and voting process or the Debtors’ Chapter 11 Cases generally, please contact the Debtors’ claims, noticing, and solicitation agent, Stretto, Inc., by either (i) visiting https://cases.stretto.com/scanrock ; or (ii) calling 937-235-8941 (Toll-Free) or 747-240-4193 (International).

² Capitalized terms used but not immediately defined herein shall have the meanings ascribed to such terms later in the Disclosure Statement or in the Debtors’ Amended Joint Consolidated Plan of Reorganization [Docket No. ---] (including all exhibits and schedules attached thereto, and as may be amended, altered, modified, or supplemented from time to time, the “Plan”), as applicable; *provided*, that any capitalized term used but not defined herein or in the Plan that is defined in Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”), the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), or the Local Bankruptcy Rules of the United States Bankruptcy Court for the Northern District of Texas (the “Local Rules”) will have the meaning ascribed to such term in the Bankruptcy Code, the Bankruptcy Rules, or the Local Rules, as applicable.

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EXHIBIT B	Financial Projections
EXHIBIT C	Liquidation Analysis
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EXHIBIT E	Legal Description of Llano Ranch Parcel 1

I. EXECUTIVE SUMMARY

You are receiving this Disclosure Statement because you are a potential creditor or party-in-interest in one or more of the jointly administered Chapter 11 bankruptcy cases (the “Chapter 11 Cases” or “Bankruptcy Cases”) of Scanrock Oil & Gas, Inc.; EON Production, LLC; O’Ryan Family Limited Partnership; O’Ryan Production & Exploration Ltd.; O’Ryan Ponderosa, LLC; Ryan C. Hoerauf, Inc.; Smackover Oil Treaters, Ltd.; O’Ryan Ranches, Ltd.; O’Ryan Ranches, LLC; and/or O’Ryan Oregon Ranches, LLC.

This Disclosure Statement contains adequate information to enable you to better understand the Plan and to better enable you to vote on the Plan, if you are entitled to vote on the Plan. The Plan is attached to this Disclosure Statement.

The Plan, if confirmed by the Bankruptcy Court, will constitute a new contract between the Debtors and their creditors and will govern how the Debtors will repay their debts to their creditors. The Plan is a legal document that may affect and alter your legal rights. You should review the Plan closely, using this Disclosure Statement to assist you. You have rights regarding the Plan, including to potentially vote on the Plan and to object to the confirmation of the Plan. However, if you do not exercise these rights, the Plan may be confirmed and may become binding on you, whether or not you vote on the Plan or participate in the Plan process. If you ignore the Plan, the Plan may still become binding on you, and you are therefore encouraged to pay attention to the Plan, to review the Plan, and to consult with counsel regarding the Plan.

The Plan is a chapter 11 plan of reorganization which, if confirmed, will provide the Debtors a discharge of their debts, including any such debts to you. In exchange, the Plan will govern how the Debtors, as Reorganized Debtors under the Plan, will pay you back on your debt. The Plan is funded through several sources, including the sale of the Oregon Ranch, the sale of the Llano Ranch (in two potential parcels), and future oil and gas operations and revenues. As provided for in the Plan and detailed below, the Plan provides for a full payment of all obligations of the Debtors to their creditors, although the timing of such repayment depends on which Class your Claim is classified in under the Plan.

The Debtors believe that the Plan provides the best means for maximizing recovery to each of the Classes of Creditors under the Plan, in light of the assets available for distribution to Creditors and the Debtors’ future revenue. The Debtors believe that the Plan enables all legitimate debt to be paid in full, whereas in a liquidation of the Debtors, the Debtors do not believe that all claims would be paid in full as against certain of the Debtors.

For the reasons expressed in this Disclosure Statement, the Debtors urge their creditors to vote to accept the Plan.

II. DISCLOSURES

THIS DISCLOSURE STATEMENT IS IN SUPPORT OF THE PLAN, INCLUDING PROVISIONS RELATING TO THE PLAN'S TREATMENT OF CLAIMS AGAINST THE DEBTORS. THE DISCLOSURE STATEMENT ALSO SUMMARIZES CERTAIN FINANCIAL INFORMATION CONCERNING THE DEBTORS AND THE CLAIMS ASSERTED AGAINST THE DEBTORS IN THE BANKRUPTCY CASE. WHILE THE DEBTORS BELIEVE THAT THE DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION WITH RESPECT TO THE INFORMATION SUMMARIZED, CREDITORS SHOULD REVIEW THE ENTIRE PLAN AND EACH OF THE DOCUMENTS REFERENCED HEREIN, AND SHOULD SEEK THE ADVICE OF THEIR OWN COUNSEL BEFORE CASTING THEIR BALLOTS.

EXCEPT FOR THE INFORMATION SET FORTH IN THIS DISCLOSURE STATEMENT AND ITS EXHIBITS, NO REPRESENTATIONS CONCERNING THE DEBTORS, THE DEBTORS' ASSETS AND LIABILITIES, THE PAST OR FUTURE OPERATION OF THE DEBTORS, THE PLAN, OR ALTERNATIVES TO THE PLAN ARE AUTHORIZED, NOR ARE ANY SUCH REPRESENTATIONS TO BE RELIED UPON IN ARRIVING AT A DECISION WITH RESPECT TO THE PLAN. ANY REPRESENTATIONS MADE TO SECURE ACCEPTANCE OR REJECTION OF THE PLAN, OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT AND ITS EXHIBITS, ARE UNAUTHORIZED AND SHOULD BE REPORTED TO THE DEBTORS.

THE APPROVAL OF THE DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE PLAN OR A GUARANTY OF THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.

THE DEBTORS ARE PROVIDING THE INFORMATION IN THE DISCLOSURE STATEMENT SOLELY FOR PURPOSES OF SOLICITING HOLDERS OF CLAIMS AND INTERESTS TO ACCEPT OR REJECT THE PLAN. THE SUMMARY OF THE PLAN AND OTHER DOCUMENTS DESCRIBED IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE ACTUAL DOCUMENTS THEMSELVES AND THE EXHIBITS THERETO.

NOTHING IN THIS DISCLOSURE STATEMENT MAY BE USED BY ANY PERSON FOR ANY OTHER PURPOSE. NOTHING CONTAINED IN THIS DISCLOSURE STATEMENT, EXPRESS OR IMPLIED, IS INTENDED TO GIVE RISE TO ANY COMMITMENT OR OBLIGATION OF THE DEBTORS OR ANY OTHER PARTY, NOR SHALL IT BE CONSTRUED AS CONFERRING UPON ANY PERSON ANY RIGHTS, BENEFITS OR REMEDIES OF ANY NATURE WHATSOEVER. THE DISCLOSURE STATEMENT IS INFORMATIONAL ONLY AND IT IS THE PLAN THAT WILL CONTROL IF CONFIRMED BY THE BANKRUPTCY COURT. ADDITIONALLY, CREDITORS SHOULD NOT CONSTRUE THE CONTENTS OF THIS DISCLOSURE STATEMENT AS PROVIDING ANY LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. EACH CREDITOR SHOULD CONSULT WITH ITS OWN LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS AS TO ANY MATTER CONCERNING THE PLAN, INCLUDING THE

TREATMENT OF CLAIMS UNDER THE PLAN, THE RELEASES PROVIDED BY AND PROPOSED UNDER THE PLAN, THE TRANSACTIONS AND INJUNCTIONS PROVIDED UNDER THE PLAN, AND THE VOTING PROCEDURES AND ELECTIONS APPLICABLE TO THE PLAN.

ALL HOLDERS OF CLAIMS AND INTERESTS ENTITLED TO VOTE ON THE PLAN ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THIS ENTIRE DISCLOSURE STATEMENT, INCLUDING THE RISK FACTORS CITED HEREIN AND THE PLAN ATTACHED HERETO, BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

THE DEBTORS BELIEVE THAT THE INFORMATION HEREIN IS ACCURATE BUT ARE UNABLE TO WARRANT THAT THE INFORMATION IS WITHOUT ANY INACCURACY OR OMISSION. THE DEBTORS HAVE NOT AUTHORIZED ANY PARTY TO GIVE ANY INFORMATION ABOUT OR CONCERNING THE PLAN OR THE DEBTORS OR THE VALUE OF THEIR PROPERTY, OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT. HOLDERS OF CLAIMS AND INTERESTS SHOULD NOT RELY UPON ANY OTHER INFORMATION, REPRESENTATIONS, OR INDUCEMENTS MADE TO OBTAIN ACCEPTANCE OR REJECTION OF THE PLAN.

THE BANKRUPTCY COURT'S APPROVAL OF THE ADEQUACY OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE THE BANKRUPTCY COURT'S APPROVAL OF THE PLAN. NEITHER THIS DISCLOSURE STATEMENT NOR THE PLAN HAS BEEN FILED WITH OR REVIEWED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, OR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE UNDER ANY STATE SECURITIES LAW, THIS DISCLOSURE STATEMENT AND THE PLAN HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITY EXCHANGE COMMISSION ("SEC") OR ANY STATE SECURITIES COMMISSION. NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN OR THEREIN.

THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLAN, CERTAIN OTHER DOCUMENTS, AND CERTAIN FINANCIAL INFORMATION. THE DEBTORS BELIEVE THAT THESE SUMMARIES ARE FAIR AND ACCURATE. IN THE EVENT OF ANY INCONSISTENCY OR DISCREPANCY BETWEEN A DESCRIPTION CONTAINED IN THIS DISCLOSURE STATEMENT AND THE TERMS AND PROVISIONS OF THE PLAN OR THE OTHER DOCUMENTS OR FINANCIAL INFORMATION INCORPORATED HEREIN BY REFERENCE, THE PLAN, OR SUCH OTHER DOCUMENTS, AS APPLICABLE, SHALL GOVERN FOR ALL PURPOSES.

INFORMATION INCORPORATED BY REFERENCE INTO THIS DISCLOSURE STATEMENT SPEAKS AS OF THE DATE OF SUCH INFORMATION OR THE DATE OF THE REPORT OR DOCUMENT IN WHICH SUCH INFORMATION IS CONTAINED OR AS OF A PRIOR DATE AS MAY BE SPECIFIED IN SUCH REPORT OR DOCUMENT. ANY STATEMENT CONTAINED IN A DOCUMENT INCORPORATED BY REFERENCE HEREIN SHALL BE DEEMED TO BE MODIFIED OR SUPERSEDED FOR ALL PURPOSES TO THE EXTENT THAT A STATEMENT CONTAINED IN THIS DISCLOSURE

STATEMENT OR IN ANY OTHER SUBSEQUENTLY FILED DOCUMENT WHICH IS ALSO INCORPORATED OR DEEMED TO BE INCORPORATED BY REFERENCE, MODIFIES OR SUPERSEDES SUCH STATEMENT. ANY STATEMENT SO MODIFIED OR SUPERSEDED SHALL NOT BE DEEMED, EXCEPT AS SO MODIFIED OR SUPERSEDED, TO CONSTITUTE A PART OF THIS DISCLOSURE STATEMENT.

SOME ASSUMPTIONS INEVITABLY WILL NOT MATERIALIZE. FURTHER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE FINANCIAL PROJECTIONS WERE PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND, THUS, THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THEREFORE, THE FINANCIAL PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTEE OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR.

THE PLAN MAY PERMANENTLY AFFECT AND LIMIT YOUR RIGHTS.
READ THIS DISCLOSURE STATEMENT AND THE PLAN CAREFULLY.

III. OVERVIEW OF THE DEBTORS AND THEIR OPERATIONS

A. The Debtors

The Debtors are 10 affiliated entities, including 7 oil and gas entities and 3 ranchland holding companies.

On February 3, 2025, Scanrock Oil & Gas, Inc. (“Scanrock”) and O’Ryan Ranches, Ltd. (“Llano Ranch Debtor”) filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division.

On February 9, 2025, EON Production, LLC; O’Ryan Family Limited Partnership; O’Ryan Production & Exploration, Ltd.; O’Ryan Ponderosa, LLC; Ryan C. Hoerauf, Inc.; and Smackover Oil Treaters Ltd. (collectively, with Scanrock, the “Oil and Gas Debtors”) filed for chapter 11 for all of the Debtors to be jointly administered. On February 14, 2025, the *Order Directing Joint Administration of the Chapter 11 Cases* [Docket No. 46] was entered, providing for the joint administration of the Chapter 11 Cases under the lead case *Scanrock Oil & Gas, Inc.*, Case No. 25-90001-mxm11 (the “Lead Case”).

On April 25, 2025, O’Ryan Oregon Ranches, LLC and O’Ryan Ranches, LLC (the “Oregon Debtors” and, collectively, with the Oil and Gas Debtors and the Llano Ranch Debtor, the “Debtors”) filed for chapter 11 in order to be jointly administered with all other Debtors in these Chapter 11 Cases. On May 1, 2025, the *Second Order Directing Joint Administration* [Docket No. 299] was entered, providing for the joint administration of the Oregon Debtors in the Lead Case.

1. The Oil and Gas Enterprises

Ryan C. Hoerauf, principal of the Debtors, grew up in North Dakota in a family of entrepreneurs. After graduating from the University of North Dakota with a bachelor’s degree in Chemical Engineering in 1981, Mr. Hoerauf moved to West Texas for a job with Getty Oil and to attend the University of Texas of the Permian Basin where he received a Master of Business Administration degree. During his time at Getty Oil (which was acquired by Texaco in 1984), Mr. Hoerauf studied and learned the full spectrum of the oil and gas business, from mineral acquisition and drilling to casing and completion to transport and processing. By 1990, Mr. Hoerauf left Texaco in order to start his own oil and gas company in Midland County.

For the next 35 years, Mr. Hoerauf acquired many properties, leases, wells, and working interests across the States of Texas, Louisiana, and New Mexico and expanded his own oil and gas operations. In time, Mr. Hoerauf developed a specialization in exploration and production of otherwise traditionally uneconomical fields by using vertically integrated treatment facilities in order to convert certain hydrocarbon production into a higher grade of oil which can be more easily refined into gasoline, diesel, and jet fuel. For example, Mr. Hoerauf found great success converting oil production with properties similar to “West Texas Sour Crude” into “Louisiana Sweet Crude” (i.e., a type of light crude oil with lower sulfur content in high demand). Further, Mr. Hoerauf

found success venturing into the sand, gravel, and crushed limestone business for well fracking as well as the mineral processing industry for oil, gas, and other hydrocarbons.

As an entrepreneur, Mr. Hoerauf worked extremely hard and achieved tremendous success building his businesses and drilling his wells with a hands-on approach in the field. Since first arriving in Texas in 1977, Mr. Hoerauf never lost that entrepreneurial spirit or the commitment toward building his businesses in Texas. To this day, Mr. Hoerauf continues to manage operations across his companies for all exploration, drilling, and production.

At this time, the Debtors' primary oil and gas operations and interests are located in (i) the Smackover Formation in Kaufman, Navarro, and Henderson Counties, Texas and (ii) the Todd Deep Field in Crockett County, Texas. According to the reserve report prepared by Russell K. Hall and Associates, Inc. dated November 3, 2022, the Debtors' proved developed producing (PDP) reserves had a discounted net income of approximately \$24.6 million as of October 1, 2022. The Debtors also maintain interest in gathering systems, rights of way, and oil and gas processing facilities located in Navarro and Henderson Counties, Texas.

As of the Petition Date, the Debtors were in the process of drilling and completing a new well ("HSU #6") and a workover well (the "HSU #5") and related drilling operations in the Smackover Formation located about 70 miles southeast of Fort Worth. These horizontal wells span underneath Cedar Creek Lake with a deep oil reservoir for production. HSU #5 has obtained strong pressure and production and the Debtors are confident regarding continued production from HSU #5 for many years to come.

The Debtors' employ 18 full-time employees and 12 independent contractors. These employees and contractors are necessary to properly preserve, maintain, and expand the operations, assets, and investments of the Debtors for the benefit of their estates.

2. The Real Property Assets

The Oregon Debtors own 44,328.88 contiguous acres of real property located approximately 11 miles east of Prineville in Crook County, Oregon, identified in the Plan as the Oregon Ranch. The Oregon Ranch is also known as the "Ochoco Ranch" and is a timbered high country property with exceptional location and wildlife as well as timber and lumber operations. The Oregon Ranch has numerous improvements and structures, including the main house, hunting lodge, cabins, barns, storage structures, water, and electricity, solar, wind, and propane energy. Notably, the Oregon Ranch also provides significant carbon tax credits from its timberland forests which have substantial value on the market. In March of 2023, the Oregon Ranch was appraised at a value of \$60,950,000. The Oregon Ranch is currently listed for sale for \$75 million (<https://www.ranchland.com/ranches-for-sale/new-listings/ochoco-ranch-531>).

Debtor O'Ryan Ranches, Ltd. owns 1,739.514 contiguous acres of real property located in the southwest portion of Llano County, Texas, identified in the Plan as the Llano Ranch. The Llano Ranch is a working property marked by rolling hills overlooking the Llano River Valley. The Llano Ranch has numerous structures, improvements, wells, electricity, interior roads, and fencing. As of the Petition Date, the Llano Ranch would likely be valued at up to \$25 million on the market in an extremely popular region of the Texas Hill Country. The Plan divides the Llano

Ranch into two parcels, the Llano Ranch Parcel 1 and the Llano Ranch Parcel 2, only because these two tracts are treated separately under the Plan. The Debtors are currently listing approximately 817 acres of the Llano Ranch for sale (“Llano Ranch Parcel #1”) with a listing price of \$14,297,500 (<https://www.ranchland.com/granite-water-ranch-3758>).

B. Pre-Petition Secured Indebtedness

Prosperity Bank, as successor by merger to Lone Star State Bank of West Texas as administrative agent and lender, is party to that certain *Restated Loan Agreement*, dated as of April 1, 2023.³ Each of the Borrowers executed and delivered promissory notes dated April 1, 2023 in the aggregate original principal amount of \$48,973,536.40. The Ryan C. Hoerauf 2008 Delaware Trust is the guarantor of the Prepetition Loan.

The Prepetition Loan was secured by, among other things, certain capital stock, securities, membership interests, and partnership interests; deeds of trust pledging the Oregon Ranch⁴, the Llano Ranch, and certain real property located in Burnet County, Texas; and all oil and gas leasehold, royalty, and mineral interests, along with accompanying equipment located thereon and proceeds derived therefrom in the State of Texas.

As of April 25, 2025, the aggregate amount of outstanding prepetition loan obligations owed to Prosperity pursuant to the Prepetition Loan Documents is not less than \$51,101,493.84.

C. Pre-Petition Unsecured Indebtedness

Through its oil and gas operations, the Debtors incur certain necessary expenses to vendors, contractors, suppliers, and oilfield service providers in the ordinary course of business. As of the Petition Date, the Debtors estimate that they have incurred approximately \$10.5 million in general unsecured debt. However, the Debtors and Lain Faulkner continue to review the Company’s books and records in order to determine the precise amount of unsecured claims.

As of the Petition Date, the Debtors pay approximately \$120,000 per month to royalty and working interest owners based on the revenue received from oil and gas operations, which is typically paid to interest owners on the 25th day of the succeeding month. The Debtors obtained authority from the Bankruptcy Court to make postpetition royalty payments in the ordinary course of business on behalf of royalty holders and in order to avoid disruptions in revenue payments received by the Debtors from their midstream operator, Plains Marketing LP. The Debtors continue to review the Company’s books and records in order to reconcile certain unpaid royalties in prior months. As of the Petition Date, the Debtors estimate that they may owe in excess of \$6 million in unpaid prepetition royalty interests, which includes in excess of \$3 million attributable to accounts identified as in suspense.

³ The Loan Agreement is a restatement of a previously existing revolving line of credit.

⁴ AgWest has a senior first lien on the Oregon Ranch and outstanding debt of approximately \$10.8 million. Prosperity Bank has a second lien on the Oregon Ranch and is subordinated to AgWest with regard to the Oregon Ranch.

IV. KEY EVENTS LEADING TO THE CHAPTER 11 CASES

Over the many years of operation, the Debtors have bought and sold numerous oil and gas assets through volatile commodity markets and challenging periods in the oil and gas industry. Beginning in late 2014, a severe decline in crude oil prices and continued decline in natural gas prices led to a significant overall contraction in crude oil and natural gas drilling activities and capital spending by exploration and production companies. After some recovery in 2016 of a portion of the losses in crude oil prices since 2014, crude oil prices began another declining trend in late 2018. During which time, the Debtors faced challenges in producing the same type of historical revenues as well as in selling certain oil and gas assets in east and west Texas at prices close to their previous market value.

As interest rates sharply rose from approximately 4% to 8.75% in 2021, the Debtors began to face increased liquidity strain and struggled to satisfy more than the minimum interest payments to Lone Star State Bank of West Texas (predecessor to Prosperity). In 2023, the Debtors commenced negotiations with Lone Star State Bank of West Texas to refinance the Prepetition Loan; however, those efforts stalled. In August of 2024, after Prosperity acquired Lone Star State Bank of West Texas, the Debtors met with Prosperity in order to consider certain workout strategies, including the sale of certain assets, in an effort to fund payments of principal on the Prepetition Loan.

On October 8, 2024, after the Prepetition Loan matured on September 3, 2024, Prosperity sent a demand letter to the Debtors for payment in full of all unpaid obligations under the Prepetition Loan Documents, including, without limitation, the unpaid principal amount of the Prepetition Loan, all accrued and unpaid interest thereon, and all accrued and unpaid fees. On October 11, 2024, the Debtors proposed a plan to bring its Prepetition Loan into compliance, which included the sale of the Oregon Ranch pursuant to a letter of intent dated September 17, 2024 in an amount sufficient to satisfy the outstanding obligations owed to Prosperity under the Prepetition Loan Documents.

On or about December 2, 2024, the Debtors and Prosperity entered into that certain *Forbearance Agreement* dated as of December 2, 2025 (the “Forbearance Agreement”). Pursuant to the Forbearance Agreement, Prosperity agreed to forbear from the exercise of any of its rights and remedies under the Prepetition Loan Documents in connection with certain defaults until March 31, 2025 (the “Forbearance Period”). The Debtors agreed to deliver to Prosperity a fully-executed purchase and sale agreement for the Oregon Ranch in an amount not less than \$50 million by December 15, 2024.

During which time, the Debtors and their broker continued to aggressively market the Oregon Ranch for sale to the highest bidder. Through such efforts, the Debtors sought to close the sale of the Oregon Ranch with a potential purchaser who was willing to execute a purchase and sale agreement for an amount necessary to pay Prosperity in full. However, the potential purchaser fell ill and was unable to execute a purchase and sale agreement by December 15, 2024.

On December 17, 2024, Prosperity sent the Debtors a notice of default under the Forbearance Agreement as a result of the Debtors' failure to deliver to Prosperity a fully-executed purchase and sale agreement for the Oregon Ranch pursuant to the terms of the Forbearance Agreement. Prosperity terminated the Forbearance Period and demanded immediate payment in full of all outstanding obligations under the Loan Documents.

On January 8, 2025, Prosperity sent notice to the Debtors regarding Prosperity's intent to foreclose on the Llano Ranch at a duly-noticed state foreclosure sale on February 4, 2025. On January 29, 2025, Prosperity sent the Debtors a notice of disposition of certain common shares of stock in PB Materials Holdings, Inc. held by the Debtors and scheduled the disposition for February 10, 2025. On January 31, 2025, a state-court appointed receiver sent letter to Prosperity seeking to freeze the bank accounts of Debtor Ryan C. Hoerauf, Inc. based on a turnover order issued by the 152nd District Court of Harris County, Texas. As a result of these precipitating events, on or around January 30, 2025, the Debtors hired Jobe Law, Munsch Hardt, Riverbend, and Lain Faulkner to prepare and file these Chapter 11 Cases on an emergency basis.

Following extensive arm's length negotiations regarding the use of cash collateral, Prosperity consented to the use of cash collateral on an interim basis pursuant to the terms of the interim cash collateral order and, subsequently, on a final basis. With the continued use of cash collateral, the proposed sale of the Oregon Ranch and Llano Parcel 1, and the increased cash flow from HSU #5 and oil and gas operations, the Debtors are seeking to reorganize their operations and pay all of their creditors in full through the Plan.

V. DEVELOPMENTS IN THE CHAPTER 11 CASES

A. First-Day Matters

The Court held a first-day hearing on February 13, 2025, on the following suite of first-day motions:

1. *Debtors' Emergency Motion for Joint Administration* [Docket No. 10]. Granted on a final basis. *See* Docket No. 46.
2. *Notice of Designation as Complex Chapter 11 Bankruptcy Case* [Docket No. 11]. Granted on a final basis. *See* Docket No. 48.
3. *Debtors' Emergency Motion for Entry of an Order Extending the Time to File Schedules and Statements* [Docket No. 12]. Granted on a final basis. *See* Docket No. 49.
4. *Debtors' Emergency Motion for Entry of an Order (I) Authorizing the Debtors to File a Consolidated List of Top 30 Unsecured Creditors and Consolidated List of Creditors, (II) Authorizing the Debtors to Redact Certain Persona Identification Information of Individual Creditors and Current and Former Employees, and (III) Granting Related Relief* [Docket No. 13]. Granted on a final basis. *See* Docket No. 50.

5. *Debtors' Emergency Motion for Authority to Pay Prepetition Wages and Related Payroll Expenses* [Docket No. 14]. Granted on a final basis. See Docket No. 55.
6. *Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Certain Prepetition Claims of Critical Vendors, and Granting Related Relief* [Docket No. 15]. Granted on an interim basis. See Docket No. 51.
7. *Emergency Motion for Entry of an Order (I) Authorizing the Debtors to Make or Honor Royalty Payments and Working Interest Disbursements, and (II) Granting Related Relief* [Docket No. 16]. Granted on an interim basis. See Docket No. 52.
8. *Emergency Motion for an Order (I) Authorizing the Debtors to (A) Continue Use of Existing Business Forms and Records, (B) Continue to Operate Their Cash Management System and Maintain Existing Corporate Bank Accounts, and (C) Continue Intercompany Transactions, (II) Waiving Certain U.S. Trustee Requirements, and (III) Granting Related Relief* [Docket No. 17]. Granted on an interim basis. See Docket No. 54.
9. *Emergency Motion for an Order (I) Approving the Debtors' Proposed Adequate Assurance of Payment for Future Utility Services, (II) Prohibiting Utility Companies From Altering, Refusing, or Discontinuing Services, (III) Approving the Debtors' Proposed Procedures for Resolving Additional Assurance Requests, and (IV) Granting Related Relief* [Docket No. 18]. Granted on a final basis. See Docket No. 53.
10. *Debtors' Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Use Cash Collateral; (II) Granting Adequate Protection; (III) Modifying the Automatic Stay; (IV) Scheduling a Final Hearing; and (V) Granting Related Relief* [Docket No. 26]. Granted on an interim basis. See Docket No. 57.

B. Retention of Estate Professionals

Shortly after the Petition Date, the Debtors filed their *Emergency Application to Employ and Retain Stretto, Inc. as Claims, Noticing, and Solicitation Agent Effective as of the Petition Date* [Docket No. 73]. The Order Authorizing the Employment and Retention of Stretto, Inc. as Claims, Noticing, and Solicitation Agent Effective as of the Petition Date [Docket No. 100] was entered on March 4, 2025. Also on March 4, 2025, the Debtors filed the following retention applications for estate professionals:

1. *Application to Employ Munsch Hardt Kopf & Harr, P.C. as Attorneys for the Oil and Gas Debtors Effective as of the Petition Date* [Docket No. 96];
2. *Application to Employ Lain, Faulkner & Co., P.C. as Accountants for the Debtors Effective as of the Petition Date* [Docket No. 99];
3. *Application to Employ Brad Walker, LLC d/b/a Riverbend Special Situations Group, as Chief Restructuring Officer Effective as of the Petition Date* [Docket No. 102];

4. *Application to Employ Jobe Law PLLC as Attorneys for O’Ryan Ranches, Ltd. Effective as of the Petition Date* [Docket No. 104].

On April 17, 2025, the Court entered the following orders granting the retention of estate professionals:

1. *Order Authorizing the Debtors’ Employment of Brad Walker, LLC d/b/a Riverbend Special Situations Group, as Chief Restructuring Officer Effective as of the Petition Date* [Docket No. 249];
2. *Order Authorizing the Debtors’ Employment of Lain, Faulkner & Co., P.C. as Accountants for the Debtors Effective as of the Petition Date* [Docket No. 250]; and
3. *Order Authorizing the Debtors Employment of Munsch Hardt Kopf & Harr, P.C. as Attorneys to the Oil and Gas Debtors Effective as of the Petition Date* [Docket No. 251].

The Court’s *Order Authorizing the Employment of Jobe Law PLLC as Attorneys for O’Ryan Ranches, Ltd. Effective as of the Petition Date* [Docket No. 302] was entered on May 5, 2025.

On April 9, 2025, Debtor O’Ryan Ranches, Ltd. filed its *Application to Employ HighRidge Land and Homes, Hatfield Realty Inc., and Mason Morse Ranch Company* [Docket No. 220] seeking to employ HighRidge Land and Homes, Hatfield Realty Inc. and Mason Morse Ranch Company as brokers to sell approximately 817 acres of the Llano Ranch. The Court’s Order Authorizing HighRidge Land and Homes, Hatfield Realty Inc. and Mason Morse Ranch Company as Real Estate Brokers [Docket No. 317] was entered on May 13, 2025.

On April 25, 2025, upon the Oregon Debtors filing for chapter 11, the Oregon Debtors each filed an *Emergency Motion to Appoint Brad Walker as Chief Restructuring Officer for O’Ryan Ranches, LLC and O’Ryan Oregon Ranches, LLC*. See Case No. 25-90008-mxm11, Docket No. 4; Case No. 25-90009-mxm11, Docket No. 6. On March 5, 2025, the Court entered its Order Appointing Brad Walker as the Chief Restructuring Officer for the Oregon Debtors. See Case No. 25-90008-mxm11, Docket No. 17; Case No. 25-90009-mxm11, Docket No. 17.

On May 5, 2025, the Debtors filed their *Application to Employ Mason & Morse Ranch Company, LLC and Center of Sustainability, LLC d/b/a POLVI as Real Estate Brokers* [Docket No. 303] seeking to employ Mason & Morse Ranch Company, LLC and Plci as brokers for the purpose of marketing and selling the Oregon Ranch. The Court’s Order Authorizing the Debtors to Employ Mason & Morse Ranch Company, LLC and Center of Sustainability, LLC d/b/a POLVI as Real Estate Brokers [Docket No. 375] was entered on June 6, 2025.

On May 13, 2025, the Debtors filed their *Application to Employ Lain, Faulkner & Co., P.C. as Accountants for the Oregon Debtors Effective as of the Petition Date* [Docket No. 324] and *Application to Employ Munsch Hardt Kopf & Harr, P.C. as Attorneys for the Oregon Debtors Effective as of the Petition Date* [Docket No. 325]. The Court’s *Order Authorizing the Debtors Employment of Munsch Hardt Kopf & Harr, PC as Attorneys to the Oregon Debtors Effective as*

of the Petition Date [Docket No. 393], and *Order Authorizing the Debtors Employment of Lain, Faulkner & Co., P.C. as of the Petition Date* [Docket No. 392], were entered on June 12, 2025.

C. Major Events in the Life of the Cases.

Critically, the Debtors obtained interim authority for the use of cash collateral and have maintained a strong working relationship with Prosperity, the U.S. Trustee, the Committee, and other parties-in-interest, through the entry of four interim orders authorizing cash collateral use pursuant to numerous iterations of the budget and a few minor disputes over usage of cash collateral.⁵ On May 30, 2025, the Court entered the final cash collateral order [Docket No. 363].

After stabilizing operations upon transition into Chapter 11, the Debtors sought final postpetition authority to resume royalty and working interest owner payments. *See Debtors' Amended Emergency Motion for Entry of an Order Authorizing the Debtors to (I) Make Royalty Owner Payment Disbursements, and (II) Granting Related Relief* [Docket No. 153] (the "Amended Royalty Motion"). In the ordinary course of business, the Debtors incur royalty and working-interest owner payment obligations that average approximately \$105,000 per month at this time. On April 3, 2025, the Court entered the final *Order Authorizing the Debtors to Make Royalty Owner Payment Disbursements and Granting Related Relief* [Docket No. 203]. The Debtors have continued to pay postpetition royalty and other interest owner payments each month in the ordinary course of business.

On March 13, 2025, the Ad Hoc Group of Royalty Interest Owners⁶ filed an *Emergency Motion for Entry of an Order Directing the Appointment of an Official Committee of Royalty Interest Owners* [Docket No. 125] (the "Royalty Committee Motion"). The Royalty Committee Motion was filed prior to the appointment of the Official Committee of Unsecured Creditors. Certain creditors have filed joinders⁷ to the Royalty Committee Motion, while the Debtors, Halliburton, Prosperity, and the Committee have each objected.⁸ Hearing on the Royalty

⁵ *See First Interim Cash Collateral Order* [Docket No. 57]; *Second Interim Cash Collateral Order* [Docket No. 101]; *Third Interim Cash Collateral Order* [Docket No. 201]; *Fourth Interim Cash Collateral Order* [Docket No. 330].

⁶ According to the *Verified Statement of the Ad Hoc Royalty Interest Owner Group Pursuant to Bankruptcy Rule 2019* [Docket No. 85], the Royalty Group consists of three related parties sharing the same address: Mary Gayle Ramsey, Robert K. Ramsey, and Marcia R. Pool.

⁷ *See Amended Joinder of the Roosth Creditors in the Emergency Motion of the Ad Hoc Royalty Interest Owners for an Order Directing the Appointment of an Official Committee of Royalty Interest Owners* [Docket No. 130]; and *Joinder of the Genecov Group, Inc. to Emergency Motion of the Ad Hoc Royalty Interest Owners for Entry of an Order Directing Appointment of an Official Committee of Royalty Interest Owners* [Docket No. 132].

⁸ *See Objection and Partial Joinder of Halliburton Energy Services, Inc. to Emergency Motion of the Ad Hoc Royalty Interest Owners Group for Entry of an Order Directing the Appointment of an Official Committee of Royalty Interest Owners* [Docket No. 137]; *Debtors' Objection to the Emergency Motion of the Ad Hoc Royalty Interest Owners Group for Entry of an Order Directing the Appointment of an Official Committee of Royalty Interest Owners* [Docket No. 144]; *Prosperity Bank's Objection to Emergency Motion of the Ad Hoc Royalty Interest Owners Group for Entry of an Order Directing the Appointment of an Official Committee of Royalty Owners* [Docket No. 146]; and *The Official Committee of Unsecured Creditors' Objection to the Emergency Motion of the Ad Hoc Royalty Interest Owners Group for Entry of an Order Directing the Appointment of an Official Committee of Royalty Interest Owners* [Docket No. 185].

