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

IN RE:	§	
	§	
ADVANTAGE ENERGY JOINT VENTURE,	§	**Case No. 17-34469**
	§	
	§	**CHAPTER 11**
Debtor.	§	
	§	

LORETTA CROSS, CHAPTER 11 TRUSTEE OF ADVANTAGE ENERGY JOINT VENTURE'S MOTION FOR ORDER APPROVING (I) LETTER OF INTENT AND PURCHASER PROTECTION PROVISIONS, (II) SALE PROCEDURE AND FORM OF NOTICE, (III) CERTAIN BID PROTECTIONS, AND (IV) CONSENT TO SALE OF ASSETS SUBJECT TO MASTER LEASE

Pursuant to Local Bankruptcy Rule 9013:

> **THIS MOTION SEEKS ENTRY OF AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE YOU MUST FILE A RESPONSEAND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU.AND SEND A COPY TO THE MOVING PARTY. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.**
>
> **REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.**

TO THE HONORABLE JEFF BOHM, UNITED STATES BANKRUPTCY JUDGE:

Loretta Cross, as chapter 11 Trustee (the "Trustee") of the estate of Advantage Energy Joint Venture ("AEJV" or "Debtor"), hereby files this Motion For Order Approving (i) Letter of Intent and Purchaser Protection Provisions, (ii) Sale Procedure and Form of Notice, (iii) Certain

Bid Protections and (iv) Consent to Sale of Assets under Master Lease (the "LOI Approval Motion"). In support thereof, the Trustee states:

I. STATEMENT OF JURISDICTION AND VENUE

1. This Court has jurisdiction over this case and this motion pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157 (b)(2)(A), (D), (M) and (O).

2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

II. INTRODUCTION

3. On, July 26, 2017 (the "Filing Date"), an involuntary petition under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") was filed against the above-captioned debtor (the "Debtor"). Debtor's chapter 11 case is pending before the United States Bankruptcy Court for the Southern District of Texas, Houston Division.

4. On September 21, 2017, the Court denied the Application to dismiss the involuntary petition and thereafter entered an order for relief. On September 26, 2017, Loretta R. Cross was appointed as Chapter 11 Trustee of the Debtor's estate (the "Trustee").

5. No Committee of Unsecured Creditors has been appointed.

III. BACKGROUND

6. On November 10, 2017 AEJV filed an adversary complaint against Advanced Energy Capital, LLC ("AEC") Adv. No. 17-03444 (dkt 122 in 17-34469 and dkt 1 in 17-03444).

7. On February 1, 2018, the complaint was amended (dkt 12) to add Green Bank, N.A. ("Green Bank").

8. On February 16, 2018, the Court entered an Agreed Judgment (Dkt 17) between AEJV, AEC and Green Bank. The Judgment entered stated:

I. To the extent that they were not already the acts of the Debtor, the actions by AEC in connection with the financing and sale-leaseback of the Assets are imputed to the Debtor as if executed in the name of the Debtor. The Assets, including, without limitation, those items listed on **Exhibit A** attached thereto (other than any item on Exhibit A next to which is an hand-marked asterisk[1]) and made a part hereof for all purposes, together with all of the AEC's rights under the Master Lease[2] and Lease Assignments (collectively, the "Contract Rights") are property of the Debtor's estate pursuant to 11 U.S.C. §541. Notwithstanding anything in this order to the contrary, as between AEC and Green Bank, nothing in this order shall modify the rights of Green Bank, if any, to look to AEC for payment of the Green Bank indebtedness, and, further, nothing in this order shall modify the rights of AEC, if any, to defend any such collection attempt by Green Bank.

II. AEC shall immediately execute assignments substantially in the form attached as **Exhibit B** thereto for the Assets, and thereafter AEC shall have no ownership interest in the Assets. Notwithstanding anything in the foregoing to the contrary, nothing herein shall prevent the Trustee from declining acceptance of a particular assignment and instead releasing the Asset to any lender or other entity who asserts a collateral interest in the Asset.

III. As between AEC and AEJV, to the extent not already otherwise the case, upon entry of this order, all of AEC's rights and obligations in the Contract Rights shall be the exclusive rights and exclusive obligations of the Debtor, including, without limitation, as to the contracts identified on **Exhibit C thereto**, and nothing herein shall release or otherwise effect the rights and obligations, if any, of RRCS.

IV. If and to the extent Green Bank or any other creditor of the Debtor or of AEC asserts a security interest in or lien on the Assets, such lien or security interest shall not be affected by this Agreed Judgment and Order and shall remain in full force and effect—without regard to whether such creditor possessing a security interest or lien is a creditor of the debtor or of AEC or of both.

V. The indebtedness that is the subject of Green Bank's assertion of security interests in the Green Bank Assets is and shall be indebtedness of the Debtor.

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[1] According to AEC's records, these items are not titled to AEC and AEC has no claim to them.

[2] For avoidance of doubt, the Assets include all property that is listed or should be listed in Part 8 of the Debtor's Schedules A/B, and the rights under the Equipment Master Lease identified in Schedule G, Section 2.1.

VI. AEC has no ownership interest (for itself, for AEJV, or for anyone else) in the equipment listed on the **Exhibit D**; attached thereto thus, by signature of its counsel, AEC disclaims any ownership interest in the equipment listed on **Exhibit D**.

9. In summary, the Debtor is the lessor of certain assets (i.e., compressors and generators) to Red River Compression Services ("Red River") pursuant to the Master Lease, as amended (the "Master Lease"). Red River is in default under the Master Lease and has not been making the required payments for many months due to its poor financial performance. The Debtor's estate has no other business operations.

IV. SALE MOTION

10. Red River has spent months marketing the assets. Since Red River has possession of the assets and is operating a business with the assets, it made sense for Red River to seek an industry buyer. Red River approached several potential buyers. The Trustee and Red River have received several letters of intent for the purchase of the Debtor's assets. The Trustee believes that the Letter of Intent from RW Bayfront, LLC, together with Amendment thereto (the "LOI") for the purchase of assets of the Debtor (the "Assets"), a true and correct copy of which is attached hereto as **Exhibit "1",** is the highest and best offer presented at this time. The LOI further describes the Assets being sold.

11. The LOI attached hereto as **Exhibit "1"** is the product of arms-length negotiations undertaken by the parties in good faith.

12. After receiving and analyzing the offer, the Trustee has chosen the Purchaser under the LOI as the "Stalking Horse" for the proposed auction sale.

13. The Trustee intends to advertise the sale of the "Assets", as that term is defined in the attached LOI. The method and modes of advertising are still under consideration, and the Trustee will accept all suggestions from the United States Trustee (the "UST") and equity

interest holders on appropriate advertising of the Assets for sale.

