IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
	)	Case No. 16-11501 (CSS)
MAXUS ENERGY CORPORATION, *et al.*,[1]	)	
	)	Jointly Administered
Debtors.	)	
	)	**Objection Deadline: April 11, 2017, at 4:00 p.m. (ET)**
	)	**Hearing Date: April 18, 2017, at 11:00 a.m. (ET)**

DEBTORS' MOTION FOR AN ORDER (I) APPROVING AND AUTHORIZING THE SALE OF THE DEBTORS' OVERRIDING ROYALTY INTERESTS FREE AND CLEAR OF ALL LIENS, INTERESTS, CLAIMS, AND ENCUMBRANCES, (II) AUTHORIZING THE DEBTORS TO PAY THE SALE SUCCESS FEE, AND (III)WAIVING THE REQUIREMENTS OF BANKRUPTCY RULE 6004(h)

By this motion (the "Motion"), the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") seek entry of an order (the "Sale Order"), substantially in the form annexed hereto as **Exhibit A**, pursuant to sections 105 and 363 of title 11 of the United States Code (the "Bankruptcy Code"), rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and rule 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"): (a) approving and authorizing the sale of Debtor Maxus Energy Corporation's ("Maxus") overriding royalty interests and related assets in certain oil and gas properties to Kimbell Royalty Holdings, LLC (the "Purchaser") free and clear of all liens, interests, claims, and encumbrances in connection with that certain purchase agreement (as modified and amended from time to time, the "Purchase Agreement") entered into by and between Maxus and the Purchaser on March 7, 2017; (b) authorizing the payment of a success fee (the "Sale Success

[1] The Debtors in the above-captioned chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Maxus Energy Corporation (1531), Tierra Solutions, Inc. (0498), Maxus International Energy Company (7260), Maxus (U.S.) Exploration Company (2439), and Gateway Coal Company (7425). The address of each of the Debtors is 10333 Richmond Avenue, Suite 1050, Houston, Texas 77042.

Fee") to EnergyNet.com, Inc. ("EnergyNet"); and (c) waiving the requirements of Bankruptcy Rule 6004(h). In support of the Motion, the Debtors submit the declarations of Cody Felton (the "Felton Declaration") and Brett Taylor (the "Purchaser Declaration," together with the Felton Declaration, the "Declarations"), copies of which is annexed hereto as **Exhibit B** and **Exhibit C**, respectively. In further support of the Motion, the Debtors respectfully represent as follows:

PRELIMINARY STATEMENT

The Debtors have been actively exploring ways to monetize their assets and maximize recoveries to creditors. To that end, the Court previously authorized the Debtors' retention of EnergyNet to market the Debtors' overriding royalty interests in approximately 3,700 wells located in Louisiana, New Mexico, Oklahoma, Texas, and West Virginia and certain related property rights, interests and privileges specified in the conveyance documents, the form of which are attached as **Exhibit D** (the "ORRIs"). Following a robust online sealed bid auction process, EnergyNet received the highest and best bid from the Purchaser[2] to purchase the ORRIs for $15,850,000 (the "Purchase Price"). The Purchase Price exceeds the Debtors' sale projections for the ORRIs and receipt of the funds will facilitate the Debtors' ability to satisfy its secured financing obligations. The Purchase Agreement provides an added benefit to the Debtors by the Purchaser agreeing to pay all 2017 ad valorem taxes related to the ORRIs, thereby relieving the Debtors' estate of a potential administrative expense claim that would further reduce the funds available to satisfy obligations to creditors.

Notwithstanding that certain of the ORRIs may be subject to Preferential Rights (as defined below), the Debtors have reached out to the holders of such purported preferential rights

[2] The Purchase Agreement requires the Debtors to keep the substance of the Purchase Agreement confidential prior to the time the transaction closes. With the Purchaser's consent, the Debtors are nevertheless disclosing the material terms of the transaction in this Motion.

to ensure they are given an adequate opportunity to object and establish the validity and enforceability of any such rights in connection with the hearing on the Motion (the "Sale Hearing"). For reasons discussed in more detail herein, the Purchaser has provided the Debtors with the highest and best price for the ORRIs.

