

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS
EASTERN DIVISION

| | | |
|--------------------------------|---|--------------------------|
| In re: |) | |
| |) | |
| |) | Chapter 11 |
| BUCKINGHAM OIL INTERESTS, INC. |) | |
| |) | Case No.: 15-13441 (JNF) |
| |) | |
| Debtor. |) | |
| |) | |

**MOTION TO CONTINUE HEARING ON TRUSTEE’S MOTION
FOR AN ORDER AUTHORIZING SALE AND
REQUEST FOR STATUS CONFERENCE IN LIEU THEREOF**

EMERGENCY DETERMINATION REQUESTED

Charles A. Dale III, the duly appointed Chapter 11 trustee for the bankruptcy estate of the above-captioned debtor (the “Chapter 11 Trustee”) hereby moves for a order treating the hearing presently scheduled for Monday, October 26, 2015 at 1:30 pm as a status conference and continuing his *Motion of Chapter 11 Trustee for an Order (A) Authorizing Sale of Interests in Oil and Gas Properties Free and Clear of Liens, Claims, Encumbrances, and Interests by Internet Auction Mechanism; (B) Authorizing Assumption and Assignment of Certain Executory Contracts in Connection Therewith; (C) Scheduling a Sale Hearing and Post-Auction Hearing; and (D) Granting Other Related Relief* (the “Sale Motion”) to a date later in the week. The Chapter 11 Trustee further requests that the Court consider this motion on an emergency basis as the hearing is scheduled to be held in less than three days. If granted, the Chapter 11 Trustee will give immediate notice by phone, email, and/or fax to those interested parties who objected to the Sale Motion, as discussed further below.

PRELIMINARY STATEMENT

The Chapter 11 Trustee has reached an agreement in principle with the Debtor’s major investors (as defined below, the “Investor Parties”) concerning a plan of reorganization and post-petition financing (“DIP financing”). Prior to Monday, October 26, the Chapter 11 Trustee

intends to file papers seeking approval of DIP financing and a Plan Support Agreement, as well as supplementing the Sale Motion to identify the assumption of certain executory contracts. In light of these developments, the Chapter 11 Trustee is seeking a brief adjournment of the hearing on the Sale Motion to later in the week and holding a status conference on Monday October 26, 2015 in lieu thereof. In further support of this motion, the Chapter 11 Trustee respectfully states as follows:

1. On September 1, 2015 (the “Petition Date”), Buckingham Oil Interests, Inc. (the “Debtor”) filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code (the “Chapter 11 Case”) in this Court.
2. On September 15, 2015, the Court entered an order approving the appointment of the Chapter 11 Trustee. [Docket No. 19].
3. On September 22, 2015, the Chapter 11 Trustee filed the Sale Motion.¹ [Docket No. 35].
4. By his Sale Motion, the Chapter 11 Trustee sought authority (i) to sell the Debtor’s oil and gas interests free and clear of all liens, claims, and encumbrances; and (ii) subject to satisfaction of the Cure Amounts, to assume and assign certain executory contracts in connection therewith, particularly the joint operating agreements and any ancillary agreements related to the particular prospect.
5. Since filing the Sale Motion in late September, the Chapter 11 Trustee has engaged in discussions with parties who collectively hold the majority of the investments in the Debtor’s legacy programs and current oil and gas exploration and production, including: Dennis L. O’Neill, Wild Cast Orchard, LLC, and Wild Cat Orchard XII, LLC; the Ad Hoc Committee of Oil Well Interest Holders of the Years 2012, 2013, and 2014; Tom H. Delimitros dba Delventec

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Sale Motion.

Investments; LS Buckingham Program, L.P., LS Buckingham/W North L.P., ACH 2012 Buckingham, L.P., VCA Buckingham, LLC, Sawmill Flats, LLC, and Sentinel Peak, LLC (collectively, the “Investor Parties”). Specifically, the Chapter 11 Trustee and the Investor Parties have settled on an alternative strategy to disposing of the Debtor’s assets other than through the Sale Motion and on terms of DIP financing necessary to accomplish that objective.

6. The Chapter 11 Trustee’s discussions with the Investor Parties have led to an agreement, in principle, by which the Investor Parties would support and financially “back stop” a plan of reorganization. In connection therewith, the Chapter 11 Trustee is preparing to file papers requesting approval of DIP financing and a Plan Support Agreement, and the authority to assume certain executory contracts.