14. If one or more timely Qualified Bids are received, an auction for the Assets will be conducted by the Trustee or the estate's undersigned counsel on a date set by the Court in November, 2018, commencing at 10:00 a .m. Central Standard Time in Courtroom 600, located on the 6th Floor of the Bob Casey Federal Building, which is located at 515 Rusk Street, Houston, Texas 77002.

15. The purchase price being offered is $6,000,000.00 cash

16. The Assets shall be sold free and clear of all liens, claims and encumbrances under Section 363 of the Bankruptcy Code. The $6,000,000.00 in cash shall be used to pay (i) ad valorem taxes on the Assets, (ii) sales taxes due related to the previous rental of the Assets, and (iii) available to satisfy administrative claims. including the U.S. Trustee fees, the Trustee's fees and the fees of her professionals (together with a reserve for expected future fees and expenses expected to be incurred in connection with the case, and fees for counsel for Red River). The attached **Exhibit "2"** shows a Waterfall Analysis ("Waterfall Analysis") which estimates the foregoing costs (collectively, the "Administrative Claims Reserve"). The balance shall be paid to the secured lenders, Woodforest Bank and the assignee of Green Bank (or other lenders or owner) in the amount determined as stated on the Waterfall Analysis: The assignee of Green Bank has approved this transactions and has agreed to allow the Administrative Claim Reserve and to release any interest in those funds, except to the extent there may be any excess funds available, and the Trustee has requested that Woodforest agree as well.. The Assignee of Green Bank has agreed to the foregoing treatment, and the Trustee has requested that Woodforest agree as well. Any proceeds from unencumbered assets shall first be used to fund the Administrative Claim Reserve.

17. The relief requested by the Trustee in this Motion is in the best interests of the Debtor's estate.

IV. PROPOSED LOI AND RELIEF REQUESTED

18. The attached LOI provides, inter alia, as follows:

A. Terms The transaction contemplated by the LOI (the "Transaction") is the purchase by RW Bayfront of all of the Assets for a purchase price of Six Million and no/100 Dollars ($6,000,000.00), subject to the approval of the Bankruptcy Court and Red River Members and Managers as applicable.

B. Documentation, Financing and Due Diligence The Transaction is subject to the completion of due diligence to RW Bayfront's sole satisfaction and the execution of definitive agreement in a form acceptable to all parties. RW Bayfront's purchase of the Assets would be completed in accordance with the terms and conditions to be set forth in a definitive Asset Purchase Agreement (the "APA"), which shall be satisfactory in form and substance to RW Bayfront, Red River, AEJV and Red River's existing members and/or managers to the extent required. The APA shall be negotiated and signed prior to the expiration of ten (10) days after the conclusion of the Due Diligence Period (as defined below), and if no definitive agreement is reached, any of RW Bayfront, Red River and/or AEJV may terminate the Transaction.

C. Conditions to Closing Subject to the due diligence period and execution of the APA, the Transaction would close thirty days after approval by the Bankruptcy Court.

D. Access and Cooperation; Diligence For sixty (60) days (extended to seventy (70) days by the Amendment) from the date of execution of this Letter of Intent by AEJV (the "Due Diligence Period"), RW Bayfront and its representatives will have access to the Assets and books and records of Red River and AEJV in order to conduct due diligence. Execution of the APA and all due diligence shall be completed before AEJV is required to seek Bankruptcy Court approval of this Letter of Intent and the Transaction. The parties to this Letter shall cooperate and use their commercially reasonable efforts with respect to all steps required to undertake the due diligence and effect the Transaction. RW Bayfront understands that this Letter of Intent cannot, and does not, restrict the AEJV Chapter 11 Trustee's right to continue marketing the Assets or to respond to inquiries from other potential buyers.

E. Financing As a condition to AEJV seeking Bankruptcy Court approval of the Transaction[3], RW Bayfront shall have secured any required financing or funding necessary to close the Transaction and the Transaction shall not be subject to or conditioned on RW Bayfront's ability to obtain financing or otherwise acquire funds necessary to close the Transaction. The foregoing must be obtained

[3] Although this is a condition, the Trustee needs Court approval of the LOI and has thus filed this motion.

prior to the expiration of the Due Diligence Period.

F. Publicity and Confidentiality Other than as required by law and as set forth below, none of RW Bayfront, Red River, AEJV or the members and managers of Red River or their respective representatives will publicly disclose the existence of this Letter or make known any facts related to the proposed Transaction without the prior consent of (a) RW Bayfront (b) Red River, and (c) AEJV, except to such party's advisors and counsel, the AEJV Chapter 11 Trustee and her counsel and advisors, and AEJV creditors, lenders, equity interest owners, other potential purchasers, and their counsel and advisors, or, with respect only to RW Bayfront ,its representatives, advisors, counsel and potential financing sources. The parties acknowledge and agree that this Letter and the Transaction will be disclosed to the Bankruptcy Court acting in the Chapter 11 Case, and to the public on the Court's electronic filing system, which includes all of AEJV's creditors and equity interest owners. The LOI also contains a non-disclosure and confidentiality agreement as set forth therein.

G. Break Up Fee Until approved by the Bankruptcy Court acting in the Chapter 11 Case, the LOI is not binding in any way on AEJV. Moreover, at all times, the offer is subject to higher and better offers to be determined in the AEJV Chapter 11 Trustee's sole discretion with approval of the Bankruptcy Court. Subject to approval of the Bankruptcy Court acting in the Chapter 11 Case, the AEJV Trustee will seek Bankruptcy Court approval for AEJV to pay a breakup fee of $200,000 to RW Bayfront, if, and only if, (i) RW Bayfront is prepared to close the Transaction and is able to close the Transaction (i.e. funding secured) and the Trustee proceeds to sell the Assets to a higher and better bidder, and (ii) the Assets are actually sold to the higher and better bidder generating sufficient available net cash proceeds to pay the breakup fee.

H. <u>Bankruptcy Court Approval/Termination</u> Within twenty (20) days of execution of the LOI by RW Bayfront, Red River and AEJV, the AEJV Chapter 11 Trustee will file a motion with the Bankruptcy Court acting in the Chapter 11 Case to approve the LOI and to establish certain bidding procedures for the sale of the Assets. Such motion will also seek to sell the Assets to the highest and best bidder free and clear of all liens, claims and encumbrances pursuant to Section 363 of the Bankruptcy Code, together with approval of the AEJV Chapter 11 Trustee's consent to the sale of the Assets subject to the Master Lease. This Letter shall expire on the earlier of the date (a) which is seventy five (75) days from the date of acceptance of this Letter by Red River and AEJV; (b) the parties mutually agree in writing to terminate this Letter; (c) RW Bayfront notifies Red River and AEJV that RW Bayfront is no longer interested in the proposed Transaction if, and only if, such notification is given prior to the expiration of the Due Diligence Period; (d) the Bankruptcy Court has not approved the LOI prior to the expiration of fifteen days after the conclusion of the Due Diligence Period, or the Bankruptcy Court has not entered an order authorizing the sale within seventy five (75) days from the acceptance of this Letter. All parties acknowledge the aim of closing the transaction on or before November 1, 2018.