Committee Motion has been continued until July 9, 2025 at 1:30 p.m. *See Notice of Hearing* [Docket No. 422].

On March 18, 2025, the Official Committee of Unsecured Creditors (the “Committee”) was appointed. *See Notice of Appointment of Official Committee of Unsecured Creditors* [Docket No. 143]. The Debtors have been working constructively with the Committee through informal discovery and negotiation regarding various proceedings in these Cases.

On March 28, 2025, the U.S. Trustee filed a *Motion for an Order Directing the Appointment of Chapter 11 Trustees Under 11 U.S.C. § 1104(a)* [Docket No. 183] (the “Trustee Motion”). Prosperity filed a *Partial Joinder* to the Trustee Motion. *See* Docket No. 264. The Committee filed a *Limited Joinder and Statement in Support* to the Trustee Motion. *See* Docket No. 266. The Debtors filed an *Objection* to the Trustee Motion on April 28, 2025. *See* Docket No. 281. Hearing on the Trustee Motion has been continued until July 9, 2025 at 1:30 p.m. *See Notice of Hearing* [Docket No. 334].

On May 9, 2025, the Committee filed its *Emergency Motion for Substantive Consolidation of the Debtors’ Estates* [Docket No. 312] (the “Consolidation Motion”). Hearing on the Consolidation Motion has been continued until July 9, 2025 at 1:30 p.m.

On May 28, 2025, the Debtors, Prosperity Bank, the Committee, and certain royalty holders held a mediation on the Plan where substantial progress was made toward the current form of the Plan. Since that time, the parties have continued to negotiate the proposed Plan.

VI. SUMMARY OF THE PLAN

On July 3, 2025, the Debtors filed their Plan with the Bankruptcy Court. The Plan proposes the means to reorganize the Debtors’ debts, including the means to pay their creditors, and the Plan provides for a discharge of the Debtor, except for those debts to be paid under the Plan. Creditors approve or disapprove of the Plan by voting their Ballots on the Plan, if they are in a Class entitled to vote, and, if appropriate, by objecting to the confirmation of the Plan. However, the Plan can be confirmed by the Bankruptcy Court even if less than all Creditors of Classes accept the Plan and, in such instance, the Plan will still be binding on those Creditors or Classes that rejected the Plan. Approval and consummation of the Plan will enable the Bankruptcy Cases to be finally concluded.

A. Classification and Treatment of Claims and Interests

1. Summary of Classification

The Plan separates Claims and Interests against the Debtors, the Estates, and their property into unclassified Claims and Classified Claims. Creditors vote on the Plan by their respective Class.

Unclassified Claims are generally postpetition Claims which must be paid in full and which do not vote on the Plan, and consist of Administrative Claims, including Professional Claims and Cure Claims, and Administrative Tax Claims.

Classified Claims and Equity Interests are classified in the Plan under the provisions of section 1122 of the Bankruptcy Code into the following separate Classes:

<u>Class</u>	<u>Claim or Interest</u>	<u>Status</u>	<u>Voting Rights</u>
1	Priority Claims	Unimpaired	Presumed to Accept
2	Secured Tax Claims	Impaired	Entitled to Vote
3	AgWest Secured Claim	Impaired	Entitled to Vote
4	Prosperity Bank Secured Claims	Impaired	Entitled to Vote
5	Halliburton Secured Claims	Impaired	Entitled to Vote
6(a)	Royalty Claims	Impaired	Entitled to Vote
6(b)	Working Interest Claims	Impaired	Entitled to Vote
7	General Unsecured Claims	Impaired	Entitled to Vote
8	Convenience Claims	Unimpaired	Presumed to Accept
9(a)	AmeriCredit Financial Services Secured Claim	Unimpaired	Presumed to Accept
9(b)	Ford Motor Credit Secured Claim	Unimpaired	Presumed to Accept
10	SBA Secured Claim	Impaired	Entitled to Vote
11	Equity Interests	Unimpaired	Presumed to Accept

2. Treatment of Claims and Interests

a. Unclassified Claims

Unclassified Claims are generally postpetition Claims which must be paid in full and which do not vote on the Plan, and consist of Administrative Claims, including Professional Claims, Cure Claims, and Administrative Tax Claims. Subject to being timely and properly filed, including by the Administrative Claims Bar Date, if applicable, these Claims will be paid in full and in cash, except for Administrative Tax Claims, such as 2025 property taxes, which will be paid when otherwise due and owing.

b. Classified Claims

i. Class 1: Priority Claims

Classification: Class 1 consists of all Allowed Priority Claims.

Treatment: Nothing in the Plan allows any Priority Claim, and the Debtors and the Estates reserve all rights to object to any Priority Claim, which rights are vested in the Reorganized Debtors and the Consolidated Estate. In full and final satisfaction, release and discharge of, and in exchange for, each Priority Claim, the Reorganized Debtors shall pay each Priority Claim, to the extent Allowed, and without any interest, attorney's fees, or other charges or penalties arising after the Petition Date or Effective Date, in cash from cash on hand of the Oil and Gas Debtors, no later than ten (10) Business Days after becoming Allowed.

Impairment: Class 1 is Unimpaired. Each Holder of a Priority Claim will be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Priority Claims will not be entitled to vote to accept or reject the Plan.

ii. Class 2: Secured Tax Claims

Classification: Class 2 consists of all Allowed Secured Tax Claims.

Treatment: Notwithstanding anything contained in the Plan to the contrary, each holder of a Secured Tax Claim shall retain all liens securing the same, which liens shall survive confirmation of the Plan with the same priority, extent, and validity that otherwise exists. Each Secured Tax Claim, to the extent Allowed, shall be paid in full satisfaction, release and discharge of, and in exchange for, such Allowed Secured Tax Claim and any lien securing the same, including all interest, default interest, fees, and costs as provided under otherwise applicable nonbankruptcy law, but without penalties, by the Reorganized Debtors and the Consolidated Estate: (i) from the sale of the Oregon Ranch at the closing thereof, with respect to Allowed Secured Tax Claims against the Oregon Ranch; (ii) from the sale of the Llano Ranch Parcel 1 at the closing thereof, with respect to Allowed Secured Tax Claims against the Llano Ranch; and (iii) with respect to Allowed Secured Tax Claims against the Oil and Gas Debtors, in cash through twenty (20) equal quarterly calendar payments, with the first such payment due by the end of the first calendar quarter to occur after January 1, 2026, and with each subsequent payment due by the end of the succeeding calendar quarter, and the final payment including such additional otherwise applicable statutory interest, or if not applicable, Plan Rate interest, as is necessary to pay such Allowed Secured Tax Claim in full.

Impairment: Class 2 is Impaired under the Plan. Holders of Allowed Secured Tax Claim will be entitled to vote to accept or reject the Plan.

iii. Class 3: AgWest Secured Claim

Classification: Class 3 consists of the Allowed AgWest Secured Claim and, additionally, includes all claims, rights, interests, and remedies of AgWest arising at any time between the Petition Date and the Effective Date against the Oregon Debtors and the Oregon Ranch.

Treatment: In full and final satisfaction, release, and discharge of the Allowed AgWest Secured Claim and all liens securing the same, the Reorganized Debtors, through the Plan Agent, shall pay the same in cash at the closing of the sale of the Oregon Ranch is provided for in Section 5.3 of the Plan.

Impairment: Class 3 is Impaired under the Plan. Holders of an Allowed Class 3 Claim will be entitled to vote to accept or reject the Plan.

iv. Class 4: Prosperity Bank Secured Claim

Classification: Class 4 consists of the Allowed Prosperity Bank Secured Claim and, additionally, includes all claims, rights, interests, and remedies of Prosperity Bank arising at any time between the Petition Date and the Effective Date against the Debtors and their property.

Treatment: In full and final satisfaction, release, and discharge of the Allowed Prosperity Bank Secured Claim and all liens securing the same, the Reorganized Debtors, through the Plan Agent, shall pay the same in cash at the closing of the sale(s) of the Oregon Ranch is provided for in Section 5.3 of the Plan and at the closing of the sale(s) of the Llano Ranch Parcel 1 ((excluding the personal property (including vehicles, furnishings, and furniture) owned by O’Ryan Ranches) as provided for in Section 5.4 of the Plan. If the foregoing are insufficient to pay the Allowed Prosperity Bank Secured Claim in full, then the Reorganized Debtors, through the Plan Agent, shall pay any such unpaid and remaining amount from the sale(s) of the Llano Ranch Parcel 2 ((excluding the personal property (including vehicles, furnishings, and furniture) owned by O’Ryan Ranches) as provided for in Section 5.5 of the Plan. If all of the foregoing are insufficient to pay the Allowed Prosperity Bank Secured Claim in full, then the Reorganized Debtors shall remain liable to Prosperity Bank, jointly and severally, for any such deficiency, and Prosperity Bank may exercise any and all of its rights against the Reorganized Debtors and their properties regarding such deficiency claim.

Impairment: Class 4 is Impaired under the Plan. Holders of an Allowed Prosperity Bank Secured Claim will be entitled to vote to accept or reject the Plan.

v. Class 5: Halliburton Secured Claim

Classification: Class 5 consists of the Allowed Halliburton Secured Claim.

Treatment: If Halliburton votes to accept its Class 5 treatment under the Plan, and regardless of how it votes on any Class 7 Unsecured Claim it has, then: (i) the Halliburton Secured Claim shall be Allowed as a Secured Claim in the amount of \$500,000.00; (ii) Halliburton shall retain all liens and security interests securing the Halliburton Secured Claim notwithstanding anything contained to the contrary in the Plan, of undetermined priority, with respect to which priority

Prosperity Bank, Halliburton, and the Debtors and Reorganized Debtors reserve all rights, arguments, objections, and claims; (iii) the Halliburton Secured Claim shall bear simple interest at the Plan Rate after the Effective Date; and (iv) the Reorganized Debtors shall pay the Allowed Halliburton Secured Claim, with such postconfirmation interest, through ten (10) equal quarterly calendar payments, made no later than twenty (20) calendar days after the end of each calendar quarter, with the first such payment due by the end of the first full calendar quarter to occur after January 1, 2026.

If Halliburton does not affirmatively accept its Class 5 treatment under the Plan, then the Halliburton Secured Claim shall be treated as a Disputed Claim under the Plan and the Bankruptcy Court will determine the extent of the Halliburton Secured Claim, if any, either at the Confirmation Hearing or through claim objection or motion practice thereafter, with respect to which all rights, claims, interests, arguments, objections, and Avoidance Actions of Prosperity Bank and the Debtors are preserved. No later than twenty (20) calendar days after a Final Order on said determination is entered, the Reorganized Debtors shall, in their sole discretion, either: (i) surrender to Halliburton its collateral securing the Halliburton Secured Claim; or (ii) pay the Allowed amount thereof with interest after the Petition Date (if allowed under section 506(b) of the Bankruptcy Code) and after the Effective Date, both at the Plan Rate, through quarterly payments as provided for in Section 4.5.2(iv) of the Plan.

Impairment: Class 5 is Impaired under the Plan. Holders of an Allowed Halliburton Secured Claim will be entitled to vote to accept or reject the Plan.

vi. *Class 6(a): Royalty Claims*

Classification: Class 6(a) consist of all Allowed Royalty Claims.

Treatment: In full and final satisfaction, release, and discharge of each Royalty Claim, the Oil and Gas Debtors, as Reorganized Debtors, shall pay each such Royalty Claim, to the extent Allowed, in full and in cash through periodic payments, secured by the lien granted under Section 4.6.4 of the Plan, and additionally pursuant to Section 5.4.2 of the Plan. Such periodic payments shall be as follows: each month after the Effective Date, commencing on January 1, 2026, that the Oil and Gas Debtors make a payment to a royalty interest holder who also holds an Allowed Royalty Claim, the Oil and Gas Debtors shall pay 120% of such monthly amount to such holder, with the excess 20% being applied to such holder's Allowed Royalty Claim until the same, with postconfirmation interest, is paid in full. Said payments shall continue for 59 months after the Effective Date until each such Allowed Royalty Claim with postconfirmation interest is paid in full, unless paid sooner. At the end of such 59 months, to the extent that any such Allowed Royalty Claim remains unpaid, the balance thereof shall be paid in full in the 60th month. If, after the 60th month, any such amount(s) remain unpaid, the Plan Agent may foreclose on the lien granted under Section 4.6.4 of the Plan and pay the proceeds thereof pro-rata on all remaining

Allowed Royalty Claims then unpaid, with any surplus paid as provided for in the underlying deed of trust.

Impairment: Class 6(a) is Impaired under the Plan. Holders of an Allowed Royalty Claim will be entitled to vote to accept or reject the Plan.

vii. Class 6(b): Working Interest Claims

Classification: Class 6(b) consists of all Allowed Working Interest Claims.

Treatment: In full and final satisfaction, release, and discharge of each Working Interest Claim, the Oil and Gas Debtors, as Reorganized Debtors, shall pay each such Working Interest Claim, to the extent Allowed, in full and in cash through periodic payments, secured by the lien granted under Section 4.6.12 of the Plan, and additionally pursuant to Section 5.4.2 of the Plan. Such periodic payments shall be as follows: each month after the Effective Date, commencing on January 1, 2026, that the Oil and Gas Debtors make a payment to a working interest holder who also holds an Allowed Working Interest Claim, the Oil and Gas Debtors shall pay 120% of such monthly amount to such holder, with the excess 20% being applied to such holder's Allowed Working Interest Claim until the same, with postconfirmation interest, is paid in full. Said payments shall continue for 59 months after the Effective Date until each such Allowed Working Interest Claim with postconfirmation interest is paid in full, unless paid sooner. At the end of such 59 months, to the extent that any such Allowed Working Interest Claim remains unpaid, the balance thereof shall be paid in full in the 60th month. If, after the 60th month, any such amount(s) remain unpaid, the Plan Agent may foreclose on the lien granted under Section 4.6.12 of the Plan and pay the proceeds thereof pro-rata on all remaining Allowed Working Interest Claims then unpaid, with any surplus paid as provided for in the underlying deed of trust.

Impairment: Class 6(b) is Impaired under the Plan. Holders of an Allowed Working Interest Claim will be entitled to vote to accept or reject the Plan.

viii. Class 7: Unsecured Claims

Classification: Class 7 consists of all Allowed Unsecured Claims.

Treatment: Allowed Unsecured Claims are granted a junior lien against the Llano Ranch Parcel 2, junior to all other liens existing against the same as of the Effective Date and co-equal in priority to the junior lien granted to Allowed Royalty Claims in Section 4.6.4 of the Plan and to Allowed Working Interest Claims in Section 4.6.12 of the Plan, which lien shall be held and exercised by the Plan Agent for their pro-rata benefit as provided for in Section 5.10 of the Plan, and which lien shall be foreclosed upon any uncured default by the Reorganized Debtors to Class 7 under the Plan or at the maturity of the treatment of Class 7. Unless otherwise expressly provided for in the Plan, the Reorganized Debtors and Hoerauf agree that they will not agree or consent to a lien on the

Llano Ranch Parcel 2 with equal or greater priority to the lien granted to Unsecured Creditors in the Plan, other than the Prosperity Bank Secured Claim, prior to the payment in full of all Allowed Unsecured Claims. Hoerauf also agrees not to claim Llano Ranch Parcel 2 as his homestead.

In full and final satisfaction, release, and discharge of each Unsecured Claim, the Reorganized Debtors shall pay the full Allowed amount thereof, including accrued postconfirmation interest, no later than sixty (60) months after the Effective Date as follows: (i) upon the sale of the Oregon Ranch and/or the Llano Ranch Parcel 1, \$1,000,000.00 from the total combined net excess sale proceeds after payment of all Allowed Secured Claims and closing costs and broker fees (or such smaller amount if there are insufficient net excess sale proceeds to pay \$1,000,000.00 after both the Oregon Ranch and Llano Ranch Parcel 1 are sold) shall be paid pro-rata to Allowed Unsecured Claims; (ii) the Oregon Ranch Proceeds Carveout pursuant to Section 5.7 of the Plan; (iii) quarterly calendar payments to Allowed Unsecured Claims in the amount of \$50,000.00 per quarter with the first such payment due by the end of the first full calendar quarter to occur after January 1, 2026, to be secured by the Extex Annual Payments with all rights thereto transferring automatically to the Plan Agent for the sole benefit of Allowed Class 7 Claims; (iv) upon the earlier to occur of (a) the payment in full of the Class 5 Halliburton Secured Claim or (b) the Class 5 Halliburton Secured Claim becomes a Disallowed Claim, the Reorganized Debtors shall commence making additional quarterly calendar payments to Allowed Unsecured Claims in the amount of \$50,000.00 per quarter, to be applied pro-rata to Allowed Unsecured Claims, with the first such payment due by the end of the first full calendar quarter to occur after the calendar quarter in which such payment or disallowance occurs; (v) upon the sale of the whole of the Oregon Ranch (whether in one or more transactions), the Reorganized Debtors shall commence making quarterly calendar payments to Allowed Unsecured Claims in the amount of \$100,000.00 per quarter, to be applied pro-rata to Allowed Unsecured Claims, with the first such payment due by the end of the first full calendar quarter to occur after the calendar quarter in which such sale occurs; and (vi) the balance of all Allowed Unsecured Claims, with all accrued and unpaid interest, shall be paid in full by the end of the sixtieth (60th) month after the Effective Date; provided, however, that: (x) the failure to generate any net excess sale proceeds as provided for in subsection (i) above shall not be a default under the Plan to Class 7; and (y) the Reorganized Debtors may elect not to make the payments required by subsection (iii) of the Plan for two (2) required quarters if their liquidity, in their reasonable judgment, does not enable them to make the same and there are insufficient funds in the Creditor Escrow to make the payments from; *provided further that* upon the failure to make a quarterly payment required by subsection (iii) above, the Plan Agent shall enforce the lien secured by the Extex Annual Payments. Allowed Unsecured Claims shall additionally be paid as provided for in Section 5.4.2 of the Plan.

Impairment: Class 7 is Impaired under the Plan. Holders of an Allowed Unsecured Claim will be entitled to vote to accept or reject the Plan.

ix. Class 8: Convenience Claims

Classification: Class 8 consists of all Unsecured Claims asserted in an amount of \$500.00 or less.

Treatment: Unless a Convenience Class Claim is filed after the Bar Date, each Convenience Class Claim shall be automatically Allowed in the asserted amount. Each Convenience Class Claim, to the extent Allowed, shall be paid in full satisfaction, release and discharge of, and in exchange for, such Convenience Class Claim, by the Reorganized Debtors, the amount of such Allowed Convenience Class Claim, in cash, and without interest, attorneys' fees, or costs, no later than ten (10) Business Days after becoming Allowed, from cash on hand.

Impairment: Class 8 is Unimpaired under the Plan. Each Holder of a Convenience Claim will be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Convenience Claims will not be entitled to vote to accept or reject the Plan.

x. Class 9(a): AmeriCredit Financial Services Secured Claim

Classification: Class 9(a) consists of the AmeriCredit Financial Services Secured Claim.

Treatment: As of the Effective Date, the Debtors and Reorganized Debtors shall cure and reinstate the AmeriCredit Financial Services Secured Claim according to all documents and instruments evidencing or memorializing the same, and shall, thereafter, pay the AmeriCredit Financial Services Secured Claim in full according to the terms thereof without any change under the Plan, all under section 1124(2) of the Bankruptcy Code. Unless the Bankruptcy Court determines differently at the Confirmation Hearing, any cure or other claim payable to AmeriCredit Financial Services under said section of the Bankruptcy Code shall conclusively be determined to be \$0.00. If the Bankruptcy Court determines that a different cure amount is payable and the Debtors determine, in their sole discretion, not to pay the same, then, in lieu of the cure and reinstatement of said section of the Bankruptcy Code, the Debtors shall promptly surrender to AmeriCredit Financial Services all collateral securing the AmeriCredit Financial Services Secured Claim and AmeriCredit Financial Services may file, no later than thirty (30) days after said surrender, an Unsecured Claim for any alleged deficiency or other claim, with respect to which the Debtors and Reorganized Debtors retain all rights and objections as otherwise provided for in the Plan.

Impairment: Class 9(a) is Unimpaired under the Plan. Each Holder of an AmeriCredit Financial Services Secured Claim will be conclusively presumed to

have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of an AmeriCredit Financial Services Secured Claim will not be entitled to vote to accept or reject the Plan.

xi. Class 9(b): Ford Motor Credit Secured Claim

Classification: Class 9(b) consists of the Ford Motor Credit Secured Claim.

Treatment: As of the Effective Date, the Debtors and Reorganized Debtors shall cure and reinstate the Ford Motor Credit Secured Claim according to all documents and instruments evidencing or memorializing the same, and shall, thereafter, pay the Ford Motor Credit Secured Claim in full according to the terms thereof without any change under the Plan, all under section 1124(2) of the Bankruptcy Code. Unless the Bankruptcy Court determines differently at the Confirmation Hearing, any cure or other claim payable to Ford Motor Credit under said section of the Bankruptcy Code shall conclusively be determined to be \$0.00. If the Bankruptcy Court determines that a different cure amount is payable and the Debtors determine, in their sole discretion, not to pay the same, then, in lieu of the cure and reinstatement of said section of the Bankruptcy Code, the Debtors shall promptly surrender to Ford Motor Credit all collateral securing the Ford Motor Credit Secured Claim and Ford Motor Credit may file, no later than thirty (30) days after said surrender, an Unsecured Claim for any alleged deficiency or other claim, with respect to which the Debtors and Reorganized Debtors retain all rights and objections as otherwise provided for in the Plan.

Impairment: Class 9(b) is Unimpaired under the Plan. Each Holder of a Ford Motor Credit Secured Claim will be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of a Ford Motor Credit Secured Claim will not be entitled to vote to accept or reject the Plan.

xii. Class 10: SBA Secured Claim

Classification: Class 10 consists of the SBA Secured Claim.

Treatment: Effective on the Effective Date, the SBA Loan Documents shall be reinstated, with the amount of any existing defaults added to the principal balance due thereunder and with payments to be made pursuant to the non-default terms of the SBA Loan Documents, beginning on the first day of the first full month following January 1, 2026 and continuing on the first day of each month until paid in full. For the avoidance of doubt, the SBA will hold an Allowed SBA Secured Claim in the total amount outstanding under the original SBA Loan Documents, with repayment terms reinstated at the non-default rate thereunder.

Impairment: Class 10 is Impaired under the Plan. Holders of an Allowed SBA Secured Claim will be entitled to vote to accept or reject the Plan.

xiii. Class 11: Equity Interests

Classification: Class 11 consists of all Equity Interests in any of the Debtors.

Treatment: All Equity Interests in any of the Debtors shall be retained by the respective holder(s) thereof.

Impairment: Class 11 is Unimpaired under the Plan.

B. Overview of Plan

The Plan is a proposed plan of reorganization under Chapter 11 of the United States Bankruptcy Code, whereby the Debtors seek to restructure their debt obligations to all of their Creditors and to reorganize. As such, if confirmed, the Plan would constitute a new contract between the Debtors and all Creditors and would replace prepetition contractual and other rights, except to the extent preserved in the Plan, with all such rights restructured by the Plan. This would be done on the “Effective Date,” which is the date specified in the Plan when the Plan becomes binding and effective, after the Plan is confirmed and all conditions precedent to its effectiveness as satisfied. Creditors generally have the right to vote on the Plan, and the Debtors urge all Creditors to vote to accept the Plan.

The Debtors and their Estates own various properties and businesses. Chief amongst these is the Oregon Ranch, which the Debtors believe to have a market value in excess of \$70 million. Next is the Llano Ranch, which the Debtors believe to have a market value in excess of \$25 million. The Oil and Gas Debtors believe that they could sell their assets for more than \$10 million. The foregoing values are sufficient to pay all Creditors in full.

Thus, the Plan generally provides for the following, to address the following issues:

- i. The Reorganized Debtors would sell the Oregon Ranch in an amount and at a time specified in the Sale Metrics, to be filed under seal. The Plan Agent would have sole and exclusive authority over this sale. From the proceeds of this sale, the Debtors believe that AgWest would be paid in full. They also believe that Prosperity Bank would be paid in full, although this is not certain. However, every dollar that Prosperity Bank is paid would be a dollar-for-dollar credit against its claims against the remaining Debtors.
- ii. The Reorganized Debtors would sell a little under half of the Llano Ranch, defined in the Plan as the Llano Ranch Parcel 1. As with the Oregon Ranch, the Sale Metrics would control the timing and sales price. The Plan Agent would have sole and exclusive authority over this sale. From the proceeds of this sale, the Debtors believe that Prosperity Bank would be paid in full, to the extent of any claim remaining after the sale of the Oregon Ranch. Every dollar that Prosperity Bank is paid would be a dollar-for-dollar credit against its claims against the remaining Debtors.

- iii. It is possible that the Reorganized Debtors sell the Llano Parcel 1 before the Oregon Sale, in which case all of those proceeds would be paid to Prosperity Bank. However, this would mean that the secured claim of Prosperity Bank against the Oregon Debtors would be reduced, thus freeing up additional equity from the sale of the Oregon Ranch.
- iv. The Llano Ranch Parcel 2 would remain, subject to the senior liens of Prosperity Bank and any *ad valorem* tax lien creditor and the junior liens of the Royalty Claims, Working Interest Claims, and Unsecured Creditors, to be sold as a back-up plan if the Oregon Ranch and the Llano Ranch Parcel 1 sales are not effectuated by the deadlines in the Sale Metrics and for the proceeds provided therein, such that Prosperity Bank is not paid in full. At that time, the Reorganized Debtors would be required to sell Llano Ranch Parcel 2 by a certain drop-dead date, after which Prosperity Bank would be permitted to foreclose against the whole of the Llano Ranch.
- v. With respect to the Oil and Gas Debtors, these Debtors would continue operations with their future revenue used to make various payments under the Plan, including mainly to Royalty Claims, Working Interest Claims, and Unsecured Claims.
- vi. Under the Plan, the Debtors and their Estates are substantially consolidated into the Consolidated Estate. This is done for several reasons. First, it is to provide benefits to Royalty Claims, Working Interest Claims, and Unsecured Claims by ensuring that net proceeds after the sale of the Llano Ranch are available to pay these claims. Second, it is to avoid litigation between the Estates as to alleged fraudulent transfer and other claims, which litigation would only add expense, risk, and delay. Third, it is to ensure that all Creditors with Allowed Claims would be able to be repaid from the value of the assets that all Debtors own, as opposed to potentially one set of Creditors receiving very little if anything.
- vii. Royalty Claims, Working Interest Claims, and Unsecured Claims are further protected by being granted a junior lien against the Llano Ranch to protect them against non-payment, which lien will have more than sufficient value to provide that protection. Royalty and Working Interest Claims are then repaid by receiving 120% of their future royalty payments from the Reorganized Debtors, with the added 20% being applied to their Allowed Claims. Although subject to various factors, including production of oil and gas and pricing, the Debtors estimate the Allowed Royalty Claims and Working Interest Claims under the Plan will be repaid in full within approximately sixty (60) months after the Effective Date.
- viii. Unsecured Claims are paid through certain periodic payments over the span of five (5) years based on the oil and gas operations of the Debtors. The repayment of these claims is supported by any net sales proceeds of the Oregon Ranch and the Llano Ranch, and through the Plan's substantive consolidation, which makes the Debtors owning those ranches *in personam* liable for all Unsecured Claims regardless of which Debtor they are asserted against.

- ix. Halliburton's Secured Claim is to be either: (1) Allowed as a Secured Claim in the amount of \$500,000.00 with simple interest at the Plan Rate and paid in full through ten (10) equal quarterly calendar payments; or (2) treated as a Disputed Claim with the Reorganized Debtors either (a) paying the Allowed amount as determined by the Bankruptcy Court in full, with simple interest at the Plan Rate, through ten (10) equal quarterly calendar payments or (b) surrendering the collateral securing the Halliburton Secured Claim to Halliburton. Halliburton shall maintain the extent, validity, and priority of its liens subject to determination of such liens at a future date, if necessary.

The Plan also "cleans up" various other disputes or potential disputes:

- i. There is a potential dispute as to whether AgWest and Prosperity Bank hold liens against the whole of the Oregon Ranch, or whether those liens do not extend to a certain parcel of the ranch containing approximately 2,000 acres. Depending on how AgWest and Prosperity Bank vote on the Plan, their liens against the whole of the Oregon Ranch are ratified and perfected.
- ii. The Oregon Debtors are working on obtaining the Oregon Ranch Carbon Credits, which may be an asset worth upwards of \$30 million to be paid in 2027. There is a potential dispute regarding whether the liens of Prosperity Bank extend to these credits.⁹ Under the Plan, Prosperity Bank is granted first-priority perfected liens against the Oregon Ranch Carbon Credits and the proceeds thereof.
- iii. It has been alleged that the Estates hold causes of action against Hoerauf and various persons, entities, and trusts affiliated with him. All claims and causes of action of any and all of the Estates against any of the Hoerauf Releasees are retained and preserved under the Plan and vest in the Plan Agent. All statutes of limitation and statutes of repose applicable to any of the claims and causes of action are tolled for a period of one hundred and eighty (180) days following any uncured default by the Reorganized Debtors to Class 7 under the Plan. Upon any uncured default by the Reorganized Debtors to Class 7 under the Plan, the Plan Agent shall, in his reasonable discretion, assert, file, prosecute, and monetize any or all of such claims and causes of action. Any net proceeds received or obtained by the Plan Agent pursuant to any prosecution, settlement, or other monetization of such claims and causes of action shall be paid pro-rata to Allowed Unsecured Claims in Class 7. At such time as each Allowed Unsecured Claim in Class 7 has been paid, all claims and causes of action (including remedies) that any of the Debtors or the Estates may have against any of the Hoerauf Releasees are waived and released forever.

Thus, the Plan provides for a controlled sales process to preserve value for everyone, while settling and minimizing disputes through substantive consolidation, while permitting all Creditors

⁹ The same potential lien applies to AgWest, but since the whole of the debt of AgWest will be paid at the sale of the Oregon Ranch, whether AgWest has a lien to the Oregon Ranch Carbon Credits is academic, at least under the Plan.

to be paid in full without disturbing otherwise existing lien and claim priority rights, and all relatively soon. The alternative is likely extensive inter-Estate litigation and litigation against third parties, with all of the attendant risks, delays, and costs that this entails, while value of assets is greatly diminished.

C. Discharge

The Debtors receive a discharge under the Plan. However, the discharge does not discharge or relieve the Debtors from making payments under the Plan to the extent provided for in the Plan.

D. The Reorganized Debtor

The Plan and certain portions of this Disclosure Statement discuss the “Reorganized Debtor” or “Reorganized Debtors.” The Reorganized Debtors are simply the same corporate entities and the same Debtors as at present, on and after the Effective Date. The term is used simply to note the difference between the Debtors prior to the Effective Date and after the Effective Date.

E. Plan Agent

The Plan Agent shall be disclosed in the Plan Supplement. The role of the Plan Agent is to solely and exclusively control the marketing and sale process of the Oregon Ranch and the Llano Ranch Parcel 1, to hold, prosecute, and monetize the claims and causes of action the subject of Section 5.8 of the Plan, to hold and foreclose on the lien(s) granted under Section 5.10 of the Plan, to monitor the payments and performance of the Reorganized Debtors, to object to and resolve Unsecured Claims, and to otherwise take such actions as provided for in the Plan. The Plan Agent shall have fiduciary duties to act as the Plan provides, but shall otherwise not be a fiduciary to any given Creditor or to the Reorganized Debtors. The Plan Agent shall receive compensation at an hourly rate to be disclosed in the Plan Supplement and shall make invoices available for review to parties in interest.

VII. PROJECTIONS, LIQUIDATION ANALYSIS, AND PLAN ALTERNATIVES

A. Future Projections

The Debtors have prepared projections for future revenue, operations, and expenses, covering the five (5) year life of the Plan. These projections are attached to this Disclosure Statement as **Exhibit B**. Assumptions concerning the Projections are also detailed on **Exhibit B**.

The Debtors have prepared the Projections in good faith, using reasonable information, and using industry standard models, and relying on the expertise of the Chief Restructuring Officer, the Debtors’ professionals, and the decades of industry experience of its principals. The Debtors believe that the Projections are accurate, although, as with any future prediction, there is risk and certain uncertainty.

The Projections contain the necessary assumptions on which they are based, including projected hydrocarbon production and market prices through the life and duration of the Plan.

B. Liquidation Analysis

The Debtors have prepared a liquidation analysis, which is attached as **Exhibit C**. The Debtors' liquidation analysis represents the Debtors' estimation of what the recoveries to various classes of Creditors would be if the Bankruptcy Cases were converted to a liquidation under Chapter 7 of the Bankruptcy Code. As reflected in the liquidation analysis, the Debtors believe that a Chapter 7 would lead to a diminished recovery for Creditors as compared to the recoveries projected under the Plan.

The Debtors therefore submit that the Plan offers a much better return than a Chapter 7 liquidation to all Creditors, with each Creditor under the Plan being repaid 100%.

C. Alternatives to Confirmation of the Plan

There are two main alternatives to the Plan. *First*, the Bankruptcy Case could be converted to a Chapter 7 liquidation. This potential is addressed above and, as demonstrated above, would not lead to higher returns to all Creditors. The Debtors also believe that a conversion would lead to significant litigation between Creditors and between Estates, which would only lead to additional delays, Professional Claims, and risks of recovery. *Second*, a Creditor could propose its own plan. Here, the Debtors believe that any such plan would be very much like the present Plan, in that the Oregon Ranch and the Llano Ranch will be monetized and/or serve as collateral to pay Creditors, while the Oil and Gas Debtors would continue their operations for repayment of debt. However, there is no guarantee that: (i) the Debtors would support any consolidation through a creditor plan, (ii) oil and gas operations could continue under the same operator through a creditor plan, and (iii) the Oregon Ranch and Llano Ranch would be properly maintained in order to mitigate fire and other environmental risks to the properties.

VIII. CONFIRMATION OF THE PLAN

The Order Approving Disclosure Statement and Solicitation and Notice Procedures, Setting Confirmation Hearing, and Setting Plan Deadlines is attached hereto as **Exhibit D** and is incorporated by reference as if fully set forth herein.

A. The Confirmation Hearing

The Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan to take place on [August [--], 2025, at [-] a.m. (CT).]

B. The Voting Deadline

The Court has established [[--], 2025, at 5:00 p.m. (CT)], as the voting deadline (the "Voting Deadline") for the Plan. The Debtors may extend the Voting Deadline, in their discretion, without further order of the Court.

To be counted, all ballots (collectively, the "Ballots") must be properly executed, completed, and delivered in accordance with the instructions provided herein so that they are actually received no later than the Voting Deadline by the Debtor's claims, noticing, and solicitation agent, Stretto, Inc. (the "Solicitation Agent" or "Balloting Agent").