For the foregoing reasons and those set forth below, the Debtors respectfully request that this Court enter an order approving and authorizing the sale of the ORRIs (the "Sale") to the Purchaser free and clear of all liens, interests, claims, and encumbrances, permitting the Debtors to pay EnergyNet its Sale Success Fee, and waiving the requirements of Bankruptcy Rule 6004(h).

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Debtors confirm their consent pursuant to rule 9013-l(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware to the entry of a final order by the Court in connection with the Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

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

3. The statutory bases for the relief requested in the Motion are sections 105, 328, and 363 of the Bankruptcy Code, Bankruptcy Rules 2002 and 6004, and Local Rule 6004-1.

BACKGROUND

4. On June 17, 2016 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors continue to operate their business and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors' chapter 11 cases (the "Chapter 11 Cases") are being jointly administered pursuant to rule 1015(b) of the Bankruptcy Rules. On July 7, 2016, the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed an official committee of unsecured creditors (the "Creditors' Committee") pursuant to section 1102 of the Bankruptcy Code. On December 16, 2016, the U.S. Trustee appointed an official committee of retirees pursuant to section 1114 of the Bankruptcy Code (the "Retiree Committee"). No party has requested the appointment of a trustee or examiner in the Chapter 11 Cases.

5. A detailed description of the Debtors and their business are set forth in greater detail in the *Declaration of Javier J. González in Support of Chapter 11 Petitions and Requests for First Day Relief* [Docket No. 2] (the "First Day Declaration").

THE PROPOSED SALE

A. The ORRIs

6. The Debtors' current business operations consist generally of managing a non-operating, working interest in an oil and gas field in the deep waters of the Gulf of Mexico, collecting onshore oil and gas royalties from the ORRIs, and providing environmental remediation management services. On December 29, 2016, the Debtors filed the *Chapter 11 Plan of Liquidation Proposed by Maxus Energy Corporation, et al.* [Docket No. 697] (as the same may be amended, modified, and/or supplemented from time to time, the "Plan") and the

Disclosure Statement for the Chapter 11 Plan of Liquidation Proposed by Maxus Energy Corporation, et al. [Docket No. 698] (as the same may be amended, modified, and/or supplemented from time to time, the "Disclosure Statement"). As set forth in the Plan and the Disclosure Statement, the Debtors are in the process of liquidating their assets in order to satisfy the DIP Facility prior to the effective date of the Plan.

7. As background, although a well owner may explore and drill for itself, it is the holder of the leasehold interest that owns the "working interest" because the holder is entitled to "work" the land by exploring, drilling, and producing oil, gas, and other hydrocarbons at its own risk in exchange for a fractional royalty on any oil obtained from the wells. However, before the working interest owners may enjoy the profits, parties may be entitled to share in the proceeds through a royalty interest. A royalty interest is a nonpossessory right to a share of the oil's value free of the cost of production. Overriding royalties are royalty interests carved out of a working interest and entitle overriding royalty interest owners, like Maxus, to a fraction of revenues from the sale of oil and/or gas without the need to contribute to the costs of development or production.

8. Wells, including the wells in which Maxus obtained the ORRIs, may be subject to preferential rights (including, without limitation, approval rights, consent rights, rights of first refusal, rights of first offer, or any other rights of similar nature or effect, the "Preferential Rights"). In this case, two parties—BP and Pantera Energy—appear to hold what may constitute Preferential Rights in respect of certain of the Debtors' ORRIs located in Texas and Oklahoma that are potentially implicated or relevant to the Sale.[3] Out of an abundance of caution, on March 8, 2017, the Debtors sent letters to each of these parties advising them of the sale and requesting that they agree to waive their Preferential Rights, if any. In connection with the filing

[3] Both BP and Pantera Energy will be provided notice of this Motion.

of the Motion, the Debtors have also provided notice to all entities known to have asserted any lien, charge, claim or encumbrance on the ORRIs, including, without limitation, holders of the Preferential Rights. On March 9, 2017, Pantera Energy advised the Debtors they would not waive their purported rights.