I. <u>Fees, Costs and Expenses</u> Each party thereto shall be responsible for its own costs and fees, including lawyers, accountants and advisors with regard to the Transaction, regardless of whether the Transaction closes. Red River and AEJV shall be responsible for their respective pro rata portion of ad valorem taxes through the date of closing.

J. <u>Escrow Deposit.</u> Following execution of the APA and no later than five (5) days before the commencement of the auction of the Assets, the Purchaser shall deposit the sum of $75,000 (the "Escrow Deposit") to be held by the Trustee pending closing of the Transaction, and the Escrow Deposit shall be non-refundable and forfeited to the Trustee if the Purchaser fails to close the Transaction, unless (i) the Trustee is unable to close the Transaction or the Bankruptcy Court does not approve the sale, or (ii) the Assets are sold and a Transaction is actually closed with an alternative higher and better bidder. Upon execution of the APA, the Purchaser shall deposit the sum of $75,000 (the “Escrow Deposit”) to be held by the Trustee pending closing of the Transaction, and the Escrow Deposit shall be non-refundable and forfeited to the Trustee if the Purchaser fails to close the Transaction, unless (i) the Trustee is unable to close the Transaction or the Bankruptcy Court does not approve the sale, or (ii) the Assets are sold and a Transaction is actually closed with an alternative higher and better bidder.

20. Once the LOI is approved, the Trustee intends to advertise the sale. The Trustee has proposed the Bid Procedures attached hereto as **Exhibit “3”** and would ask that the Court approve same so that such Bid Procedures can be made available to all interested buyers. If creditors or equity interest holders have suggested revisions to the Bid Procedures, the Trustee would be happy to consider same.

21. The Trustee requests that the Court approve the attached LOI, a copy of which is attached hereto as **Exhibit “1”**, including the Purchaser Protection Provisions described in paragraph 7 of the attached LOI (including, without limitation, the Break-Up Fee).

22. The Trustee further requests that she be authorized to enter into the attached LOI, which shall be binding on the Debtor’s estate in accordance with its terms. As provided in paragraph 7 of the LOI, the Break-Up Fee shall constitute administrative expenses of the Debtor’s estate if and when due.

23. The Trustee further requests that she be authorized and directed to pay the Break-Up Fee to the purchaser under the LOI in accordance with the provisions of LOI, without further

action or order of this Court. While the Break Up Fee is slightly more that 3% of the Transaction, the Trustee believes that the fee is reasonable and fair due to the relatively small size of the Transaction and the time and expense that the Purchaser will likely incur in connection with the Transaction.

24. The Trustee further requests that the Bid Procedures attached hereto as **Exhibit "3"** be approved for dissemination to all interested purchasers, and that all prospective purchasers be obligated to comply with the Bid Procedures.

25. Lastly, the Trustee requests that the Court approve the Administrative Claim Reserve and confirm that the secured lenders have released any interest in these funds so that the expenses can be paid, except to the extent there may be any excess funds after full payment of the admin claims.

26. The Trustee understands that the Purchaser under the LOI is not affiliated or related to AEJV or any insider of AEJV, however, the Trustee was advised that a principal of the purchaser, Frank Lytle and the Purchaser itself, may have been friends or clients of Robert Steelhammer, an insider of the Debtor, and Jim Gayle, a principal of Red River knows them as well.

V. SALES PROCEDURES

27. Pursuant to section 363 of the Bankruptcy Code, the Trustee seeks authority to sell the Assets to the highest and best bidder free and clear of all liens, claims and encumbrances, which bid shall be presented at a sale The Trustee seeks approval of the Waterfall Analysis and authorization to make disbursements in accordance with the Waterfall Analysis, including payment of taxes, and establishment of the Administrative Claims Reserve (free and clear of any lien, claim or interest). The Administrative Claims Reserve is in the best interest of the estate as

it will allow the Assets to be sold pursuant to an orderly chapter 11 process, which the Trustee believes will generate the best value for the Assets. In addition to possibly such costs being surchargeable under Section 506 of the Bankruptcy Code, the administrative claims need to be satisfied in order the confirm a plan or in order to achieve a consensual dismissal of the case. All of the professionals' efforts have benefitted the estate. Moreover, the assignee of Green Bank has consented to this relief and consent has been sought from Woodforest. The Trustee believes that the secured lenders understand that these costs were necessary to prosecute the chapter 11 case. Except for any possible deficiency claims or claims held by banks that hold guaranties from third parties, there are no other unsecured claims.

VII. CONSENT TO SALE OF ASSETS SUBJECT TO MASTER LEASE

28. The Trustee also requests authority to consent to the sale of the Assets subject to the Master Lease and to release any interest in the Assets so the sale can occur. Red River shall also convey any interest it may have against the Assets or under the Master Lease to the Purchaser at closing.

29. Trustee requests entry of an order approving this Motion in the form submitted with this Motion, which proposed order is made a part hereof for all purposes. The Trustee also request that the Court set a hearing to consider the sale motion contained herein.

WHEREFORE, Loretta Cross, the Trustee, requests entry of the Order uploaded with this Motion, and requests such other and further relief as is just.

Respectfully submitted,

/S/ Trent L. Rosenthal

Trent L. Rosenthal
Texas State Bar No. 17282300
Southern District ID No. No: 129
ROSENTHAL LAW FIRM, P.L.L.C.

675 Bering, Suite 150
Houston, Texas 77057
Telephone No. (713) 647-8177
Telecopy No. (713) 647-8127
Email: trosenthal@rosenthallaw.com

COUNSEL FOR THE TRUSTEE

CERTIFICATE OF SERVICE

The undersigned, an attorney, hereby certifies that a true and correct copy of the above and foregoing was served by the electronic case filing system and/or U.S. Mail, first class, postage prepaid, on September 21, 2018, on the parties listed on the attached Matrix, including the Debtor, its counsel, the U.S. Trustee, secured creditors, other scheduled creditors, the taxing authorities, and parties requesting notice by electronic case filing system.