The method of delivery of Ballots to be sent to the Balloting Agent is at the election and risk of each Claim holder. Except as otherwise provided, a Ballot will be deemed delivered only when the Balloting Agent actually receives the properly executed Ballot. An executed Ballot is required to be submitted by the Claim holder submitting such Ballot. Delivery of a Ballot to the Balloting Agent by facsimile, telecopy, electronic mail, or any electronic means other than the balloting Agent's online portal will not be valid.

**Ballots Returned By First
Class Mail, Overnight
Service, or Hand Delivery:**

Scanrock Oil and Gas, Inc., et al.
Ballot Processing
c/o Stretto
410 Exchange, Suite 100
Irvine, CA 92602

**Ballots Returned By
Electronic, Online
Submission:**

Please visit <https://cases.stretto.com/scanrock> (the "E-Ballot Portal"). Click on the "File a Ballot" section of the website after entering the Unique PIN# provided with your Ballot and follow the instructions to submit your Ballot.

C. Creditors Solicited to Vote

Each Creditor holding a Claim in a Class that is impaired under the Plan is being solicited to vote on the Plan. As to any Claim for which a proof of claim was filed and as to which an objection has been lodged, however, if such objection is still pending as of the Voting Deadline, the Creditor's vote associated with such Claim will not be counted to the extent of the objection to the Claim, unless and to the extent that the Bankruptcy Court temporarily allows the Claim upon motion by such Creditor in an amount that the Bankruptcy Court deems proper for the purpose of voting on the Plan. Such motion must be heard and determined by the Bankruptcy Court before the date and time established by the Bankruptcy Court for determining confirmation of the Plan. In addition, a Creditor's vote may be disregarded if the Bankruptcy Court determines that the Creditor's acceptance or rejection of the Plan was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

D. Definition of Impairment

Pursuant to section 1124 of the Bankruptcy Code, a Class of Claims or Equity Interests is impaired under a plan unless, with respect to each Claim of such Class, the Plan does one of the following:

1. leaves unaltered the legal, equitable, and contractual rights to which such Claim entitles the holder of such Claim; or
2. notwithstanding any contractual provision or applicable law that entitles the holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default:

- (a) cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code;
- (b) reinstates the maturity of such Claim as it existed before the default;
- (c) compensates the holder of such Claim for damages incurred as a result of reasonable reliance on such contractual provision or applicable law; and
- (d) does not otherwise alter the legal, equitable, or contractual rights to which such Claim entitles the holder of such Claim.

E. Vote Required for Class Acceptance

Pursuant to the Bankruptcy Code, a Class of Claims under the Plan that is impaired shall be deemed to have accepted the Plan if the Plan is accepted by Creditors holding at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Claims within such Class who are entitled to vote and who actually vote using a properly completed and signed Ballot which is returned to the Balloting Agent by no later than the Voting Deadline.

F. Objections to Confirmation

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to the confirmation of a plan. The Court has set **[--], 2025, at 5:00 p.m. (CT)]**, as the deadline (the “Objection Deadline”) to file and serve written objections to confirmation of the Plan. Any objections to the Plan must: (i) be in writing; (ii) conform to the applicable Bankruptcy Rules and Local Rules; (iii) set forth the name of the objecting party and the nature and amount of any Claims or Interests held or asserted by the objecting party against the Debtors; (iv) set forth the legal and factual basis for the objection; (v) be accompanied by a memorandum of legal authorities supporting such objection; and (vi) be filed with the Court, together with proof of service, and served so as to be actually received no later than the Objection Deadline.

G. Modification of the Plan

Section 1127 of the Bankruptcy Code generally permits the Debtors to modify the Plan before or after the Confirmation Hearing, assuming that certain requirements are satisfied. The Debtors reserve the right to submit modifications of the Plan, as may be deemed advisable by the Debtors, and under the provisions of section 1127 of the Bankruptcy Code.

H. Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Bankruptcy Court will determine whether the confirmation requirements of section 1129 of the Bankruptcy Code have been satisfied, and in the event that they have been and all other conditions to confirmation set forth in the Plan itself have been met, the Bankruptcy Court will enter an order confirming the Plan. The requirements of section 1129 generally are as follows:

1. The Plan complies with the applicable provisions of the Bankruptcy Code.

2. The Debtors complied with the applicable provisions of the Bankruptcy Code.
3. The Plan has been proposed in good faith and not by any means forbidden by law.
4. Any payment made or to be made by the Debtors or by a person issuing securities or acquiring property under the Plan, for services or for costs and expenses in or in connection with the Bankruptcy Case, or in connection with the Plan and incident to the Bankruptcy Case, has been approved by, or is subject to the approval of, the Bankruptcy Court as reasonable.
5. The Debtors have disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the Plan, as a director, officer, or voting trustee of the Debtors, an affiliate of the Debtors participating in a joint plan, or a successor to the Debtors under the Plan, and the appointment to, or continuance in, such office of such individual, is consistent with the interests of Creditors and with public policy, and the Debtors have disclosed the identity of any insider that will be employed or retained by the Debtors, and the nature of any compensation of such insider.
6. Any governmental regulatory commission with jurisdiction, after confirmation of the Plan, over the rates of the Debtors has approved any rate change provided for in the Plan, or such rate change is expressly conditioned on such approval. The Debtors do not believe this requirement is applicable to the Bankruptcy Case.
7. With respect to each impaired Class: (a) each holder in such Class has accepted the Plan or will receive or retain under the Plan on account of such Claim property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code on such date; or (b) if section 1111(b)(2) of the Bankruptcy Code applies to the Claims of such Class, each holder in such Class will receive or retain under the Plan on account of such Claim property of a value, as of the Effective Date of the Plan, that is not less than the value of such holder's interest in the Estate's interests in the property that secures such Claims. This means that, if a Creditor rejects the Plan, the Plan must provide the Creditor with at least what it would receive in a hypothetical Chapter 7 liquidation.
8. With respect to each Class: (a) such Class has accepted the Plan; or (b) such Class is not impaired under the Plan. If an impaired Class has rejected the Plan, then the Plan may still be confirmed on Cramdown with respect to that Class, as discussed below.
9. Except to the extent that the holder of a particular Claim has agreed to a different treatment of such Claim, the Plan provides: (a) that with respect to a Claim of a kind specified in section 507(a)(1) or 507(a)(2) of the Bankruptcy Code, on the Effective Date of the Plan, the holder of such Claim will receive on account of such Claim cash equal to the Allowed amount of such Claim; (b) that with respect to a Class of Claims of a kind specified in section 507(a)(3), 507(a)(4), 507(a)(5), 507(a)(6), or 507(a)(7) of the Bankruptcy Code, each holder of a Claim of such Class will receive (i) if such Class has accepted the Plan, deferred cash payment of a value, as of the Effective Date of the

Plan, equal to the Allowed amount of such Claim, or (ii) if such Class has not accepted the Plan, cash on the Effective Date of the Plan equal to the Allowed amount of such Claim; and (c) with respect to a Claim of a kind specified in section 507(a)(8) of the Bankruptcy Code, the holder of such Claim will receive on account of such Claim deferred cash payments, over a period not exceeding six years after the date of assessment of such Claim, of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim.

10. If a Class of Claims is impaired under the Plan, at least one Class of Claims that is impaired under the Plan has accepted the Plan, determined without including any acceptance of the Plan by any insider.
11. Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtors or any successor to the Debtors under the Plan, unless such liquidation or reorganization is proposed in the Plan.
12. All fees payable under section 1930 of Title 28 (United States Code), as determined by the Bankruptcy Court, have been paid or the Plan provides for the payment of all such fees on the Effective Date of the Plan.
13. The Plan provides for the continuation after its Effective Date of payment of all retiree benefits, as that term is defined in section 1114 of the Bankruptcy Code, at the level established pursuant to subsection (e)(1)(B) or (g) of section 1114, at any time prior to confirmation of the Plan, for the duration of the period the Debtor has obligated itself to provide such benefits. The Debtors do not believe this requirement is applicable to the Bankruptcy Case.
14. There are various other provisions governing the confirmation of the Plan, including as applicable to individual debtors, some of which do not apply (such as domestic support obligations). The foregoing is a summary only of the main confirmation requirements and is not intended to replace such confirmation requirements as are otherwise applicable or such confirmation requirements as may apply to any given Creditor.

I. Additional Requirements for Nonconsensual Confirmation

The Bankruptcy Court may confirm the Plan at the request of the Debtors if: (a) all of the requirements of section 1129(a) of the Bankruptcy Code are met, with the exception of section 1129(a)(8); (b) at least one Class of Claims that is impaired under the Plan has accepted the Plan (excluding the votes of Insiders), if a Class of Claims is impaired; and (c) as to each impaired Class that has not accepted the Plan, the Plan does not “discriminate unfairly” and is “fair and equitable.” This is referred to as Cramdown.

A Chapter 11 plan does not “discriminate unfairly” within the meaning of the Bankruptcy Code if the classification of claims under a plan complies with the Bankruptcy Code and no particular class will receive more than it is legally entitled to receive for its claims. The Debtors believe that the classifications established under the Plan are proper and that no Class under the

Plan is receiving more than it is legally entitled to receive. “Fair and equitable,” on the other hand, has different meanings for Secured and Unsecured Claims.

With respect to a Class of Secured Claims that rejects the Plan, to be “fair and equitable” the Plan must, among other things, either: (a) provide that the holders of such Secured Claims retain their liens securing such Claims, whether the property subject to such liens is retained by the Debtors or transferred to another entity, to the extent of the Allowed amount of such Claims, and that each holder of a Secured Claim in such Class receive on account of such Claim deferred cash payments totaling at least the Allowed amount of such Claim, of a value, as of the Effective Date of the Plan, of at least the value of such holder’s interest in the Estates’ interest in such property; or (b) provide for the sale, subject to section 363(k) of the Bankruptcy Code, of any property that is subject to the liens securing such Secured Claims, free and clear of such liens, with such liens attaching to the proceeds of such sale, and the treatment of such liens on such proceeds in accordance with the Bankruptcy Code; or (c) provide for the realization by the holders of such Secured Claims of the indubitable equivalent of such Claims. The Debtors believe that the Plan is fair and equitable to each Class of Secured Claims under the Plan.

With respect to a Class of Unsecured Claims that rejects the Plan, to be “fair and equitable” the Plan must, among other things, either: (a) provide that each holder of an Unsecured Claim in such Class receive or retain on account of such Claim property of a value, as of the Effective Date of the Plan, equal to the Allowed amount of such Claim; or (b) not allow the holder of any Claim that is junior to the Unsecured Claims of such Class to receive or retain any property under the Plan on account of such junior Claim; *i.e.* not permit any holder of any equity interest in the Debtors to retain anything under the Plan on account of such interest. This is called the Absolute Priority Rule and protects Unsecured Creditors by ensuring that equity owners do not retain their equity interests without payment in full to Unsecured Creditors.

In the event that at least one Class of Claims is impaired under the Plan, and if at least one impaired Class of Claims under the Plan accepts the Plan and one or more Classes of impaired Claims rejects the Plan, the Debtors will seek confirmation of the Plan under the cramdown provisions of section 1129(b) of the Bankruptcy Code. In such event, the Bankruptcy Court will determine, at the Confirmation Hearing, whether the Plan is fair and equitable and whether it does or does not discriminate unfairly against any rejecting impaired Class of Claims.

J. Effective Date of the Plan

The Plan will become effective upon the occurrence of the Effective Date, which is defined in the Plan as the first Business Day fourteen (14) days after the Confirmation Date if the Confirmation Order is not stayed or, if the Confirmation Order is stayed, the first Business Day following the lifting, dissolution, or removal of such stay which is at least fourteen (14) days after the Confirmation Date, and upon which the conditions to the effectiveness of the Plan set forth in the Plan are satisfied. Pursuant to the provisions of the Plan, the Debtors will transmit notice of the effectiveness of the Plan if the Bankruptcy Court confirms the Plan and all conditions precedent to the Plan’s effectiveness are satisfied. Said notice will additionally specify various other Plan deadlines that are triggered by the Effective Date of the Plan.

IX. RISK FACTORS

Prior to voting to accept or reject the Plan, Holders of Claims should read and carefully consider the risk factors set forth below, in addition to the information set forth in this Disclosure Statement and the attachments, exhibits, and/or documents incorporated by reference hereto. The risk factors set forth below should not be regarded as the only risks associated with the Debtors' businesses or the Plan and its implementation.

The main risk factor is the sale of the Oregon Ranch and the Llano Ranch Parcel 1. These sales will be under the exclusive control of the Plan Agent, who will determine timing and pricing, subject to the Sale Metrics. Thus, the risk of asking too high of a price is mitigated. At the same time, whether persons will bid and buy this land is outside anyone's control. With respect to AgWest and Prosperity Bank, they would face this risk anyway after a foreclosure, but at least under the Plan the sales are not "distressed assets" and the Oil and Gas Debtors continue to pay for the substantial and critical ongoing fire mitigation and suppression efforts at the Oregon Ranch. These secured creditors do face the risk of nonpayment if these properties cannot be sold by the deadlines in the Sale Metrics, but they will then look to their liens for repayment. If that happens, and there are no excess sale proceeds, then Royalty Claims, Working Interest Claims, and Unsecured Claims will face additional risk of nonpayment because those proceeds will not be available to backstop their Allowed Claims.

Royalty Claims and Unsecured Creditors face the most risk under the Plan, because the principal source of their repayment is the future revenue of the Oil and Gas Debtors. As with any future events, business, and oil and gas production, it is possible that the Debtors' future projections will not materialize and that the Oil and Gas Debtors will not have sufficient future revenues to make these Plan payments. As a result, the Royalty Claims, Working Interest Claims, and the Unsecured Claims are given added protection in the form of a junior lien against the Llano Ranch, and are given protection with the Creditor Escrow, to the extent that there are excess sale proceeds from the sales of the Oregon Ranch and the Llano Ranch Parcel 1 after payment of AgWest and Prosperity Bank (and senior Secured Tax Claims).

X. CERTAIN INCOME TAX CONSEQUENCES OF THE PLAN

THE PLAN AND ITS RELATED TAX CONSEQUENCES ARE COMPLEX. THERE ALSO MAY BE STATE, LOCAL OR OTHER TAX CONSIDERATIONS APPLICABLE TO EACH CREDITOR. CREDITORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE, LOCAL AND OTHER TAX LAWS. NOTHING IN THIS DISCLOSURE STATEMENT OR IN THE PLAN IS MEANT TO PROVIDE ANY TAX ADVICE TO ANY CREDITOR.

XI. CONCLUSION AND RECOMMENDATION

In the opinion of the Debtors, the Plan is preferable to all other available alternatives and provides for a larger distribution to the Debtors' creditors than would otherwise result in any other scenario. Accordingly, the Debtors recommend that Holders of Claims and Interests entitled to vote on the Plan vote to accept the Plan and support Confirmation of the Plan.

The Debtors urge the Holders of Claims and Interests in Impaired Classes to vote to **ACCEPT** the Plan and to evidence such acceptance by returning their Ballots so that they will be received on or before 5:00 p.m. (CT) on [-----], 2025.

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Dated: July 3, 2025

MUNSCH HARDT KOPF & HARR, P.C.

By: /s/ Davor Rukavina

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**ATTORNEYS FOR THE OIL AND GAS
DEBTORS AND THE OREGON DEBTORS**

- and -

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ATTORNEYS FOR O'RYAN RANCHES, LTD.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

In re:	§	Chapter 11
	§	
SCANROCK OIL & GAS, INC., <i>et al.</i> ,	§	Case No. 25-90001-mxm-11
	§	
Debtors. ¹	§	Jointly Administered

DEBTORS' AMENDED JOINT CONSOLIDATED PLAN OF REORGANIZATION

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**ATTORNEYS FOR
O'RYAN RANCHES, LTD.**

**ATTORNEYS FOR THE
OIL AND GAS DEBTORS
AND THE OREGON DEBTORS**

DATED: July 3, 2025.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, if any, are: Scanrock Oil & Gas, Inc. (0380); EON Production, LLC (0136); O'Ryan Family Limited Partnership (1913); O'Ryan Production & Exploration Ltd. (9950); O'Ryan Ponderosa, LLC (1476); Ryan C. Hoerauf, Inc. (0493); and Smackover Oil Treaters, Ltd. (9529); O'Ryan Ranches, Ltd. (7184); O'Ryan Ranches, LLC (6467); and O'Ryan Oregon Ranches, LLC. The location of the Debtors' service address is 8180 Lakeview Center, Ste. 300, Odessa, TX 79765. More information about the Debtors, and copies of pleadings in the above-captioned bankruptcy case, may be obtained on the website of the Debtors' proposed noticing agent, Stretto, Inc., at: <https://cases.stretto.com/scanrock>.

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION

In re:	§	Chapter 11
	§	
SCANROCK OIL & GAS, INC., <i>et al.</i> ,	§	Case No. 25-90001-mxm-11
	§	
Debtors.	§	Jointly Administered

DEBTORS' AMENDED JOINT CONSOLIDATED PLAN OF REORGANIZATION

The Debtors (defined below), being the debtors-in-possession in the above styled and numbered jointly administered Bankruptcy Case (defined below), hereby propose the following *Amended Joint Consolidated Plan of Reorganization* pursuant to section 1121 of the Bankruptcy Code.

ARTICLE I
DEFINITIONS AND INTERPRETATION

1.1 Rules of Interpretation.

- (i) Unless otherwise specified, all Section, Article, and Exhibit references in this Plan are to the respective Section in, or Article of, this Plan, as the same may be amended, waived or modified from time to time. Words denoting the singular number shall include the plural number and *vice versa*. In construing this Plan, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply.
- (ii) In computing any period of time prescribed or allowed by this Plan, the provisions of Bankruptcy Rule 9006 shall apply.
- (iii) Where a creditor or holder of any right under this Plan is named by name, such naming shall include any successor-in-interest to any right of such creditor (although the Plan is otherwise already binding on all parties-in-interest and creditors).

1.2 Definitions. Terms and phrases, whether capitalized or not, that are used and not defined in this Plan, but that are defined in the Bankruptcy Code, have the meanings ascribed to them in the Bankruptcy Code. Unless otherwise provided in this Plan, the following terms have the respective meanings set forth below, and such meanings shall be equally applicable to the singular and plural forms of the terms defined, unless the context otherwise requires.

“Administrative Claim” means a Claim for any cost or expense of administration of the Bankruptcy Case under section 503(b) of the Bankruptcy Code, including, without limitation, any fees or charges assessed against the Estate pursuant to 28 U.S.C. § 1930, and further including a Professional Claim and a claim arising under the Cash Collateral

Order. For the avoidance of doubt, Administrative Claims do not include Secured Tax Claims.

“Administrative Claims Bar Date” means the day that is thirty (30) days after the Effective Date.

“Administrative Tax Claim” means any *ad valorem* tax claim assessed against, or payable by, the Debtors or the Estates or their property for or on account of a period after the Petition Date, specifically excluding Secured Tax Claims.

“AgWest” means AgWest Farm Credit, FLCA.

“AgWest Loan Documents” means all promissory notes, deeds of trust, fixture filings, grants of security interests, and other agreements between the Oregon Debtors and AgWest, including that certain Deed of Trust Financing Statement and Fixture Filing dated February 8, 2023 and recorded as Instrument No. 2023-321165 in the records of Crook County, Oregon, and the promissory notes dated February 8, 2023 and March 22, 2019 from the Oregon Debtors.

“AgWest Secured Claim” means all Claims, rights, and interests of AgWest against the Oregon Ranch and the Oregon Debtors as of the Petition Date under the AgWest Loan Documents and all applicable law, including all principal, interest, default interest, and other fees and charges permitted under the applicable AgWest Loan Documents and applicable law.

“Allowed” as it relates to any type of Claim provided for under this Plan, but excluding a Professional Claim, means a Claim:

- (i) which has been scheduled as undisputed, noncontingent and liquidated in the Schedules in an amount other than zero or unknown, and as to which:
 - a. no Proof of Claim has been timely filed; and
 - b. no objection has been timely filed (as determined by applicable deadlines contained in this Plan, including the Claims Objection Deadline);
- (ii) as to which a Proof of Claim has been timely filed and either:
 - a. no objection thereto has been timely filed (as determined by applicable deadlines contained in this Plan, including the Claims Objection Deadline); or
 - b. such Claim has been allowed (but only to the extent allowed) by a Final Order of the Bankruptcy Court;
- (iii) which has been expressly allowed under the provisions of this Plan; or
- (iv) which has been expressly allowed by Final Order of the Bankruptcy Court, including the Cash Collateral Order.

“Allowed Administrative Claim” means: (i) an Administrative Claim that has been Allowed (but only to the extent Allowed), if approval from the Bankruptcy Court is required in order to Allow the same; or (ii) an Administrative Claim which: (a) is incurred

by the Debtors after the Petition Date in the ordinary course of business operations or pursuant to an order entered by the Bankruptcy Court granting automatic Administrative Claim status; (b) is not disputed by the Debtors; and (c) does not require approval from the Bankruptcy Court to become Allowed.

“Allowed Priority Claim” means a Priority Claim that has been Allowed (but only to the extent Allowed).

“Allowed Secured Claim” means a Secured Claim that has been Allowed (but only to the extent Allowed).

“Allowed Unsecured Claim” means an Unsecured Claim that has been Allowed (but only to the extent Allowed).

“AmeriCredit Financial Services” means AmeriCredit Financial Services, Inc. d/b/a GM Financial.

“AmeriCredit Financial Services Secured Claim” means all claims, rights, and interests of AmeriCredit Financial Services against the Debtors and Estates, and all property of the Debtors and Estates, including as against that certain 2023 Chevrolet Silverado 3500HD and that certain 2023 Chevrolet Silverado 1500.

“Avoidance Actions” means any and all rights, claims or actions which the Debtors may assert on behalf of the Estates under Chapter 5 of the Bankruptcy Code, including actions under one or more provisions of sections 328, 542, 544, 545, 546, 547, 548, 549, 550, 551 and/or 553 of the Bankruptcy Code.

“Bankruptcy Case” means jointly administered Bankruptcy Case No. 25-90001-mxm-11 in the Bankruptcy Court.

“Bankruptcy Code” means 11 U.S.C. §§ 101, *et. seq.*, in effect as of the Petition Date and as may have been or may be amended or supplemented since, to the extent that any such amendment or supplement is automatically applicable to the Bankruptcy Case by operation of law and not by operation of any election or choice.

“Bankruptcy Court” means the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division or, if such court ceases to exercise jurisdiction, the court or adjunct thereof that exercises jurisdiction over the Bankruptcy Case.

“Bankruptcy Rules” means the Federal Rules of Bankruptcy Procedure, together with the local bankruptcy rules for the Bankruptcy Court as now in effect or as the same may from time-to-time hereafter be amended.

“Bar Date” means, with respect to each Debtor, the date established by an order of the Bankruptcy Court or by a provision of the Bankruptcy Code or Bankruptcy Rules by which any given creditor must file a Proof of Claim against that Debtor’s Estate.

“Business Day” means any day which is not a Saturday, a Sunday, or a “legal holiday” within the meaning of Bankruptcy Rule 9006(a).

“Cash Collateral Budget” means any budget under the Cash Collateral Order (and/or any interim cash collateral orders preceding the Cash Collateral Order) approved by the Bankruptcy Court at Docket Nos. 57, 101, 201, 300, 330, 363.

“Cash Collateral Carveout Claim” means, to the extent specifically authorized by and stated in the Cash Collateral Budget and included in the Carve Out (as defined by the Cash Collateral Order), a Claim for (a) all unpaid fees and expenses actually incurred by persons or firms (excluding Stretto, Inc.) retained by the Debtors on or after the Petition Date pursuant to sections 327, 328, or 363 (solely with respect to a chief restructuring officer) of the Bankruptcy Code (the **“Debtor Professionals”**); (b) all unpaid fees and expenses actually incurred by persons or firms retained by the Committee on or after the Petition Date pursuant to sections 327, 328, or 1103 of the Bankruptcy Code (the **“Committee Professionals”** and collectively with the Debtor Professionals, the **“Estate Professionals”**), but only to the extent such fees and expenses (i) have been incurred and remain unpaid, (ii) have been previously or subsequently approved by the Bankruptcy Court by Final Order, and (iii) exceed any retainer held by any such Estate Professional. For the avoidance of doubt, any amount of an Allowed Professional Claim held by an Estate Professional which exceeds its respective line-item in the Cash Collateral Budget and Carve Out (as defined in the Cash Collateral Order) shall not be an Allowed Cash Collateral Carveout Claim.

“Cash Collateral Order” means the *Final Order Granting Debtors’ Emergency Motion for Entry of Interim and Final Orders (i) Authorizing the Debtors to Use Cash Collateral; (ii) Granting Adequate Protection; (iii) Modifying the Automatic Stay; (iv) Scheduling a Final Hearing; and (v) Granting Related Relief*, entered at Docket No. 363.

“Claim” means a claim against one or more of the Debtors, the Estates, and/or property of the Debtors or the Estates, as such term is otherwise defined in section 101(5) of the Bankruptcy Code, and arising at any time prior to the Effective Date, including first arising after the Petition Date, regardless of whether the same would otherwise be a claim under said section 101(5) of the Bankruptcy Code, whether a timely or untimely Proof of Claim is filed or not.

“Claims Objection Deadline” means the date by which parties authorized by the Plan may file any objection to a Claim, which date shall be 120 days after the Effective Date, except with respect to Administrative Claims as otherwise provided for herein and with respect to Disputed Claims.

“Class” means one of the categories of Claims and Equity Interests established under Article II of this Plan.

“Class 6” means, collectively, the Claims in Class 6(a) and Class 6(b).

“Committee” means the Official Committee of Unsecured Creditors appointed in the Bankruptcy Case by the United States Trustee.

“Confirmation Date” means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on its docket.

“Confirmation Hearing” means the hearing(s) before the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of this Plan, as such hearing(s) may be continued, rescheduled or delayed.

“Confirmation Order” means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code, as such order may be amended, modified, or supplemented.

“Consolidated Estate” has the meaning assigned to it in Section 5.1.1 of this Plan.

“Convenience Class Claim” has the meaning assigned to it in Section 4.8.1 of this Plan.

“Creditor” means the holder of any Claim, whether the Creditor has filed a Proof of Claim or not and whether the Creditor has appeared in the Bankruptcy Case or not.

“Creditor Escrow” has the meaning assigned to it in Section 5.26 of this Plan.

“Cure Claim” means a Claim required to be paid under section 365 of the Bankruptcy Code in order to assume any Executory Contract, including, as may be applicable, any nonmonetary portion thereof.

“Debtor” means any of the Debtors.

“Debtors” means, collectively, Scanrock Oil & Gas, Inc.; EON Production, LLC; O’Ryan Family Limited Partnership; O’Ryan Production & Exploration Ltd.; O’Ryan Ponderosa, LLC; Ryan C. Hoerauf, Inc.; and Smackover Oil Treaters, Ltd.; and O’Ryan Ranches, Ltd.; O’Ryan Ranches, LLC; and O’Ryan Oregon Ranches, LLC.

“Disallowed Claim” means, as it relates to any type of Claim provided for under this Plan, except an Administrative Claim (or a Professional Claim), a Claim or portion thereof that:

- (i) has been disallowed by a Final Order of the Bankruptcy Court;
- (ii) is identified in the Schedules in an amount of zero dollars, unknown dollars, or as contingent, unliquidated, and/or disputed, and as to which a Proof of Claim was not filed by the Bar Date; or
- (iii) is not identified in the Schedules and as to which no Proof of Claim has been filed or deemed filed by the Bar Date, if the filing of such Proof of Claim is otherwise required.

“Disclosure Statement” means the Disclosure Statement with respect to this Plan, approved by the Bankruptcy Court as containing adequate information for the purpose of dissemination and solicitation of votes on confirmation of this Plan, either in its present form or as it may be altered, amended or modified from time to time.

“Disputed Claim” means, with respect to any Claim, that such Claim (a) is not yet Allowed, (b) is not a Disallowed Claim by the Plan, the Bankruptcy Code, or a Final Order, as applicable, (c) as to which a dispute is being adjudicated by the Bankruptcy Court,

including a dispute about the priority or the extent of the secured amount of such Claim under section 506(a) of the Bankruptcy Code or otherwise, or another court of competent jurisdiction in accordance with non-bankruptcy law, or (d) is or is hereafter listed in the Schedules as contingent, unliquidated, or disputed and for which a Proof of Claim is or has been timely filed in accordance with the Bar Date or the Plan.

“Disputed Claims Reserve” has the meaning ascribed to such term in Section 7.7 of this Plan.

“Effective Date” means the first Business Day after which the conditions to the effectiveness of the Plan set forth in Article IX hereof have been satisfied or waived by agreement of the Debtors, the Committee, and Prosperity Bank.

“Equity Interests” means any ownership of any equity in the Debtors, including, as may be applicable, any membership unit, partnership interest, share, stock, or stock certificate.

“Estate” means the estate created for each Debtor pursuant to section 541 of the Bankruptcy Code and any other applicable provision thereof.

“Estates” means, collectively, each Estate.

“Executory Contract” means, collectively, “executory contracts” and “unexpired leases” of the Debtors as of the Petition Date as such terms are used within section 365 of the Bankruptcy Code, expressly excluding Oil and Gas Leases.

“Extex” means Extex Production, Inc.

“Extex Annual Payment” means the yearly installment payment to be paid by Extex to O’Ryan Family Limited Partnership on March 1st of each year through March 1, 2028 pursuant to that certain *Promissory Note* dated June 27, 2024 by and between Extex and O’Ryan Family Limited Partnership; *provided, however*, that any amount of payment in excess of \$200,000.00 on an annual basis shall not be included herein.

“Final Decree” means the final decree entered by the Bankruptcy Court on or after the Effective Date pursuant to Bankruptcy Rule 3022.

“Final Order” means a judgment, order, ruling, or other decree issued and entered by the Bankruptcy Court or by any state or other federal court or other tribunal having jurisdiction over the subject matter thereof which judgment, order, ruling, or other decree has not been reversed, stayed, modified, or amended and as to which:

- (i) the time to appeal or petition for review, rehearing or certiorari has expired and as to which no appeal or petition for review, rehearing or certiorari is pending; or
- (ii) any appeal or petition for review, rehearing or certiorari has been finally decided and no further appeal or petition for review, rehearing or certiorari can be taken or granted.

“Ford Motor Credit” means Ford Motor Credit Company, LLC.

“Ford Motor Credit Secured Claim” means all claims, rights, and interests of Ford Motor Credit against the Debtors and Estates, and all property of the Debtors and Estates, including as against that certain 2024 Ford F-250.

“Governmental Unit” means a governmental unit as such term is defined in section 101(27) of the Bankruptcy Code.

“Halliburton” means Halliburton Energy Services, Inc.

“Halliburton Secured Claim” means all claims, rights, and interests of Halliburton against the property of the Oil and Gas Debtors, to the extent of value of such property under section 506(a) of the Bankruptcy Code and without giving effect to any marshalling doctrine as against any other secured claims and liens against the same. For the avoidance of doubt, Halliburton Secured Claim does not include any deficiency or unsecured claim of Halliburton against the Oil and Gas Debtors.

“Hoerauf” means Ryan C. Hoerauf.

“Hoerauf Releasees” means each of Hoerauf, Mathew Hoerauf, Amber Hoerauf Gill, Condor Ranches, LLC, Amber Hoerauf Trust, Amber Hoerauf Children’s Trust, ARG Trust, Mathew Hoerauf Trust, MRH Trust, Ryan C. Hoerauf 2008 Delaware Trust, Ryan C. Hoerauf Grantor Retained Annuity Trust, and further includes the spouse, child, stepchild, trustee, employee, member, manager, representative, agent, or attorney of any of the foregoing (but excluding any Debtor).

“Llano Ranch” means all real property, improvements, timber, minerals, fixtures, and other property described in the Llano DOT (as defined by the Cash Collateral Order) owned owned by O’Ryan Ranches, consisting of approximately 1,739.514 contiguous acres of real property located in the southwest portion of Llano County, Texas.

“Llano Ranch Parcel 1” means a portion of the Llano Ranch, identified as 817 +/- acres out of - W RABB ABST #624 3.012 AC, H W Karnes ABST #444 655.324 AC, M MOSS ABST #501, 381.927 AC, H W Karnes ABST #444 0.500 AC, J B Mattingly ABST #497 233.501 AC, M MOSS ABST #501 340.136 AC, J B Mattingly ABST #497 125.114 AC, as more specifically identified on Exhibit E to the Disclosure Statement.

“Llano Ranch Parcel 2” means all of the Llano Ranch other than the Llano Ranch Parcel 1.

“Mechanics Liens Secured Claims” means a claim against the Oil and Gas Debtors asserted to be secured by a mechanics or materialman’s lien where such claim and lien arise prior to the Petition Date.

“Oil and Gas Debtors” means Scanrock Oil & Gas, Inc., EON Production, LLC, O’Ryan Production & Exploration Ltd., O’Ryan Family Limited Partnership, O’Ryan Ponderosa, LLC, Ryan C. Hoerauf, Inc., and Smackover Oil Treaters, Ltd.

“Oil and Gas Leases” means any and all unexpired leases or instruments in which any of the Debtors or Reorganized Debtors, as the case may be, hold an existing leasehold,

working interest, royalty interest, or similar interest in oil and gas and/or other liquid or gaseous hydrocarbons, including methane, and all other minerals including, but not limited to, brine, minerals, non-hydrocarbons, and all substances that may be later extracted from any such brine, including, but not limited to, bromine, lithium chloride, magnesium or zinc, as of the Effective Date.

“Oregon Debtors” means, together, O’Ryan Ranches, LLC and O’Ryan Oregon Ranches, LLC.

“Oregon Ranch” means all real property, improvements, timber, minerals, fixtures, and other property described in the Oregon DOT (as defined by the Cash Collateral Order) owned by either or both of the Oregon Debtors in the State of Oregon, and otherwise known as the “Ochoco Ranch,” consisting of approximately 44,328 acres of timber land located in Crook County, Oregon. For purposes of this Plan only, the Oregon Ranch Carbon Credits shall not be considered part of the Oregon Ranch but shall instead be a separable class of property.

“Oregon Ranch Carbon Credits” means any past, present, or future rights to payment, including as the same may be presently under negotiation, that either or both of the Oregon Debtors may claim or obtain from any source, related to carbon credits from their ownership and/or operation of the Oregon Ranch.

“Oregon Ranch Proceeds Carveout” has the meaning assigned to it in Section 5.7 of this Plan.

“O’Ryan Ranches” means O’Ryan Ranches, Ltd., one of the Debtors.

