

Preliminary 11 Month CASH FLOW Forecast - November 2016 through September 2017
Grizzly Land LLC Bankruptcy - Bankruptcy Trustee Edward Cordes
11/16/2016

Schedule 1

Exhibit
B

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Notes	Actual						FORECAST											Forecast Period Total	
	2016 May - A	2016 June - A	2016 July - A	2016 August - A	2016 Sept - A	2016 Oct	2016 November	2016 December	2017 January	2017 February	2017 March	2017 April	2017 May	2017 June	2017 July	2017 August	2017 September		
Beginning Net Cash Balance	B	\$18,524	\$31,786	\$189,149	\$139,738	\$151,446	\$371,273	\$347,660	\$407,224	\$194,874	\$171,443	\$147,985	\$114,066	\$63,085	\$48,037	\$49,435	\$65,687	\$115,148	
Cash Receipts/Revenues:																			
Lincoln County Feedyard Cattle Revenues		40,000		52,452	59,482	61,409	53,066	33,000	30,000	0	0	0	0	20,000	40,000	52,500	57,500	57,500	290,500
Sandridge Net Oil & Gas Royalties			9,880		29,688	16,097	15,040	15,500	14,500	14,500	13,000	13,000	12,000	12,000	10,000	10,000	9,000	9,000	132,500
Sandridge Water Fees			293,437			229,250		140,000	0	0	0	0	0	29,000	29,000	29,000	58,000	29,000	314,000
Sandridge Lease Fees					83,700														0
Sandridge Other (Surface Damages, etc.)																			0
Other Hay Sales				5,090	3,053				5,000	10,000	10,000	10,000	5,000	5,000					45,000
Other (3D Survey Payment)					34,600	110													0
Estimated Cash Receipts		40,000	303,317	57,542	210,523	306,866	68,106	188,500	49,500	24,500	23,000	23,000	17,000	66,000	79,000	91,500	124,500	95,500	782,000
Cash Disbursements/Expenses:																			
Insurance - Commercial Pkg/Auto/Excess		14,135	16,972	8,491	8,393	8,393	206					9,894	9,894	9,894	9,894	9,894	9,894	0	59,366
Insurance - Workers Compensation			287	2,374		1,187	1,187	1,189	1,189	1,189		1,249	1,249	1,249	1,249	1,249	1,249	1,249	11,059
Employee Compensation & Health Insur.		6,257	7,350	12,240	7,644	9,648	17,726	9,808	9,808	6,071	6,029	5,974	11,524	11,524	11,524	11,524	11,524	26,524	121,835
Meals/Groceries for Labor			1,980	1,006	1,214	1,037	1,000	1,100	750	0	0	0	1,350	1,350	1,600	1,600	1,600	1,600	10,950
Contract Labor			1,125	1,125	750	750	750	750	750	750	0	0	0	0	0	0	0	0	2,250
Veterinary Services								0	0	0	0	0	100	100	100	100	100	100	600
Fuel costs		2,292	5,607	2,004	2,695		2,189	1,500	750	500	0	1,000	1,500	2,000	2,500	3,000	3,000	2,500	18,250
Animal care costs			990					0	0	0	0	0	250	250	250	250	250	250	1,250
Fertilizer and other costs								0	0	0	0	0	0	0	0	0	0	0	0
BLM Grazing Fees				8,689				0	0	0	0	0	0	0	0	0	0	0	9,000
Pasture Rent - State of Colorado			6,546					0	0	0	0	0	0	6,900	0	0	0	0	6,900
Repairs and maintenance - Ranch							4,309	1,000	500	250	0	0	500	750	750	750	750	500	5,750
Repairs/maintenance/rental - Equipment/Vehicles		2,039	3,641	12,288	3,934	6,716	2,750	3,000	1,000	500	0	500	1,000	2,500	3,500	5,000	5,000	5,000	27,000
Ranch and other supplies		2,000			3,642	2,807		750	500	0	0	0	500	500	1,000	1,000	1,000	1,000	6,250
Real estate taxes	F							0	37,000	0	0	0	0	0	0	0	0	0	37,000
Rabo AgriFinance Debt Service payments			85,822	49,278	165,705	50,521	51,900	65,289	64,729	28,586	30,344	29,365	30,344	32,511	29,365	32,511	32,302	33,378	408,724
Mountain Parks Electricity	C		9,949	1,852	1,432	1,513	1,674	1,800	2,000	2,200	2,200	2,300	2,000	1,900	1,700	1,600	1,600	1,600	20,900
Internet costs - Hughes			488	122	122	122	122	125	125	135	135	135	135	135	135	135	135	135	1,465
Propane Costs			125			1,211		1,000	1,250	1,250	1,250	1,250	750	500	0	0	1,000		9,500
Cable				134	259		385	125	125	0	0	0	135	135	135	135	135	135	1,060
Deferred Maintenance Projects								11,000	0	0	0	0	0	0	0	0	0	0	11,000
Payments to Grizzly Cattle for equipment usage								20,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	5,000	47,500
Trustee Fees	E							0	0	0	0	0	0	0	0	0	0	0	0
Trustee Professional Fees (incl appraisal fees)	E							6,500	65,679	0	0	0	0	0	0	0	0	0	72,179
Trustee Legal Fees	E							0	69,196	0	0	0	0	0	0	0	0	0	69,196
Other Miscellaneous/Contingency		15	5,072	7,350	3,025	3,134	7,521	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	44,000
Estimated Cash Disbursements		26,738	145,954	106,953	198,815	87,039	91,719	128,936	261,851	47,931	46,458	56,919	67,981	81,048	77,602	75,248	75,039	83,971	1,002,983
Excess Cash Generated for the Period		13,262	157,363	(49,411)	11,708	219,827	(23,613)	59,564	(212,351)	(23,431)	(23,458)	(33,919)	(50,981)	(15,048)	1,398	16,252	49,461	11,529	(220,983)
Estimated Ending Cash Balance		\$31,786	\$189,149	\$139,738	\$151,446	\$371,273	\$347,660	\$407,224	\$194,874	\$171,443	\$147,985	\$114,066	\$63,085	\$48,037	\$49,435	\$65,687	\$115,148	\$126,677	