7. In light of these developments, the Chapter 11 Trustee believes that it is in the best interests of the estate and all parties to briefly adjourn the hearing on the Sale Motion to a date later in the week of October 26, 2015. Such adjournment will allow the Chapter 11 Trustee and the Investor Parties additional time to finalize the necessary pleadings. The Chapter 11 Trustee respectfully asks that the Court hold a status conference in place of the hearing on the Sale Motion.

8. If granted, the Chapter 11 Trustee will give immediate notice by phone, email, and/or fax to those parties who objected to the Sale Motion. Further, to assist those parties in determining whether or not they may need to attend Monday’s requested status conference and/or the continued hearing on the Sale Motion, the Chapter 11 Trustee has attached hereto as **Exhibit A** a summary of the formal and informal objections to the proposed Cure Amounts (the “Cure Objections”) and as **Exhibit B** a schedule of formal and informal objections to the sale (the “Sale Objections”). The referenced exhibits state the Chapter 11 Trustee’s position on each Cure Objection and Sale Objection, and in certain instances, indicate that the particular asset is not being sold or that the particular objection is not contested.

REQUEST FOR EMERGENCY DETERMINATION

9. Pursuant to MLBR 9013-1(g), the Chapter 11 Trustee requests that the Court consider this motion on an emergency basis.

10. The hearing on the Sale Motion is presently scheduled for October 26, 2015 at 1:30 pm, a date which is three days from the date of the filing of the present motion.

11. If the Court grants the relief requested herein, the Chapter 11 Trustee will immediately notify the interested parties by phone, email, and/or fax of the conversion of the October 26th hearing to a status conference and the date for the continued hearing.

Notice

12. Notice of this Motion has been given to (i) the Office of the United States Trustee for the District of Massachusetts, (ii) counsel for the Debtor, (iii) counsel to First Financial Bank, N.A., (iv) the creditors holding the twenty (20) largest claims against the Debtor's estate,² (v) the Investor Parties, and (vi) any other parties requesting notice. The Chapter 11 Trustee submits that, given the nature of the relief requested, no other or further notice of the relief requested is necessary.

No Prior Request

13. No previous request for the relief sought herein has been made to this or any other Court.

² On September 17, 2015, the Chapter 11 Trustee filed a List of Top 20 Unsecured Creditors [Docket No. 23]. In addition to the creditors on such list, the Chapter 11 Trustee will continue to serve certain additional parties who had been previously considered by Debtor's counsel for potential inclusion thereon.

WHEREFORE, the Chapter 11 Trustee respectfully requests that this Court enter an order continuing the hearing on the Sale Motion to a date later in the week of October 26, 2015, scheduling a status conference on Monday in lieu thereof, and granting the Chapter 11 Trustee such other and further relief as is just and proper.

Dated: October 23, 2015

Respectfully submitted,

CHARLES A. DALE III,
CHAPTER 11 TRUSTEE

By his counsel,

/s/ David A. Mawhinney

Mackenzie L. Shea (BBO No. 666241)
David A. Mawhinney (BBO No. 681737)
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Counsel to the Chapter 11 Trustee

CURE OBJECTIONS TRACKER

| No. | Prospect/Property Name | Operator | Objecting Party Attorney | Cure Objection (Formal or Informal) | Proposed Cure Amount | Asserted Cure Amount |
|-----|------------------------|----------------------------------|---|---|----------------------|----------------------|
| 17 | Coolangatta Prospect | Aurora Resources & Wandoo Energy | Aurora Resources Corporation Ron Simank Schauer & Simank, P.C. 615 N. Upper Broadway, Suite 700 Corpus Christi, TX 78401 (361) 884-2800 rsimank@cctxlaw.com | Formal [Docket No. 206] [see Tab 1] | \$169,875.01 | \$380,244.18 |
| 41 | La Capilla Prospect | Aurora Resources | Aurora Resources Corporation Ron Simank Schauer & Simank, P.C. 615 N. Upper Broadway, Suite 700 Corpus Christi, TX 78401 (361) 884-2800 rsimank@cctxlaw.com | Formal [Docket No. 206] [see Tab 1] | \$0.00 | \$19,000.00 |
| 5 | Barbers Hill Prospect | Knight Resources | Houston Energy LP Andrew A. Braun Gieger, Laborde & Laperouse LLC Suite 4800 - One Shell Square 701 Poydras Street New Orleans, LA 70139-4800 (504) 561-0400 abraun@glllaw.com | Formal [Docket No. 209] [see Tab 2] | \$298,133.50 | \$1,513.11 |
| 6 | Bayou St. Charles | CL&F Operating | Houston Energy LP Andrew A. Braun Gieger, Laborde & Laperouse LLC Suite 4800 - One Shell Square 701 Poydras Street New Orleans, LA 70139-4800 (504) 561-0400 abraun@glllaw.com | Formal [Docket No. 209] [see Tab 2] | \$70,000.00 | \$31,407.13 |