“PB Materials Stock” means any stock, shares, or equity interests of any of the Debtors in PB Materials Holdings, Inc., owned prior to or as of the Petition Date.

“Person” means and includes natural persons, corporations, limited partnerships, general partnerships, joint ventures, trusts, land trusts, business trusts, unincorporated organizations, or other legal entities, irrespective of whether they are governments, agencies or political subdivisions thereof.

“Petition Date” means, with respect to each Debtor, the date on which it filed its Chapter 11 petition for relief as jointly administered in the Bankruptcy Case.

“Plan” means this *Debtors’ Amended Joint Consolidated Plan of Reorganization*, either in its present form or as it may be altered, amended or modified from time to time.

“Plan Agent” is the person named in Section 5.23.2 of this Plan.

“Plan Rate” means the federal postjudgment interest rate in effect on the Effective Date.

“Plan Supplement” means the compilation of documents and forms of documents, agreements, schedules, and exhibits to the Plan (in each case, as may be altered, amended, modified, or supplemented from time to time in accordance with the terms hereof and in accordance with the Bankruptcy Code and Bankruptcy Rules) to be filed by the Debtors no

later than seven (7) days before the commencement of the Confirmation Hearing, including the following, (a) the Sale Metrics (under seal), (b) the Llano Ranch deeds of trust and any related documents, and (c) the identity and compensation of the Plan Agent.

“Priority Claim” means any Claim entitled to priority in payment under section 507(a) of the Bankruptcy Code, excluding any Claim that is an Administrative Claim or that is a Secured Tax Claim.

“Professional” means any Person employed or to be compensated pursuant to sections 327, 328, 330, 331, 503(b), or 1103 of the Bankruptcy Code.

“Professional Claim” means a Claim by a Professional for compensation and/or reimbursement of expenses pursuant to sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code in connection with an application made to the Bankruptcy Court.

“Professional Fees Escrow” means the “Fee Escrow” as defined in the Cash Collateral Order.

“Proof of Claim” means a proof of Claim filed against any of the Debtors in the Bankruptcy Case.

“Prosperity Bank” means Prosperity Bank, including as successor-in-interest to Lone Star State Bank of West Texas and Amarillo National Bank.

“Prosperity Bank Loan Documents” means the documents and instruments identified on Exhibit B to the Cash Collateral Order in the Bankruptcy Case and the “Prepetition Loan Documents” as defined by the Cash Collateral Order, but only insofar as any of the foregoing apply to a Debtor or an Estate, and its property. For the avoidance of doubt, the rights of Prosperity Bank as against any non-debtor and its property are not modified by this Plan, subject only to the temporary injunction against collection provided in Section 4.4.10 of this Plan.

“Prosperity Bank Releasees” means each of Prosperity Bank, Lone Star State Bank of West Texas, and Amarillo National Bank, and further includes the employees, directors, members, managers, representatives, agents, or attorneys of any of the foregoing (but expressly excluding Hoerauf) and the “Released Parties” as defined by the Cash Collateral Order.

“Prosperity Bank Secured Claim” means all Claims, rights, and interests of Prosperity Bank against the Debtors and their property, including against the Oregon Ranch, the Llano Ranch, and the property of the Oil and Gas Debtors, as further described by the Cash Collateral Order, and including all rights under the Prosperity Bank Loan Documents and all applicable law, including all principal, interest, default interest, and other fees and charges permitted under the applicable Prosperity Bank Loan Documents and applicable law.

“Rejection Damages Claim” means the Claim in favor of a counterparty to an Executory Contract that is rejected by the Debtors, but that is not an Administrative Claim.

“Rejection Damages Claim Bar Date” means the day that is thirty (30) days after the Effective Date, if the Executory Contract giving rise to the Rejection Damages Claim is rejected under this Plan.

“Reorganized Debtor” means a Debtor on and after the Effective Date.

“Reorganized Debtors” means the Debtors on and after the Effective Date.

“Royalty Claim” means any Claim for unpaid oil and gas royalties from any of the Debtors as of the Petition Date, but expressly excludes any suspense royalties and resulting suspense funds.

“Sale Metrics” means, with respect to the sale of the Oregon Ranch and the Llano Ranch Parcel 1, the dates, listing prices, and release prices filed under seal in the Plan Supplement on which the Plan Agent and Reorganized Debtors must accept and close any bid for such properties falling within said dates and prices. Prosperity Bank and the Plan Agent may extend or otherwise modify the Sale Metrics by written agreement that is filed under seal with the Bankruptcy Court.

“SBA” means the U.S. Small Business Administration.

“SBA Loan Documents” means the *Note*, SBA Loan #9110, dated March 26, 2022; the *Security Agreement*, SBA Loan #9110, dated March 26, 2022; and the UCC Financing Statement dated April 11, 2022.

“SBA Secured Claim” means all Claims, rights, and interests of the SBA against Ryan C. Hoerauf, Inc. and its property, and including all rights under the SBA Loan Documents, and all applicable law, including all principal, non-default interest, and other fees and charges permitted under the applicable SBA Loan Documents and applicable law.

“Schedules” means the Schedules of Assets and Liabilities and the Statements of Financial Affairs filed by the Debtors with the clerk of the Bankruptcy Court pursuant to Bankruptcy Rule 1007, as they have been or may be amended or supplemented from time to time in accordance with Bankruptcy Rule 1009.

“Secured Claim” means a Claim that is alleged to be secured, in whole or in part, (i) by a lien against an asset of the Debtors or the Estates; or (ii) as a result of rights of setoff under section 553 of the Bankruptcy Code.

“Secured Tax Claim” means a Claim of a Governmental Unit for the payment of *ad valorem* real property and business personal property taxes that is secured by property of the Debtors or the Estates arising prior to the Petition Date even if first payable after the Petition Date.

“Substantial Consummation” means the date on which any of the following first happens: (i) the Effective Date or (ii) the Bankruptcy Court otherwise finds that substantial consummation within the meaning and operation of the Bankruptcy Code has occurred.

“Tract V” means that certain portion of the Oregon Ranch Located in Crook County, Oregon, In Township 15 South, Range 19 East of the Willamette Meriden, Section 15: All, Section 21: E1/2, Section 23: All and Section 27: All.

“Unsecured Claim” means any alleged Claim against the Debtors that is not secured by (or to the extent not secured by) a valid, enforceable, and unavoidable lien against any asset of the Debtors or the Estates, including any deficiency claim, which does not enjoy any administrative or priority status under the Bankruptcy Code.

“Working Interest Claim” means any Claim for any unpaid share of oil and gas revenues on account of any working interest ownership from any of the Debtors as of the Petition Date, but expressly excludes any suspense royalties or revenues and resulting suspense funds.

ARTICLE II.
CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

2.1 Classification Generally. All Claims and Equity Interests, except Administrative Claims, are placed in Classes under the Plan. A Claim is classified within a particular Class only to the extent that the Claim qualifies under the description of that Class. A Claim which is properly includible in more than one Class is only entitled to inclusion within a particular Class to the extent that it qualifies under the description of such Class, and shall be included within a different Class(es) to the extent that it qualifies under the description of such different Class(es).

2.2 Unclassified Claims. The following types of Claims are not classified under the Plan:

Administrative Claims

Administrative Tax Claims

2.3 Classified Claims and Interests. Claims and Equity Interests are classified under this Plan as follows:

Class 1:	Priority Claims
Class 2:	Secured Tax Claims
Class 3:	AgWest Secured Claim
Class 4:	Prosperity Bank Secured Claims
Class 5:	Halliburton Secured Claim
Class 6(a):	Royalty Claims
Class 6(b):	Working Interest Claims
Class 7:	General Unsecured Claims
Class 8:	Convenience Claims
Class 9(a):	AmeriCredit Financial Services Secured Claim
Class 9(b):	Ford Motor Credit Secured Claim
Class 10:	SBA Secured Claim
Class 11:	Equity Interests

ARTICLE III.
PROVISIONS FOR THE TREATMENT OF UNCLASSIFIED CLAIMS

3.1 Administrative Claim Applications and Deadline. Holders of Administrative Claims, including Professional Claims, other than: (a) Allowed Administrative Claims as of the Effective Date; (b) Administrative Claims that represent liabilities incurred on or after the Petition Date, but prior to the Effective Date, in the ordinary course of the Debtors' businesses which may be paid in the ordinary course of the Debtors' businesses without order of the Bankruptcy Court; and (c) Administrative Claims that constitute fees or charges assessed against the Estates under Chapter 123, Title 28, United States Code, must by no later than the Administrative Claims Bar Date: (x) file an application with the Bankruptcy Court for allowance of the Administrative Claim; and (y) serve a copy of such application on the Debtors, the United States Trustee, the Committee, and all other parties otherwise entitled to notice thereof. Failure to file and serve such application by the Administrative Claims Bar Date shall result in the Administrative Claim being forever

barred and discharged as against the Debtors and the Estates, and the Reorganized Debtors and the Consolidated Estate, and the property of any of the foregoing including property transferred pursuant to the Plan. Except as specifically provided in this Plan, nothing in this Plan alters the law applicable to, and governing, the allowance of Administrative Claims (including Professional Claims) under the Bankruptcy Code.

3.2 Treatment of Allowed Administrative Claims. Except with respect to Administrative Tax Claims (see Section 3.4 below) and Professional Claims (see Section 3.3 below), and unless previously paid, each holder of an Allowed Administrative Claim, including a Professional Claim, shall be paid in full satisfaction, release and discharge of, and in exchange for such Allowed Administrative Claim, the amount of such Allowed Administrative Claim by the Reorganized Debtors and the Consolidated Estate, in cash, and without interest, attorney's fees (except as Allowed by the Bankruptcy Court), or costs, no later than ten (10) Business Days after the Effective Date from cash on hand.

3.3 Treatment of Professional Claims.

3.3.1 Allowance and Payment of Professional Claims. Professional Claims become Allowed the same as Administrative Claims in this Article (Section 3.1), and are treated the same as Administrative Claims in this Article (Section 3.2), except that: (i) a Professional Claim that has been previously Allowed on a final (not interim) basis by Final Order of the Bankruptcy Court is not subject to the requirement for filing an application as provided for in Section 3.1; (ii) a Professional Claim that has been Allowed on an interim basis (not final) in whole or in part shall, with respect to being Allowed on a final basis, be subject to the filing of an application for its allowance as provided for in Section 3.1 and shall be subject to such law, rules, and procedures as would be otherwise applicable to the same outside of this Plan; (iii) a Professional Claim that has been previously Allowed and paid on a final basis by Final Order of the Bankruptcy Court, but subject to disgorgement in the event of administrative insolvency, shall cease being subject to said disgorgement ten (10) days after the Administrative Claims Bar Date unless, upon motion and notice, the Bankruptcy Court extends such period; (iv) any interim payments on account of a Professional Claim shall be credited against the payment of the final Allowed amount of such Professional Claim; (v) any retainer provided on account of a Professional Claim shall be credited and applied against the payment of the final Allowed amount of such Professional Claim once such Professional Claim is Allowed on a final basis, prior to the payment of any amount remaining owing and unpaid; and (vi) any portion of the Professional Fees Escrow attributable to the Professional Claim shall be credited and applied against the payment of the final Allowed amount of such Professional Claim once such Professional Claim is Allowed on a final basis, prior to the payment of any amount remaining owing and unpaid. For the avoidance of doubt, nothing in this Plan changes or alters any Professional's rights with respect to any retainer or any portion of the Professional Fees Escrow or combines or merges any of the foregoing so that one Professional may be paid from a retainer or portion of the Professional Fees Escrow attributable to any other Professional. Any portion of the Professional Fees Escrow remaining after application to all applicable Allowed Professional Claims shall be transferred to Prosperity Bank for application to the Allowed Prosperity Bank Secured Claim.

3.3.2 Treatment of Unpaid Cash Collateral Carveout Claims. To the extent any Estate Professional has not been paid the full amount of its Allowed Cash Collateral Carveout Claim as of such time after: (i) the Administrative Claims Bar Date; and (ii) that the Bankruptcy Court determines the Allowed amount of all Professional Claims filed on or before the Administrative Claims Bar Date pursuant to a Final Order (the “Fee Allowance Date”), such Estate Professional shall receive all funds available for distribution to Estate Professionals prior to any other Estate Professionals until such time as all Estate Professionals have been paid the same percentage of their respective Allowed Cash Collateral Carveout Claims (*i.e.*, if, as of the Fee Allowance Date, Estate Professional “A” has been paid sixty (60) percent of its Allowed Cash Collateral Carveout Claim and Estate Professional “B” has been paid thirty (30) percent of its Allowed Cash Collateral Carveout Claim, then Estate Professional “B” shall continue to be paid all funds available for Estate Professionals until it has been paid sixty (60) percent of its Allowed Cash Collateral Carveout Claim). However, because the Committee’s Carve Out (as defined in the Cash Collateral Order) applies to all Committee Professionals as a single line-item under the Cash Collateral Budget, the Committee Professionals shall be considered a single Estate Professional for purposes of this Section 3.3.2. Once all Estate Professionals have been paid the same percentage of their respective Allowed Cash Collateral Carveout Claims, all Estate Professionals shall share in any funds available for distribution to Estate Professionals on a *pro rata* basis until all Allowed Cash Collateral Carveout Claims are paid in full pursuant to the terms of this Plan. In addition to the payments described in this Section 3.3.2, to the extent the Committee Professionals have any unpaid Allowed Professional Claim, such claim shall be paid from any amounts for Unsecured Claims under Section 4.7.6 of this Plan, including the quarterly distributions. For the avoidance of doubt, this Section 3.3.2 shall not apply to any amount of an Allowed Professional Claim held by an Estate Professional in excess of its Allowed Cash Collateral Carveout Claim.

3.4 Administrative Tax Claims. Administrative Tax Claims, and any liens securing the same, are not affected by, prejudiced by, discharged by, or treated by this Plan, and shall survive this Plan without need for any action on the part of the holder thereof. Administrative Tax Claims, and the liens securing the same, shall be paid when and as otherwise appropriate, together with such interest and other charges as otherwise appropriate, as soon as possible after the Effective Date or when the same otherwise become due and payable. Notwithstanding anything contained in this Plan to the contrary, nothing in this Plan transfers or vests any property of the Debtors or the Estates free and clear of any lien securing an Administrative Tax Claim. Any and all rights to contest any Administrative Tax Claim, including as may be appropriate under section 505 of the Bankruptcy Code, are preserved and vest in the Reorganized Debtors as of the Effective Date.

3.5 Section 505. For the avoidance of doubt, and without limiting the generality of any similar provision of this Plan, the Debtors and the Estates reserve all rights under section 505 of the Bankruptcy Code, as otherwise applicable, to contest any tax Claim and to seek appropriate determinations under said section 505 with respect thereto, and transfer the same hereunder to the Reorganized Debtors and the Consolidated Estate.

ARTICLE IV.
PROVISIONS FOR THE TREATMENT OF CLASSIFIED CLAIMS

4.1 Class 1: Priority Claims. Class 1 consists of all Allowed Priority Claims. Nothing in this Plan allows any Priority Claim, and the Debtors and the Estates reserve all rights to object to any Priority Claim, which rights are vested in the Reorganized Debtors and the Consolidated Estate. In full and final satisfaction, release and discharge of, and in exchange for, each Priority Claim, the Reorganized Debtors shall pay each Priority Claim, to the extent Allowed, and without any interest, attorney's fees, or other charges or penalties arising after the Petition Date or Effective Date, in cash from cash on hand of the Oil and Gas Debtors, no later than ten (10) Business Days after becoming Allowed. Class 1 is not impaired under this Plan.

4.2 Class 2: Secured Tax Claims. Notwithstanding anything contained in this Plan to the contrary, each holder of a Secured Tax Claim shall retain all liens securing the same, which liens shall survive confirmation of this Plan with the same priority, extent, and validity that otherwise exists. Each Secured Tax Claim, to the extent Allowed, shall be paid in full satisfaction, release and discharge of, and in exchange for, such Allowed Secured Tax Claim and any lien securing the same, including all interest, default interest, fees, and costs as provided under otherwise applicable nonbankruptcy law, but without penalties, by the Reorganized Debtors and the Consolidated Estate: (i) from the sale of the Oregon Ranch at the closing thereof, with respect to Allowed Secured Tax Claims against the Oregon Ranch; (ii) from the sale of the Llano Ranch Parcel 1 at the closing thereof, with respect to Allowed Secured Tax Claims against the Llano Ranch; and (iii) with respect to Allowed Secured Tax Claims against the Oil and Gas Debtors, in cash through twenty (20) equal quarterly calendar payments, with the first such payment due by the end of the first full calendar quarter to occur after January 1, 2026, and with each subsequent payment due by the end of the succeeding calendar quarter, and the final payment including such additional otherwise applicable statutory interest, or if not applicable, Plan Rate interest, as is necessary to pay such Allowed Secured Tax Claim in full. Class 2 is impaired under this Plan.

4.3 Class 3: AgWest Secured Claim.

4.3.1 Identification of Class. Class 3 consists of the AgWest Secured Claim and, additionally, includes all claims, rights, interests, and remedies of AgWest arising at any time between the Petition Date and the Effective Date against the Oregon Debtors and the Oregon Ranch.

4.3.2 Allowance of Claim. Class 3 is an Allowed as a fully Secured Claim in the following amount as of the Effective Date (the "Allowed AgWest Secured Claim"): (i) the amount of \$10,838,604.86 as of the Petition Date; (ii) plus the amount of interest accrued at the non-default rate of interest provided by the AgWest Loan Documents between the Petition Date and the Effective Date; and (iii) such other fees and charges, including attorney's fees, as are reasonable and allowable under section 506(b) of the Bankruptcy Code, with respect to which the Bankruptcy Court shall retain core jurisdiction to determine the allowance thereof.

4.3.3 Liens. Notwithstanding anything contained in this Plan to the contrary, AgWest shall retain all liens securing AgWest Secured Claims, which liens shall survive confirmation of this Plan with the same priority, extent, and validity that otherwise exists,

and which liens shall, additionally, secure all obligations of the Reorganized Debtors to AgWest arising on and after the Effective Date.

4.3.4 Postconfirmation Interest. The Allowed AgWest Secured Claim shall accrue interest at the Plan Rate on and after the Effective Date until paid in full.

4.3.5 Postconfirmation Rights. Other than any obligation modified by this Plan or rendered not feasible by the fact of the Bankruptcy Case or this Plan, the Oregon Debtors shall comply with reasonable non-monetary obligations contained in the AgWest Loan Documents, including any reporting and insurance requirements.

4.3.6 Subordination Agreement. Nothing in this Plan modifies or prejudices any right or obligation of AgWest under any subordination agreement with any other creditor, including that certain *Subordination Agreement* between AgWest and Lone Star State Bank of West Texas, as predecessor-in-interest to Prosperity.

4.3.7 Treatment. In full and final satisfaction, release, and discharge of the Allowed AgWest Secured Claim and all liens securing the same, the Reorganized Debtors, through the Plan Agent, shall pay the same in cash at the closing of the sale of the Oregon Ranch as provided for in Section 5.3 of this Plan.

4.3.8 Exercise of Foreclosure Rights. If Prosperity Bank is permitted under this Plan or an order of the Bankruptcy Court to exercise its rights against the Oregon Ranch, including to foreclose its liens against the same, AgWest shall, at the same time, be granted all relief from this Plan to exercise its rights against the Oregon Ranch, including to foreclose against the same.

4.3.9 Temporary Protection of Guarantors. So long as the Reorganized Debtors are not in uncured default of their obligations under this Plan to AgWest, AgWest shall be temporarily restrained from exercising any rights or remedies against any guarantor of the Allowed AgWest Secured Claim (provided that such guarantor is not also a Debtor), and any statute of limitations otherwise applicable to same shall be automatically tolled.

4.3.10 Impairment. Class 3 is impaired under this Plan.

4.4 Class 4: Prosperity Bank Secured Claims.

4.4.1 Identification of Class. Class 4 consists of the Prosperity Bank Secured Claim and, additionally, includes all claims, rights, interests, and remedies of Prosperity Bank arising at any time between the Petition Date and the Effective Date against the Debtors and their property.

4.4.2 Allowance of Claim. Class 4 is Allowed as a fully Secured Claim in the following amount as of the Effective Date (the “Allowed Prosperity Bank Secured Claim”): (i) \$51,101,493.84 as of April 25, 2025; plus (ii) interest after April 25, 2025 at the non-default rate of interest provided for under the Prosperity Bank Loan Documents through the Effective Date; plus (iii) such other fees and charges, including attorney’s fees, as are reasonable and allowable under section 506(b) of the Bankruptcy Code, *provided, however*, pursuant to Section 10 of the Cash Collateral Order, none of the fees, costs, expenses or

other amounts payable pursuant to Section 10 of the Cash Collateral Order shall be subject to separate approval by this Court (but this Court shall resolve any dispute as to the reasonableness of any such fees, costs and expenses), and no recipient of any such payment shall be required to file any interim or final fee application with respect thereto; with respect to which the Bankruptcy Court shall retain core jurisdiction to determine the allowance thereof; less (iv) all such attorney's fees and expenses paid by any of the Debtors during the Bankruptcy Case.

4.4.3 Liens. Except as provided for in Section 5.6 of this Plan, Prosperity Bank shall retain all liens securing the Allowed Prosperity Bank Secured Claims, including but not limited to the Prepetition Loan Liens (as defined by the Cash Collateral Order), which liens shall survive confirmation of this Plan with the same priority, extent, and validity that otherwise exists, and which liens shall, additionally, secure all obligations of the Reorganized Debtors to Prosperity Bank arising on and after the Effective Date, and Prosperity Bank shall have such additional liens as may be provided for in Section 5.6 of this Plan.

4.4.4 Postconfirmation Interest. The Allowed Prosperity Bank Secured Claim shall accrue interest at the non-default contract rate provided for in the Prosperity Bank Loan Documents on and after the Effective Date until paid in full.

4.4.5 Postconfirmation Rights. Other than any obligation modified by this Plan or rendered not feasible by the fact of the Bankruptcy Case or this Plan, the Debtors shall comply with non-monetary obligations contained in the Prosperity Bank Loan Documents, including any reporting and insurance requirements.

4.4.6 Subordination Agreement. Nothing in this Plan modifies or prejudices any right or obligation of Prosperity Bank under any subordination agreement with any other creditor, including that certain *Subordination Agreement* between AgWest and Lone Star State Bank of West Texas, as predecessor-in-interest to Prosperity Bank.

4.4.7 Treatment. In full and final satisfaction, release, and discharge of the Allowed Prosperity Bank Secured Claim and all liens securing the same, the Reorganized Debtors, through the Plan Agent, shall pay the same in cash at the closing of the sale(s) of the Oregon Ranch is provided for in Section 5.3 of this Plan and at the closing of the sale(s) of the Llano Ranch Parcel 1 ((excluding the personal property (including vehicles, furnishings, and furniture) owned by O'Ryan Ranches) as provided for in Section 5.4 of this Plan. If the foregoing are insufficient to pay the Allowed Prosperity Bank Secured Claim in full, then the Reorganized Debtors, through the Plan Agent, shall pay any such unpaid and remaining amount from the sale(s) of the Llano Ranch Parcel 2 ((excluding the personal property (including vehicles, furnishings, and furniture) owned by O'Ryan Ranches) as provided for in Section 5.5 of the Plan. If all of the foregoing are insufficient to pay the Allowed Prosperity Bank Secured Claim in full, then the Reorganized Debtors shall remain liable to Prosperity Bank, jointly and severally, for any such deficiency, and Prosperity Bank may exercise any and all of its rights against the Reorganized Debtors and their properties regarding such deficiency claim.

4.4.8 Potential Prosperity Bank Release. If Prosperity Bank affirmatively votes

to accept this Plan and in exchange for the other accommodations in this Plan being provided by Prosperity Bank, on the Effective Date, and without need for further order, document, or instrument, all claims and causes of action that any of the Debtors or the Estates may have against any of the Prosperity Bank Releasees, whether known or unknown, scheduled or unscheduled, arising in tort or contract, are waived and released forever, including, without limitation, any Avoidance Action, action for breach of fiduciary duty, action for alter ego, and any other claim or cause of action that any of the Estates may hold or that any creditor may assert derivatively through any Debtor or Estate, and including any claim or cause of action that is property of the estate under the Bankruptcy Code despite what it may be under applicable non-bankruptcy law. The Debtors and the Estates reaffirm the Debtors' Stipulations (as defined by the Cash Collateral Order) and all other aspects of the Cash Collateral Order, as of the Effective Date. Upon entry of the Confirmation Order, the Challenge Period (as defined by the Cash Collateral Order) shall lapse for all parties-in-interest, including, but not limited to the Committee.

4.4.9 Exercise of Foreclosure Rights. If AgWest is permitted under this Plan or an order of the Bankruptcy Court to exercise its rights against all or any portion of the Oregon Ranch, including to foreclose its liens against the same, Prosperity Bank shall, at the same time, be granted all relief from this Plan to exercise its rights against the Oregon Ranch, including to foreclose against the same. If the Plan Agent is permitted under this Plan or an order of the Bankruptcy Court to exercise his rights with respect to the lien granted under Section 5.10 of this Plan, including to foreclose against the same, or there is any uncured default under this Plan, then, at the same time, Prosperity Bank shall be granted all relief from this Plan to exercise its rights against the Llano Ranch, including to foreclose its interests against the same.

4.4.10 Temporary Protection of Guarantors. So long as the Reorganized Debtors are not in uncured default of their obligations under this Plan to Prosperity Bank, Prosperity Bank shall be temporarily enjoined from exercising any rights or remedies against any guarantor of the Allowed Prosperity Bank Secured Claim (provided that such guarantor is not also a Debtor). At the conclusion of the Sale Metrics, if the Allowed Prosperity Bank Secured Claim is not fully paid, this temporary injunction shall immediately lift without need for further order. Any statute of limitations, statute of repose or similar requirement applicable to the bringing of a claim that is enjoined by this section shall be automatically tolled for the duration of any injunction in this section plus 90 days thereafter.

4.4.11 New Loan Documents. If promptly requested by Prosperity Bank after the Effective Date, the Reorganized Debtors shall execute and deliver to Prosperity Bank such new loan and lien documents and instruments as may be reasonably appropriate to evidence the treatment of the Allowed Prosperity Bank Secured Claim under this Plan, and which shall contain such ordinary and customary reasonable secured lender provisions as are consistent with, and do not frustrate, the provisions of this Plan as applied to Prosperity Bank and its collateral. In no event shall the same relieve any guarantor of the Allowed Prosperity Bank Secured Claim of any and all obligations to Prosperity Bank. The Bankruptcy Court shall determine the reasonableness of any such new loan documents by motion practice initiated by either Prosperity Bank or the Debtors and Reorganized Debtors.

4.4.12 Impairment. Class 4 is impaired under this Plan.

4.5 Class 5: Halliburton Secured Claim.

4.5.1 Identification of Class. Class 5 consists of the Halliburton Secured Claim. The treatment of the Halliburton Secured Claim in Class 5 of the Plan shall be in full and final satisfaction, payment, and discharge of the Halliburton Secured Claim and all rights, liens, and interests of Halliburton to property of the Debtors, Estates, the Reorganized Debtors, and the Consolidated Estate. However, the foregoing shall be wholly without prejudice to the treatment under this Plan of any deficiency or unsecured claim of Halliburton against the Debtors, Estates, Reorganized Debtors, and Consolidated Estate.

4.5.2 Settlement Offer. If Halliburton votes to accept its Class 5 treatment under this Plan, and regardless of how it votes on any Class 7 Unsecured Claim it has, then: (i) the Halliburton Secured Claim shall be Allowed as a Secured Claim in the amount of \$500,000.00; (ii) Halliburton shall retain all liens and security interests securing the Halliburton Secured Claim notwithstanding anything contained to the contrary in this Plan, of undetermined priority, with respect to which priority Prosperity Bank, Halliburton, and the Debtors and Reorganized Debtors reserve all rights, arguments, objections, and claims; (iii) the Halliburton Secured Claim shall bear simple interest at the Plan Rate after the Effective Date; and (iv) the Reorganized Debtors shall pay the Allowed Halliburton Secured Claim, with such postconfirmation interest, through ten (10) equal quarterly calendar payments, made no later than twenty (20) calendar days after the end of each calendar quarter, with the first such payment due by the end of the first full calendar quarter to occur after January 1, 2026.

4.5.3 Default Treatment. If Halliburton does not affirmatively accept its Class 5 treatment under this Plan, then the Halliburton Secured Claim shall be treated as a Disputed Claim under this Plan and the Bankruptcy Court will determine the extent of the Halliburton Secured Claim, if any, either at the Confirmation Hearing or through claim objection or motion practice thereafter, with respect to which all rights, claims, interests, arguments, objections, and Avoidance Actions of Prosperity Bank and the Debtors are preserved. No later than twenty (20) calendar days after a Final Order on said determination is entered, the Reorganized Debtors shall, in their sole discretion, either: (i) surrender to Halliburton its collateral securing the Halliburton Secured Claim; or (ii) pay the Allowed amount thereof with interest after the Petition Date (if allowed under section 506(b) of the Bankruptcy Code) and after the Effective Date, both at the Plan Rate, through quarterly payments as provided for in Section 4.5.2(iv) above.

4.5.4 Impairment. Class 5 is impaired under this Plan.

4.6.a. Class 6(a): Royalty Claims.

4.6.1 Identification of Class. Class 6(a) consists of all Royalty Claims.

4.6.2 Allowance of Claims. For the avoidance of doubt, nothing in this Plan Allows any Royalty Claim, and such Allowance shall remain subject to all applicable laws and rules and any objection thereto, which objections are vested in the Consolidated Estate and the Reorganized Debtors under this Plan.

4.6.3 Postpetition Interest and Fees. No Royalty Claim shall accrue any interest or be entitled to any attorney's fees or other charges for the period between the Petition Date and the Effective Date.

4.6.4 Lien to Secure Repayment. Allowed Royalty Claims are hereby granted a junior lien against the Llano Ranch, junior to all other liens existing against the same as of the Effective Date, which lien shall be held and exercised by the Plan Agent for their pro-rata benefit as provided for in Section 5.10 of this Plan, and which lien shall be foreclosed upon any uncured default by the Reorganized Debtors to Class 6(a) under this Plan or at the maturity of the treatment of Class 6(a) as provided below.

4.6.5 Postconfirmation Interest. On and after the Effective Date, each Allowed Royalty Claim shall accrue interest at the Plan Rate until paid in full.

4.6.6 Treatment. In full and final satisfaction, release, and discharge of each Royalty Claim, the Oil and Gas Debtors, as Reorganized Debtors, shall pay each such Royalty Claim, to the extent Allowed, in full and in cash through periodic payments, secured by the lien granted under Section 4.6.4 above, and additionally pursuant to Section 5.4.2 of this Plan. Such periodic payments shall be as follows: each month after the Effective Date, commencing on January 1, 2026, that the Oil and Gas Debtors make a payment to a royalty interest holder who also holds an Allowed Royalty Claim, the Oil and Gas Debtors shall pay 120% of such monthly amount to such holder, with the excess 20% being applied to such holder's Allowed Royalty Claim until the same, with postconfirmation interest, is paid in full. Said payments shall continue for 59 months after the Effective Date until each such Allowed Royalty Claim with postconfirmation interest is paid in full, unless paid sooner. At the end of such 59 months, to the extent that any such Allowed Royalty Claim remains unpaid, the balance thereof shall be paid in full in the 60th month. If, after the 60th month, any such amount(s) remain unpaid, the Plan Agent may foreclose on the lien granted under Section 4.6.4 above and pay the proceeds thereof pro-rata on all remaining Allowed Royalty Claims then unpaid, with any surplus paid as provided for in the underlying deed of trust.

4.6.7 Exercise of Foreclosure Rights. If Prosperity Bank is permitted under this Plan or an order of the Bankruptcy Court to exercise its rights against the Llano Ranch, including to foreclose its liens against the same, the Plan Agent shall, at the same time, be granted all relief from this Plan to exercise the lien granted in Section 4.6.4 of this Plan, including to foreclose against the same.

4.6.8 Impairment. Class 6(a) is impaired under this Plan.

4.6.b. Class 6(b): Working Interest Claims.

4.6.9 Identification of Class. Class 6(b) consists of all Working Interest Claims.

4.6.10 Allowance of Claims. For the avoidance of doubt, nothing in this Plan Allows any Working Interest Claim, and such Allowance shall remain subject to all applicable laws and rules and any objection thereto, which objections are vested in the Consolidated Estate and the Reorganized Debtors under this Plan.

4.6.11 Postpetition Interest and Fees. No Working Interest Claim shall accrue any interest or be entitled to any attorney's fees or other charges for the period between the Petition Date and the Effective Date.

4.6.12 Lien to Secure Repayment. Allowed Working Interest Claims are hereby granted a junior lien against the Llano Ranch, junior to all other liens existing against the same as of the Effective Date, which lien shall be held and exercised by the Plan Agent for their pro-rata benefit as provided for in section 5.10 of this Plan, and which lien shall be foreclosed upon any uncured default by the Reorganized Debtors to Class 6(b) under this Plan or at the maturity of the treatment of Class 6(b) as provided below.

4.6.13 Postconfirmation Interest. On and after the Effective Date, each Allowed Working Interest Claim shall accrue interest at the Plan Rate until paid in full.

4.6.14 Treatment. In full and final satisfaction, release, and discharge of each Working Interest Claim, the Oil and Gas Debtors, as Reorganized Debtors, shall pay each such Working Interest Claim, to the extent Allowed, in full and in cash through periodic payments, secured by the lien granted under Section 4.6.12 above, and additionally pursuant to Section 5.4.2 of this Plan. Such periodic payments shall be as follows: each month after the Effective Date, commencing on January 1, 2026, that the Oil and Gas Debtors make a payment to a working interest holder who also holds an Allowed Working Interest Claim, the Oil and Gas Debtors shall pay 120% of such monthly amount to such holder, with the excess 20% being applied to such holder's Allowed Working Interest Claim until the same, with postconfirmation interest, is paid in full. Said payments shall continue for 59 months after the Effective Date until each such Allowed Working Interest Claim with postconfirmation interest is paid in full, unless paid sooner. At the end of such 59 months, to the extent that any such Allowed Working Interest Claim remains unpaid, the balance thereof shall be paid in full in the 60th month. If, after the 60th month, any such amount(s) remain unpaid, the Plan Agent may foreclose on the lien granted under Section 4.6.12 above and pay the proceeds thereof pro-rata on all remaining Allowed Working Interest Claims then unpaid, with any surplus paid as provided for in the underlying deed of trust.