9. By this Motion, the Debtors seek to sell the ORRIs free and clear of all liens, claims and interests, including Preferential Rights, unless the holder thereof timely objects to the Motion, demonstrates a valid and enforceable Interest (as defined in the proposed Sale Order), and one of the five conditions of section 363(f) are not otherwise satisfied.

10. The ORRIs are one of the Debtors' primary assets. In recent years, Maxus was able to identify producing wells and obtained ORRIs in 3,700 oil and gas wells located in five states within the United States (Louisiana, New Mexico, Oklahoma, Texas, and West Virginia). The ORRIs entitle Maxus to receive periodic payments from the wells' operators as revenues are generated. In 2015, Maxus earned approximately $3 million on account of the ORRIs. First Day Declaration, ¶16.

B. Retention of EnergyNet

11. On December 15, 2016, the Court entered an order granting the Debtors' application to retain EnergyNet as sales broker and consultant with respect to the potential sale of the Debtors' rights, title, and interests in and to certain oil and gas properties (the "Retention Order") [Docket No. 629].[4]

12. EnergyNet is a widely-known, reputable, and professional firm that specializes in oil and gas marketing and divestitures, including the preparation, evaluation, analysis, marketing, negotiation, and closing of oil and gas property sales. EnergyNet conducts efficient oil and gas

[4] On February 21, 2017, the Bankruptcy Court entered an order expanding the scope of the retention and employment of EnergyNet as sales broker and consultant by expanding the list of the oil and gas properties to be marketed and sold [Docket No. 919].

auction, sealed bid, and negotiated sale services that facilitate transactions of producing working interests (operated and non-operated), overrides, royalties, mineral interests, and non-producing leaseholds. EnergyNet is unique in its approach, as the bulk of its sales solicitations and auctions are conducted online. EnergyNet's technological reach presents an oil and gas property portfolio to thousands of potential buyers with multi-billion-dollar buying power and allows buyers the flexibility and convenience of conducting their acquisition and divestment activities online. The Debtors believe that the use of EnergyNet's internet auction mechanism exposed the ORRIs to a wide market, such that the Debtors will derive maximum value from the sale of the ORRIs.

13. As part of EnergyNet's engagement agreement (the "Engagement Agreement"), upon the closing of any sale of the specified oil and gas properties, including the ORRIs, the Debtors are obligated to pay EnergyNet the Sale Success Fee from the proceeds of the Sale based on the total gross sales price pursuant to an agreed upon commission schedule. Pursuant to the Retention Order, the Debtors, as part of the motion to approve the Sale, shall seek approval of the Sale Success Fee on an interim basis, subject to the Court's approval of EnergyNet's final fee application. See Retention Order, ¶4. The amount of the Sale Success Fee is $392,000. Other than the Sale Success Fee, the Debtors have no further obligation to pay EnergyNet additional fees or retainers.

C. The Marketing Process, Qualification of Bidders, and Purchase Agreement

14. The Debtors, with EnergyNet's assistance, solicited bids from numerous interested parties, received the highest and best bid from the Purchaser, and are now seeking approval of the Sale to the Purchaser.

15. To begin the sale process, EnergyNet populated a data room (the "Data Room") for interested parties through its online platform—www.EnergyNet.com. Felton Declaration, ¶4.

The Data Room included a property overview, a mapping overview, historical production curves, copies of received revenue checks, a revenue summary, a well list, API well identification numbers (i.e., unique numbers given to each of the wells), and documents establishing ownership. Id.

16. Any party potentially interested in submitting a bid for the ORRIs that was not already a registered user of EnergyNet's online platform had to complete the registration form at https://www.energynet.com/bidder_reg.pl. Id., ¶5. Once registered, the bidder either (a) requested a bidder allowance by allowing EnergyNet's controller to examine their creditworthiness and contacting the bidder's financial institution to ensure funds were readily available in the event the bidder was the winning bidder or (b) did not request a bidder allowance and submitted an offer on a sealed bid package, and EnergyNet vetted the bidder to ensure adequate funds were available. Id. Bidders were required to verify that they are "Accredited Investors," as defined by SEC's Regulation 501 Rule D. Id.