CURE OBJECTIONS TRACKER

| No. | Prospect/Property Name | Operator | Objecting Party Attorney | Cure Objection (Formal or Informal) | Proposed Cure Amount | Asserted Cure Amount |
|-----|---|----------------------|--|---|----------------------|----------------------|
| 23 | East Toro Prospect | LLOX, LLC | LLOX, LLC Michael D. Rubenstein Liskow & Lewis 1001 Fannin Street, Suite 1800 Houston, TX 77002 mdrubenstein@liskow.com (713) 651-2953 | Formal [Docket No. 211] [see Tab 3] | \$137,402.96 | \$209,393.51 |
| 65 | Pens Prospect | Magna Operating | LLOX, LLC Michael D. Rubenstein Liskow & Lewis 1001 Fannin Street, Suite 1800 Houston, TX 77002 mdrubenstein@liskow.com (713) 651-2953 | Formal [Docket No. 211] [see Tab 3] | \$0.00 | \$28,659.50 |
| UNK | Black Point East Prospect | N/A | Envy Energy LLC Ari Kogut (832) 515-8973 ari@envyenergyllc.com | Formal [Docket Nos. 224 and 226] [see Tab 4] | \$0.00 | \$41,586.69 |
| 12 | Blue Marsh Prospect - Well: Hayegood No. 1 | Seely Oil Company | Seely Oil Company | Informal [see Tab 5] | \$0.00 | \$26,472.84 |
| 82 | Split River Prospect (San Jac & Lazy M & WX deep) | GeoPetra Energy, LLC | GeoPetra Energy c/o John Girgis 5605 N. MacArthur Blvd, Suite 720 Irving, TX 75038 Tel: (972) 887-3600 x 310 Cell: (214) 207-5554 | Informal [see Tab 8] | \$243,642.00 | \$383,450.38 |