4.6.15 Exercise of Foreclosure Rights. If Prosperity Bank is permitted under this Plan or an order of the Bankruptcy Court to exercise its rights against the Llano Ranch, including to foreclose its liens against the same, the Plan Agent shall, at the same time, be granted all relief from this Plan to exercise the lien granted in Section 4.6.12 of this Plan, including to foreclose against the same.

4.6.16 Impairment. Class 6(b) is impaired under this Plan.

4.7 Class 7: Unsecured Claims.

4.7.1 Identification of Class. Class 7 consists of all Unsecured Claims. For the avoidance of doubt, Class 7 does not include any deficiency claim of AgWest or Prosperity Bank, the same otherwise treated as fully Secured under this Plan.

4.7.2 Allowance of Claims. For the avoidance of doubt, nothing in this Plan Allows any Unsecured Claim, and such Allowance shall remain subject to all applicable

laws and rules and any objection thereto, which objections are vested in the Consolidated Estate and the Reorganized Debtors under this Plan.

4.7.3 Lien to Secure Repayment. Allowed Unsecured Claims are hereby granted a junior lien against the Llano Ranch Parcel 2, junior to all other liens existing against the same as of the Effective Date and co-equal in priority to the junior lien granted to Allowed Royalty Claims in Section 4.6.4 of this Plan and to Allowed Working Interest Claims in Section 4.6.12 of this Plan, which lien shall be held and exercised by the Plan Agent for their pro-rata benefit as provided for in Section 5.10 of this Plan, and which lien shall be foreclosed upon any uncured default by the Reorganized Debtors to Class 7 under this Plan or at the maturity of the treatment of Class 7 as provided below. Unless otherwise expressly provided in this Plan, the Reorganized Debtors and Hoerauf agree that they will not agree or consent to a lien on the Llano Ranch Parcel 2 with equal or greater priority to the lien granted to Unsecured Creditors in this Plan, other than the Prosperity Bank Secured Claim, prior to the payment in full of all Allowed Unsecured Claims. Hoerauf also agrees not to claim Llano Ranch Parcel 2 as his homestead.

4.7.4 Postpetition Interest and Fees. No Unsecured Claim shall accrue any interest or be entitled to any attorney's fees or other charges for the period between the Petition Date and the Effective Date and for the period after the Effective Date other than as provided for in Section 4.7.5 of this Plan.

4.7.5 Postconfirmation Interest. On and after the Effective Date, each Allowed Unsecured Claim shall accrue interest at the Plan Rate.

4.7.6 Treatment. In full and final satisfaction, release, and discharge of each Unsecured Claim, the Reorganized Debtors shall pay the full Allowed amount thereof, including accrued postconfirmation interest, no later than sixty (60) months after the Effective Date as follows: (i) upon the sale of the Oregon Ranch and/or the Llano Ranch Parcel 1, \$1,000,000.00 from the total combined net excess sale proceeds after payment of all Allowed Secured Claims and closing costs and broker fees (or such smaller amount if there are insufficient net excess sale proceeds to pay \$1,000,000.00 after both the Oregon Ranch and Llano Ranch Parcel 1 are sold) shall be paid pro-rata to Allowed Unsecured Claims; (ii) the Oregon Ranch Proceeds Carveout pursuant to Section 5.7 herein; (iii) quarterly calendar payments to Allowed Unsecured Claims in the amount of \$50,000.00 per quarter with the first such payment due by the end of the first full calendar quarter to occur after January 1, 2026, to be secured by the Extex Annual Payments with all rights thereto transferring automatically to the Plan Agent for the sole benefit of Allowed Class 7 Claims; (iv) upon the earlier to occur of (a) the payment in full of the Class 5 Halliburton Secured Claim or (b) the Class 5 Halliburton Secured Claim becomes a Disallowed Claim, the Reorganized Debtors shall commence making additional quarterly calendar payments to Allowed Unsecured Claims in the amount of \$50,000.00 per quarter, to be applied pro-rata to Allowed Unsecured Claims, with the first such payment due by the end of the first full calendar quarter to occur after the calendar quarter in which such payment or disallowance occurs; (v) upon the sale of the whole of the Oregon Ranch (whether in one or more transactions), the Reorganized Debtors shall commence making quarterly calendar payments to Allowed Unsecured Claims in the amount of \$100,000.00 per quarter, to be applied pro-rata to Allowed Unsecured Claims, with the first such payment due by the end

of the first full calendar quarter to occur after the calendar quarter in which such sale occurs; and (vi) the balance of all Allowed Unsecured Claims, with all accrued and unpaid interest, shall be paid in full by the end of the sixtieth (60th) month after the Effective Date; *provided, however*, that: (x) the failure to generate any net excess sale proceeds as provided for in subsection (i) above shall not be a default under this Plan to Class 7; and (y) the Reorganized Debtors may elect not to make the payments required by subsection (iii) above for two (2) required quarters if their liquidity, in their reasonable judgment, does not enable them to make the same and there are insufficient funds in the Creditor Escrow to make the payments from; *provided further that* upon the failure to make a quarterly payment required by subsection (iii) above, the Plan Agent shall enforce the lien secured by the Extex Annual Payments. Allowed Unsecured Claims shall additionally be paid as provided for in Section 5.4.2 of this Plan.

4.7.7 Impairment. Class 7 is impaired under this Plan.

4.8 Class 8: Convenience Claims.

4.8.1 Identification of Class. Class 8 consists of all Unsecured Claims asserted in an amount of \$500.00 or less.

4.8.2 Allowance of Claims. Unless a Convenience Class Claim is filed after the Bar Date, each Convenience Class Claim shall be automatically Allowed in the asserted amount.

4.8.3 Treatment. Each Convenience Class Claim, to the extent Allowed, shall be paid in full satisfaction, release and discharge of, and in exchange for, such Convenience Class Claim, by the Reorganized Debtors, the amount of such Allowed Convenience Class Claim, in cash, and without interest, attorneys' fees, or costs, no later than ten (10) Business Days after becoming Allowed, from cash on hand.

4.8.4 Impairment. Class 8 is not impaired under this Plan.

4.9.a. Class 9(a): AmeriCredit Financial Services Secured Claim.

4.9.1 Identification of Class. Class 9(a) consists of the AmeriCredit Financial Services Secured Claim.

4.9.2 Allowance of Claim. The AmeriCredit Financial Services Secured Claim is Allowed as a fully secured claim.

4.9.3 Retention of Liens. Notwithstanding anything contained to the contrary in this Plan, AmeriCredit Financial Services shall retain all liens and security interests securing the AmeriCredit Financial Services Secured Claim.

4.9.4 Treatment. Effective on the Effective Date, the Debtors and Reorganized Debtors shall cure and reinstate the AmeriCredit Financial Services Secured Claim according to all documents and instruments evidencing or memorializing the same, and shall, thereafter, pay the AmeriCredit Financial Services Secured Claim in full according to the terms thereof without any change under this Plan, all under section 1124(2) of the

Bankruptcy Code. Unless the Bankruptcy Court determines differently at the Confirmation Hearing, any cure or other claim payable to AmeriCredit Financial Services under said section of the Bankruptcy Code shall conclusively be determined to be zero (\$0.00). If the Bankruptcy Court determines that a different cure amount is payable and the Debtors determine, in their sole discretion, not to pay the same, then, in lieu of the cure and reinstatement of said section of the Bankruptcy Code, the Debtors shall promptly surrender to AmeriCredit Financial Services all collateral securing the AmeriCredit Financial Services Secured Claim and AmeriCredit Financial Services may file, no later than thirty (30) days after said surrender, an Unsecured Claim for any alleged deficiency or other claim, with respect to which the Debtors and Reorganized Debtors retain all rights and objections as otherwise provided for in this Plan.

4.9.5 Postconfirmation Rights. Provided that the AmeriCredit Financial Services Secured Claim is cured and reinstated under section 1124(2) of the Bankruptcy Code, AmeriCredit Financial Services may exercise any and all of its rights and remedies after the Effective Date, including to foreclose on any of its collateral, in the event of any post-Effective Date default by the Reorganized Debtors to AmeriCredit Financial Services, notwithstanding anything contained to the contrary in this Plan.

4.9.6 Impairment. Class 9(a) is not impaired under this Plan.

4.9.b. Class 9(b): Ford Motor Credit Secured Claim.

4.9.7 Identification of Class. Class 9(b) consists of the Ford Motor Credit Secured Claim.

4.9.8 Allowance of Claim. The Ford Motor Credit Secured Claim is Allowed as a fully secured claim.

4.9.9 Retention of Liens. Notwithstanding anything contained to the contrary in this Plan, Ford Motor Credit Company, LLC shall retain all liens and security interests securing the Ford Motor Credit Secured Claim.

4.9.10 Treatment. Effective on the Effective Date, the Debtors and Reorganized Debtors shall cure and reinstate the Ford Motor Credit Secured Claim according to all documents and instruments evidencing or memorializing the same, and shall, thereafter, pay the Ford Motor Credit Secured Claim in full according to the terms thereof without any change under this Plan, all under section 1124(2) of the Bankruptcy Code. Unless the Bankruptcy Court determines differently at the Confirmation hearing, any cure or other claim payable to Ford Motor Credit under said section of the Bankruptcy Code shall conclusively be determined to be zero (\$0.00). If the Bankruptcy Court determines that a different cure amount is payable and the Debtors determine, in their sole discretion, not to pay the same, then, in lieu of the cure and reinstatement of said section of the Bankruptcy Code, the Debtors shall promptly surrender to Ford Motor Credit all collateral securing the Ford Motor Credit Secured Claim and Ford Motor Credit may file, no later than thirty (30) days after said surrender, an Unsecured Claim for any alleged deficiency or other claim, with respect to which the Debtors and Reorganized Debtors retain all rights and objections as otherwise provided for in this Plan.

4.9.11 Postconfirmation Rights. Provided that the Ford Motor Credit Secured Claim is cured and reinstated under section 1124(2) of the Bankruptcy Code, Ford Motor Credit may exercise any and all of its rights and remedies after the Effective Date, including to foreclose on any of its collateral, in the event of any post-Effective Date default by the Reorganized Debtors to Ford Motor Credit, notwithstanding anything contained to the contrary in this Plan.

4.9.12 Impairment. Class 9(b) is not impaired under this Plan.

4.10 Class 10: SBA Secured Claim.

4.10.1 Identification of Class. Class 10 consists of the SBA Secured Claim.

4.10.2 Retention of Liens. Notwithstanding anything contained to the contrary in this Plan, the SBA shall retain all liens and security interests securing the SBA Secured Claim to the same extent, validity, and priority as such liens existed on the Petition Date.

4.10.3 Treatment. Effective on the Effective Date, the SBA Loan Documents shall be reinstated, with the amount of any existing defaults added to the principal balance due thereunder and with payments to be made pursuant to the non-default terms of the SBA Loan Documents, beginning on the first day of the first full month following January 1, 2026 and continuing on the first day of each month until paid in full. For the avoidance of doubt, the SBA will hold an Allowed SBA Secured Claim in the total amount outstanding under the original SBA Loan Documents, with repayment terms reinstated at the non-default rate thereunder.

4.10.4 Impairment. Class 10 is impaired under this Plan.

4.11 Class 11: Equity Interests. All Equity Interests in any of the Debtors shall be retained by the respective holder(s) thereof. Class 11 is not impaired under this Plan.

ARTICLE V.
MEANS FOR IMPLEMENTATION OF THE PLAN

5.1 Substantive Consolidation. Automatically on the Effective Date, and without need for further order, document, or action, the Estates shall be substantively consolidated as set forth herein.

5.1.1 Consolidated Estate. This section of the Plan creates an estate, defined as the “Consolidated Estate,” which is comprised of all legal and equitable property, rights, and interests of each of the Debtors and the Estates at any time prior to the Effective Date, with all of such property, rights, and interests substantively consolidated into and with the Consolidated Estate, the effect of which is that the Debtors each guarantee the obligations of each of the other Debtors and combine and merge their property and the property of the Estates, subject to any and all liens, claims, interests, and encumbrances against the Debtors and the Estates as otherwise exist and as may be preserved, created, modified, released, or discharged in this Plan. Except as otherwise provided in the Plan, a claim against any of the Debtors or the Estates and any property of any of the Debtors or the Estates arising prior to the Effective Date shall attach to the Reorganized Debtors and their property,

jointly and severally, with the same validity, extent, and priority as otherwise exists and as provided for in this Plan, but only for purposes of making all payments and satisfying all obligations under this Plan. All such claims shall be paid from the Consolidated Estate and its property notwithstanding the original obligor on such claim such that any Reorganized Debtor may pay an Allowed Claim against any other Reorganized Debtor. For the avoidance of doubt, the Reorganized Debtors shall have *in personam* liability for Allowed Claims against the Consolidated Estate as otherwise provided for and modified, and discharged, under this Plan.

5.1.2 No Merger. Notwithstanding this Section of this Plan, and for the avoidance of doubt: (i) nothing in this Plan merges the Debtors or the Estates for corporate, tax, or governmental purposes; (ii) any claim arising after the Effective Date against the Reorganized Debtors shall exist against the respective Reorganized Debtor and its property, as otherwise appropriate, and not against the Consolidated Estate; (iii) the Reorganized Debtors shall maintain separate bank accounts, reporting, finances, and books and records as they have historically maintained; and (iv) in the event of property of the Consolidated Estate that is subject to a lien, encumbrances, or interest, the consolidation of the Debtors, the Estates, and their property into the Consolidated Estate does not modify, affect, limit, release, discharge, or waive such lien, encumbrance, or interest, unless a different provision of this Plan effectuates such result. For the further avoidance of doubt, it is the specific intention and operation of this Plan that it: (i) not prejudice any rights, liens, encumbrances, or interests against property of the Estates that survive this Plan, or the ability of the holder of any such rights, liens, encumbrances, or interests to exercise and foreclose on the same, if otherwise consistent with this Plan; and (ii) not apply to any new claims or issues arising after the Effective Date, such that, to the world after the Effective Date the Reorganized Debtors shall remain separate entities for all purposes, but that to all creditors and persons affected by this Plan, the Debtors and the Estates be consolidated in order to satisfy their obligations under this Plan to such creditors and affected persons.

5.1.3 No Separate Existence. The Consolidated Estate refers merely to the property of the Reorganized Debtors for the purpose of paying Allowed Claims under this Plan as provided for in this Plan. The Consolidated Estate is not, and shall not be deemed to be, a separate legal entity or to have any legal existence, other than as provided for under this Plan as a mechanism to pay Allowed Claims.

5.1.4 Release of Claims and Causes of Action. Any claim or cause of action (including remedies) that any of the Debtors or Estates has against any other Debtor or Estate prior to the Effective Date, for funds lent, intercompany receivable, Avoidance Action, *alter ego*, single business enterprise, or any other veil piercing cause of action or remedy, or related to joint and several liability, contribution, or rights of reimbursement on account of the payment by one of a debt jointly owned with another, including any such debt in the capacity of co-maker or co-obligor, is hereby released and discharged as between the Debtors, the Estates, and Reorganized Debtors. For the avoidance of doubt, such releases include any claim that any Creditor may be able to assert derivatively for any Debtor, or for fraudulent transfer, for *alter ego*, for single business enterprise, or any other veil piercing cause of action or any other cause of action that, under the Bankruptcy Code, becomes property of an Estate, including any such claim, cause of action, or remedy that may have been asserted by a Creditor (whether or not such Creditor filed a Proof of Claim)

prior to the Petition Date. The Confirmation Order shall contain a final injunction prohibiting all Creditors and parties, whether they filed a Proof of Claim or appeared in the Bankruptcy Case or not, from filing, pursuing, or continuing with any action, claim, cause of action, or remedy released and waived pursuant to this subsection of the Plan.

5.2 Plan Funding. The Plan shall be funded through the following, as otherwise specified and with differing rights between Creditors provided for in this Plan:

- (i) sale of the Oregon Ranch;
- (ii) sale of the Llano Ranch Parcel 1;
- (iii) potential sale of the Llano Ranch Parcel 2;
- (iv) retainers, carveouts under any order entered in the Bankruptcy Case, and Professional Fees Escrow;
- (v) the Oregon Ranch Proceeds Carveout and the Creditor Escrow; and
- (vi) revenues from operations and cash flow from and after the Petition Date and the Effective Date.

5.3 Sale of the Oregon Ranch. On and after the Effective Date, the Oregon Debtors shall continue to reasonably and appropriately market for sale the whole of the Oregon Ranch (although, in their reasonable discretion, the Oregon Ranch may be split into one or more parcels for separate sales, provided that the whole of the Oregon Ranch is otherwise marketed for sale and sold), including the Oregon Ranch Carbon Credits, consistent with the Sale Metrics.

5.3.1 Control. The Plan Agent shall have exclusive and final control over the sale of the Oregon Ranch, including the Oregon Ranch Carbon Credits, and including with respect to listing price and sale price; *provided, however*, that such control shall be subject to the Sale Metrics, which shall control. The Plan Agent shall cause the Oregon Ranch to be sold at any time that the sale price complies with the Sale Metrics, and provided that such sale otherwise complies with all applicable non-bankruptcy laws.

5.3.2 Payments. At the closing of any sale of the Oregon Ranch, including the Oregon Ranch Carbon Credits, the Plan Agent shall ensure that, from the gross proceeds of such sale, the following are paid and/or funded in the following priority: (i) all customary and ordinary closing, title, insurance, and broker costs, fees, and expenses, with respect to which, for the avoidance of doubt, the Bankruptcy Court shall retain core jurisdiction to determine any dispute; (ii) *ad valorem* and other property taxes assessed against the Oregon Ranch and secured by a lien, provided that a portion thereof for current taxes may be credited to the buyer, who shall be liable for the same, as would otherwise be ordinary and appropriate in the State of Oregon; (iii) the Allowed AgWest Secured Claim as specified in Section 4.3.7 hereof; (iv) the Oregon Ranch Proceeds Carveout as set forth in Section 5.7 of this Plan; (v) the Allowed Prosperity Bank Secured Claim, to the extent of any and all proceeds remaining, as specified in Section 4.4.7 hereof; (vi) any unpaid Allowed Professional Claims; (vii) the Allowed Unsecured Claims as set forth in Section 4.7.6(i) of

this Plan and (viii) to the extent of any proceeds remaining after application to (i) through (vii) above, all such remaining proceeds shall be transferred into the Creditor Escrow.

5.3.4 Execution of Transfer Deeds and Other Closing Documents. For the avoidance of doubt, and to the exclusion of any and all other management of the Oregon Debtors, the Plan Agent and only the Plan Agent shall be authorized to execute all transfer deeds and other closing documents necessary or appropriate to sell the Oregon Ranch, including to transfer any of the Oregon Ranch Carbon Credits; *provided, however*, that the Bankruptcy Court shall retain all core jurisdiction to compel Hoerauf or any other necessary or appropriate person to execute and to deliver any of the same, or to designate any other person to execute and to deliver the same for the Oregon Debtors.

5.3.5 Release of Liens. Each of AgWest and Prosperity Bank, and any other Creditor with an alleged lien against any of the Oregon Ranches and/or the Oregon Ranch Carbon Credits, shall execute and deliver an appropriate release of its lien at the closing of the sale of the Oregon Ranch, provided that such closing and sale otherwise comply with this Plan. For the avoidance of doubt, Prosperity Bank shall be under no obligation to release its lien unless the Sale Metrics are complied with, although it may do so in its sole and absolute discretion.

5.3.6 Foreclosure. At the conclusion of the Sale Metrics, if the Oregon Ranch is not by then sold as provided for in this Plan, or if the Reorganized Debtors otherwise commit an uncured default in the treatment of Class 4 under this Plan, Prosperity Bank may exercise any and all of rights against the Reorganized Debtors and the Oregon Ranch, the Oregon Ranch Carbon Credits, and any other collateral that Prosperity Bank holds under this Plan. The Debtors and the Plan Agent hereby waive for themselves and all affiliated successors, and the Confirmation Order shall provide that the Oregon Debtors have waived for themselves and all affiliated successors: (i) any automatic stay in any future bankruptcy filing that may be imposed against the Oregon Ranch and/or the Oregon Ranch Carbon Credits, related to Prosperity Bank's exercise of rights and remedies allowed under this section; and (ii) the right to obtain a temporary restraining order or other injunctive relief related to Prosperity Bank's exercise of rights and remedies allowed under this section; this waiver may be enforced by the Bankruptcy Court as part of its Confirmation Order. Further, this waiver of any automatic stay pursuant to section 362 of the Bankruptcy Code related to the Oregon Ranch and/or the Oregon Ranch Carbon Credits, is *in rem* with respect to the Oregon Ranch and/or the Oregon Ranch Carbon Credits.

5.3.7 Closing Fees and Costs. In addition to all other Claims and rights under this Plan, each of AgWest and Prosperity Bank shall be entitled to additional, reasonable attorney's fees, expenses, and other closing charges as are necessary and appropriate for their participation in the closing of the sale of the Oregon Ranch and/or the Oregon Ranch Carbon Credits, to be paid at said closing from the proceeds of said sale.

5.4 Sale of the Llano Ranch Parcel 1. On and after the Effective Date, reorganized O'Ryan Ranches shall continue to reasonably and appropriately market for sale the Llano Ranch Parcel 1 (although, in its reasonable discretion, the Llano Ranch Parcel 1 may be split into one or

more parcels for separate sales, provided that the whole of the Llano Ranch Parcel 1 is otherwise marketed for sale) consistent with the Sale Metrics.

5.4.1 Control. The Plan Agent shall have exclusive and final control over the sale of the Llano Ranch Parcel 1, including with respect to listing price and sale price; *provided, however*, that such control shall be subject to the Sale Metrics, which shall control. The Plan Agent shall cause the Llano Ranch Parcel 1 to be sold at any time that the sale price complies with the Sale Metrics, and provided that such sale otherwise complies with all applicable non-bankruptcy laws.

5.4.2 Payments. At the closing of any sale of the Llano Ranch Parcel 1, the Plan Agent shall ensure that, from the gross proceeds of such sale, the following are paid and/or funded in the following priority: (i) all customary and ordinary closing, title, insurance, and broker costs, fees, and expenses, with respect to which, for the avoidance of doubt, the Bankruptcy Court shall retain core jurisdiction to determine any dispute; (ii) *ad valorem* and other property taxes assessed against the Llano Ranch and secured by a lien, provided that a portion thereof for current taxes may be credited to the buyer, who shall be liable for the same, as would otherwise be ordinary and appropriate in the State of Texas; (iii) the Allowed Prosperity Bank Secured Claim, to the extent of any and all proceeds remaining, as specified in Section 4.4.7 hereof; (iv) any unpaid Allowed Professional Claims; (v) the Allowed Unsecured Claims as set forth in Section 4.7.6(i) of this Plan; and (vi) to the extent of any proceeds remaining after application to (i) through (v) above, all such remaining proceeds shall be transferred into the Creditor Escrow.

5.4.3 Execution of Transfer Deeds and Other Closing Documents. For the avoidance of doubt, and to the exclusion of any and all other management of O’Ryan Ranches, the Plan Agent shall be exclusively authorized to execute all transfer deeds and other closing documents necessary or appropriate to sell the Llano Ranch Parcel 1; *provided, however*, that the Bankruptcy Court shall retain all core jurisdiction to compel Hoerauf or any other necessary or appropriate person to execute and to deliver any of the same, or to designate any other person to execute and to deliver the same for Llano Ranch Parcel 1.

5.4.4 Release of Liens. Prosperity Bank shall execute and deliver an appropriate release of its lien at the closing of the sale of Llano Ranch Parcel 1, provided that such closing and sale otherwise comply with this Plan and provided that such release shall not include any release of its lien against Llano Ranch Parcel 2, unless the whole of the Allowed Prosperity Bank Secured Claim then remaining unpaid is paid in full as said closing. For the avoidance of doubt, Prosperity Bank shall be under no obligation to release its lien unless the Sale Metrics are complied with, although it may do so in its sole and absolute discretion.

5.4.5 Foreclosure. At the conclusion of the Sale Metrics, if Llano Ranch Parcel 1 is not by then sold as provided for in this Plan, or if the Reorganized Debtors otherwise commit an uncured default in the treatment of Class 4 under this Plan, Prosperity Bank may exercise any and all of its rights against the Reorganized Debtors and the Llano Ranch, and any other collateral that Prosperity Bank holds under this Plan. The Debtors and the Plan Agent hereby waive for themselves and all affiliated successors, and the Confirmation

Order shall provide that the Debtors and the Plan agent have waived for themselves and all affiliated successors: (i) any automatic stay in any future bankruptcy filing that may be imposed against the Llano Ranch related to Prosperity Bank's exercise of rights and remedies allowed under this section; and (ii) the right to obtain a temporary restraining order or other injunctive relief related to Prosperity Bank's exercise of rights and remedies allowed under this section; this waiver may be enforced by the Bankruptcy Court as part of its Confirmation Order. Further, this waiver of any automatic stay pursuant to section 362 of the Bankruptcy Code or injunctive relief related to the Llano Ranch is *in rem* with respect to the Llano Ranch.

5.4.6 Closing Fees and Costs. In addition to all other Claims and rights under this Plan, each Prosperity Bank shall be entitled to additional, reasonable attorney's fees, expenses, and other closing charges as are necessary and appropriate for its participation in the closing of the sale of the Llano Ranch Parcel 1, to be paid at said closing from the proceeds of said sale.

5.5 Conditional Sale of the Llano Ranch Parcel 2. Prosperity Bank and any *ad valorem* tax lien creditor shall retain all liens as against the Llano Ranch Parcel 2. However, O'Ryan Ranches and the Reorganized Debtors shall be under no obligation to market for sale, and to sell, the Llano Ranch Parcel 2 until the expiration of the Sale Metrics; *provided, however*, that the Reorganized Debtors shall otherwise timely pay *ad valorem* tax liens against the Llano Ranch arising after the Effective Date, meaning attaching on January 1, 2026. The failure to timely do so shall be a default of the Debtors' obligations to Class 4 under this Plan. Upon the expiration of the Sale Metrics, the Reorganized Debtors shall have one (1) year after said date to either sell Llano Ranch Parcel 2 for sufficient proceeds to pay the then-remaining Allowed Prosperity Bank Secured Claim in full, or shall pay the same from refinancing the Llano Ranch Parcel 2 or from any other of their property or cash that is not otherwise payable to a different Class under this Plan. Upon the expiration of such year without such payment, Prosperity Bank may exercise any and all of its rights against the Llano Ranch Parcel 2, including to foreclose against the same as otherwise provided for under Texas law and the Plan Agent shall release its liens on Parcel 2 if requested by Prosperity Bank upon payment of the proceeds of the sale of Llano Ranch Parcel 2 after payment of then-remaining Allowed Prosperity Bank Secured Claim in full. For the avoidance of doubt, however, upon an uncured default by the Reorganized Debtors of their obligations under this Plan to Prosperity Bank, then Prosperity Bank may immediately foreclose on the whole of its interests against the Llano Ranch. The Debtors and the Plan Agent hereby waive for themselves and all affiliated successors, and the Confirmation Order shall provide that the Debtors and the Plan Agent have waived for themselves and all affiliated successors: (i) any automatic stay in any future bankruptcy filing that may be imposed against the Llano Ranch related to Prosperity Bank's exercise of rights and remedies allowed under this section; and (ii) the right to obtain a temporary restraining order or other injunctive relief related to Prosperity Bank's exercise of rights and remedies allowed under this section; this waiver may be enforced by the Bankruptcy Court as part of its Confirmation Order. Further, this waiver of any automatic stay pursuant to section 362 of the Bankruptcy Code or injunctive relief related to the Llano Ranch is *in rem* with respect to the Llano Ranch.

5.6 Modification of Prosperity Bank Liens. All liens and security interests of Prosperity Bank against any and all property of the Debtors, the Estates, and the Consolidated

Estate are preserved under this Plan with the same extent and priority as otherwise exists, except as expressly provided as follows:

- (i) the liens and security interests of Prosperity Bank against the Oregon Ranch with respect to the Oregon Ranch Proceeds Carveout;
- (ii) Prosperity Bank shall be granted valid, first priority liens and security interests against the Oregon Ranch Carbon Credits and the proceeds thereof as of the Effective Date, and Prosperity Bank may immediately prepare and record such instruments as it reasonably believes to be appropriate to perfect the same, which instruments the respective Oregon Debtor(s) shall execute and deliver to Prosperity Bank;
- (iii) Prosperity Bank's liens and security interests shall extend to the whole of the Oregon Ranch (including any property not currently covered by the Prosperity Bank Loan Documents) notwithstanding any argument, claim, or defense to the contrary, with the same priority as its lien otherwise exists except as provided in the next sentence. If AgWest does not affirmatively vote to accept this Plan, then, to the extent that AgWest does not have a perfected lien to any of the Oregon Ranch, the lien of Prosperity Bank granted or conferred by this section to any such portion of the Oregon Ranch shall be superior to in priority to any asserted lien of AgWest to such portion; and
- (iv) Prosperity Bank shall retain all of its rights, security interests, liens, and causes of action against or related to the PB Materials Stock, including as against any transfer or proceeds thereof prior to the Petition Date, and Prosperity Bank may exercise any and all of its rights with respect to the same notwithstanding anything contained to the contrary in this Plan, except as against the Hoerauf Releasees.

5.7 Oregon Ranch Proceeds Carveout. The Plan Agent shall retain the first \$500,000.00 of proceeds from the sale of Tract V of the Oregon Ranch (the "Oregon Ranch Proceeds Carveout"). The Oregon Ranch Proceeds Carveout shall not reduce the amount of the Prosperity Bank Secured Claim. The Plan Agent shall hold and promptly disburse the Oregon Ranch Proceeds Carveout first to any Allowed Professional Fee Claims of the Committee's Professionals then remaining unpaid and, to the extent any of the Oregon Ranch Proceeds Carveout remains thereafter, pro-rata to Allowed Unsecured Claims, subject to the Disputed Claims Reserve.

5.8 Hoerauf Causes of Action and Releases.

5.8.1 Retention of Claims. All claims and causes of action of any and all of the Estates against any of the Hoerauf Releasees are retained and preserved under this Plan and vest in the Plan Agent, including all such claims, causes of action, and remedies whether known or unknown, scheduled or unscheduled, arising in tort or contract, including any Avoidance Action, action for breach of fiduciary duty, action for *alter ego*, action for single business enterprise or any other veil piercing cause of action, and any other claim or cause of action that any of the Estates may hold or that any Creditor may assert derivatively through any Debtor or Estate, and including any claim or cause of action that is property of the estate under the Bankruptcy Code. On and after the Effective Date,

all Class 7 Creditors are enjoined and prohibited from prosecuting any such claim or cause of action for their sole benefit, but one or more of them may seek an order from the Bankruptcy Court providing for their derivative standing to assert such claims and causes of action for the benefit of all Allowed Unsecured Claims if the Bankruptcy Court determines that the Plan Agent has not proceeded appropriately with respect to the same, or if there is no Plan Agent, or for any other appropriate reason in law or equity as the Bankruptcy Court may decide.

5.8.2 Tolling of Limitations. All statutes of limitation and statutes of repose applicable to any of the claims and causes of action the subject of subsection 5.8.1 above are tolled for a period of one hundred and eighty (180) days following any uncured default by the Reorganized Debtors to Class 7 under this Plan.

5.8.3 Prosecution. Upon any uncured default by the Reorganized Debtors to Class 7 under this Plan, the Plan Agent shall, in his reasonable discretion, assert, file, prosecute, and monetize all claims and causes of action the subject of subsection 5.8.1 above, with respect to which he may hire counsel (including on a contingency basis) and may compromise any such claim and cause of action in his reasonable discretion. Upon any uncured default by the Reorganized Debtors to Class 7 under this Plan, Halliburton may replace the Plan Agent with such person of its choice, providing for the reasonable control of the Plan Agent's discretion with respect to asserting, filing, prosecuting, monetizing, and compromising all claims the subject of subsection 5.8.1 above, and all such other things with respect to the foregoing that they and the current or replacement Plan Agent may agree to in writing; *provided, however*, that in no event shall Halliburton owe any fiduciary duties or other duties to any Creditor or party-in-interest under this Plan, and that in no event shall Halliburton have any potential liability to anyone under this Plan.

5.8.4 Net Proceeds. Any net proceeds received or obtained by the Plan Agent pursuant to any prosecution, settlement, or other monetization pursuant to subsection 5.8.3 above shall be paid pro-rata to Allowed Unsecured Claims in Class 7, to be applied dollar-for-dollar to their Allowed Unsecured Claims.

5.8.5 Conditional Release. At such time as each Allowed Unsecured Claim in Class 7 has been paid, including all accrued and unpaid interest, and without need for further order, document, or instrument, all claims and causes of action (including remedies) that any of the Debtors or the Estates may have against any of the Hoerauf Releasees, whether known or unknown, scheduled or unscheduled, arising in tort or contract, are waived and released forever, including, without limitation, any Avoidance Action, action for breach of fiduciary duty, action for *alter ego*, action for single business enterprise or any other veil piercing cause of action, and any other claim or cause of action that any of the Estates may hold or that any Creditor may assert derivatively through any Debtor or Estate, and including any claim or cause of action that is property of the Estate under the Bankruptcy Code despite what it may be under applicable non-bankruptcy law, including any such claim, cause of action, or remedy that may have been asserted by a Creditor (whether the Creditor filed a Proof of Claim or not) prior to the Petition Date.

5.9 Maintenance of the Oregon Ranch. From and after the Effective Date, the Oil and Gas Debtors, in addition to all other obligations under this Plan, shall pay the operating expenses

of the Oregon Ranch in such amounts and for such purposes as are in the reasonable business judgment of the Plan Agent, with the primary purpose thereof to be to ensure reasonable fire suppression and mitigation and road maintenance so as to preserve the value of the Oregon Ranch.