17. The auction opened on February 9, 2017, and closed on March 2, 2017 (the "Sale Period"). Id., ¶8. As described more fully in the Felton Declaration, during the Sale Period, the ORRIs went through the highest level of mass and targeted marketing offered by EnergyNet. Multiple means were utilized to advertise the Sale in order to ensure that all potentially interested parties were made aware of this purchase opportunity, including (a) conducting multiple mailings to 1,924 targeted contacts, EnergyNet's 20,000 database contacts, and additional general contacts who received advertisements of the Sale, (b) making direct phone calls to parties that EnergyNet identified as high-interest candidates, (c) conducting in-person advertising of the Sale at the North American Prospect Expo, and (d) marketing the ORRIs to EnergyNet

members who have previously subscribed to receive such results using pre-selected search criteria. Id., ¶¶6-7.

18. All bidders were advised, among other things, that: (a) bids were being accepted in the form of a "sealed bid"; (b) no offers would be considered that required further technical evaluation or due diligence; (c) offers contingent on financing would not be considered; (d) the sale would be with no warranties; (e) the purchaser would assume all liabilities associated with the ORRIs; (f) the Debtors preferred an offer for all ORRIs from one buyer or buyer group; (g) the winning bidder must make a 15% non-refundable deposit on the date the property is awarded to the winning bidder and a purchase letter agreement is signed; and (h) the closing of the Sale is contingent on Court approval and DIP Lender approval at or before the Sale Hearing, and the remainder of the purchase price would be due upon Court approval. Id., ¶9.

19. The Debtors chose to use a "sealed bid" process that allows for privatized bidding because they determined that such process would maximize value given the nature of the assets at issue. There are many ways companies evaluate properties, such as ORRIs, and that can lead to a wide range of bidding approaches. In a sealed bid process, bidders put in the best bid based on their individual approach to the asset; whereas, in an open auction, bidders have more visibility and can elect to simply bid one increment over the rest of the market. As a result, an open auction requires multiple parties to compete heavily to raise the price. By comparison, a seller can achieve significant value for its asset in a more efficient manner by using the sealed bid process. Id., ¶10.

20. During the Sale Period, there were 888 views of EnergyNet's website from 301 unique companies. Id., ¶11. Ultimately, seven parties submitted bids, and the range in the value of those bids was significant. For example, the Purchaser's winning bid was almost four times

the amount of the lowest bid.[5] The third-highest bid was 46% lower than the second-highest bid, and the fourth-highest bid was approximately 20% lower than the third-highest bid. Id.

21. On or about March 7, 2017, the Debtors entered into the Purchase Agreement.[6] Id., ¶10.

22. The terms of the Purchase Agreement are as follows:

- **Purchased Assets** (Purchase Agreement, Preamble and ¶1): All of Maxus's: (i) overriding royalty interests in the lands, oil, gas, and/or mineral leases, wells, and units owned by Maxus, including, without limitation all of Maxus's right, title, and interest in the assets described in the Data Room, including, without limitation, the interests described in check details, spreadsheets and engineering data provided in the Data Room; and (ii) all other assets, rights, privileges and interests specified in the mutually agreed upon conveyance documents.

- **Purchase Price** (Purchase Agreement, ¶3): The Purchaser shall pay $15,850,000 for all of Seller's right, title and interest in and to the Properties (as defined in the Purchase Agreement) and other interests specified in the mutually agreed upon conveyance documents, paid in immediately available funds. The Purchaser shall pay the Purchase Price, less the deposit and any adjustments and credits, on the Closing Date (as defined below).

- **Deposit** (Purchase Agreement, ¶9): The Purchaser shall pay the deposit which represents 15% of the Purchase Price, to be held in escrow by EnergyNet until closing. The deposit is non-refundable unless the Debtors are in material breach of the Purchase Agreement or any of the Closing Conditions.

- **Effective Date of the Sale** (Purchase Agreement, ¶2): April 1, 2017.