| Objecting Party | Sale Objection (Formal or Informal) | Objection/Request | Trustee's Response |
|---|--|---|--|
| <p>Louisiana Department of Natural Resources c/o Ryan M. Seidmann Assistant Attorney General Section Chief, Lands & Natural Resources Civil Division Louisiana Department of Justice P.O. Box 94005 Baton Rouge, LA 70804-9005 seidmannr@ag.state.la.us (222) 326-6085</p> | <p>Formal [Docket No. 162] [see Tab A]</p> | <p>The Department requests that the Court either deny the Sale Motion with respect to any leases and operating agreements that cover land owned by the State of Louisiana, or limit these transfers so as to comply with the applicable Louisiana statutory laws that govern these assignments.</p> | <p>The Trustee's landman confirms that none of the Debtor's leases or operating agreements cover land owned by the state of Louisiana.</p> |
| <p>Lucas Petroleum Group, Inc. c/o Stephen A. Roberts Strasburger & Price, LLP 720 Brazos, Suite 700 Austin, TX 78701 stephen.roberts@strasburger.com (512) 499-3624</p> | <p>Formal [Docket No. 192] [see Tab B]</p> | <p>Trustee should not be authorized to assume or assign the Phelan Prospect Participation Agreement or any contract relating to the Phelan Prospect in Jefferson County, Texas.</p> <p>Lucas Petroleum has rights to conduct oil and gas exploration and development operations on certain oil and gas leases in Jefferson County and prepared a participation agreement in what is known as the "Phelan Prospect." The Debtor never executed or delivered the Participation Agreement or paid the required prospect fee to participate.</p> <p>The Cure Schedule identifies the Phelan Prospect as #68 and Aurora Resources Corporation as the operator. Aurora Resources is not involved in the Phelan Prospect in any capacity. The Cure Schedule does not identify Lucas, its participation agreement, or any contracts. The Debtor has no contracts with Lucas.</p> <p>Alternatively, any contracts relating to the Phelan Prospect are not executory contracts, but rather, incidents of ownership of real property which run with the land.</p> <p>The Trustee failed to give proper notice of the contracts relating to the Phelan Prospect that he intends to assume and failed to give proper notice to the other counterparties to the contracts relating to the Phelan Prospect other than Lucas.</p> | <p>The Debtor agrees that it has no interest in the Phelan Prospect (#68). The Debtor will abandon its interests in this prospect.</p> |
| <p>Aurora Resources Corporation Ron Simank Schauer & Simank, P.C. 615 N. Upper Broadway, Suite 700 Corpus Christi, TX 78401 (361) 884-2800 rsimank@cctxlaw.com</p> | <p>Formal [Docket No. 208] and Informal [see Tabs C and K]</p> | <p>To the extent that Aurora holds an allowed secured claim it asserts its rights to credit bid. If an agreed cure amount is established for both prospects, Aurora should not have to demonstrate its ability to pay the full purchase price, because a component of that price would be the cure owed to Aurora.</p> <p>Sale Motion only requires bidders to show proof of ability to purchase and does not require adequate assurance of future performance.</p> <p>Finally, the auction process is vague: (1) does not indicate whether prospects will be sold individually or in batches; (2) whether auction will be open or sealed; (3) whether there will be minimum bids; (4) whether the auction will be with reserve; (5) whether credit bids will be allowed; and (6) who is responsible for payment of cure post-acquisition.</p> | <p>(1) Both the Coolangatta (#17) and La Capilla (#41) Prospects are being assumed in connection with the proposed DIP financing. (2) The Trustee will pay the cure associated with these two prospects in connection therewith. (3) If the cure amount is still in dispute, the Trustee will seek to consensually resolve it prior to the continued hearing on the Sale Motion.</p> |
| <p>Houston Energy LP Andrew A. Braun Gieger, Laborde & Laperouse LLC Suite 4800 - One Shell Square 701 Poydras Street New Orleans, LA 70139-4800 (504) 561-0400 abraun@glllaw.com</p> | <p>Formal [Docket No. 209] [see Tab D]</p> | <p>Trustee has failed to clearly indicate which agreements he is seeking to assume and assign. Trustee has not provided proper notice of the proposed assumption and assignment to all counterparties. Trustee has failed to provide adequate assurance of future performance.</p> | <p>(1) Barbers Hill Prospect (#5) is being assumed in connection with the proposed DIP financing. (2) Bayou St. Charles (#6) may be assumed in connection with the proposed separate facility for wildcat drilling. (3) The Trustee will pay the cure associated with these two prospects in connection therewith. (4) If the cure amount is still in dispute, the Trustee will resolve it prior to the continued hearing on the Sale Motion.</p> |