NOTES - SEE ACCOMPANYING MEMO

Preliminary Cash Forecast – Summary Memo Grizzly Land, LLC November 22, 2016

The attached schedule represents a preliminary cash forecast for the Grizzly Land LLC (“Land”) bankruptcy estate for the eleven month period of November 2016 through September 2017. The following represents a brief discussion of the important observations, presumptions and data used to formulate the forecast:

OVERVIEW

- The Bankruptcy Trustee (“Trustee”) currently believes that a sale of the Ranch is in the best interest of the Estate and the related stakeholders. To optimize the value of the ranch, the Trustee anticipates marketing it for sale in April/May, go under contract in June/early July and close the sale in July/August. This forecast extends through September in the event the sale takes a little longer than anticipated.
- Due to cash constraints, the Trustee anticipates deferring all of his Trustee fees until the sale of the property. Additionally, if necessary, the Trustee anticipates deferring a portion of the Cordes & Company professional fees and some of his attorney fees until the sale of the property as well. Professional fees include Cordes & Company fees, tax return fees preparation fees and fees for an appraisal of the Land mineral interests.

CASH RECEIPTS

- The remaining 2016 revenues for Lincoln County (“LC”) are based upon the number of cattle that were at the ranch along with the current expected reimbursement arrangement. The 2017 revenues are estimated presuming a similar number of cattle placed at the ranch by LC generally under the same arrangement as 2016.
- Oil & Gas royalties are estimated based upon historical trends for the existing wells and current market pricing for oil. There are no provisions for additional new wells at the Property for the next 12 months. There are also no provisions for potential increased or decreased market oil prices.

- The SandRidge water fees are a critical component of the overall forecast. These revenues stem from SandRidge using water from the property for their drilling program in the immediate area (both drilling on the Property and drilling on nearby non-Land properties). These revenues can be highly variable and are subject to significant adjustment based on a number of factors including, most importantly, the market price of oil. Land had an agreement with SandRidge to provide water at \$0.45 per barrel. This agreement expired in the summer of 2016. SandRidge has continued to use Land water under the existing agreement; however, they have represented to the Trustee that, beginning in 2017, they would like to renegotiate a new water agreement with much lower rates given that the market price of water is significantly less than our current pricing. Additionally, SandRidge just recently informed the Trustee that they have suspended their drilling operations in the area for the rest of 2016 with tentative plans to begin drilling again in the second half of February 2017. Furthermore, their 2017 drilling plans are significantly scaled back from what they previously informed the Trustee. SandRidge also represented that these tentative plans to begin drilling again in 2017 are subject to change depending on the price of oil, rig and crew availability, capital expenditure budgets and other corporate decisions. There is a chance, especially if the price of oil declines in the near term, that SandRidge will not drill any new wells in 2017. For this forecast, based on the most recent information, we have presumed that Land will generate water revenues from four new wells at pricing that approximates less than ½ of the current pricing.
- Hay sales are based upon current market pricing and an estimate as to excess hay at the Property that will not be necessary to feed the LC cattle next spring.

CASH DISBURSEMENTS

- Most of the general operating costs are estimated based upon past historical trends coupled with anticipated usage over the next 12 months.
- For payroll, there was a small bonus for the employees in October 2016 to reflect the additional work accomplished during the hay harvest, which is consistent with past practices. There is also a stay bonus for the ranch foreman at the time of sale.

- The Trustee anticipates finalizing an arrangement with the Grizzly Cattle Trustee for the use of the Grizzly Cattle owned equipment in exchange for some small monthly payments, which are reflected herein.
- Rabo debt service payments are estimated based upon payments covering regular interest, monthly principal and costs (including legal fees) through December 2016. After December, the forecast anticipates only paying regular interest with a deferral of the other amounts until the sale of the Property given the anticipated Land cash constraints.

OTHER

The following letters and related discussions correspond to the notes on the schedule, as follows:

- A. Actual amounts for these periods are based upon the cash transactions identified in the Bankruptcy monthly operating reports for the respective month, excluding the effect of the legal cost amounts and balances related to the retainer with Kutner Brinen.
- B. Amount represents the operating cash balance in the Great Western Bank account as of April 30, 2016 per the monthly operating report.
- C. The Mountain Parks amount for June 2016 includes a required deposit totaling almost \$6k, plus two month's of services.
- D. Actual amounts for October 2016 are preliminary based upon the identified cash activity for the month.
- E. As noted above, at the current time, the Trustee anticipates deferring his Trustee fees, as well as a portion of the Cordes & Company fees and the Trustee legal fees, as necessary, until the sale of the Property in an effort to deal with anticipated cash constraints in 2017. Currently, the Trustee estimates deferring Trustee professional fees and legal fees of approximately \$150,000 until the sale of the Property.
- F. At this time, the Trustee anticipates attempting to pay the 2015 real estate taxes in the near term (subject to obtaining an order from the Bankruptcy Court) in order to avoid future interest and other costs. For the 2016 real estate taxes, the Trustee anticipates those being paid from the proceeds of the property sale.