- **Closing Date** (Purchase Agreement, ¶2): The closing will occur no later than one (1) business day after Court approval and entry of the final Sale Order that is not stayed; provided that the Purchaser, in its sole discretion, may waive the condition that such order be final (the "Closing Date").

- **Closing Conditions** (Purchase Agreement, ¶4): Closing is conditioned (the "Closing Conditions") upon:

[5] After the Purchaser submitted its initial bid, EnergyNet followed up with the Purchaser to clarify its offer. Thereafter, the Purchaser enhanced its initial offer. Felton Decl., ¶13.

[6] The summary of the terms contained in this Motion is qualified in its entirety by reference to the provisions of the Purchase Agreement. In the event of any inconsistencies between the provisions of the Purchase Agreement and the summary set forth herein, the terms of the Purchase Agreement shall govern.

- agreement of mutually acceptable conveyance documents, which shall convey all of Seller's right, title and interest to the Properties and overriding royalty interests on a county-wide basis and include known legal descriptions of the Properties, but the conveyance documents shall not contain any warranties (*i.e.*, "as is, where is");
- entry of a final order pursuant to section 363 of the Bankruptcy Code providing, among other things, that the sale shall be free and clear of all liens, claims and interests to the maximum extent permitted by law, except as otherwise may be permitted in the Purchase Agreement;
- the Debtors making a good faith and reasonable effort to promptly notify potential claimants of the bankruptcy hearing to approve this transaction, and
- in the event a third party timely objects to the Motion, demonstrates a valid and enforceable Preferential Right, one of the five conditions of section 363(f) are not otherwise satisfied in respect of such Preferential Right, and the holder thereof duly exercises such Preferential Right before the Closing Date, the Debtors and the Purchaser will work together in good faith to allocate a value to those exercised properties. Such election of a Preferential Right by a third party before the Closing Date shall cause the Purchase Price to be reduced by the agreed upon value allocation amount, and the Debtors and Purchaser will maintain their respective obligations under the Purchase Agreement as to the balance of the Properties.

- **Adjustments and Credits** (Purchase Agreement, ¶¶4, 5): The Purchaser shall receive a credit in the amount of all revenue attributable to production from the ORRIs after April 1, 2017, and received by the Debtors prior to the Closing Date. The Debtors shall immediately forward to the Purchaser any revenue received from the Properties attributable to production after the Effective Date, but received by the Debtors after the Closing Date. At or before the Closing Date, if requested, the Debtors shall sign transfer orders or similar documents and instruct all purchasers or production from the Properties to make payment to the Purchaser for all production from and after the Effective Date. The Purchaser and the Debtors shall execute, acknowledge and deliver or cause to be executed, acknowledged and delivered such instruments and take such other action as may be necessary or advisable to carry out their obligations under the Purchase Agreement and under any document, certificate or other instrument delivered pursuant to the Purchase Agreement, before, at and after the Closing Date.

- **Ad Valorem Taxes** (Purchase Agreement, ¶6): The Purchaser shall assume the obligation to pay all 2017 ad valorem taxes related to the ORRIs. However, if the Purchaser notifies the Debtors no less than five (5) days prior to closing that the Debtors owe outstanding ad valorem taxes for years prior to 2017, the Debtors shall either (i) satisfy such amounts directly to the taxing authority or (ii) credit the Purchaser such outstanding amounts through an adjustment of the Purchase Price owed by Purchaser at Closing.

- **Costs and Liabilities** (Purchase Agreement, ¶7): The Purchaser will be responsible for all costs and liabilities associated with the ORRIs from and after April 1, 2017. The Debtors shall be responsible for all costs and liabilities associated with the ORRIs prior to April 1, 2017.

- **Records** (Purchase Agreement, ¶8): At closing all original files relating to the ORRIs and production or revenue from the ORRIs will be given to the Purchaser.

- **EnergyNet Fee** (Sale Order, ¶ 19): The Sale Success Fee will be paid on the Closing Date from the Sale Proceeds, but, notwithstanding the foregoing, the Sale Success Fee shall be subject to the Court's approval of EnergyNet's final fee application.