/S/ Trent L. Rosenthal
Trent L. Rosenthal

EXHIBIT 1

RW BAYFRONT, LLC
558 West 6th Street
Erie, Pa 16507
814-455-2761

August 31, 2018

Red River Compression Services, LLC
Attn: Jim Gayle - CONFIDENTIAL
8300 FM 1960 West, Suite 450
Houston, Texas 77070

Advantage Energy Joint Venture
Attn: Loretta Cross, Chapter 11 Trustee – CONFIDENTIAL
1000 Main Street, Suite 3200
Houston, Texas 77002

Dear Jim and Loretta:

RW Bayfront, LLC ("RW Bayfront"), a Delaware Limited Liability Company, is pleased to submit this letter of intent (this "Letter") confirming our interest in purchasing all of the compression and generator assets owned by Red River Compression Services, LLC ("Red River") and Advantage Energy Joint Venture ("AEJV"), respectively, in addition to rights in certain compression and generator assets leased by Red River, and those assets subject to a Master Lease by and between Red River and AEJV ("Master Lease"), all related Red River contracts including Master Service Agreements and all Red River Service Center Assets including books, records, accounts receivable, employees (as agreed between such employee and RW Bayfront) and all other assets supporting the Red River operations (collectively, the "Assets"). For the avoidance of doubt, the Assets do not include any right of AEJV or Red River, as the case may be, to receive reimbursement from its customers for any amounts paid by AEJV or Red River for or in connection with taxes associated with operations prior to the closing of the Transaction contemplated herein.

1. <u>Terms</u>

The transaction contemplated by this Letter (the "Transaction") is the purchase by RW Bayfront of all of the Assets for a purchase price of Six Million and no/100 Dollars ($6,000,000.00), subject to the approval of the Bankruptcy Court acting in the chapter 11 case of AEJV, Case Number 17-34469, United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "Chapter 11 Case") and Red River Members and Managers as applicable.

2. <u>Documentation, Financing and Due Diligence</u>

The Transaction is subject to the completion of due diligence to RW Bayfront's sole satisfaction and the execution of definitive agreement in a form acceptable to all parties. RW Bayfront's purchase of the Assets would be completed in accordance with the terms and conditions to be set forth in a definitive Asset Purchase Agreement (the "APA"), which shall be satisfactory in form and substance to RW Bayfront, Red River, AEJV and Red River's existing members and/or managers to the extent required. The APA shall be negotiated and signed prior to the expiration of ten (10) days after the conclusion of the Due Diligence Period (as defined below), and if no definitive agreement is reached, any of RW Bayfront, Red River and/or AEJV may terminate the Transaction.

3. Conditions to Closing

Subject to the due diligence period and execution of the APA, the Transaction would close thirty days after approval by the Bankruptcy Court acting in the Chapter 11 Case.

4. Access and Cooperation; Diligence

For sixty (60) days from the date of execution of this Letter of Intent by AEJV (the "Due Diligence Period"), RW Bayfront and its representatives will have access to the Assets and books and records of Red River and AEJV in order to conduct due diligence. Execution of the APA and all due diligence shall be completed before AEJV is required to seek Bankruptcy Court approval of this Letter of Intent and the Transaction. The parties to this Letter shall cooperate and use their commercially reasonable efforts with respect to all steps required to undertake the due diligence and effect the Transaction. RW Bayfront understands that this Letter of Intent cannot, and does not, restrict the AEJV Chapter 11 Trustee's right to continue marketing the Assets or to respond to inquiries from other potential buyers.

5. Financing

As a condition to AEJV seeking Bankruptcy Court approval of the Transaction, RW Bayfront shall have secured any required financing or funding necessary to close the Transaction and the Transaction shall not be subject to or conditioned on RW Bayfront's ability to obtain financing or otherwise acquire funds necessary to close the Transaction. The foregoing must be obtained prior to the expiration of the Due Diligence Period.

6. Publicity and Confidentiality

Other than as required by law and as set forth below, none of RW Bayfront, Red River, AEJV or the members and managers of Red River or their respective representatives will publicly disclose the existence of this Letter or make known any facts related to the proposed Transaction without the prior consent of (a) RW Bayfront (b) Red River, and (c) AEJV, except to such party's advisors and counsel, the AEJV Chapter 11 Trustee and her counsel and advisors, and AEJV creditors, lenders, equity interest owners, other potential purchasers, and their counsel and advisors, or, with respect only to RW Bayfront, its representatives, advisors, counsel and potential financing sources. The parties acknowledge and agree that this Letter and the Transaction will be disclosed to the Bankruptcy Court acting in the Chapter 11 Case, and to the public on the Court's electronic filing system, which includes all of AEJV's creditors and equity interest owners.

Furthermore, all information (including documents, spreadsheets, data, etc.) provided to RW Bayfront either prior to the date hereof or during the due diligence period or thereafter shall remain confidential and shall not be disclosed to any party, other than as provided above, and may not be used by RW Bayfront for any purpose other than to evaluate its willingness to proceed with the Transaction. Additionally, RW Bayfront agrees that, without the consent of Red River, it will not contact any customer of AEJV or Red River, or any vendor or lender to AEJV or Red River, or disclose the location of any of the Assets, and RW Bayfront shall not, without the consent of Red River, solicit any employees of Red River.

For the avoidance of doubt, it is expressly understood that Red River has already consented to communications between RW Bayfront, Frank Lytle (a board member of a customer) and Bob Steelhammer (a unit holder of Red River who is also a lender), in addition to several employees and as part of RW Bayfront's evaluation of the assets, the parties anticipate further such contacts will be necessary and therefore authorized as RW Bayfront pursues its due diligence. *Provided, however,* that all future contact with Red River employees during the due diligence period shall be limited to such personnel that are approved in advance by either James Gayle or Monty Martin.

7. Break Up Fee **(ONLY IF YOU ARE THE HIGHEST INITIAL BIDDER)**

Until approved by the Bankruptcy Court acting in the Chapter 11 Case, this Letter is not binding in any way on AEJV. Moreover, at all times, this offer is subject to higher and better offers to be determined in the AEJV Chapter 11 Trustee's sole discretion with approval of the Bankruptcy Court. Subject to approval of the Bankruptcy Court acting in the Chapter 11 Case, the AEJV Trustee will seek Bankruptcy Court approval for AEJV to pay a breakup fee of $200,000 to RW Bayfront, if, and only if, (i) RW Bayfront is prepared to close the Transaction and the Trustee proceeds to sell the Assets to a higher and better bidder, and (ii) the Assets are actually sold to the higher and better bidder generating sufficient available net cash proceeds to pay the breakup fee.

8. Bankruptcy Court Approval/Termination

Within ten (10) days of execution of this Letter by RW Bayfront, Red River and AEJV, the AEJV Chapter 11 Trustee will file a motion with the Bankruptcy Court acting in the Chapter 11 Case to approve this Letter and to establish certain bidding procedures for the sale of the Assets. Such motion will also seek to sell the Assets to the highest and best bidder free and clear of all liens, claims and encumbrances pursuant to Section 363 of the Bankruptcy Code, together with approval of the AEJV Chapter 11 Trustee's consent to the sale of the Assets subject to the Master Lease. This Letter shall expire on the earlier of the date (a) which is seventy five (75) days from the date of acceptance of this Letter by Red River and AEJV; (b) the parties mutually agree in writing to terminate this Letter; (c) RW Bayfront notifies Red River and AEJV that RW Bayfront is no longer interested in the proposed Transaction if, and only if, such notification is given prior to the expiration of the Due Diligence Period; (d) the Bankruptcy Court has not approved this Letter prior to the expiration of fifteen days after the conclusion of the Due Diligence Period, or the Bankruptcy Court has not entered an order authorizing the sale within seventy five (75) days from the acceptance of this Letter. All parties acknowledge the aim of closing the transaction on or before November 1, 2018.