5.10 Junior Lien for Allowed Class 6 and Class 7 Claims. On the Effective Date, and automatically, the Plan Agent, solely as agent and not in his personal capacity, is hereby granted a lien against the Llano Ranch, junior in priority to all other liens against the Llano Ranch as of the Effective Date, to secure the Reorganized Debtors' obligations under this Plan to Allowed Royalty Claims and Allowed Working Interest Claims as provided for in Sections 4.6.4 and 4.6.12 of this Plan and to Allowed Unsecured Claims as provided for in Section 4.7.3 of this Plan. Said lien shall extend to the Llano Ranch Parcel 1 solely for Class 6 Allowed Claims pro-rata as between them, and shall extend to the Llano Ranch Parcel 2 for both Class 6 Allowed Claims to the extent not paid from the Llano Ranch Parcel 1, and to Class 7 Allowed Claims, with respect to which such Class 6 and Class 7 claims shall be treated pro-rata. The Plan Agent shall hold said lien solely for the benefit of Allowed Class 6 and Allowed Class 7 Claims. As a condition to the occurrence of the Effective Date, O'Ryan Ranches shall execute and deliver to the Plan Agent a deed of trust, to be filed with the Plan Supplement prior to the Confirmation Date, and which shall contain reasonable and customary provisions, evidencing the foregoing lien, which deed of trust the Plan Agent shall cause to be recorded against the Llano Ranch promptly after the Effective Date. Upon an uncured default of the Reorganized Debtors to Class 6 under this Plan, or if Prosperity Bank is otherwise permitted to exercise its rights against the Llano Ranch under this Plan, the Plan Agent shall foreclose on or otherwise monetize this lien, in his reasonable discretion, and shall pay any net proceeds therefrom pro-rata to Allowed Royalty Claims and Allowed Working Interest Claims then remaining unpaid, having first accounted from any such gross proceeds for the fees and expenses of said foreclosure or monetization. Upon an uncured default of the Reorganized Debtors to Class 7 under this Plan, or if Prosperity Bank is otherwise permitted to exercise its rights against the Llano Ranch under this Plan, the Plan Agent shall foreclose on or otherwise monetize this lien, in his reasonable discretion, and shall pay any net proceeds therefrom pro-rata to Allowed Royalty Claims and Allowed Working Interest Claims then remaining unpaid and to Allowed Unsecured Claims, having first accounted from any such gross proceeds for the fees and expenses of said foreclosure or monetization. For the avoidance of doubt, nothing in this Plan or in the Sale Metrics requires the payment of the foregoing lien upon the sale of the Llano Ranch Parcel 1, and said lien with respect to the Llano Ranch Parcel 1 shall be released by the Plan Agent at the closing thereof even if no proceeds remain (after payment of all higher priority liens) for payment towards said lien.

5.11 Assumption of Executory Contracts.

5.11.1 General. No later than with the solicitation of the Disclosure Statement, the Debtors shall file and serve a notice of Executory Contracts then remaining neither assumed nor rejected, which shall be assumed or rejected under this Plan as of the Effective Date as provided for in said notice. With respect any Executory Contract to be assumed under this Plan pursuant to said notice, the notice shall also include the Cure Claim the Debtors believe payable for such assumption. Any objection to such proposed Cure Claim must be filed with the Bankruptcy Court by the deadline otherwise set to object to the confirmation of this Plan. The Bankruptcy Court, either at the Confirmation Hearing or after said hearing, as the Bankruptcy Court may determine, shall determine any dispute regarding said Cure Claim. The Reorganized Debtors shall pay all such Cure Claims, as

Allowed, no later than ten (10) Business Days after the Effective Date from cash on hand. Any Rejection Damages Claim must be filed with the Bankruptcy Court no later than the Rejection Damages Claim Bar Date.

5.11.2 Oil and Gas Leases. Oil and Gas Leases are not leases or executory contracts subject to section 365 of the Bankruptcy Code and are instead interests in real property, all of which are retained under this Plan and vest in the respective Reorganized Debtor subject to all burdens, claims, liabilities, and obligations thereunder, except as otherwise modified by this Plan for any of the foregoing arising prior to the Effective Date.

5.11.3 Brokerage and Listing Contracts. All contracts for the listing, brokerage, marketing, and sale of the Oregon Ranch and the Llano Ranch Parcel 1 in existence immediately prior to the Effective Date are assumed automatically on the Effective Date without need for further order or document and shall be retained by or vested in the respective Reorganized Debtor. No Cure Claim shall be payable for the same, but the counterparties shall retain all of their pre-assumption rights, including to payment, as otherwise provided for in said assumed contracts.

5.12 Vesting of Assets. On the Effective Date, and without need for further action, document, or instrument, all property of the Debtors and the Estates shall vest in the Reorganized Debtors free and clear of all claims, liens, interests, and encumbrances, except to the extent that any such claim, lien, interest or encumbrance is expressly preserved or created in this Plan, and subject to the Consolidated Estate created under this Plan.

5.13 Assumption of Debt. The Reorganized Debtors and the Consolidated Estate shall assume only that debt of, and only those Claims against, the Debtors and the Estates as provided for in this Plan, including, without limitation, all obligations to make any payment to any Class provided for in this Plan, and then only as restructured and provided for in this Plan and subject to all releases and waivers of claims and causes of action otherwise provided for in this Plan. Otherwise, the Reorganized Debtors do not assume, and shall not be liable for, any other debt of, or Claims against, the Debtors or the Estates, including any such debt that is discharged.

5.14 Automatic Stay. The automatic stay provided by section 362(a) of the Bankruptcy Code shall remain in effect through to the Effective Date, unless otherwise specifically modified, annulled, or terminated by the Bankruptcy Court pursuant to separate order, and shall terminate on the Effective Date, at which time the discharge and injunction provisions of this Plan and the Bankruptcy Code shall control.

5.15 Rights Under Section 505. All Claims for taxes by Governmental Units and any claim to a refund regarding the same or other relief regarding the same shall remain subject to section 505 of the Bankruptcy Code and shall vest in the Reorganized Debtors. The Reorganized Debtors may seek relief pursuant to section 505 of the Bankruptcy Code as a part of, and in conjunction with, any objection to any claim for taxes by a Governmental Unit.

5.16 Management of the Reorganized Debtors. On and after the Effective Date, the officers and directors (or managers, if an LLC) of the Reorganized Debtors shall be Ryan C. Hoerauf with an annual salary, to be paid by the Oil and Gas Debtors, of \$250,000.00, plus reimbursement and payment of pass-through taxes incurred by or payable for the Oil and Gas

Debtors (in addition to other customary and ordinary expense reimbursement). The Reorganized Debtors shall have no other directors, managers, or officers, subject to such future change and variation as is otherwise appropriate under all applicable non-bankruptcy law. For the avoidance of doubt, nothing in this Plan limits any future compensation to any director, officer, or employee by the Reorganized Debtors, subject to any otherwise applicable rights, rules, laws, or principles. The Plan Agent shall not manage the Reorganized Debtors or have any role over their operations, but shall instead be limited to selling the real properties and taking the other actions specified in this Plan.

5.17 Prohibition on Dividends. So long as any Class of Creditor under this Plan remains unpaid in whole or in part, to the extent such payment is otherwise payable under this Plan, then none of the Reorganized Debtors shall make any distribution, dividend, or other transfer on account of any Equity Interest. For the avoidance of doubt, the foregoing shall not include: (i) ordinary wages and expense reimbursement; (ii) any payment on account of a Royalty Claim or Working Interest Claim; (iii) indemnification as otherwise provided for under any corporate governance document and Texas law; and (iv) payment of pass-through income or other taxes. A breach by the Reorganized Debtors of these requirements, including any attempt to circumvent these requirements through disguised transactions, shall be a default by the Reorganized Debtors under this Plan. The Plan Agent shall monitor the Reorganized Debtors to ensure compliance with these requirements and the Reorganized Debtors shall cooperate with any reasonable document requests from the Plan Agent related to this section of the Plan.

5.18 Corporate Existence. The Reorganized Debtors shall retain the Debtors' corporate existence and governing charters, articles, membership agreements, and bylaws, together with all tax and corporate attributes otherwise applicable to the Debtors, unless any change to any of the foregoing is necessitated by this Plan, in which case such parties as appropriate shall take such actions as are appropriate to effectuate the same and to ensure the continued and continuing corporate existence, in good standing, of the Reorganized Debtors. As soon as practicable after the Effective Date, any Reorganized Debtor that is a corporation shall amend its corporate charter to include a provision prohibiting it from issuing nonvoting securities.

5.19 Incorporation of Exhibits. Any exhibits to this Plan, or any supplements to this Plan filed prior to the conclusion of the Confirmation Hearing, shall automatically become part of this Plan if it is intended to address any issue in this Plan and if it is intended to become a part of this Plan.

5.20 Prepayment. For the avoidance of doubt, the Reorganized Debtors may prepay any Claim that they are responsible to pay under this Plan, which prepayment shall be without future interest, prepayment premium, prepayment penalty, or any yield maintenance.

5.21 Retention and Preservation of Causes of Action. Unless expressly and specifically released in this Plan or through any order entered in the Bankruptcy Case, all claims and causes of action, including Avoidance Actions, are reserved and preserved under this Plan and transfer to and vest in the Reorganized Debtors and the Consolidated Estate except as otherwise provided for in this Plan, including in Section 5.8 of this Plan, subject to all defenses and affirmative defenses thereto.

5.22 Prohibition Against Creditor Action. On and after the Effective Date, and unless otherwise released in this Plan, the Avoidance Actions, claims and causes of action (and remedies) for *alter ego*, single business enterprise, and any other veil piercing claim, and all actions that the Estates may bring in addition to any Creditor, whether asserted or asserted by such Creditor or not, shall be the sole property of the Reorganized Debtors and the Consolidated Estate vesting in the Plan Agent as provided for in Section 5.8.1 above, and no Creditor may assert, file, or prosecute any such claim, cause or action, or action (or remedy) (including for fraudulent transfer, *alter ego*, single business enterprise, and any other veil piercing claim) for itself, for Creditors, or for the Reorganized Debtors or the Consolidated Estate with respect to a debt or Claim arising at any time prior to the Effective Date; *provided, however*, that in the event of a conversion of the Bankruptcy Case after the Effective Date, all such claims, causes of action, or action shall be property of the Chapter 7 estate(s) to be administered as is otherwise appropriate by any Chapter 7 trustee(s). For the avoidance of doubt, the foregoing does not apply to any claim, cause of action, or action (or remedy) that is personal to any Creditor (*e.g.* neither a different Creditor nor the Debtors or the Estates can bring such action individually, collectively, or derivatively).

5.23 Plan Agent.

5.23.1 Creation of Plan Agent. On the Effective Date, the Plan Agent shall be created pursuant to 11 U.S.C. § 1123(b)(3)(B).

5.23.2 Identification of Plan Agent. The Plan Agent shall be disclosed in the Plan Supplement.

5.23.3 Role and Authority. The purpose, role, and authority of the Plan Agent shall be to market and sell the Oregon Ranch, to market and sell the Llano Ranch Parcel 1, to hold, prosecute, and monetize the claims and causes of action the subject of Section 5.8 of this Plan, to hold and foreclose on the lien(s) granted under Section 5.10 of this Plan, to monitor the payments and performance of the Reorganized Debtors, to object to and resolve Unsecured Claims, and to otherwise take such actions as provided for in this Plan. The Plan Agent shall have fiduciary duties to act as the Plan provides, but shall otherwise not be a fiduciary to any given Creditor or to the Reorganized Debtors.

5.23.4 Exclusion of Role. The Plan Agent shall have no role, authority, or obligation to market and sell the Llano Ranch Parcel 2 or to manage any aspects of the business of the Oil and Gas Debtors.

5.23.5 Exculpation and Indemnification. In no event shall the Plan Agent have any liability to anyone for negligence, and shall instead only have potential liability for gross negligence, intentional act, or breach of fiduciary duty, all as the same applies to his actions under this Plan after the Effective Date. The Reorganized Debtors shall indemnify and hold harmless the Plan Agent, including for any reasonable attorney's fees and expenses, with respect to any action that may be commenced against him, unless he is found by Final Order to have any liability not exculpated under this Plan.

5.23.6 Compensation. The Oil and Gas Debtors, as Reorganized Debtors, shall compensate the Plan Agent at an hourly rate to be disclosed in the Plan Supplement. The Reorganized Debtors shall be in default under this Plan if they fail to timely pay the same.

The Creditor Escrow may be used to make any such defaulted payment prior to any payment from the Creditor Escrow on Allowed Royalty Claims, Allowed Working Interest Claims, and Allowed Unsecured Claims.

5.23.7 Retention of Professionals. The Plan Agent may retain legal counsel as is necessary to enable him to fulfill his roles and duties under this Plan, the reasonable fees and expenses of which will be paid by the Oil and Gas Debtors as Reorganized Debtors in addition to his fees and expenses, no later than thirty (30) days after an invoice from the Plan Agent for the same. The Reorganized Debtors shall be in default under this Plan if they fail to timely pay the same. The Creditor Escrow may be used to make any such defaulted payment prior to any payment from the Creditor Escrow on Allowed Royalty Claims, Allowed Working Interest Claims, and Allowed Unsecured Claims. Upon the expiration of the retention of any real estate broker retained pursuant to this Plan, or the termination or resignation of the same, the Plan Agent may retain replacement brokers, upon the written approval of Prosperity Bank, and provided that they are paid from the sale proceeds at any closing of their respective real properties.

5.23.8 Duration. The role of the Plan Agent shall cease when Classes 3, 4, 6, and 7 are paid in full as provided for in this Plan.

5.23.9 Relief from Bankruptcy Court. The Plan Agent shall have standing to appear and be heard, and to seek relief, from the Bankruptcy Court and any other court of competent jurisdiction as may be necessary or appropriate to enable him to carry out his role and duties, to protect him from alleged liability not otherwise provided for in this Plan, and for all such purposes as may be appropriate under all applicable law. Any creditor with an Allowed Claim may petition the Bankruptcy Court to remove the Plan Agent as such for cause, which matter shall be heard on expedited motion.

5.23.10 Replacement Plan Agent. In the event of the removal or resignation of the Plan Agent, Prosperity Bank and Halliburton shall designate the replacement Plan Agent, except potentially with respect to rights and role of the Plan Agent specified in Section 5.8 of this Plan, in which case there may be two Plan Agents with the latter being limited to those matters specified in Section 5.8 of this Plan. To the extent Prosperity Bank and Halliburton are unable to designate the replacement Plan Agent, Prosperity Bank and Halliburton may request the Court appoint the replacement Plan Agent.

5.23.11 Inchoate Lien. The Plan Agent shall have a lien against any remaining sale proceeds after the payment thereof to AgWest and to Prosperity Bank as otherwise provided for in this Plan, to secure all unpaid indemnification, compensation and expenses, and legal counsel fees and expenses, as otherwise provided for in this Plan, which lien shall be paid from any next available sale proceeds of all such property prior to the payment of any such proceeds to any creditor junior in priority to AgWest or Prosperity Bank or to any Reorganized Debtor. With respect to his administration and foreclosure of the lien granted to Allowed Royalty Claims under Section 4.6.4 of this Plan, Allowed Working Interest Claims under Section 4.6.12, and Allowed Unsecured Claims under Section 4.7.3 of this Plan, all reasonable fees and expenses of the Plan Agent and any legal counsel employed to assist him with respect to the same shall be paid from the proceeds of such lien prior to

the payment of any such proceeds on Allowed Royalty Claims and Allowed Working Interest Claims, together with the administration of such proceeds.

5.24 Postconfirmation Reporting. In addition to any otherwise applicable reporting requirements, and until all Allowed Claims are paid in full as otherwise provided for in this Plan, the Reorganized Debtors shall provide the following documents and information to the Plan Agent: (i) within twenty (20) days after the end of each calendar quarter, a report which lists, with respect to the preceding calendar quarter: (a) each payment made under the Plan or paid into the Disputed Claims Reserve, including the identity of the Creditor, the amount paid to such Creditor, and the date of such payment; and (b) the amount of each outstanding Creditor's claim, including any accrued interest (if applicable); and (ii) within thirty (30) days after the end of each calendar quarter, the following financial statements for the Reorganized Debtors as generated by the Reorganized Debtors' accounting software: (a) balance sheet, and (b) income statement; (iii) within thirty (30) days after the following documents are produced or filed: (a) audited financial statements for any of the Reorganized Debtors; (b) Federal Tax returns for any of the Reorganized Debtors including all attachments; and (iv) such other information as may be reasonably requested by the Plan Agent in order for the Plan Agent to fulfill his obligations under this Plan. Notwithstanding the foregoing, the Reorganized Debtors shall have no obligation to share any otherwise privileged (by the attorney-client or the attorney work product privilege(s)) documents and information with the Plan Agent. The failure by the Reorganized Debtors to timely provide such reporting shall constitute a default of their obligations under this Plan.

5.25 Default and Cure. In the event of any default by the Reorganized Debtors under this Plan, where such default is capable of monetary or cure, and expressly excluding any default that is a maturity default, which cannot be cured, any affected Creditor or the Plan Agent may transmit notice of such default to the Reorganized Debtors as provided for in Section 11.9 of this Plan, whereafter the Reorganized Debtors shall have ten (10) Business Days after the transmission of said notice to cure said default. If they fail to fully cure said default during said period, then they shall be in uncured default of this Plan and any affected Creditor or the Plan Agent may take any and all actions otherwise authorized under this Plan or any lien instrument. The Reorganized Debtors shall be entitled to cure only one such default in any full 365 day period after the Effective Date, whereafter the second such default in said 365 day period will not entitle the Reorganized Debtors to any opportunity to cure such default and the Reorganized Debtors shall be in uncured default of this Plan upon the transmission of the notice of said default as provided for in Section 11.9 of this Plan, whereafter any affected Creditor or the Plan Agent may take any and all actions otherwise authorized under this Plan or any lien instrument.

5.26 Creditor Escrow. Any remaining net proceeds (following payment of the amounts set forth in Section 4.7.6(i) of this Plan) from the sales of the Oregon Ranch and the Llano Ranch Parcel 1 under Sections 5.3 and/or 5.4 of this Plan shall be placed into an escrow account (the "Creditor Escrow"). The Creditor Escrow shall be under the exclusive control of the Plan Agent, who shall deposit such funds into an interest-bearing account. The Creditor Escrow shall exist solely to pay the Plan Agent and the Allowed Class 6 and Class 7 Claims, pro-rata, by the Plan Agent, as though the Allowed Claims in said Classes were part of the same Class, if the Reorganized Debtors default under this Plan on their obligations to said Classes, up to the full amount of such Allowed Claims and the Reorganized Debtors' remaining unpaid obligations to said Classes. Upon the full payment of Allowed Class 6 and Class 7 Claims, any funds in the Creditor Escrow shall be released by the Plan Agent to the Reorganized Debtors.

5.27 Dissolution of Committee. The Committee shall cease to exist on the Effective Date, provided that this shall be without prejudice to any member thereof asserting an Administrative Claim and to the Professionals thereof asserting a Professional Claim.

ARTICLE VI.

ACCEPTANCE OR REJECTION OF PLAN

6.1. Impairment Controversies. If a controversy arises as to whether any Class is impaired under this Plan, such Class shall be treated as specified in this Plan unless the Bankruptcy Court shall determine such controversy differently upon motion of the party challenging the characterization of a particular Class under this Plan.

6.2. Classes and Claims Entitled to Vote. Classes: 2, 3, 4, 5, 6(a), 6(b), 7, and 10 are impaired and entitled to vote on this Plan. Classes: 1, 8, 9(a), 9(b), and 11 are not impaired and are deemed to accept this Plan, subject to any objection to confirmation of this Plan.

ARTICLE VII.

TREATMENT OF DISPUTED CLAIMS AND OBJECTIONS TO CLAIMS

7.1. Objection Deadline. Any objection to a Claim when the Claim is not otherwise Allowed by this Plan must be filed by the Claims Objection Deadline or be forever barred and waived. Any Claim that is not a Disputed Claim, Disallowed Claim, or that is not objected to by the Claims Objection Deadline shall be deemed to be an Allowed Claim of the type and priority asserted in the Claim. Provided that a claim objection is filed prior to the Claims Objection Deadline, such objection may be amended thereafter to assert any other applicable objection or grounds for objection, together with any other relief as otherwise appropriate. Unless arising from an Avoidance Action, any Proof of Claim filed after the Effective Date shall be of no force and effect and need not be objected to. Any Disputed Claim may be litigated to Final Order. The Reorganized Debtors may compromise and settle any Disputed Claim without the necessity of any further notice or approval of the Bankruptcy Court, and Bankruptcy Rule 9019 shall not apply to any settlement of a Disputed Claim after the Effective Date. Nothing in this Plan extends any Bar Date set in the Bankruptcy Case or grants any Creditor any greater rights with respect to a late filed Claim than such Creditor has.

7.2. Creditor Response to Objection. With respect to any objection to a Claim when such objection is filed after the Effective Date but otherwise in compliance with this Plan, the Creditor whose Claim was the subject of the objection must file with the Bankruptcy Court and serve a response to the objection upon the Debtor and the objecting party no later than the expiration of thirty (30) days from the date of service of any such objection. Failure to file and serve such a response within the thirty (30) days shall cause the Bankruptcy Court to enter a default judgment against the non-responding Creditor and thereby grant the relief requested in the Objection without further notice to such Creditor. Any such objection shall contain prominent negative notice language informing the objected-to creditor of the same.

7.3. No Waiver of Right to Object. Except as expressly provided in this Plan, nothing contained in the Disclosure Statement, this Plan, or the Confirmation Order shall waive, relinquish, release, or impair any Debtor's or other appropriate party-in-interest's right to object to any Claim. A Claim that is specifically Allowed in this Plan shall not be subject to any objection and shall be

conclusively Allowed in the Bankruptcy Case, except to the extent that such Claim is subsequently asserted in an amount, priority, or classification otherwise than that specifically Allowed in this Plan.

7.4. Miscellaneous Provisions for Disputed Claims. Nothing contained in this Plan, the Disclosure Statement, or Confirmation Order shall change, waive or alter any requirement under applicable law that the holder of a Disputed Claim must file a timely Proof of Claim, and the holder of such Disputed Claim who is required to file a Proof of Claim and fails to do so, shall receive no distribution through the Plan and the Claim shall be discharged, unless this Plan specifically and explicitly provides otherwise. The adjudication and liquidation of Disputed Claims is a determination and adjustment of the debtor/creditor relationship, and is therefore an exercise of the Bankruptcy Court's equitable power to which the legal right of trial by jury is inapplicable. The holder of any Disputed Claim shall not have a right to trial by jury before the Bankruptcy Court with respect to any such Claim, except with respect to any potential personal injury or wrongful death claim. Exclusive venue for any proceeding involving a Disputed Claim shall be in the Bankruptcy Court or District Court in the Northern District of Texas, Fort Worth Division, unless the Bankruptcy Court or District Court withdraw the reference, transfer a proceeding, or abstain. Disputed Claims shall each be determined separately, except as otherwise ordered by the Bankruptcy Court. The Debtor shall retain all rights of removal to federal court as to any proceeding involving a Disputed Claim.

7.5. Allowance of Disputed Claims. All Disputed Claims shall be liquidated and determined as follows:

7.5.1. Application of Adversary Proceeding Rules. Unless otherwise ordered by the Bankruptcy Court, the proceeding involving a Disputed Claim or any objection to a Disputed Claim shall be subject to Rule 9014 of the Bankruptcy Rules. However, any party may move the Bankruptcy Court to apply the Bankruptcy Rules applicable to adversary proceedings. The Reorganized Debtors may, at their election, make and pursue any objection to a Claim in the form of an adversary proceeding.

7.5.2. Scheduling Order. Unless otherwise ordered by the Bankruptcy Court, or if the objection is pursued as an adversary proceeding, a scheduling order may be entered as to each objection to a Disputed Claim upon the filing of a response thereto by the holder thereof. The Reorganized Debtors may tender a proposed scheduling order with each objection and include a request for a scheduling conference for the entry of a scheduling order.

7.5.3. Mediation. The Bankruptcy Court may order the parties to mediate in connection with any objection to a Disputed Claim. The Reorganized Debtors may include a request for mediation in its objection, and request that the Court require mediation as part of the scheduling order.

7.5.4. Post-Substantial Consummation. All distributions of any kind made to any of the holders of Allowed Claims after Substantial Consummation and any and all other actions taken under this Plan after Substantial Consummation shall not be subject to relief, reversal, or modification by any court unless the implementation of the Confirmation Order is stayed by an order issued under the Bankruptcy Rules.

7.5.5 Offsets. The Reorganized Debtors shall retain all rights of offset or recoupment and all counterclaims against any holder of a Disputed Claim, unless specifically released in this Plan.

7.6 Amendments to Claims; Claims Filed After the Confirmation Date. Except as otherwise provided in the Plan, and subject to the Bar Date, a Claim may not be filed with the Bankruptcy Court or amended after the Confirmation Date without the prior authorization of the Bankruptcy Court. Except as otherwise provided in the Plan, any new or amended Claim filed with the Bankruptcy Court after the Confirmation Date shall be deemed disallowed in full and expunged without need for any action by the Debtor.

7.7 Disputed Claims Reserve. Each time that the Reorganized Debtors are required to make a payment under this Plan to any particular Class pro-rata or *pari passu*, the Reorganized Debtors shall calculate and make such payments as though all Claims in such Class have been Allowed in the amounts asserted (or estimated or as otherwise ordered by the Bankruptcy Court), but they shall withhold any such payments attributable to Disputed Claims (or the amounts of Claims that are disputed) or that have yet to be Allowed (or the amounts of Claims that have yet to be Allowed) (the “Disputed Claims Reserve”). Upon the resolution of the respective Disputed Claim or the allowance thereof, no later than ten (10) Business Days after the entry of a Final Order providing for such resolution or allowance, the Reorganized Debtors shall pay such withheld amounts to the respective Creditors such that, at that time, such Creditors shall have been paid *pari passu* with other Creditors whose Claims have been Allowed. Upon the disallowance of a Disputed Claim or a Claim not being Allowed, by Final Order, such withheld amounts shall be included in the next payment by the Reorganized Debtors to Allowed Claims within such Class in addition to any regularly scheduled payment. Should withheld amounts on account of Disputed Claims or Claims not yet Allowed remain at the conclusion of any repayment schedule for any Class, the Reorganized Debtors shall continue to hold the same and shall either pay the same when such Disputed Claims become Allowed or, when all Claims within the respective Class have been finally adjudicated by Final Order, shall pay any such remaining withheld funds to the remaining Allowed Claims within such Class notwithstanding the conclusion of the repayment period. If such withheld funds remain and all Allowed Claims within the respective Class have been paid in full as otherwise provided for in this Plan, then such withheld funds may be retained and used by the Reorganized Debtors for such purposes as they wish. As part of their reporting to the Plan Agent, the Reorganized Debtors shall include all reasonable information regarding the maintenance, calculation, and funding of the Disputed Claims Reserve, and the Plan Agent shall have the authority to require the Reorganized Debtors to properly fund, maintain, and distribute from the same.

ARTICLE VIII

EFFECTS OF PLAN CONFIRMATION

8.1 Discharge. On the Effective Date, and automatically, without need for further document, order, or action, each Debtor is discharged of all Claims arising prior to the Effective Date pursuant to the provisions of section 1141(d) of the Bankruptcy Code.

8.2 Plan Injunction. Effective immediately on the Effective Date, and without need for further order, document, action, or instrument, the Confirmation Order shall, and shall be deemed to, permanently enjoin all Persons from taking any of the following actions on account of any

Claim: (i) commencing, conducting or continuing in any manner, directly or indirectly, any suit, action or other proceeding of any kind against the Debtors or the Estates or any of their property, or against the Reorganized Debtors and the Consolidated Estate or any of their property, on account of a Claim or debt that is discharged under this Plan; (ii) enforcing, levying, attaching, collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree, or order against the Debtors or the Estates or their property, or against the Reorganized Debtors and the Consolidated Estate or any of their property, on account of a Claim or debt that is discharged under this Plan; (iii) creating, perfecting or enforcing in any manner directly or indirectly, any lien, charge or encumbrance of any kind against the Debtors or the Estates or their property, or against the Reorganized Debtors and the Consolidated Estate or any of their property, on account of a Claim, interest, lien, or debt that is discharged under this Plan, unless specifically and expressly permitted in this Plan; (iv) proceeding in any manner in any place whatsoever against the Debtors or their property, or against the Reorganized Debtors or any of their property, with respect to any property to be distributed or transferred under the Plan or Claim that is subject to this Plan, including funds or reserves held or maintained by any of them pursuant to this Plan, in any way that does not conform to, or comply, or is inconsistent with, the provisions of this Plan; and (v) the Committee, its Professionals, and its members; *provided, however*, that such injunction shall not preclude any party in interest from seeking to enforce or interpret the terms of the Plan through an action commenced in the Bankruptcy Court or other appropriate court, from appealing the Confirmation Order, or from filing a continuation statement to continue in effect a perfected security interest that survives the Effective Date.

8.3 No Liability for Solicitation or Participation. Pursuant to section 1125(e) of the Bankruptcy Code, Persons that solicit acceptances or rejections of this Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code, shall not be liable, on account of such solicitation or participation, for violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of this Plan.

8.4 Exculpation. Except as specifically provided for herein, on and after the Effective Date, on the Effective Date, and without the need for further action, the Plan and Confirmation Order shall constitute a release and discharge of all actions, causes of action, claims, suits, debts, damages, judgments, liabilities, and demands whatsoever, whether matured or unmatured, whether at law or in equity, whether before a local, state, or federal court, state or federal administrative agency or commission, regardless of location and whether now known or unknown, liquidated or unliquidated, that the Debtor or the Estate may have or be able to assert against: (i) Munsch Hardt Kopf & Harr, P.C., its attorneys, employees, officers, agents, and shareholders; (ii) Brad Walker, LLC d/b/a Riverbend Special Situations Group, its shareholders, officers, directors, managers, agents, and employees, including Bradford C. Walker; (iii) Lain Faulkner & Co., P.C., its shareholders, officers, directors, managers, agents and employees; (iv) Jobe Law PLLC, its attorneys, employees, officers, agents, and shareholders; (v) the Committee, its Professionals, and its members; and (vi) any person who was a shareholder, director, officer, employee, representative, member, manager, or agent of the Debtors after the Petition Date through the Effective Date, solely for any actions or inactions taken by any of the foregoing in, or arising against the foregoing as a result of, the Bankruptcy Case, the Disclosure Statement, or the Plan, including with respect to the negotiation, execution, and delivery of any document or instrument in connection with the Plan; *provided, however*, that nothing contained in this Plan or the Confirmation Order shall relieve any of the foregoing from the normal requirements applicable to the allowance of an Administrative Claim or Professional Claim if approval from the Bankruptcy

Court for such allowance is required, and no defenses to said allowance are waived or released; *provided further, however*, that nothing in this Plan releases any claim against any of the foregoing for gross negligence or intentional act.

ARTICLE IX

CONDITIONS PRECEDENT

9.1. Conditions Precedent to Confirmation and Effectiveness of Plan. The Plan shall not become effective until the following conditions shall have been satisfied or waived in writing by the Debtors, Prosperity Bank, and the Committee: (i) the Confirmation Order shall have been entered, in form and substance acceptable to the Debtors, Prosperity Bank, and the Committee; (ii) on the fifteenth (15th) day after the Confirmation Date, no notice of appeal of the Confirmation Order shall have been filed or, if filed, no order staying the Confirmation Order shall have been entered by such date; (iii) a deed of trust evidencing the lien granted under Section 5.10 of this Plan shall have been executed and recorded; (iv) all other specific condition precedents contained in this Plan shall have been satisfied; and (v) a notice of the Effective Date shall have been filed by the Debtor in the Bankruptcy Case.

9.2. Non-Occurrence of the Effective Date. If the Plan is confirmed but the Effective Date does not occur by October 1, 2025, unless such date is extended by the Debtors: (i) the Confirmation Order shall be deemed vacated; (ii) all bar dates and deadlines established by the Plan or the Confirmation Order shall be deemed vacated; (iii) the Bankruptcy Case will continue as if confirmation of this Plan had not occurred; and (iv) this Plan will be of no further force and effect, with the result that the Debtors and other parties-in-interest will be returned to the same position as if confirmation had not occurred. The failure of the Effective Date to occur shall not affect the validity of any order entered in the Bankruptcy Case other than the Confirmation Order or any order based thereon.

9.3. Notice of the Effective Date. On or before three (3) Business Days after occurrence of the Effective Date, the Debtor shall mail to all Persons served with a copy of the Disclosure Statement a notice that informs such Persons of: (i) the occurrence of the Effective Date; (ii) the deadlines established under this Plan for the filing of Administrative Claims, Professional Claims, objections to Claims, and any other pertinent deadlines; (iii) the procedures for requesting notice; (iv) the procedures for changing an address of record; and (v) such other matters as they deem to be appropriate.

9.4. Modification of this Plan. The Debtors may alter, amend or modify this Plan under section 1127 of the Bankruptcy Code or as otherwise permitted by applicable law at any time prior to the Confirmation Date. After the Confirmation Date and prior to the Substantial Consummation of this Plan, the Debtors or any party in interest in the Bankruptcy Case may, so long as the treatment of holders of Claims under this Plan and so long as the protections under this Plan are not materially adversely affected, institute proceedings in the Bankruptcy Court to remedy any defect or omission or to reconcile any inconsistencies in this Plan, the Disclosure Statement or the Confirmation Order, and any other matters as may be necessary to carry out the purposes and effects of this Plan.

9.5. Revocation or Withdrawal of this Plan. The Debtors reserve the right to revoke or withdraw this Plan at any time prior to the Confirmation Date. If the Debtors revoke or withdraw

this Plan prior to the Confirmation Date, this Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors or any other Person or to prejudice in any manner the rights of the Debtors or any Person in any further proceedings involving the Debtors.

9.6 Inadmissible Settlement Offer. If the Effective Date does not occur as otherwise provided for in this Plan, the Plan shall be treated as a settlement offer under Federal Rule of Evidence 408 and shall not be used as evidence to prove any alleged liability of the Debtors or the Estate.

ARTICLE X

RETENTION OF JURISDICTION AND CLAIMS

10.1. Jurisdiction of Bankruptcy Court. Following the Effective Date, and notwithstanding the entry of the Confirmation Order, the Bankruptcy Court (including, as appropriate, any District Court with jurisdiction over the Bankruptcy Court) shall retain jurisdiction of the Bankruptcy Case and all matters arising in, or related to, the Bankruptcy Case to the fullest extent permitted by law, including jurisdiction to:

10.1.1. To hear and determine motions, applications, adversary proceedings, and contested matters pending or commenced after the Effective Date;

10.1.2. To hear and determine objections (whether filed before or after the Effective Date) to, or requests for estimation of, any Claim, and to enter any order requiring the filing of proof of any Claim before a particular date;

10.1.3. To ensure that distributions to holders of Allowed Claims are accomplished as provided in the Plan;

10.1.4. To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

10.1.5. To construe and to take any action to enforce this Plan and the Confirmation Order;

10.1.6. To issue such orders as may be necessary for the implementation, execution and consummation of this Plan, including the enforcement of any discharge, release, and/or injunction in this Plan, and to hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of this Plan and the Confirmation Order;

10.1.7. To hear and determine any applications to modify this Plan, to cure any defect or omission or to reconcile any inconsistency in this Plan, the Disclosure Statement or in any order of the Bankruptcy Court including, without limitation, the Confirmation Order;

10.1.8. To hear and determine all applications for Administrative Claims;

10.1.9. To hear and determine other issues presented or arising under this Plan, including disputes among holders of Claims and arising under agreements, documents or instruments executed in connection with this Plan;

10.1.10. To determine such other matters and for such other purposes as may be provided in the Confirmation Order;

10.1.11. To hear and determine any other matters related hereto and not inconsistent with Chapter 11 of the Bankruptcy Code;

10.1.12. To hear, authorize, and order the sale, free and clear of liens, claims, interests, and encumbrances, of any property, in the event the Debtors find it necessary or appropriate to seek an order authorizing the same.