| Objecting Party | Sale Objection (Formal or Informal) | Objection/Request | Trustee's Response |
|---|--|--|---|
| <p>LLOX, LLC Michael D. Rubenstein Liskow & Lewis 1001 Fannin Street, Suite 1800 Houston, TX 77002 mdrubenstein@liskow.com (713) 651-2953</p> | <p>Formal [Docket No. 211] [see Tab E]</p> | <p>LLOX has a security interest in the Debtor's interests in oil and gas leases and oil and gas interest by virtue of both Louisiana law and the JOAs.</p> <p>Trustee has not provided adequate assurance of future performance.</p> <p>Trustee cannot sell free and clear of LLOX's statutory lien pursuant to Section 363(f). LLOX does not object to the sale insofar as its lien shall attach to the proceeds of any sale. To the extent that language is removed from the final order, however, LLOX would object.</p> <p>Trustee has incorrectly identified Magna Operating as the counter-party; LLOX is the actual counter-party.</p> | <p>(1) East Toro (#23) is being assumed in connection with the proposed DIP financing. (2) Pens Prospect (#65) may be assumed in connection with the proposed separate facility for wildcat drilling. (3) The Trustee will pay the cure associated with these two prospects in connection therewith. (4) If the cure amount is still in dispute, the Trustee will seek to consensually resolve it prior to the continued hearing on the Sale Motion.</p> |
| <p>Emerald Bay Exploration c/o Aldo Dyer (361) 882-2202 aldo.dyer@gmail.com</p> <p>Local Counsel: Michael J. Fencer, Esq. Jager Smith P.C. One Financial Center Boston, MA 02111 (617) 951-0500 mfencer@jagersmith.com</p> | <p>Formal [Docket No. 214] and Informal [see Tabs F and L]</p> | <p>Remove from list of assets for sale.</p> <p>Great Harbor Prospect, No. 36. Buckingham considered but did not consummate the acquisition of a participation interest and, therefore, there is nothing to assume, assign, and sell. Even if the Trustee could produce an option contract, it expired by its own terms on September 3rd. Moreover, the Trustee has not provided adequate assurance of future performance.</p> <p>Parkway Prospect No. 64. The prospect is no longer operational and, consequently, there was no executory contract to assume on the petition date.</p> | <p>The Debtor agrees that it has no interest in the Great Harbor Prospect (#36) and the Parkway Prospect (#64). The Debtor will abandon its interests in these prospects.</p> |
| <p>Whitehead Properties, Inc. Keri L. Wintle Duane Morris LLP 100 High Street, Suite 2400 Boston, MA 02110 (857) 488-4226 KLWintle@duanemorris.com</p> | <p>Formal [Docket No. 223] [see Tab G]</p> | <p>Whitehead Properties entered into lease with Jeffrey Brown, granting him a working interest. Whitehead retained a royalty interest of 18.75% of either the market value of all oil and gas produced and saved or 18.75% of the gross proceeds realized from the sale of 100% of the oil and gas sold. Brown assigned a portion of his working interest to the Debtor. In 2009, Whitehead and Paint Rock entered into an option agreement to add additional land to the lease.</p> <p>Whitehead holds title to both the surface estate and the mineral estate of the lease premises, and all of the leasing rights thereto, in addition to the Royalty Interest. The Debtor holds an overriding royalty interest of .00520875% and a working interest of .492% under the Assignment, which is subject to Whitehead's Royalty Interest.</p> <p>This Royalty Interest runs with the land and the Trustee cannot sell "free and clear" of said Interest pursuant to Section 363(f).</p> <p>Should court authorize sale of Whitehead's objection, Whitehead request that sale be conditioned on provided adequate protection for Royalty Interest under Section 363(e) and adequate assurance of future performance.</p> | <p>The Trustee is adjourning the Sale Motion, except as to prospects being assumed in connection with the proposed DIP financing or the separate facility for wildcat drilling. At such time as the Trustee seeks to sell the Debtor's working interest in this prospect, it will be subject to any valid perfected encumbrances that run with the land.</p> |
| <p>Envy Energy LLC Ari Kogut (832) 515-8973 ari@envyenergyllc.com</p> | <p>Formal [Docket Nos. 224 and 226] [see Tab H]</p> | <p>The Debtor agreed to acquire a 5% interest in the Black Point East Prospect located in Nevada for \$80,000. The Debtor only paid \$40,000.00. Envy now seeks to terminate the agreement to purchase the working interest.</p> | <p>It is not yet known whether the Black Point East prospect will be included for assumption in the proposed DIP financing or separate facility for wildcat drilling or in the continued sale. If it is, and if any cure amount is due, the Trustee will seek to consensually resolve such amount prior to the continued hearing on the Sale Motion.</p> |