9. Fees, Costs and Expenses

Each party hereto shall be responsible for its own costs and fees, including lawyers, accountants and advisors with regard to the Transaction, regardless of whether the Transaction closes. Red River and AEJV shall be responsible for their respective pro rata portion of ad valorem taxes through the date of closing.

10. Effect

If the foregoing accurately summarizes your understanding with respect to the proposed Transaction, please date and execute the duplicate original of this Letter.

Execution hereof by Red River shall constitute a representation that it has required approvals from its managers and/or members as the case may be to enter this Letter. This Letter sets forth the parties' intentions with respect to the possible Transaction, but, except for paragraphs 6, 7, 8, 9 and this paragraph which shall be binding, shall not give rise to any binding obligations. No such obligations (except for paragraphs 6, 7, 8, 9 and this paragraph which shall immediately be binding) shall arise unless and until mutually satisfactory definitive documentation has been executed and delivered by the parties hereto.

11. Choice of Law; Venue and Jurisdiction

The laws of the State of Texas shall govern the validity, enforceability and construction of this Letter and all disputes arising under or otherwise relating to this Letter. The parties agree that any action with respect to or arising under or relating to this Letter shall be brought and maintained solely and exclusively in the United States Bankruptcy Court for the Southern District of Texas. Each party hereto irrevocably consents to the personal jurisdiction of and venue in such court and expressly waives all rights to challenge jurisdiction or to assert any defenses to jurisdiction.

Very truly yours,

RW Bayfront, LLC

By: ______________________________
Oivind Risberg
Manager and President

Accepted:

Red River Compression Services, LLC

By: ______________________________
Name: JAMES E. GAYLE
Title: PRES. & Mgr.
Date: 9/4/18

Accepted:

Advantage Energy Joint Venture

By: ______________________________
Name: ______________________________
Title: ______________________________
Date: ______________________________

11. Choice of Law; Venue and Jurisdiction

The laws of the State of Texas shall govern the validity, enforceability and construction of this Letter and all disputes arising under or otherwise relating to this Letter. The parties agree that any action with respect to or arising under or relating to this Letter shall be brought and maintained solely and exclusively in the United States Bankruptcy Court for the Southern District of Texas. Each party hereto irrevocably consents to the personal jurisdiction of and venue in such court and expressly waives all rights to challenge jurisdiction or to assert any defenses to jurisdiction.

Very truly yours,

RW Bayfront, LLC

By:________________________
Oivind Risberg
Manager and President

Accepted:

Red River Compression Services, LLC

By: ________________________
Name: ______________________
Title: _______________________
Date: _______________________

Accepted:

Advantage Energy Joint Venture

By: [signature]
Name: LORETTA CROSS
Title: TRUSTEE
Date: 9/5/2018

RW BAYFRONT, LLC
558 West 6th Street
Erie, Pa 16507
814-455-2761

September 13, 2018

Red River Compression Services, LLC
Attn: Jim Gayle - CONFIDENTIAL
8300 FM 1960 West, Suite 450
Houston, Texas 77070

Advantage Energy Joint Venture
Attn: Loretta Cross, Chapter 11 Trustee – CONFIDENTIAL
1000 Main Street, Suite 3200
Houston, Texas 77002

Dear Jim and Loretta:

As you know, RW Bayfront, LLC ("RW Bayfront"), a Delaware Limited Liability Company, as Purchaser, and Red River Compression Services, LLC ("Red River") and Advantage Energy Joint Venture ("AEJV") entered into that certain Letter fully executed on September 5, 2018 (the "Letter"). All initially capitalized terms used herein shall have the same meaning assigned in the Letter. RW Bayfront, AEJV, and Red River hereby agree to amend the Letter as follows:

1. The ten day deadline to file a motion to approve the LOI in paragraph 8 of the Letter is increased to 20 days with a corresponding 10 day increase in the due diligence period in paragraph 4 of the Letter from 60 to 70 days. While we anticipate being able to complete due diligence in less time the financing commitment to be in place at the end of the due diligence period is directly impacted by the timing of the LOI approval and so a corresponding increase in time is entirely appropriate.

2. Escrow Deposit. Following execution of the APA and no later than five (5) days before the commencement of the auction of the Assets, the Purchaser shall deposit the sum of $75,000 (the "Escrow Deposit") to be held by the Trustee pending closing of the Transaction, and the Escrow Deposit shall be non-refundable and forfeited to the Trustee if the Purchaser fails to close the Transaction, unless (i) the Trustee is unable to close the Transaction or the Bankruptcy Court does not approve the sale, or (ii) the Assets are sold and a Transaction is actually closed with an alternative higher and better bidder.

Red River Compression Services, LLC
Attn: Jim Gayle – CONFIDENTIAL

Advantage Energy Joint Venture
Attn: Loretta Cross, Chapter 11 Trustee – CONFIDENTIAL

Very truly yours,

RW Bayfront, LLC

By:____________________
Oivind Risberg
Manager and President

Accepted:

Red River Compression Services, LLC

By:____________________
Name:____________________
Title:____________________
Date:____________________

Accepted:

Advantage Energy Joint Venture

By: ____________________
Name:____________________
Title:____________________
Date:____________________

Red River Compression Services, LLC
Attn: Jim Gayle – CONFIDENTIAL

Advantage Energy Joint Venture
Attn: Loretta Cross, Chapter 11 Trustee – CONFIDENTIAL

September 13, 2018
Page 2

Very truly yours,

RW Bayfront, LLC

By:____________________________
Oivind Risberg
Manager and President

Accepted:

Red River Compression Services, LLC

By:____________________________
Name: James E. Gayle
Title: President & Manager
Date: September 18, 2018

Accepted:

Advantage Energy Joint Venture

By: ________________________
Name: Loretta Cross
Title: Managing Director
Date: September 18, 2018

EXHIBIT 2

Advantage Energy JV Trustee
Waterfall Analysis

In U.S. Dollars

Gross Proceeds from Sale		
Asset Sale	$	6,000,000
Costs Associated with Liquidation		
US Trustee Fees		60,325
Wind-Down Costs		10,000
Chapter 11 Professional Fees		
Financial Advisor Fees		68,985
Legal Fees		112,000
Chapter 11 Trustee Fees		172,461
Total Estimated Liquidation Costs		423,770
Estimated Net Proceeds Available for Distribution		5,576,230
Claims with Security Interest		
Ad Valorem Taxes [1]		
Green Bank		209,157
Wood Forest Bank		418,110
Other		3,312
Louisiana Parish Sales Taxes as of August 13, 2018		122,150
Total Claims with Security Interest		752,729
Net Proceeds Available for Distribution to Equipment Lenders[2]	$	4,823,501

[1] Property taxes are the responsibility of Red River. However, since property taxes have a secured claim they have been included in this AEJV waterfall analysis.