10.1.13. To enter the Final Decree upon proper request;

10.1.14. To command and enjoin any Creditor or Person to comply with the transfer and vesting of property of the Debtors and the Estates free and clear of liens, claims, interests, and encumbrances, as provided for in this Plan, and to command any Creditor or Person to release any lien or security interest required to be released or released by this Plan, or to order that any other Person may due to the same with the same full force and effect;

10.1.15. To hear and determine any action concerning the recovery and liquidation of assets, wherever located, including without limitation litigation to liquidate and recover assets that consist of claims, rights and causes of action against third parties and actions seeking declaratory relief with respect to issues relating to or affecting assets; and to hear and determine any action concerning the determination of taxes, tax refunds, tax attributes, and tax benefits and similar or related matters with respect to the Debtors or the Estate, including, without limitation, matters concerning federal, state, local and other taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code; and

10.1.16. To hear and determine any Avoidance Actions, including any Avoidance Action against the Hoerauf Releasees.

10.1.17. To hear and determine all matters affecting the Plan Agent and to provide him appropriate relief.

10.2. Failure of Bankruptcy Court to Exercise Jurisdiction. If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction, or is otherwise without jurisdiction, over any matter arising under, arising in or related to the Bankruptcy Case, including with respect to the matters set forth above in Plan, this Article shall not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such subject matter.

10.3. No Creation of Jurisdiction. This Plan does not create jurisdiction in the Bankruptcy Court but only retains the Bankruptcy Court's jurisdiction as it otherwise exists. For the avoidance of doubt, where the Bankruptcy Court has no jurisdiction, or has lost jurisdiction through abstention, remand, withdrawal of the reference, or otherwise, this Plan does not purport to create or reinstate said jurisdiction; *provided, however*, that this Plan, while not creating or

reinstating such jurisdiction, does not prejudice or limit the ability of the Bankruptcy Court to otherwise exercise such jurisdiction as may otherwise be conferred or reinstated.

10.4. Retention and Preservation of General Rights. Notwithstanding the confirmation of the Plan and the entry of the Confirmation Order, and notwithstanding any principle of *res judicata* or otherwise, and unless specifically and explicitly released, waived, compromised, or otherwise treated in this Plan, the Debtors and the Estates retain any and all rights, property, and interests, regardless of whether they are scheduled, filed, or asserted prior to the Confirmation Hearing, including, without limitation, all: (i) defenses to Claims; (ii) affirmative defenses to Claims; (iii) setoffs and recoupments against any Claim, Creditor, or other person; (iv) rights to turnover, accounting contribution, indemnification, or reimbursement against any Creditor or other person; (v) rights under any loan document modified by this Plan, but only as so modified; (vi) rights to any tax refund belonging to the Debtors; and (vii) claims and causes of action against any Creditor or person whatsoever, including for affirmative relief and to reduce any liability.

10.5 Retention and Preservation of Specific Rights. Without limiting the effectiveness or generality of the foregoing, and out of an abundance of caution, the Debtors and the Estates specifically reserve and retain the following claims and causes of action, which shall in no way be extinguished, released, or prejudices as a result of the confirmation of this Plan, and which are transferred to the Reorganized Debtors and the Consolidated Estate:

- (i) the Avoidance Actions;
- (ii) objections to all Mechanics Liens Secured Claims, and the determination of the validity, extent, and priority of any liens securing the same;
- (iii) all rights against any holder of taxes, whether for past, present, or future taxes, including any right for purposes of future valuations, assessments, and taxes, arising under or related to section 505 of the Bankruptcy Code;
- (iv) all causes of action, Including Avoidance Actions, related in any way to the PB Materials Stock;
- (v) all claims and causes of action (including remedies) of any and all of the Estates against any of the Hoerauf Releasees, whether known or unknown, scheduled or unscheduled, arising in tort or contract, including any Avoidance Action, action for breach of fiduciary duty, action for alter ego, action for single business enterprise or any other veil piercing cause of action, and any other claim or cause of action that any of the Estates may hold or that any Creditor may assert derivatively through any Debtor or Estate, and including any claim or cause of action that is property of the estate under the Bankruptcy Code; and
- (vi) all causes of action of the Estates and the Consolidated Estate.

ARTICLE XI

MISCELLANEOUS PROVISIONS

11.1. Payment of Statutory Fees. All fees payable pursuant to section 1930 of Title 28 of the United States Code arising prior to the Effective Date, shall be timely paid by the Reorganized Debtors, subject to the rights of the Reorganized Debtors to contest the same.

11.2. Exercise of Liens. Any lien preserved or granted in this Plan shall, when permitted to be exercised by this Plan and applicable law, be exercised, enforced, and foreclosed in full and strict conformity with all applicable non-bankruptcy law and agreements, except to the extent specifically modified or preempted in this Plan.

11.3. No Admissions. Notwithstanding anything herein to the contrary, nothing contained in this Plan shall be deemed an admission by the Debtors with respect to any matter set forth herein including, without limitation, liability of any person on any Claim or the propriety of any classification of any Claim.

11.4. Plan Controls. To the extent there is an inconsistency or ambiguity between any term or provision contained in the Disclosure Statement and the Plan, the terms and provisions of the Plan shall control.

11.5. Governing Law. Except to the extent the Bankruptcy Code, the Bankruptcy Rules or other federal or state laws are applicable, or any prepetition contract provides for the application of the law of a different state, the laws of the State of Texas shall govern the construction, implementation and enforcement of this Plan and all rights and obligations arising under this Plan, without giving effect to the principles of conflicts of law.

11.6. Substantial Consummation of Plan. The Plan shall be deemed to be substantially consummated upon the date of Substantial Consummation.

11.7. Successors and Assigns. The rights, benefits and obligations of any Person named or referred to in this Plan will be binding upon, and will inure to the benefit of, the heir, executor, administrator, representative, successor, or assign of such Person.

11.8. Severability. Should the Bankruptcy Court determine, on or prior to the Confirmation Date, that any provision of this Plan is either illegal or unenforceable on its face or illegal or unenforceable as applied to any Claim or Person, the Debtors may, in their discretion, alter, delete, or modify such provision to make it valid and enforceable to the maximum extent practicable consistent with the original purpose of such provision. Notwithstanding any such determination, interpretation, or alteration, the remainder of the terms and provisions of this Plan shall remain in full force and effect, provided that the Bankruptcy Court otherwise confirms the Plan.

11.9. Notices and Distributions. On and after the Effective Date, all notices, requests and distributions to a holder of a Claim shall be sent to the last known address of: (i) the holder or its attorney of record as reflected in the holder's Proof of Claim or Administrative Claim filed by or on behalf of such holder; or (ii) if there is no such evidence of a last known address, to the last known address of the holder according to the books and records of the Debtors. Any holder of a Claim may designate another address for the purposes of this section by providing the Reorganized

Debtors written notice of such address, which notice will be effective upon receipt by the Reorganized Debtors as otherwise appropriate.

Any notices required to be sent under this Plan to the Reorganized Debtors may be sent as follows:

To the Reorganized Debtors:

Scanrock Oil & Gas, Inc., *et al.*
Attn: Ryan C. Hoerauf
8180 Lakeview Center, Ste. 300
Odessa, Texas 79765

with a copy to:

Scanrock Oil & Gas, Inc., *et al.*
c/o Munsch Hardt Kopf & Harr, P.C.
Attn: Garrick C. Smith
500 N. Akard Street, Suite 4000
Dallas, Texas 75201

11.10. Interest. In connection with this Plan and all instruments issued in connection therewith and distributions thereon, “interest” shall mean simple interest accruing on an annual basis with regard to outstanding principal debt unless expressly stated otherwise therein.

11.11 Unclaimed Property. If any property to be distributed on account of this Plan remains unclaimed for a period of one (1) year after it has been delivered (or delivery has been attempted) or has otherwise been made available, such unclaimed property shall be forfeited by the Person entitled to receive the property and the unclaimed property and the right to receive it shall revert to and vest in the Reorganized Debtors.

11.12. Binding Effect. The Plan shall be binding on and inure to the benefit of the holders of Claims and Equity Interests (whether or not they have accepted the Plan) and their respective personal representatives, successors and assigns, and all parties-in-interest, as provided for by the Bankruptcy Code.

11.13. Withholding and Reporting. In connection with this Plan and all instruments issued in connection therewith and distributions thereon, the Reorganized Debtors shall comply with all withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority and all distributions hereunder shall, to the extent applicable, be subject to any such withholding and reporting requirements. Notwithstanding anything herein to the contrary, in calculating and making the payments due to Allowed Claims hereunder, the Reorganized Debtors shall be authorized, but not required, to deduct from such payments any necessary withholding amount.

11.14. Credit for Non-Debtor Payments. Notwithstanding the Allowance of a Claim under this Plan or otherwise, the Reorganized Debtors shall be entitled to a credit against their obligations under this Plan for each Claim on account of which the holder thereof obtains any recovery from a non-Debtor or from the property of a non-Debtor. In no event shall a Claim be entitled to more than one, full satisfaction, regardless of source.

ARTICLE XII
CONFIRMATION REQUEST

The Debtors hereby request confirmation of this Plan pursuant to section 1129(a) of the Bankruptcy Code or, in the event that this Plan is not accepted by each of those Classes of Claims entitled to vote, section 1129(b) of the Bankruptcy Code.

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Dated: July 3, 2025

FOR THE DEBTORS:

/s/ Bradford C. Walker
Bradford C. Walker
Chief Restructuring Officer

MUNSCH HARDT KOPF & HARR, P.C.

By: /s/ Davor Rukavina
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**ATTORNEYS FOR THE OIL AND GAS
DEBTORS AND THE OREGON DEBTORS**

-- and --

JOBE LAW PLLC

By: /s/ Hudson M. Jobe
Hudson M. Jobe
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6060 North Central Expressway, Suite 500
Dallas, Texas 75206
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ATTORNEYS FOR O'RYAN RANCHES, LTD

Financial Projections

I. Introduction

For purposes of demonstrating feasibility of the Plan, the Debtors have prepared the forecasted, post-reorganized, consolidated balance sheet, income statement, and statement of cashflows (the “Financial Projections” or the “Projections”) of the Reorganized Debtors for the annual periods ending September 30, 2026 through August 31, 2030 (the “Projection Period”). The Financial Projections were prepared based on assumptions made by the Debtors, in consultation with their advisors, as to the future performance of the Reorganized Debtors, and reflect the Debtors’ judgment and expectations regarding their future operations and financial position.

The Financial Projections are subject to inherent risks and uncertainties, most of which are difficult to predict and many of which are beyond the Debtors’ control, including the development, production, gathering, and sale of oil, natural gas, and natural gas liquids (“NGLs”). Factors that may cause actual results to differ from expected results include, but are not limited to:

- i. fluctuations in oil and natural gas prices and the Reorganized Debtors’ ability to hedge against adverse commodity pricing changes;
- ii. the uncertainty inherent in estimating reserves, future net revenues, and associated discounted future cash flows;
- iii. the timing and amount of future production of oil and natural gas;
- iv. changes in the availability and cost of capital;
- v. changes in the Reorganized Debtors’ business strategy;
- vi. environmental, drilling, and other operating risks, including liability claims as a result of oil and natural gas operations;
- vii. changes in proved and unproved drilling locations and the ability to continue oil and natural gas production and development activities at economically attractive costs;
- viii. changes in future capital costs and operating expenses, including gathering, transportation, lease operating costs, production and ad valorem taxes, personnel costs, and other corporate and general and administrative costs; and
- ix. the effects of existing and future laws and governmental regulations, including environmental, hydraulic fracturing, and climate change regulation.

Should one or more of the risks or uncertainties referenced above occur, or should any of the underlying assumptions prove incorrect, actual results and plans could differ materially from those expressed in the Financial Projections. Further, new factors could cause actual results to differ materially from those described in the Financial Projections, and it is not possible to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in the Financial Projections. Accordingly, the Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated projections or forecasts in the future.

II. Accounting Policies and Disclaimer

THESE FINANCIAL PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH PUBLISHED GUIDELINES OF THE UNITED STATES SECURITIES AND

EXCHANGE COMMISSION OR THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS FOR PREPARATION AND PRESENTATION OF PROSPECTIVE FINANCIAL INFORMATION. THE FINANCIAL PROJECTIONS DO NOT REFLECT THE FORMAL IMPLEMENTATION OF REORGANIZATION ACCOUNTING PURSUANT TO FINANCIAL ACCOUNTING STANDARDS BOARD ACCOUNTING STANDARDS CODIFICATION TOPIC 852, REORGANIZATIONS (“ASC 852”). OVERALL, THE IMPLEMENTATION OF ASC 852 IS NOT ANTICIPATED TO HAVE MATERIAL IMPACT ON THE UNDERLYING ECONOMICS OF THE PLAN. THE FINANCIAL PROJECTIONS HAVE NOT BEEN AUDITED OR REVIEWED BY A REGISTERED INDEPENDENT ACCOUNTING FIRM.

ALTHOUGH THE DEBTORS HAVE PREPARED THE PROJECTIONS IN GOOD FAITH AND BELIEVE THE ASSUMPTIONS TO BE REASONABLE, THE DEBTORS AND THE REORGANIZED DEBTORS CAN PROVIDE NO ASSURANCE THAT SUCH ASSUMPTIONS WILL BE REALIZED. THE FINANCIAL PROJECTIONS ARE NOT, AND MUST NOT BE VIEWED AS, A REPRESENTATION OF FACT, PREDICTION, OR GUARANTY OF THE DEBTORS’ FUTURE PERFORMANCE. AS DESCRIBED IN DETAIL IN THE DISCLOSURE STATEMENT, A VARIETY OF RISK FACTORS COULD AFFECT THE REORGANIZED DEBTORS’ FINANCIAL RESULTS AND MUST BE CONSIDERED. ACCORDINGLY, ANY REVIEW OF THE PROJECTIONS SHOULD TAKE INTO ACCOUNT THE RISK FACTORS SET FORTH IN THE DISCLOSURE STATEMENT AND THE ASSUMPTIONS DESCRIBED HEREIN, INCLUDING ALL RELEVANT QUALIFICATIONS AND FOOTNOTES.

MOREOVER, THE PROJECTIONS CONTAIN CERTAIN STATEMENTS THAT ARE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. THESE STATEMENTS ARE SUBJECT TO A NUMBER OF ASSUMPTIONS, RISKS, AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE DEBTORS, INCLUDING THE IMPLEMENTATION OF THE PLAN, THE CONTINUING AVAILABILITY OF SUFFICIENT BORROWING CAPACITY OR OTHER FINANCING TO FUND OPERATIONS, EXISTING AND FUTURE GOVERNMENTAL REGULATIONS AND ACTIONS OF GOVERNMENTAL BODIES, INDUSTRY-SPECIFIC RISK FACTORS, AND OTHER MARKET AND COMPETITIVE CONDITIONS, INCLUDING WITHOUT LIMITATION THOSE SET FORTH HEREIN. HOLDERS OF CLAIMS AND INTERESTS ARE CAUTIONED THAT THE FORWARD-LOOKING STATEMENTS ARE AS OF THE DATE MADE AND ARE NOT GUARANTEES OF FUTURE PERFORMANCE. ACTUAL RESULTS OR DEVELOPMENTS MAY DIFFER MATERIALLY FROM THE EXPECTATIONS EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS, AND THE DEBTORS UNDERTAKE NO OBLIGATION TO UPDATE ANY SUCH STATEMENTS. THE PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY THE DEBTORS, MAY NOT BE REALIZED AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, INDUSTRY, REGULATORY, LEGAL, MARKET, AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE REORGANIZED DEBTORS’ CONTROL. THE DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE OR ARE MADE AS TO THE ACCURACY OF THE PROJECTIONS OR TO THE REORGANIZED DEBTORS’ ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL BE INCORRECT. MOREOVER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE DEBTORS PREPARED THESE PROJECTIONS MAY BE DIFFERENT FROM THOSE ASSUMED, OR,

ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THUS THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. EXCEPT AS OTHERWISE PROVIDED IN THE PLAN OR THIS DISCLOSURE STATEMENT, THE DEBTORS AND REORGANIZED DEBTORS, AS APPLICABLE, DO NOT INTEND TO, AND UNDERTAKE NO OBLIGATION TO, UPDATE OR OTHERWISE REVISE THE PROJECTIONS TO REFLECT EVENTS OR CIRCUMSTANCES EXISTING OR ARISING AFTER THE DATE HEREOF OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS. THEREFORE, THE PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTEE OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR. IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, HOLDERS OF CLAIMS MUST MAKE THEIR OWN DETERMINATIONS AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE PROJECTIONS AND SHOULD CONSULT WITH THEIR OWN ADVISORS.

III. General Assumptions

A. Overview:

The Debtors are an Odessa, Texas-based oil and gas company engaged in the exploration, development, production and production, and acquisition of oil and natural gas properties primarily in East and West Texas.

B. Methodology:

The Debtors have developed a five-year business plan for the Projection Period based on forecasted production estimates of the Debtors' oil, natural gas, and NGL reserves, estimated commodity pricing, historical operating and production performance, estimated future incurred operating expenses, capital expenditures, and general and administrative expenses. Key personnel across various functions provided input in the development of the Projections. The opening month-ending September 30, 2025 balance sheet was prepared utilizing the projected bankruptcy operation revenues, expenses, and cash flows through the assumed Effective Date of the Plan, August 31, 2025 (the "Emergence Date"). Actual balances may vary from those reflected in the opening balance sheet due to variances in projections and potential changes in cash needed to consummate the Plan. The reorganized pro forma balance sheets for the Projection Period contain certain pro forma adjustments as a result of consummation of the Plan.

C. Plan Consummation:

The Financial Projections include projected financial statements for September 2025 through August 2030 assuming an Emergence Date of August 31, 2025.

IV. Assumptions with Respect to the Projected Income Statement

A. Production

Forecasted oil production volumes for operated production are based on production estimates by the Debtors' management team and the Debtor's financial advisors and contemplate forecasted future

commodity prices and anticipated capital spending levels. For purposes of this analysis production of natural gas liquids and natural gas are not projected. Furthermore, the Debtors have various non-operated interests that are not projected due to immateriality.

B. Commodity Pricing

The Debtors' revenues are sensitive to changes in the prices received for applicable oil, natural gas, and NGL production. The Debtors primarily sell oil, natural gas and NGLs (as applicable) at prevailing market prices, which may be volatile and subject to numerous factors that are outside of the Reorganized Debtors' control. Commodity pricing used in these projections is based on New York Mercantile Exchange ("NYMEX") strip pricing, and is based on a discount to the price of crude oil consistent with historical pricing. The Projections assume NYMEX futures strip pricing as of June 30, 2025 for crude oil.

Assumptions regarding realized pricing for applicable crude oil, natural gas, and NGLs (*i.e.*, "differentials") versus NYMEX pricing are based on historical and forecasted gathering and processing rates in addition to expected pricing at the various in-basin markets in which the Company sells its production.

C. Revenues

Revenues are derived from the sale of the consolidated Reorganized Debtors' share of crude oil, natural gas, and NGL production primarily from owned and operated working interests located in the Smackover formation in East Texas and shallow oil and gas production from various production benchmarks in West Texas in addition to ownership interests in non-operated wells.

D. Lease Operating Expenses

Lease operating expenses ("LOE") and workover expenses are based on historical levels and management's estimates of future expectations. LOE includes, among other expenses, field labor and overhead, ad valorem taxes, repairs and maintenance, power and fuel, chemicals, workovers, and other operating costs.

E. Production Taxes

Production taxes are based on tax rates and are derived by the Debtors' estimates of production volumes and projected realized commodity pricing.

F. Gathering, Processing and Transport Expenses

Gathering, processing, and transport expenses are based on recent historical rates in addition to marketing, gathering, and transportation contracts in place or expected to be in place upon exit from bankruptcy with various third-party purchasers.

G. General and Administrative

General and administrative costs (“G&A”) are primarily comprised of personnel cost information, technology expenses, legal expense, rent, insurance, and other corporate overhead costs necessary to manage operations. Projected G&A is based on historical G&A and the Debtors’ estimates using projected headcounts.

H. Interest Expense

Interest expense is comprised of interest on the various secured debt Claims including AgWest, Prosperity, Halliburton, Royalty and Working Interest Claims, and certain Unsecured Claims as outlined in the Plan and are further detailed below in Section 5 - C. Exit Capital Structure.

Income Statement

Income Statement										
	Year 1		Year 2		Year 3		Year 4		Year 5	
Revenue										
Oil	\$	7,003,965	\$	6,731,625	\$	6,722,169	\$	6,651,793	\$	6,572,230
Other		-		-		-		-		-
Total	\$	7,003,965	\$	6,731,625	\$	6,722,169	\$	6,651,793	\$	6,572,230
Expenses										
Oil Operating Expenses		(4,067,511)		(4,062,064)		(4,061,875)		(4,060,467)		(4,058,876)
Ranch Operating Expenses		(80,000)		-		-		-		-
Oil G&A		(1,852,734)		(1,852,734)		(1,852,734)		(1,852,734)		(1,852,734)
Ranch G&A		(150,560)		-		-		-		-
Plan Agent		(60,000)		(60,000)		(60,000)		(60,000)		(60,000)
Total Expenses	\$	(6,210,805)	\$	(5,974,798)	\$	(5,974,609)	\$	(5,973,202)	\$	(5,971,610)
EBITDA	\$	793,160	\$	756,827	\$	747,560	\$	678,592	\$	600,620
Interest Expense (Claims)	\$	(491,461)	\$	(426,033)	\$	(352,553)	\$	(280,660)	\$	(217,410)
Interest Income (Creditor Escrow)		-		139,277		170,665		147,257		124,791
Total Interest Expense	\$	(491,461)	\$	(286,756)	\$	(181,888)	\$	(133,403)	\$	(92,619)
+ / (-) Gain on Sale of Assets		-		5,865,192		-		-		-
Net Income	\$	301,699	\$	6,335,263	\$	565,672	\$	545,189	\$	508,001

V. Assumptions with Respect to the Projected Balance Sheet and Projected Statement of Cash Flows

A. Working Capital

Projections contemplate the timing of forecasted receivables, payables, and cash payment of operating expenses and capital expenditures that are generally consistent with the timing of the Debtors’ historical cash management cycle.

B. Capital Expenditures

Projections for capital expenditures are based on estimates by the Debtors’ management team and historical capital costs and contemplate anticipated future development activity. These Projections reflect the Company’s current capital expenditures plan and are subject to change based on pricing,

general economic conditions, and continued evaluation of opportunities by the management team. Development and non-development capital expenditures include capital associated with drilling and completing new producing wells, building production facilities, recompleting wells to new zones, implementing improved recovery systems, constructing select midstream infrastructure, improving operational efficiency and safety, and capitalized maintenance expenditures.

C. Exit Capital Structure

The Financial Projections assume a post-emergence capital structure consisting of approximately:

- i. \$1.1 million of Secured Tax Claims which are assumed to amortize quarterly for 5 years (\$53,350 per quarter). The Allowed Secured Tax Claims will accrue interest at the Plan Rate federal judgment interest rate in effect as of the Effective Date;
- ii. A \$11.3 million AgWest Secured Claim. The Allowed AgWest Secured Claim shall accrue interest at the Plan Rate on and after the Effective Date until paid in full following a sale of the Oregon Ranch;
- iii. A \$52.4 million Prosperity Secured Claim. The Allowed Prosperity Bank Secured Claim shall accrue interest at the non-default contract rate provided for in the Prosperity Bank Loan Documents on and after the Effective Date until paid in full from the sale(s) of the Oregon Ranch, Llano Parcel 1 and / or Llano Parcel 2;
- iv. A \$0.5 million Halliburton Secured Claim. The Allowed Halliburton Secured Claim shall bear simple interest at the Plan Rate after the Effective Date and the Reorganized Debtors shall pay the Halliburton Claim, with such postconfirmation interest, through ten equal quarterly calendar payments of \$50 thousand each;
- v. \$3.0 million of Royalty Claims and Working Interest Claims (not broken out). On and after the Effective Date, each Allowed Royalty Claim shall accrue interest at the Plan Rate until paid in full. The Reorganized Debtors, shall pay each such Royalty Claim as follows: each month after the Effective Date, commencing on January 1, 2026, the Oil and Gas Debtors shall pay 120% of such monthly amount to such holder, with the excess 20% being applied to such holder's Allowed Royalty Claim until the same is paid in full. Said payments shall continue for 59 months after the Effective Date. At the end of such 59 months, the balance thereof shall be paid in full in the 60th month;
- vi. \$3.0 million of Royalty Claims and Working Interest Claims (not broken out). On and after the Effective Date, each Allowed Working Interest Claim shall accrue interest at the Plan Rate until paid in full. The Reorganized Debtors, shall pay each such Working Interest Claim as follows: each month after the Effective Date, commencing on January 1, 2026, the Oil and Gas Debtors shall pay 120% of such monthly amount to such holder, with the excess 20% being applied to such holder's Allowed Working Interest Claim until the same is paid in full. Said payments shall continue for 59 months after the Effective Date. At the end of such 59 months, the balance thereof shall be paid in full in the 60th month;
- vii. \$5.6 million of Unsecured Claims. The Reorganized Debtors shall pay the full Allowed amount thereof, including accrued postconfirmation interest, no later than sixty (60) months after the Effective Date as follows: (i) upon the sale of the Oregon Ranch and/or the Llano Ranch Parcel 1, \$1.0 million from the total combined net excess sale proceeds after payment of all Allowed

- Secured Claims and closing costs and broker fees; (ii) the Oregon Ranch Proceeds Carveout; (iii) quarterly calendar payments of \$50,000.00 per quarter with the first such payment due by the end of the first full calendar quarter to occur after January 1, 2026; (iv) \$50,000 per quarter after repayment of the Class 5 Halliburton Secured Claim; (v) upon the sale of the Oregon Ranch, the Reorganized Debtors shall commence quarterly calendar payments of \$100,000.00 per quarter; and (vi) the balance of all Allowed Unsecured Claims shall be paid in full by the end of the sixtieth (60th) month after the Effective Date via a financing supported by the oil and gas producing assets;
- viii. \$27,000 of Convenience Claims. Allowed Convenience Class Claims of \$500 or less shall be paid no later than ten (10) Business Days after becoming Allowed;
 - ix. \$76,000 of an AmeriCredit Claim. On the Effective Date, the Debtors and Reorganized Debtors shall cure and reinstate the AmeriCredit Financial Services Secured Claim, and shall pay the AmeriCredit Financial Services Secured Claim in full according to the terms thereof without any change under this Plan;
 - x. \$40,000 of a Ford Motor Credit Claim. On the Effective Date, the Debtors and Reorganized Debtors shall cure and reinstate the Ford Motor Credit Secured Claim, and shall pay the Ford Motor Credit Secured Claim in full according to the terms thereof without any change under this Plan; and
 - xi. \$2.2 million of a SBA Secured Claim. On the Effective Date, the SBA Loan Documents shall be reinstated, with the amount of any existing defaults added to the principal balance due thereunder and with payments to be made pursuant to the non-default terms of the SBA Loan Documents, beginning on the first day of the first full month following January 1, 2026 and continuing on the first day of each month until paid in full with repayment terms reinstated at the non-default rate thereunder.

Opening Balance Sheet

Balance Sheet	
Assets	
	Sep-25
Current Assets	
Cash	79,923
Accounts Receivable	650,615
Creditor Escrow	-
Total Current Assets	730,538
Long Term Assets	
Oil & Gas Wells	5,852,000
Ranches	-
Other PP&E	-
P5 Bond	-
ExTex Promisory Note	750,000
Total Long Term Assets	6,602,000
Total Assets	7,332,538
Liabilities & Equity	
	Sep-25
Current Liabilities	
Accounts Payable	210,350
Current Royalties Payable	162,041
Ad Val Taxes Payable	10,951
Property Taxes Payable	20,000
Other Current Liabilities	-
Total Current Liabilities	403,342
Plan Claims	
Class 1: Priority Claims	-
Class 2: Secured Tax Claims	1,067,000
Class 3: AgWest Secured Claim	-
Class 4: Prosperity Secured Claims	-
Class 5: Halliburton Secured Claim	500,000
Class 6a: Royalty Claims	2,868,000
Class 6b: Working Interest Claims	100,000
Class 7: Unsecured Claims	5,607,000
Class 8: Convenience Claims	-
Class 9a: AmeriCredit Claims	74,621
Class 9b: Ford Motor Secured Claims	38,479
Class 10: SBA Secured Claim	2,173,702
Accrued Plan Interest	40,920
Total Plan Claims	12,469,722
Other Non-Current Liabilities	
Exit Financing	-
P&A Liability	13,990,000
Total Other Current Liabilities	13,990,000
Total Liabilities	26,863,064
Equity	
Capital Contributions	(19,466,000)
Distributions	-
Net Income	(64,527)
Retained Earnings	-
Total Equity	(19,530,527)
Total Liabilities & Equity	7,332,538

Balance Sheet

Balance Sheet						
Assets						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Current Assets						
Cash	\$ 141,204	\$ 5,519	\$ (40,032)	\$ (252,401)	\$ 100,000	
Accounts Receivable	710,778	707,498	704,519	698,023	688,795	
Creditor Escrow	-	5,208,901	4,455,841	3,681,443	-	
Total Current Assets	\$ 851,982	\$ 5,921,919	\$ 5,120,328	\$ 4,127,065	\$ 788,795	
Long Term Assets						
Oil & Gas Wells	\$ 6,017,000	\$ 6,257,000	\$ 6,497,000	\$ 6,797,000	\$ 7,097,000	
Ranches	-	-	-	-	-	
Other PP&E	-	-	-	-	-	
P5 Bond	-	-	-	-	-	
ExTex Promissory Note	500,000	250,000	-	-	-	
Total Long Term Assets	\$ 6,517,000	\$ 6,507,000	\$ 6,497,000	\$ 6,797,000	\$ 7,097,000	
Total Assets	\$ 7,368,982	\$ 12,428,919	\$ 11,617,328	\$ 10,924,065	\$ 7,885,795	
Liabilities & Equity						
	Year 1	Year 2	Year 3	Year 4	Year 5	
Current Liabilities						
Accounts Payable	\$ 235,089	\$ 237,589	\$ 237,589	\$ 240,089	\$ 240,089	
Current Royalties Payable	274,651	274,168	273,831	271,875	268,868	
Ad Val Taxes Payable	116,745	112,089	112,000	110,717	109,368	
Property Taxes Payable	-	-	-	-	-	
Other Current Liabilities	-	-	-	-	-	
Total Current Liabilities	\$ 626,485	\$ 623,846	\$ 623,421	\$ 622,681	\$ 618,326	
Plan Claims						
Class 1: Priority Claims	\$ -	\$ -	\$ -	\$ -	\$ -	
Class 2: Secured Tax Claims	960,300	746,900	533,500	320,100	-	
Class 3: AgWest Secured Claim	-	-	-	-	-	
Class 4: Prosperity Secured Claims	-	-	-	-	-	
Class 5: Halliburton Secured Claim	400,000	200,000	-	-	-	
Class 6a: Royalty Claims	2,758,954	2,446,800	2,133,981	1,823,164	-	
Class 6b: Working Interest Claims	96,198	85,314	74,407	63,569	-	
Class 7: Unsecured Claims	5,207,000	4,607,000	4,007,000	3,407,000	-	
Class 8: Convenience Claims	-	-	-	-	-	
Class 9a: AmeriCredit Claims	58,723	39,751	18,916	-	-	
Class 9b: Ford Motor Secured Claims	20,936	-	-	-	-	
Class 10: SBA Secured Claim	2,060,424	1,936,848	1,813,272	1,689,696	1,566,120	
Accrued Plan Interest	464,263	871,498	1,216,197	1,496,033	(213,400)	
Total Plan Claims	\$ 12,026,798	\$ 10,934,110	\$ 9,797,273	\$ 8,799,562	\$ 1,352,720	
Non-Current Liabilities						
Exit Financing	\$ -	\$ -	\$ -	\$ -	\$ 4,144,925	
P&A Liability	13,880,000	13,700,000	13,460,000	13,220,000	12,980,000	
Total Non-Current Liabilities	\$ 13,880,000	\$ 13,700,000	\$ 13,460,000	\$ 13,220,000	\$ 17,124,925	
Total Liabilities	\$ 26,533,283	\$ 25,257,957	\$ 23,880,694	\$ 22,642,242	\$ 19,095,971	
Equity						
Capital Contributions	\$ (19,466,000)	\$ (19,466,000)	\$ (19,466,000)	\$ (19,466,000)	\$ (19,466,000)	
Distributions	-	-	-	-	-	
Net Income	327,730	341,897	379,868	354,957	327,423	
Retained Earnings	(26,031)	6,295,066	6,822,767	7,392,866	7,928,401	
Total Equity	\$ (19,164,301)	\$ (12,829,038)	\$ (12,263,366)	\$ (11,718,177)	\$ (11,210,176)	
Total Liabilities & Equity	\$ 7,368,982	\$ 12,428,919	\$ 11,617,328	\$ 10,924,065	\$ 7,885,795	

Cash Flow Statement

Statement of Cash Flows					
	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Flow From Operations					
Net Income	\$ 301,699	\$ 6,335,263	\$ 565,672	\$ 545,189	\$ 508,001
Plus: Depreciation & Amortization & Other Non Ca	-	-	-	-	-
+/-) Δ Accounts Receivable	(24,778)	3,280	2,979	6,496	9,228
+/-) Δ Creditor Escrow	-	(5,208,901)	753,060	774,398	3,681,443
+/-) Δ Accounts Payable	51,834	(2,156)	(88)	1,216	(1,349)
+/-) Δ Royalties Payable	156,651	(483)	(337)	(1,956)	(3,006)
+/-) Δ Property Taxes Payable	-	-	-	-	-
+/-) Δ Other Current Liabilities	-	-	-	-	-
Less: Class 1: Priority Claims	-	-	-	-	-
Less: Class 2: Secured Tax Claims	(106,700)	(213,400)	(213,400)	(213,400)	(320,100)
Less: Class 3: AgWest Secured Claim	-	-	-	-	-
Less: Class 4: Prosperity Secured Claims	-	-	-	-	-
Less: Class 5: Halliburton Secured Claim	(100,000)	(200,000)	(200,000)	-	-
Less: Class 6a: Royalty Claims	(109,046)	(312,154)	(312,818)	(310,817)	(1,823,164)
Less: Class 6b: Working Interest Claims	(3,802)	(10,884)	(10,907)	(10,837)	(63,569)
Less: Class 7: Unsecured Claims	(400,000)	(600,000)	(600,000)	(600,000)	(3,407,000)
Less: Class 8: Convenience Claims	(27,000)	-	-	-	-
Less: Class 9a: AmeriCredit Claims	(17,277)	(18,972)	(20,835)	(18,916)	-
Less: Class 9b: Ford Motor Secured Claims	(19,064)	(20,936)	-	-	-
Less: Class 10: SBA Secured Claim	(123,576)	(123,576)	(123,576)	(123,576)	(123,576)
+/-) Δ Accrued Plan Interest	464,263	407,235	344,699	279,836	(1,709,433)
+/-) Gain / (Loss) on Sale of Assets	-	-	-	-	-
Operating Cash Flow	\$ 43,204	\$ 34,316	\$ 184,448	\$ 327,631	\$ (3,252,524)
Cash Flow From Investments					
Oil & Gas Wells	\$ (180,000)	\$ (240,000)	\$ (240,000)	\$ (300,000)	\$ (300,000)
P&A Capex	(120,000)	(180,000)	(240,000)	(240,000)	(240,000)
Other Investments	-	-	-	-	-
ExTex Note	250,000	250,000	250,000	-	-
+/-) Gain / (Loss) on Sale of Assets	-	-	-	-	-
Total Cash Flow From Investments	\$ (50,000)	\$ (170,000)	\$ (230,000)	\$ (540,000)	\$ (540,000)
Cash Flow From Financing					
Exit Financing	\$ -	\$ -	\$ -	\$ -	\$ 4,144,925
Contributed Capital	-	-	-	-	-
Distributions	-	-	-	-	-
Total Cash Provided by Financing	\$ -	\$ -	\$ -	\$ -	\$ 4,144,925
Net Change in Cash	\$ (6,796)	\$ (135,684)	\$ (45,552)	\$ (212,369)	\$ 352,401

Liquidation Analysis

THE DEBTORS MAKE NO REPRESENTATIONS OR WARRANTIES REGARDING THE ACCURACY OF THE ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN, OR A CHAPTER 7 TRUSTEE'S ABILITY TO ACHIEVE FORECASTED RESULTS. IF THE CHAPTER 11 CASES ARE CONVERTED TO A CHAPTER 7 LIQUIDATION, ACTUAL RESULTS COULD VARY MATERIALLY FROM THE ESTIMATES AND PROJECTIONS SET FORTH IN THIS LIQUIDATION ANALYSIS.