| Objecting Party | Sale Objection (Formal or Informal) | Objection/Request | Trustee's Response |
|--|--|--|--|
| Railroad Commission of Texas Terrie Hammett Enforcement Section P.O. Box 12967 Austin, TX 78711-2967 Phone (512) 463-6351 Fax (512) 463-6684 terrie.hammett@rrc.texas.gov | Informal [see Tab I] | <p>Proposed language in 363 motion/363 sale order: "Except for those entities purchasing only a working interest, the Purchaser - except to the extent the Purchaser is already the P-4 operator of record with respect to the properties being sold - shall assume (i) the debtor's plugging and abandonment liabilities and (ii) other obligations under Texas law (including those owed to the Railroad Commission of Texas) with respect to the property being purchased. In order to further memorialize that obligation, the parties to the transaction shall, within 10 business days of the entry of the order approving the sale, execute two-signature P-4 forms (Certificate of Compliance and Transport Authority) satisfactory to the Railroad Commission of Texas and comply with all other applicable rules and statutes. Nothing in the order approving the sale relieves the bankruptcy estate(s) from any existing liability, as an operator, unless and until that liability is formally assumed by the filing of a P-4 acceptable to the Railroad Commission of Texas."</p> <p>Proposed language in any bid procedures motions and order: "Notwithstanding any other provision in these bidding procedures and order approving these bidding procedures, nothing in these bidding procedures or order approving these bidding procedures shall relieve the purchaser from complying with all applicable rules and regulations of the Railroad Commission of Texas."</p> | (1) The Debtor owns a working interest in most prospects and does not itself operate any of the identified wells. (2) In addition, the Trustee will be adjourning the Sale Motion as it pertains to 5 of the 6 noted prospects. The Debtor's working interests in those prospects will be sold at a later date. |
| Seeley Oil Company c/o Roger T. Neely Albert, Neely & Kuhlmann, LLP 1200 Oil & Gas Building 309 West Seventh Street Fort Worth, TX 76102 | Informal [see Tab J] | <p>Seeley Oil Company ("Seeley") is the operator of the South Call Area Prospect and the Blue Marsh Prospect. Seeley requests that the data on the Debtor's schedules and the data on EnergyNet.com, Inc.'s site regarding Buckingham's interests in the South Call Area and the Blue Marsh Prospect reflecting the following information included in its facsimile to the Chapter 11 Trustee dated October 14, 2015. A summary of that information is below:</p> <p>Blue Marsh Prospect (Prospect No. 13) The Blue Marsh Prospect contains the Hayegood No. 1 Well, which Buckingham elected not to participate in the completion of. Accordingly, it is Seeley's position that Buckingham owns no interest in the Hayegood well. Buckingham owns an undivided 20% working interest (15% net revenue interest) before "Payout" and a 15% working interest (11.25% net revenue interest) after "Payout" in the undeveloped 53 acres covered by the lease. Moreover, the underlying lease between Seeley and BP America Production Company dated April 28, 2014 has a primary term of 18 months and it set to expire "very soon."</p> <p>According to Seeley's records, Buckingham owed \$26,472.84 for unpaid Hayegood No. 1 Well drilling costs, which were incurred before its election not to participate in the completion of the well. Seeley intends to file a proof of claim for Buckingham's share of unpaid drilling costs.</p> <p>South Call Area (Prospect No. 82) The South Call Area is composed of two (2) separate sub-areas, "Blackstone Acreage" consisting of 304 acres, and "Hankamer Acreage" consisting of 180 acres. Because Buckingham declined to participate in the drilling of Hankamer No. 1 well, Seeley takes the position that Buckingham forfeited its interest in all of the Hankamer Acreage. Accordingly, Seeley's position is as follows: Buckingham owns an undivided 30% working interest (22.5% net revenue interest) before "Payout" and an undivided 22.5% working interest (16.875% net revenue interest) after "Payout" in (i) the Blackstone No. 1 Well and 40-acre production unit and (ii) the 264 undeveloped acres of the Blackstone Acreage. Buckingham has no interest in the Hankamer No. 1 Well or any of the Hankamer Acreage.</p> | (1) The Blue Marsh Prospect (#12) is being assumed in connection with the proposed separate facility for wildcat drilling. (2) The South Call Prospect (#81) is being assumed in connection with the proposed DIP financing. (3) The Trustee will pay the cure associated with these two prospects in connection therewith. (4) If the cure amount is still in dispute, the Trustee will seek to consensually resolve it prior to the continued hearing on the Sale Motion. |
| Eastern Shelf Exploration, LLC c/o Edward H. (Ned) Dillon 9405 Crowley Road, Suite C Fort Worth, TX 76134 (325) 453-7455 | Informal [see Tab L] | The Debtor has no interest in the First Choice and Rushing prospects identified on its cure schedule. | The Trustee is working to confirm the precise nature of Debtor's interest, if any, in these prospects. It is not yet known whether the Black Point East prospect will be included for assumption in the proposed DIP financing or separate facility for wildcat drilling or in the continued sale. If it is, and if any cure amount is due, the Trustee will seek to consensually resolve such amount prior to the continued hearing on the Sale Motion. |

| Objecting Party | Sale Objection (Formal or Informal) | Objection/Request | Trustee's Response |
|---|--|-----------------------------------|--|
| Termo Company c/o Cliff Conlke (916) 646-9010 | Informal; telephone [see Tab N] | South Call Area (Prospect No. 82) | The Debtor agrees that it has no interest in the West Mountain View Prospect (#93).The Debtor will abandon its interests in this prospect. |