[2] Allocation of proceeds between the lenders is still subject to open discussion at this time.

* The assigned of the Green Bank debt has agreed to fund the cost of RR Counsel from their proceeds.

EXHIBIT 3

BID PROCEDURES

Loretta Cross, as chapter 11 Trustee (the "Trustee") of the estate of Advantage Energy Joint Venture ("AEJV" or "Debtor"), debtor in Chapter 11 Case No. 17-34469, pending in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "Bankruptcy Court"). The Bankruptcy Court has authorized the Trustee to conduct an auction sale ("Auction") of substantially all of the assets of the Debtor (defined herein as the "Assets") pursuant to 11 U.S.C. § 363 and subject to the terms and conditions and in accordance with the process and procedures set forth herein ("Bidding Procedures").

The Debtor has received a Letter of Intent (the "LOI") with Bayfront (the "Lead Bidder"), a true and correct copy of which is attached hereto as **Exhibit "A"**, for the sale of certain Assets, for a purchase price of $6,000,000, as described in the LOI. The LOI contemplates that Lead Bidder will serve as a stalking horse bidder and that the Trustee and Lead Bidder will enter into an asset purchase agreement (the "APA"), subject to overbids pursuant to the procedures described below (the "Bid Procedures") and the entry of the order of the Bankruptcy Court following a hearing (the "Sale Hearing") approving the sale of the Assets. A true and correct copy of the Order approving these Bid Procedures (the "Order") is attached hereto as **Exhibit "B"**.

All initially capitalized terms used herein shall have the same meaning assigned in the LOI.

1. The proposed APA will be filed with the Court and made available for review by creditors, bidders and parties in interest on or before October ___, 2018. As part of the bid package described below, a prospective bidder is allowed to submit proposed revisions to the APA, provided it is black-lined against the APA.

2. Only "Qualified Bidders" may participate in the bidding process. To become a Qualified Bidder, a potential bidder must submit a bid package consisting of the following by **not later than 5:00 p.m. (Central Standard Time) on November ___ , 2018**:

a. A potential bidder must execute and deliver to Trustee's counsel, its name, Direct Line, Direct Fax:, Email:, address, and a reasonable confidentiality agreement prepared by the Trustee, unless the bidder has already entered into a confidentiality agreement.

b. Such potential bidder must deposit with Trustee's counsel the sum of $75,000 (each, the "Alternative Buyer's Deposit") which deposit shall be refundable as set forth below following the Sale Hearing if such Qualified Bidder is not the highest and best offer as determined by the Court at the Sale Hearing, or the second highest and best offer, and shall be held in escrow, without interest, pending completion of the bid process.

c. Such potential bidder must submit to Trustee's counsel an unqualified and binding bid totaling at least $6,250,000, along with an executed written binding agreement, black-lined against the APA between the Lead Bidder and the Trustee. Such bid shall not contain an inspection period nor be subject to any due diligence review, financing or other conditions/contingencies The Assets shall be sold free and clear of all liens, claims and encumbrances to the Successful Bidder.

d. Such potential bidder must provide financial and other reasonable information, as may be requested, to the Trustee's counsel, that allows the Trustee, Loretta Cross, to make a reasonable determination as to such bidder's ability to consummate a sale as contemplated herein.

3. The Trustee will analyze each Bid Package based upon the criteria detailed above, and based on the capability to close a transaction, and the bid's impact on all constituents of the Debtor, and the amount of the bid, to determine which bids constitute "Qualified Bids" and thus entitle the prospective bidder to participate in the Auction if one is held.

4. The Lead Bidder is and shall be deemed to be, a Qualified Bidder, and does not need to take any further action to become a Qualified Bidder. If no other Qualified Bidders are identified, the to-be-executed APA between the Debtor and the Lead Bidder shall be deemed the Highest and Best Bid (as defined below). However, if the Lead Bidder provides notice during the due diligence period that it does not intend to proceed with the Transaction, the Trustee may still conduct the auction provided the minimum sale price for the Assets and start of the bidding shall be $6,250,000 or such other amount as may be approved by the Court.

5. No letter of intent or other written proposal submitted to the Debtor or Trustee prior to the filing of these Bid Procedures by any party other than the Lead Bidder shall constitute or be considered a Qualified Bid for purposes of these Bid Procedures, unless it otherwise meets the requirements of a Qualified Bid under these Bid Procedures.

6. The Trustee shall promptly provide to all prospective purchasers due diligence materials that will be selected by the Trustee, and such other reasonable due diligence materials that a prospective purchaser may request, provided such prospective purchaser executes a reasonable confidentiality agreement.

7. On or before 5:00 p.m. Central Time on November ___, 2018, the Trustee shall file a notice with the Court identifying all Qualified Bidders and attaching copies of all bids that were timely received. This Notice shall also identify all Bidders who the Trustee deemed to have submitted non-conforming bids or conforming bids submitted by non-qualified bidders. The Trustee shall serve a copy of the notice and the corresponding bids on all Qualified Bidders by electronic mail. Unless a party-in-interest files an objection with the Court before the close of business on the next day that the Court is open, all objections to the exclusion of bidders under these procedures shall be deemed waived and the bid process may continue without participation of the excluded bidders.

8. If two or more timely Qualified Bids (including the Lead Bidder's bid) are received, an Auction for the Sale Assets will be conducted by the Court on November ___, 2018, commencing at 1:00 p.m. Central Standard Time in Courtroom 600, located on the 6th Floor of the Bob Casey Federal Building, which is located at 515 Rusk Street, Houston, Texas 77002.

9. All Qualified Bidders, or their authorized representatives, must be physically present at the Auction. At the commencement of the Auction, the person conducting the Auction shall announce the lead bid as of that time, and then open up to the floor to live bidding by Qualified Bidders. Minimum bid increments shall be $50,000. The person conducting the Auction shall announce the highest bid three times before striking off to announce a winning Qualified Bid (the "Designated Highest and Best Bid").