1) Introduction

Scanrock Oil and Gas, Inc. and its affiliated debtors and debtors-in-possession in these chapter 11 proceedings jointly administered under Case Number: 25-90001 (MXM) (collectively, the "Debtors"), with the assistance of their restructuring, legal and financial advisors, have prepared this hypothetical liquidation analysis (this "Liquidation Analysis") in connection with the Plan¹ and Disclosure Statement. This analysis is provided to assist parties-in-interest in evaluating whether the Plan satisfies the requirements of section 1129(a)(7) of the Bankruptcy Code, also referred to as the "best interests of creditors" test. This test requires that each holder of an impaired Allowed Claim or interest must either:

- i) accept the Plan; or
- ii) receive or retain value, as of the Effective Date, that is not less than the amount that such holder would receive if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

To substantiate these findings, the Bankruptcy Court must:

- i) estimate the cash proceeds (the "Liquidation Proceeds") a chapter 7 trustee (the "Trustee") would generate if each Debtor's Chapter 11 Case was converted to a chapter 7 case on the Effective Date and the assets of such Debtor's Estate were liquidated;
- ii) determine the distribution (the "Liquidation Distribution") each holder of a Claim or interest would receive from the Liquidation Proceeds under the priority scheme dictated in chapter 7 of the Bankruptcy Code; and
- iii) compare each holder's Liquidation Distribution to the distribution that such holder would receive under the Plan if the Plan were confirmed and consummated.

Accordingly, asset values discussed herein may be different than the amounts referred to in the Plan.

2) Process and Assumption Overview

This Liquidation Analysis was prepared by the Debtors, with the assistance of their restructuring, legal, and financial advisors, and assumes that the Debtors would be liquidated in jointly administered chapter 7 cases on a consolidated basis. The analysis has been prepared assuming that the Debtors' Chapter 11 Cases are converted to chapter 7 cases on or about August 31, 2025 (the "Conversion Date"). The Debtors

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Amended Joint Consolidated Plan of Reorganization of Scanrock Oil and Gas and its Debtor affiliates (the "Plan").

have assumed that the liquidation would occur over an approximately six-month wind-down period to sell substantially all of the Debtors' assets, monetize and collect receivables and other assets on the pro forma balance sheet, and administer and wind down the Debtors' Estates (the date after such six-month wind-down period, the "Liquidation Date"). Except as otherwise noted, this Liquidation Analysis is based on the Debtors' forecasted unaudited pro forma, consolidated balance sheets as of August 31, 2025, which values are assumed to be representative of the Debtors' assets and liabilities as of the Conversion Date. Any projected balance sheet amounts presented in this Liquidation Analysis are intended to be a proxy for actual balances on the Liquidation Date. In addition, this Liquidation Analysis incorporates certain adjustments to account for the effects of the chapter 7 liquidation process, including post-conversion operating cash flow, costs of winding down the Debtors' Estates, employee-related costs, and professional and Trustee fees.

It is assumed that, on the Conversion Date, the Bankruptcy Court would appoint a Trustee who would sell the assets of the Debtors' Estates and distribute the cash proceeds, net of liquidation related costs and expenses, to creditors in accordance with the Bankruptcy Code and applicable non-bankruptcy law. To maximize recovery in an expedited process, the Trustee's initial step would be to develop a liquidation plan to generate proceeds from the sale of the Debtors' assets for distribution to creditors. It is assumed the appointed Trustee will retain attorneys and other advisors.

This analysis assumes a six-month wind-down period following the Conversion Date to allow the Trustee a reasonable amount of time to consummate a sale or sales of the assets. Assets are assumed to be marketed on an accelerated timeline with all asset sales contemplated to occur within the six-month wind-down period. Asset values in the liquidation process are assumed to be driven by, among other things:

- the accelerated time frame in which the assets are marketed and sold;
- the potential loss of key personnel;
- current forward strip commodity prices;
- negative customer and vendor reactions; and
- the general forced nature of the sale.

The cessation of business in a liquidation is likely to trigger certain claims that otherwise would not exist under a chapter 11 plan of reorganization. These claims include, among others, employee claims (such as severance claims or claims arising under the Worker Adjustment and Retraining Act of 1988), new bonding or letters of credit for plugging and abandonment liabilities, litigation claims, and damages arising from the rejection of certain Executory Contracts and Unexpired Leases that are not assumed by a purchaser. Such claims may be material, and certain claims may be entitled to administrative or priority payment status. Any such priority or administrative claims would be paid in full from the Liquidation Proceeds before proceeds would be allocated to the next claim classes in strict priority in accordance with section 726 of the Bankruptcy Code

No recovery or related litigation costs have been attributed to any potential avoidance actions under the Bankruptcy Code, including potential preference or fraudulent transfer actions due to, among other issues, the cost of such litigation, the uncertainty of the outcome, and anticipated disputes regarding these matters. Additionally, this Liquidation Analysis does not include estimates for federal, state, or other local tax consequences that may be triggered upon the liquidation and sale of assets. Such tax consequences may be material.

3) Distribution of Net Proceeds to Claimants

Any available net Liquidation Proceeds would be allocated to holders of Claims and interests in strict priority in accordance with section 726 of the Bankruptcy Code. Please note that the Claims below are in no particular liquidation order and are not listed out in accordance with the absolute priority rule.

- Liquidation Adjustments – Includes estimated fees owed to the U.S. Trustee and Clerk of the Bankruptcy Court, wind-down costs (including Trustee fees) and certain professional/broker fees;
- Priority Claims – Professional Fee Carve-Out Claims;
- Secured Tax Claims – Includes Claims of a Governmental Unit for the payment of *ad valorem* real property and business personal property taxes that is secured by property of the Debtors or the Estates;
- AgWest Secured Claim – Includes all Claims against the Oregon Ranch and the Oregon Debtors. Recoveries shown in the Waterfall analysis are assumed to cover only the Claim amount and do not represent the Debtors' expectations regarding market value;
- Prosperity Bank Secured Claim – Includes all Claims, rights, and interests of Prosperity Bank against the Debtors and their property, including against the Oregon Ranch, the Llano Ranch, and the property of the Oil and Gas Debtors. Recoveries shown in the Waterfall analysis are assumed to cover only the Claim amount and do not represent the Debtors' expectations regarding market value;
- Halliburton Secured Claim – Includes Chapter 56 material liens asserted by Halliburton in Claim 26 against the property of the Oil and Gas Debtors, to the extent of value of such property under section 506(a) of the Bankruptcy Code and without giving effect to any marshalling doctrine as against any other secured claims and liens against the same;
- Royalty Claims – Includes Claims for unpaid oil and gas royalties from any of the Debtors as of the Petition Date, but expressly excludes any suspense royalties and resulting suspense funds. Royalty Claims have been combined with Working Interest Claims for the purposes of the waterfall analysis, as the Debtors have not yet conducted a separate analysis to distinguish between the two claimants;
- Working Interest Claims – Includes Claims for any unpaid share of oil and gas revenues on account of any working interest ownership from any of the Debtors as of the Petition Date, but expressly excludes any suspense royalties or revenues and resulting suspense funds. Working Interest Claims have been combined with Royalty Claims for the purposes of the waterfall analysis, as the Debtors have not yet conducted a separate analysis to distinguish between the two claimants;
- Unsecured Claims – Includes estimated Claims arising from the Debtors' unsecured funded debt, prepetition trade claims, contract rejection claims, certain litigation claims, and estimated intercompany claims (and includes various Convenience Claims as proposed under the Debtors' Chapter 11 Plan of Reorganization);
- Convenience Claims – Includes all Unsecured Claims asserted in an amount of \$500.00 or less. These Claims have been allocated among other classes for purposes of the waterfall analysis, including Secured Tax Claims, Royalty Claims, Working Interest Claims and Unsecured Claims;
- AmeriCredit Financial Services Secured Claim – Includes Claims, rights, and interests of AmeriCredit Financial Services against the Debtors and Estates, and all property of the Debtors and Estates, including as against that certain 2023 Chevrolet Silverado 3500HD and that certain 2023 Chevrolet Silverado 1500. Recoveries shown in the Waterfall analysis are assumed to cover only the Claim amount. Any incremental value or deficiency amounts are considered immaterial;
- Ford Motor Credit Secured Claim – Includes all Claims, rights, and interests of Ford Motor Credit against the Debtors and Estates, and all property of the Debtors and Estates, including as against that certain 2024 Ford F-250. Recoveries shown in the Waterfall analysis are assumed to cover only the

Claim amount. Any incremental value or deficiency amounts are considered immaterial;

- SBA Secured Claim – Includes secured claim amounts reflected in Claim Number 129; and
- Equity Interests – Includes estimated Equity Interests in the Debtors and scheduled amounts owed to or Claimed by insiders.

The assumed distributions to creditors as reflected in this Liquidation Analysis are estimated in accordance with the absolute priority rule, pursuant to which no junior creditor will receive any distribution until all senior creditors are paid in full, and no equity holder will receive any distribution until all creditors are paid in full.

4) Conclusion

The determination of proceeds from a hypothetical liquidation as described herein is an uncertain process involving the extensive use of estimates and assumptions, which, while considered reasonable by the Debtors and the Debtors' advisors, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtors.

This Liquidation Analysis was prepared before the deadline for filing Proofs of Claim against the Debtors' Estates, and thus the Debtors have not had an opportunity to fully evaluate all potential Claims against the Debtors or to adjudicate such Claims before the Bankruptcy Court. Accordingly, the amount of Allowed Claims against the Debtors' Estates may differ from the Claim amounts used in this Liquidation Analysis. Additionally, asset values discussed herein may be different than amounts referred to in the Plan, given that the Plan presumes the reorganization of the Debtors' assets and liabilities under chapter 11 of the Bankruptcy Code.

As summarized in the table below, the Debtors have determined pursuant to this Liquidation Analysis that upon the Effective Date, the Plan will provide all creditors and equity holders with a recovery (if any) that is not less than what they would otherwise receive pursuant to a liquidation of the Debtors under chapter 7 of the Bankruptcy Code, and thus believe the Plan satisfies the requirement of 1129(a)(7) of the Bankruptcy Code.

SUMMARY OF EXPECTED MIDPOINT RECOVERIES - USD \$000S

Class and Claim / Equity Interest	Projected Claims	Plan Recovery	Projected Liquidation Recovery
Class 1: Priority Claims	\$3,308	100%	100%
Class 2: Secured Tax Claims	\$1,069	100%	100%
Class 3: AgWest Secured Claim	\$10,924	100%	100%
Class 4: Prosperity Secured Claims	\$51,101	100%	100%
Class 5: Halliburton Secured Claim	\$602	100%	100%
Class 6(a), 6(b): Royalty and Working Interest Claims	\$2,985	100%	68%
Class 7: Unsecured Claims	\$6,597	100%	0%
Class 8: Convenience Claims	\$0	100%	N/A
Class 9(a): AmeriCredit Financial Services Secured Claim	\$76	100%	100%
Class 9(b): Ford Motor Credit Secured Claim	\$40	100%	100%
Class 10: SBA Secured Claim	\$1,287	100%	100%
Class 11: Equity Interests	\$5,079	100%	0%

The following table summarizes this Liquidation Analysis for the aggregated Debtor entities. This Liquidation Analysis should be reviewed with the accompanying "Specific Notes to this Liquidation Analysis" set forth on the following pages.

Scanrock Oil and Gas, Inc., et al., - Liquidation Analysis

USD \$000s

Gross Liquidation Proceeds										
Liquidated Balance Sheet	Notes	Assets			Estimated Recovery - %			Estimated Liquidation Value		
		8/31/2025	Adjs.	Proforma	Low	Mid	High	Low	Mid	High
Cash & Cash Equivalents (Exc. Fee Escrow)	[A]	\$ 148	\$ -	\$ 148	100%	100%	100%	\$ 148	\$ 148	\$ 148
Production Receivable - Plains (Net of Royalties)	[B]	268	-	268	85%	90%	95%	228	241	255
Note Receivable - ExTex	[C]	750	-	750	80%	90%	100%	600	675	750
Oil & Gas Properties (Excl. P&A)	[D]	18,604	-	18,604	50%	75%	100%	9,302	13,953	18,604
Less: Present Value of P&A Obligations	[E]	(14,319)	-	(14,319)	N/A	N/A	N/A	(8,387)	(8,387)	(8,387)
"Big R" Gas Plant (Excl. Compressors)	[F]	13,000	-	13,000	8%	10%	12%	1,040	1,300	1,560
Compressors ("Big R" Only)	[G]	1,900	-	1,900	50%	70%	85%	950	1,330	1,615
Other Property, Plant and Equipment	[H,I]	500	-	500	10%	15%	20%	50	75	100
Total Assets		\$ 20,851	\$ -	\$ 20,851	19%	45%	70%	\$ 3,931	\$ 9,335	\$ 14,644
Other		\$ -	\$ -	\$ -	0%	0%	0%	\$ -	\$ -	\$ -
Total Assets (Including P&A) Available for Distribution		\$ 20,851	\$ -	\$ 20,851	19%	45%	70%	\$ 3,931	\$ 9,335	\$ 14,644
Chapter 7 Liquidation Adjustments										
Less: Chapter 7 Trustee Fees	[J]							\$ (168)	\$ (330)	\$ (489)
Less: Chapter 7 Professional and Broker Fees	[K]							\$ (277)	\$ (716)	\$ (1,145)
Total Chapter 7 Liquidation Adjustments								\$ (445)	\$ (1,046)	\$ (1,634)
Net Estimated Proceeds from Oil and Gas Liquidation Available for Distribution								\$ 3,485	\$ 8,289	\$ 13,010
Other Asset Sales (Ranches and Vehicles)								\$ 62,142	\$ 62,142	\$ 62,142
Total Net Liquidation Proceeds Available for Distribution								\$ 65,627	\$ 70,431	\$ 75,152

Claims and Recoveries										
USD \$000s										
		Total Estimated Claim			Total Recovery %			Total Recovery - \$		
		Low	Mid	High	Low	Mid	High	Low	Mid	High
<u>Superpriority and Structurally Senior Claims (Class 1):</u>										
Professional Fee Carve-Out Claims	[M]	\$ 3,308	\$ 3,308	\$ 3,308	100%	100%	100%	\$ 3,308	\$ 3,308	\$ 3,308
Total Superpriority and Structurally Senior Claims		\$ 3,308	\$ 3,308	\$ 3,308	100%	100%	100%	\$ 3,308	\$ 3,308	\$ 3,308
Remaining Distributable Value after Superpriority Claims								\$ 178	\$ 4,982	\$ 9,703
<u>Secured Tax Claims (Class 2):</u>										
Secured Tax Claims	[N]	\$ 1,069	\$ 1,069	\$ 1,069	17%	100%	100%	\$ 178	\$ 1,069	\$ 1,069
Total Secured Tax Claims		\$ 1,069	\$ 1,069	\$ 1,069	17%	100%	100%	\$ 178	\$ 1,069	\$ 1,069
Remaining Distributable Value after Secured Tax Claims								\$ -	\$ 3,913	\$ 8,634
<u>Secured Claims (Class 3)</u>										
AgWest Secured Claim	[O]	\$ 10,924	\$ 10,924	\$ 10,924	100%	100%	100%	\$ 10,924	\$ 10,924	\$ 10,924
Total AgWest Secured Claim		\$ 10,924	\$ 10,924	\$ 10,924	100%	100%	100%	\$ 10,924	\$ 10,924	\$ 10,924
Remaining Distributable Value after AgWest Secured Claim								\$ -	\$ -	\$ -
<u>Secured Claims (Class 4)</u>										
Prosperity Bank Secured Claims	[P]	\$ 51,101	\$ 51,101	\$ 51,101	100%	100%	100%	\$ 51,101	\$ 51,101	\$ 51,101
Total Prosperity Bank Secured Claims		\$ 51,101	\$ 51,101	\$ 51,101	100%	100%	100%	\$ 51,101	\$ 51,101	\$ 51,101
Remaining Distributable Value after Prosperity Bank Secured Claims								\$ -	\$ -	\$ -
<u>Secured Claim (Class 5)</u>										
Halliburton Secured Claim	[Q]	\$ 602	\$ 602	\$ 602	0%	100%	100%	\$ -	\$ 602	\$ 602
Total Halliburton Secured Claim		\$ 602	\$ 602	\$ 602	0%	100%	100%	\$ -	\$ 602	\$ 602
Remaining Distributable Value after Halliburton Secured Claims								\$ -	\$ 3,312	\$ 8,033
<u>Royalty and Working Interest Claims (Class 6a, 6b)</u>										
Royalty Claims	[R,S]	\$ 2,985	\$ 2,985	\$ 2,985	0%	68%	100%	\$ -	\$ 2,025	\$ 2,985
Total Royalty Claims		\$ 2,985	\$ 2,985	\$ 2,985	0%	68%	100%	\$ -	\$ 2,025	\$ 2,985
Remaining Distributable Value after Royalty & Working Interest Claims								\$ -	\$ -	\$ 3,761
<u>Unsecured Claims (Class 7)</u>										
Unsecured Claims	[T]	\$ 6,597	\$ 6,597	\$ 6,597	0%	0%	57%	\$ -	\$ -	\$ 3,761
Total Unsecured Claims		\$ 6,597	\$ 6,597	\$ 6,597	0%	0%	57%	\$ -	\$ -	\$ 3,761
Remaining Distributable Value after Unsecured Claims								\$ -	\$ -	\$ -
<u>Convenience Claims (Class 8)</u>										
Convenience Claims (reallocated to other classes)	[U]	\$ -	\$ -	\$ -	N/A	N/A	N/A	\$ -	\$ -	\$ -
Total Convenience Claims		\$ -	\$ -	\$ -	N/A	N/A	N/A	\$ -	\$ -	\$ -
Remaining Distributable Value after Convenience Claims								\$ -	\$ -	\$ -
<u>AmeriCredit Financial Services Secured Claim (Class 9a)</u>										
AmeriCredit Secured Claim	[V]	\$ 76	\$ 76	\$ 76	100%	100%	100%	\$ 76	\$ 76	\$ 76
Total AmeriCredit Secured Claim		\$ 76	\$ 76	\$ 76	100%	100%	100%	\$ 76	\$ 76	\$ 76
Remaining Distributable Value after AmeriCredit Claim								\$ -	\$ -	\$ -
<u>Ford Motor Credit Secured Claim (Class 9b)</u>										
Ford Motor Credit Secured Claim	[W]	\$ 40	\$ 40	\$ 40	100%	100%	100%	\$ 40	\$ 40	\$ 40
Total Ford Motor Credit Secured Claim		\$ 40	\$ 40	\$ 40	100%	100%	100%	\$ 40	\$ 40	\$ 40
Remaining Distributable Value after Ford Motor Credit Claim								\$ -	\$ -	\$ -
<u>SBA Secured Claim (Class 10)</u>										
SBA Secured Claim	[X]	\$ 1,287	\$ 1,287	\$ 1,287	0%	100%	100%	\$ -	\$ 1,287	\$ 1,287
Total SBA Secured Claim		\$ 1,287	\$ 1,287	\$ 1,287	0%	100%	100%	\$ -	\$ 1,287	\$ 1,287
Remaining Distributable Value after SBA Secured Claim								\$ -	\$ 2,025	\$ 6,746
<u>Equity Interests (Class 11)</u>										
Equity Interests	[Y]	\$ 5,079	\$ 5,079	\$ 5,079	0%	0%	0%	\$ -	\$ -	\$ -
Total Equity Interests		\$ 5,079	\$ 5,079	\$ 5,079	0%	0%	0%	\$ -	\$ -	\$ -
Total Claims / Total Recovery		\$ 83,067	\$ 83,067	\$ 83,067	79%	85%	90%	\$ 65,627	\$ 70,431	\$ 75,152

SPECIFIC NOTES TO THE LIQUIDATION ANALYSIS

Liquidation Proceeds

Gross Liquidation Proceeds

- A. Cash and Cash Equivalents: Cash is a pro forma cash estimate as of the Conversion Date. All projected cash and equivalents on hand are considered to be 100% recoverable.
- B. Production Receivable – Plains (Net of Royalties): Includes proceeds from oil and gas production, along with other receivables related to joint interest billing partners and miscellaneous receivables. Accounts receivable is primarily comprised of oil and gas production receipts, which are expected to have a relatively high overall recovery.
- A/R – Production – Production amounts are assumed to be highly collectible based on the counterparty credit quality and payment history. Receipts are related to the sale of produced oil, natural gas, and natural gas liquids, typically due within 20 to 30 days of receipt. Outstanding receipts are assumed to be recoverable at a recovery range of 100% of book value, however a recovery range of 85% to 95% is utilized based on the estimated nature of the production from both operated and non-operated interests.
- C. Note Receivable – ExTex: In June 2024, the Debtor sold certain producing oil and gas assets to ExTex for total consideration of \$1,000,000. The sale was structured with four deferred equal annual payments of \$250,000 each, beginning on March 1, 2025, and with a final payment on March 1, 2028. As of the Effective Date, three payments remained outstanding. ExTex is expected to make the annual payments over the next three years. The estimated recovery range on the note receivable is between 80% and 100% of its book value.
- D. Oil and Gas Properties (Excluding P&A): This Liquidation Analysis assumes that the Trustee sells or otherwise monetizes the reserves and associated equipment owned by the Debtors, in logical regional or geological packages, or on a piecemeal basis. The estimated values realized for such assets reflect, among other things, the following factors:
- long-term supply and demand fundamentals for oil and natural gas;
 - projected oil and natural gas prices;
 - production and operating performance for each asset;
 - operating and maintenance costs for each asset; and
 - capital and environmental expenditure requirements.
- The liquidation value for the Debtors' reserves is based on a monthly multiple of current monthly operating cash flows, which is typical for asset sales of smaller conventional asset packages. In the context of a liquidation, due to the appointment of a Trustee and the Debtors' assumed insufficient liquidity and access to capital to maintain, develop, or expand production and future reserves, sale values of oil and gas assets will be depressed and would likely result in a valuation discount relative to "fair value." The Liquidation Analysis assumes an estimated range of gross liquidation proceeds from oil and gas property between approximately \$9.3 million to \$18.6 million, comprised of substantially all of its assets in West Texas and in East Texas. The analysis assumes a net recovery range of 50% to 100% of the estimated value for such assets.
- E. Plugging and Abandonment Obligations: The company holds operated interests in 513 oil and gas wells across Texas. Currently, it is estimated that only 180 wells are actively producing, while approximately 333 are offline. The average working interest in these wells is approximately 92%.

To comply with Texas Railroad Commission (RRC) regulations, the offline wells will need to be properly plugged and abandoned. The RRC allows for a phased abandonment plan, and we have assumed a 10+ year schedule with an equal number of wells plugged each month.

The RRC currently estimates plugging costs at approximately \$11 per linear vertical foot. Given an average total vertical depth (TVD) of just over 4,249 feet per well, the average cost to plug and abandon each well is estimated at ~\$43,000 (assuming the Debtors' average working interest of ~92%). For all 333 offline wells, the total projected cost amounts to approximately \$14.3 million. This analysis assumes that all of the wells that are currently shut-in (333) need to be plugged and abandoned and would be done at a pace of 2.5 per month for 134 months.

Assuming this cost is incurred evenly over 134 months and discounted at a 10% annual rate, the net present value (NPV) of the plugging liability is approximately negative \$8.4 million.

- F. "Big R" Gas Plant (Excluding Compressors): The Big R Gas plant is a sour gas processing plant located to the east of Corsicana, Texas. The plant was constructed around 2011 for a total cost of approximately \$13.0 million. The plant was designed to treat sour gas from nearby producing Smackover wells by removing hydrogen sulfide (H₂S) and other impurities from the produced gas to make the produced gas pipeline quality, as well as to extract natural gas liquids.

Due to its relatively small processing capacity of ~12 MMcf/d, and the absence of nearby third-party operators and production, the plant currently has limited alternative uses. As a result, it is unlikely to be repurposed and would most likely be sold for scrap value. Although studies conducted in the vicinity have indicated the potential for lithium production that could be processed through the facility, no value was ascribed to this in the Liquidation Analysis. The Liquidation Analysis assumes a potential net recovery value ranging from 8% to 12% of the plant's estimated value.

- G. Compressors ("Big R" Only): The Oil and Gas Debtors own five natural gas compressors with horsepower ranging from 200 HP to 1,340 HP that are currently deployed at the Big R Gas Plant and at the Smackover treating plant. In a liquidation scenario, only the three compressors at the Big R Gas Plant would be sold, as the others would remain in use for ongoing operations. These compression assets are in demand in the secondary market, with estimated recovery values ranging from 50% to 85% of their estimated value.
- H. Henderson Processing Unit: Assumed sold with the Smackover production units. The 20-acre parcel of land where the Henderson Unit is located could require environmental remediation in the future.
- I. Other Property, Plant and Equipment: Primarily represents land, buildings, vehicles, and field and related production equipment. Liquidated assets have been depreciated according to accounting policies by the Debtors, and in a liquidation would be expected to be sold at a further discount. As a result, Other PP&E assets are assumed to have a recovery in the range of 10-20% of the estimated value.

Chapter 7 Liquidation Adjustments

- J. Chapter 7 Trustee Fees: This would be limited to the fee guidelines in Section 326(a) of the Bankruptcy code. The Debtors assumed that a \$50,000 trustee fee is initially funded and the trustee is also compensated at 3.0% of gross liquidation proceeds.
- K. Chapter 7 Professional and Broker Fees: This includes the estimated cost for advisors, attorneys and other professionals retained by the Chapter 7 trustee. In the Liquidation Analysis, Chapter 7 professional fees are estimated to range from ~\$0.3 million to ~\$1.1 million. These fees are applied on a pro-rata basis across debtor entities based on the estimated Liquidation Proceeds available to each

estate. However, this amount can fluctuate based on length and complexity of wind-down process and could be substantially greater than the amounts assumed herein.

- L. Other Asset Sales (Ranches and Vehicles): Pursuant to cash collateral negotiations and the Debtors' proposed plan, certain assets are required to be listed for sale and transact if a minimum reserve price is met (the "Sale Metrics"). These specific values are confidential and filed under seal. Recoveries shown in the Liquidation Analysis are assumed to cover only the claim amount and do not represent the Debtors' expectations regarding market value, nor are they a representation of any Sale Metrics. This is for illustrative purposes and only highlights that the underlying assets securing various loans (i.e. AgWest, Prosperity, Ford and AmeriCredit), if liquidated, would satisfy the individual claims in full.

Recovery Analysis

Any available net proceeds would be allocated to the applicable creditors and equity holders in strict priority in accordance with section 726 of the Bankruptcy Code. The Classes below are in no particular liquidation order and not listed out in accordance with the absolute priority rule:

M. Priority Claims (Class 1)

- The Cash Collateral Orders grants superpriority status to Chapter 11 Priority Claims incurred prior to notice of conversion to a Chapter 7 liquidation for each professional retained by the court pursuant to sections 327, 328, or 363 of the Bankruptcy Code. The Liquidation Analysis assumes \$3.3 million in priority carve-out Claims at the Conversion Date. Implied liquidation proceeds to claimants are estimated to be \$3.3 million, representing a 100% recovery on Priority Claims.

N. Secured Tax Claims (Class 2)

- Secured Tax Claims are a Claim of a Governmental Unit for the payment of *ad valorem* real property and business personal property taxes that is secured by property of the Debtors or the Estates arising prior to the Petition Date even if first payable after the Petition Date related to the Oregon Ranch, the Llano Ranch and the Oil and Gas Debtors. The Liquidation Analysis assumes that the outstanding Secured Tax Claims are approximately \$1.1 million at the Conversion Date. Implied liquidation proceeds to claimants are estimated to be between \$0.2 million and \$1.1 million, representing a 17% to 100% recovery on Secured Tax Claims.

O. AgWest Secured Claim (Class 3)

- The Liquidation Analysis assumes that the outstanding AgWest Secured Claim against the Oregon Ranch is approximately \$10.9 million at the Conversion Date. The liquidation proceeds to the claimant are estimated to be \$10.9 million, representing a 100% recovery on the AgWest Secured Claim.

P. Prosperity Bank Secured Claims (Class 4)

- The Liquidation Analysis assumes that the outstanding Prosperity Bank Secured Claims are approximately \$51.1 million at the Conversion Date. The liquidation proceeds to the claimant are estimated to be \$51.1 million, representing a 100% recovery on the Prosperity Bank Secured Claim.

Q. Halliburton Secured Claim (Class 5)

- The Halliburton Secured Claim includes Chapter 56 material liens asserted by Halliburton

in Claim 26 against the property of the Oil and Gas Debtors. The Liquidation Analysis assumes that the Halliburton Secured Claim is approximately \$0.6 million at the Conversion Date. Implied liquidation proceeds to claimant are estimated to be between \$0.0 million and \$0.6 million, representing 0% to 100% recovery on the Halliburton Secured Claim.

R. Royalty Claims (Class 6a)

- The Liquidation Analysis assumes approximately \$3.0 million combined of Royalty Claims (Class 6a) and Working Interest Claims (Class 6b) at the Conversion Date. Implied liquidation proceeds to claimants are estimated to be between \$0.0 million and \$3.0 million, representing 0% to 100% recovery on the Class 6a and Class 6b Claims.

S. Working Interest Claims (Class 6b)

- The Liquidation Analysis assumes approximately \$3.0 million combined of Royalty Claims (Class 6a) and Working Interest Claims (Class 6b) at the Conversion Date. Implied liquidation proceeds to claimants are estimated to be between \$0.0 million and \$3.0 million, representing 0% to 100% recovery on the Class 6a and Class 6b Claims.

T. Unsecured Claims (Class 7)

- The Liquidation Analysis assumes approximately \$6.6 million Unsecured Claims at the Conversion Date. Implied liquidation proceeds to claimants are estimated to be between \$0.0 million and \$3.8 million, representing 0% to 57% recovery on the Class 7 Claims.

U. Convenience Claims (Class 8)

- Convenience Claims are shown for illustrative purposes only and would not apply under a chapter 7 liquidation.

V. AmeriCredit Financial Services Secured Claim (Class 9a)

- The Class 9(a) AmeriCredit Financial Services Secured Claim represents all Claims, rights, and interests of AmeriCredit Financial Services against the Debtors and Estates, and all property of the Debtors and Estates, including as against that certain 2023 Chevrolet Silverado 3500HD and that certain 2023 Chevrolet Silverado 1500. The Liquidation Analysis assumes approximately \$76,000 of AmeriCredit Secured Claims and that there would be a full 100% recovery for the Class 9(a) Claim. Recoveries shown in the Waterfall analysis are assumed to cover only the Claim amount. Any incremental value or deficiency amounts are considered immaterial.

W. Ford Motor Credit Secured Claim (Class 9b)

- The Class 9(b) Ford Motor Credit Secured Claim represents all Claims, rights, and interests of Ford Motor Credit against the Debtors and Estates, and all property of the Debtors and Estates, including as against that certain 2024 Ford F-250. The Liquidation Analysis assumes approximately \$40,000 of Ford Motor Credit Secured Claims and that there would be a full 100% recovery for the Class 9(b) Claim. Recoveries shown in the Waterfall analysis are assumed to cover only the Claim amount. Any incremental value or deficiency amounts are considered immaterial.

X. SBA Secured Claim (Class 10)

- The Class 10 Claim includes secured claim amounts reflected in Claim Number 129. The Liquidation Analysis assumes approximately \$1.3 million of an SBA Secured Claim at the

Conversion Date. \$0.9 million of Claim Number 129 is allocated to the Unsecured Claims class. Implied liquidation proceeds to claimants are estimated to be between \$0.0 million and \$1.3 million, representing 0% to 100% recovery on the Class 10 Claim.

Y. Equity Interests (Class 11)

- Class 11 represents all Equity Interests in any of the Debtors and scheduled amounts owed to or claimed by insiders. The Liquidation Analysis assumes approximately \$5.1 million of Equity Interests at the Conversion Date and assumes that there would be no recovery for Class 11 Claims.

EXHIBIT E

Legal Description – Llano Ranch Parcel 1

817 +/- acres out of - W RABB ABST #624 3.012 AC, H W Karnes ABST #444 655.324 AC, M MOSS ABST #501, 381.927 AC, H W Karnes ABST #444 0.500 AC, J B Mattingly ABST #497 233.501 AC, M MOSS ABST #501 340.136 AC, J B Mattingly ABST #497 125.114 AC