10. At the conclusion of the Auction, in addition to announcing the Designated Highest and Best Bid, whoever conducted the Auction will announce the next highest Qualified Bid (the "Back-Up Bid"). The Trustee will seek approval of the Designated Highest and Best Bid and the Back-Up Bid at the Sale Hearing on the Sale Motion which shall be conducted immediately following the conclusion of the Auction (the "Confirmed Highest and Best Bid"). As a result of such process, the Court shall announce approval of the Designated Highest and Best Bid and the Back-up Bid pursuant to an order approving the Sale Motion (the "Sale Order"). If, for any reason, the Court confirmed Highest and Best Bid fails to timely consummate the purchase of the Assets, the Trustee may seek to consummate a sale based on the Court confirmed Back-Up Bid without further approval by the Court unless the Bidder submitting the Back-Up Bid requests a "comfort order" be obtained. The Back-Up Bid and the obligation of the party submitting such bid to consummate the purchase of the Assets shall remain open and in full force until the close of a sale of the Assets to the party making the Confirmed Highest and Best Bid or the party making the Back-Up Bid, as applicable.

11. Within two (2) business days after the conclusion of the Sale Hearing described above, Trustee's counsel shall return by check or wire transfer the full amount of the Alternative Buyer's Deposit submitted by each party that is not selected as submitting the Confirmed Highest and Best Bid or the Back-Up Bid. If the sale of the Assets is consummated to the party submitting the Confirmed Highest and Best Bid, or is otherwise not consummated with the party submitting the Confirmed Highest and Best Bid within thirty (30) days after the conclusion of the Auction, the Alternative Buyer's Deposit of the party that is declared to have submitted the Back-Up Bid shall be returned by check or wire transfer within two business days thereafter, unless the Alternative Buyer is required to close the sale as the Back-Up Bid. In the event that any party that is required to close under these procedures fails to do so, that party's deposit is forfeited (with the provision that the forfeited deposit is not a limitation on damages).

12. The Debtor's interest in the Assets shall be sold to the party who closes the transaction having made the Confirmed Highest and Best Bid or the Back-Up Bid, as the case may be, free and clear of liens, claims, encumbrances and interests of the Debtor's Creditors and Equity Interest Holders to the extent set forth in the Sale Order.

EXHIBIT A

RW BAYFRONT, LLC
558 West 6th Street
Erie, Pa 16507
814-455-2761

August 31, 2018

Red River Compression Services, LLC
Attn: Jim Gayle - CONFIDENTIAL
8300 FM 1960 West, Suite 450
Houston, Texas 77070

Advantage Energy Joint Venture
Attn: Loretta Cross, Chapter 11 Trustee – CONFIDENTIAL
1000 Main Street, Suite 3200
Houston, Texas 77002

Dear Jim and Loretta:

RW Bayfront, LLC ("RW Bayfront"), a Delaware Limited Liability Company, is pleased to submit this letter of intent (this "Letter") confirming our interest in purchasing all of the compression and generator assets owned by Red River Compression Services, LLC ("Red River") and Advantage Energy Joint Venture ("AEJV"), respectively, in addition to rights in certain compression and generator assets leased by Red River, and those assets subject to a Master Lease by and between Red River and AEJV ("Master Lease"), all related Red River contracts including Master Service Agreements and all Red River Service Center Assets including books, records, accounts receivable, employees (as agreed between such employee and RW Bayfront) and all other assets supporting the Red River operations (collectively, the "Assets"). For the avoidance of doubt, the Assets do not include any right of AEJV or Red River, as the case may be, to receive reimbursement from its customers for any amounts paid by AEJV or Red River for or in connection with taxes associated with operations prior to the closing of the Transaction contemplated herein.

1. Terms

The transaction contemplated by this Letter (the "Transaction") is the purchase by RW Bayfront of all of the Assets for a purchase price of Six Million and no/100 Dollars ($6,000,000.00), subject to the approval of the Bankruptcy Court acting in the chapter 11 case of AEJV, Case Number 17-34469, United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "Chapter 11 Case") and Red River Members and Managers as applicable.

2. Documentation, Financing and Due Diligence

The Transaction is subject to the completion of due diligence to RW Bayfront's sole satisfaction and the execution of definitive agreement in a form acceptable to all parties. RW Bayfront's purchase of the Assets would be completed in accordance with the terms and conditions to be set forth in a definitive Asset Purchase Agreement (the "APA"), which shall be satisfactory in form and substance to RW Bayfront, Red River, AEJV and Red River's existing members and/or managers to the extent required. The APA shall be negotiated and signed prior to the expiration of ten (10) days after the conclusion of the Due Diligence Period (as defined below), and if no definitive agreement is reached, any of RW Bayfront, Red River and/or AEJV may terminate the Transaction.

3. Conditions to Closing

Subject to the due diligence period and execution of the APA, the Transaction would close thirty days after approval by the Bankruptcy Court acting in the Chapter 11 Case.

4. Access and Cooperation; Diligence

For sixty (60) days from the date of execution of this Letter of Intent by AEJV (the "Due Diligence Period"), RW Bayfront and its representatives will have access to the Assets and books and records of Red River and AEJV in order to conduct due diligence. Execution of the APA and all due diligence shall be completed before AEJV is required to seek Bankruptcy Court approval of this Letter of Intent and the Transaction. The parties to this Letter shall cooperate and use their commercially reasonable efforts with respect to all steps required to undertake the due diligence and effect the Transaction. RW Bayfront understands that this Letter of Intent cannot, and does not, restrict the AEJV Chapter 11 Trustee's right to continue marketing the Assets or to respond to inquiries from other potential buyers.

5. Financing

As a condition to AEJV seeking Bankruptcy Court approval of the Transaction, RW Bayfront shall have secured any required financing or funding necessary to close the Transaction and the Transaction shall not be subject to or conditioned on RW Bayfront's ability to obtain financing or otherwise acquire funds necessary to close the Transaction. The foregoing must be obtained prior to the expiration of the Due Diligence Period.

6. Publicity and Confidentiality

Other than as required by law and as set forth below, none of RW Bayfront, Red River, AEJV or the members and managers of Red River or their respective representatives will publicly disclose the existence of this Letter or make known any facts related to the proposed Transaction without the prior consent of (a) RW Bayfront (b) Red River, and (c) AEJV, except to such party's advisors and counsel, the AEJV Chapter 11 Trustee and her counsel and advisors, and AEJV creditors, lenders, equity interest owners, other potential purchasers, and their counsel and advisors, or, with respect only to RW Bayfront, its representatives, advisors, counsel and potential financing sources. The parties acknowledge and agree that this Letter and the Transaction will be disclosed to the Bankruptcy Court acting in the Chapter 11 Case, and to the public on the Court's electronic filing system, which includes all of AEJV's creditors and equity interest owners.

Furthermore, all information (including documents, spreadsheets, data, etc.) provided to RW Bayfront either prior to the date hereof or during the due diligence period or thereafter shall remain confidential and shall not be disclosed to any party, other than as provided above, and may not be used by RW Bayfront for any purpose other than to evaluate its willingness to proceed with the Transaction. Additionally, RW Bayfront agrees that, without the consent of Red River, it will not contact any customer of AEJV or Red River, or any vendor or lender to AEJV or Red River, or disclose the location of any of the Assets, and RW Bayfront shall not, without the consent of Red River, solicit any employees of Red River.

For the avoidance of doubt, it is expressly understood that Red River has already consented to communications between RW Bayfront, Frank Lytle (a board member of a customer) and Bob Steelhammer (a unit holder of Red River who is also a lender), in addition to several employees and as part of RW Bayfront's evaluation of the assets, the parties anticipate further such contacts will be necessary and therefore authorized as RW Bayfront pursues its due diligence. *Provided, however,* that all future contact with Red River employees during the due diligence period shall be limited to such personnel that are approved in advance by either James Gayle or Monty Martin.

7. Break Up Fee **(ONLY IF YOU ARE THE HIGHEST INITIAL BIDDER)**

Until approved by the Bankruptcy Court acting in the Chapter 11 Case, this Letter is not binding in any way on AEJV. Moreover, at all times, this offer is subject to higher and better offers to be determined in the AEJV Chapter 11 Trustee's sole discretion with approval of the Bankruptcy Court. Subject to approval of the Bankruptcy Court acting in the Chapter 11 Case, the AEJV Trustee will seek Bankruptcy Court approval for AEJV to pay a breakup fee of $200,000 to RW Bayfront, if, and only if, (i) RW Bayfront is prepared to close the Transaction and the Trustee proceeds to sell the Assets to a higher and better bidder, and (ii) the Assets are actually sold to the higher and better bidder generating sufficient available net cash proceeds to pay the breakup fee.

8. Bankruptcy Court Approval/Termination

Within ten (10) days of execution of this Letter by RW Bayfront, Red River and AEJV, the AEJV Chapter 11 Trustee will file a motion with the Bankruptcy Court acting in the Chapter 11 Case to approve this Letter and to establish certain bidding procedures for the sale of the Assets. Such motion will also seek to sell the Assets to the highest and best bidder free and clear of all liens, claims and encumbrances pursuant to Section 363 of the Bankruptcy Code, together with approval of the AEJV Chapter 11 Trustee's consent to the sale of the Assets subject to the Master Lease. This Letter shall expire on the earlier of the date (a) which is seventy five (75) days from the date of acceptance of this Letter by Red River and AEJV; (b) the parties mutually agree in writing to terminate this Letter; (c) RW Bayfront notifies Red River and AEJV that RW Bayfront is no longer interested in the proposed Transaction if, and only if, such notification is given prior to the expiration of the Due Diligence Period; (d) the Bankruptcy Court has not approved this Letter prior to the expiration of fifteen days after the conclusion of the Due Diligence Period, or the Bankruptcy Court has not entered an order authorizing the sale within seventy five (75) days from the acceptance of this Letter. All parties acknowledge the aim of closing the transaction on or before November 1, 2018.

9. Fees, Costs and Expenses

Each party hereto shall be responsible for its own costs and fees, including lawyers, accountants and advisors with regard to the Transaction, regardless of whether the Transaction closes. Red River and AEJV shall be responsible for their respective pro rata portion of ad valorem taxes through the date of closing.

10. Effect

If the foregoing accurately summarizes your understanding with respect to the proposed Transaction, please date and execute the duplicate original of this Letter.

Execution hereof by Red River shall constitute a representation that it has required approvals from its managers and/or members as the case may be to enter this Letter. This Letter sets forth the parties' intentions with respect to the possible Transaction, but, except for paragraphs 6, 7, 8, 9 and this paragraph which shall be binding, shall not give rise to any binding obligations. No such obligations (except for paragraphs 6, 7, 8, 9 and this paragraph which shall immediately be binding) shall arise unless and until mutually satisfactory definitive documentation has been executed and delivered by the parties hereto.

11. Choice of Law; Venue and Jurisdiction

The laws of the State of Texas shall govern the validity, enforceability and construction of this Letter and all disputes arising under or otherwise relating to this Letter. The parties agree that any action with respect to or arising under or relating to this Letter shall be brought and maintained solely and exclusively in the United States Bankruptcy Court for the Southern District of Texas. Each party hereto irrevocably consents to the personal jurisdiction of and venue in such court and expressly waives all rights to challenge jurisdiction or to assert any defenses to jurisdiction.

Very truly yours,

RW Bayfront, LLC

By:______________________________
Oivind Risberg
Manager and President

Accepted:

Red River Compression Services, LLC

By: ______________________________
Name: JAMES E. GAYLE
Title: PRES. & Mgr.
Date: 9/4/18

Accepted:

Advantage Energy Joint Venture

By: ______________________________
Name: ____________________________
Title: ____________________________
Date: ____________________________

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Very truly yours,

RW Bayfront, LLC

By:______________________
Oivind Risberg
Manager and President

Accepted:

Red River Compression Services, LLC

By: ______________________
Name: ______________________
Title: ______________________
Date: ______________________

Accepted:

Advantage Energy Joint Venture

By: ______________________
Name: LORETTA CROSS
Title: TRUSTEE
Date: 9/5/2018

RW BAYFRONT, LLC
558 West 6th Street
Erie, Pa 16507
814-455-2761

September 13, 2018

Red River Compression Services, LLC
Attn: Jim Gayle - CONFIDENTIAL
8300 FM 1960 West, Suite 450
Houston, Texas 77070

Advantage Energy Joint Venture
Attn: Loretta Cross, Chapter 11 Trustee – CONFIDENTIAL
1000 Main Street, Suite 3200
Houston, Texas 77002

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Very truly yours,

RW Bayfront, LLC

By:____________________________
Oivind Risberg
Manager and President

Accepted:

Red River Compression Services, LLC

By:____________________________
Name:__________________________
Title:___________________________
Date:___________________________

Accepted:

Advantage Energy Joint Venture

By: ___________________________
Name:__________________________
Title:___________________________
Date:___________________________

Red River Compression Services, LLC
Attn: Jim Gayle – CONFIDENTIAL

Advantage Energy Joint Venture
Attn: Loretta Cross, Chapter 11 Trustee – CONFIDENTIAL

September 13, 2018

Very truly yours,

RW Bayfront, LLC

By:______________________________
Oivind Risberg
Manager and President

Accepted:

Red River Compression Services, LLC

By:______________________________
Name: James E. Gayle
Title: President & Manager
Date: September 18, 2018

Accepted:

Advantage Energy Joint Venture

By: ______________________
Name: Loretta Cross
Title: Managing Director
Date: September 18, 2018

EXHIBIT B

This will be the Signed Order approving Bid Procedures.