23. The Purchaser is an affiliate of Kimbell Royalty Partners, LP ("Kimbell"), a publicly traded mineral and royalty master limited partnership based in Fort Worth, Texas. Kimbell is one of the largest owners of minerals, royalties and overriding royalty interests nationwide. Since 1998, Kimbell and its predecessors have engaged in over 160 transactions and acquired interests in approximately 48,000 wells. Kimbell now owns mineral and royalty interests in approximately 4.5 million gross acres in twenty states and in nearly every major onshore basin in the continental United States. It is publicly traded on the NYSE under the ticker symbol KRP. Neither Kimbell nor the Purchaser has any relationship with any of the Debtors other than the Purchaser being party to the Purchase Agreement. No common identity of current directors and officers exists between the Purchaser and any of the Debtors. Felton Declaration, ¶¶12, 13; Purchaser Declaration, ¶¶4,5.

24. The Purchaser has deposited with EnergyNet 15% of the Purchase Price. Felton Declaration, ¶16. The closing of the Sale is subject to, among other things, approval by this Court and approval by the DIP Lender at or before the Sale Hearing. Moreover, as discussed below, the Sale of the ORRIs will be "free and clear" to the broadest extent possible under section 363(f) of the Bankruptcy Code and any party asserting a lien, claim, encumbrance, or

other interest in the ORRIs (including any Preferential Rights) that opposes such relief must object to this Motion or otherwise be deemed to consent to the relief herein and any valid lien, claim, encumbrance, or other interest shall attach to the respective proceeds.

25. The Debtors submit that the ORRIs were thoroughly marketed to all potential interested parties, the sealed bid auction was conducted in a manner consistent with industry norms, and that the Purchase Price to be paid by the Purchaser represents the highest and best price for the ORRIs. Id., ¶17.

RELIEF REQUESTED

26. By this Motion, the Debtors request the entry of the Sale Order (a) approving and authorizing the Sale of the ORRIs to the Purchaser free and clear of all liens, interests, claims, and encumbrances, (b) authorizing payment of the Sale Success Fee, and (c) waiving the requirements of Bankruptcy Rule 6004.

ARGUMENT

A. The Court Should Approve the Relief Requested as a Sound Exercise of the Debtors' Business Judgment.

27. The Sale should be approved as a sound exercise of the Debtors' business judgment. Section 363(b)(l) of the Bankruptcy Code provides, in pertinent part, that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). A debtor must demonstrate a sound business justification for a sale or use of assets outside the ordinary course of business. *See, e.g.*, *Meyers v. Martin (In re Martin)*, 91 F.3d 389, 395 (3d Cir. 1996); *Dai-Ichi Kangyo Bank Ltd. v. Montgomery Ward Holding Corp. (In re Montgomery Ward Holding Corp.)*, 242 B.R. 147, 153 (D. Del. 1999); *In re Del. & Hudson Ry. Co.*, 124 B.R. 169, 175-76 (D. Del. 1991). Once a court determines that a valid business justification exists for a sale outside of the ordinary course of

business, the court must determine whether (a) adequate and reasonable notice of the sale was given to interested parties, (b) the sale will produce a fair and reasonable price for the property, and (c) the parties have acted in good faith. *See In re Elpida Memory, Inc.*, No. 12-10947 (CSS), 2012 WL 6090194, at *5 (Bankr. D. Del. Nov. 20, 2012); *In re Exaeris, Inc.*, 380 B.R. 741, 744 (Bankr. D. Del. 2008). The Sale meets each of these requirements.

28. A strong business justification exists for the Sale because the Debtors are in the midst of liquidating their assets and the Sale will allow the Debtors to maximize the value of the ORRIs and satisfy a significant portion of the DIP Facility. Moreover, a strong business justification exists for payment of the Sale Success Fee because EnergyNet facilitated the Sale, payment was previously contemplated by the Retention Order, and the Sale Success Fee is the only payment due EnergyNet for procuring the Purchaser. In addition, the marketing and bidding process outlined above satisfied each of the remaining requirements for approval of a sale under section 363 of the Bankruptcy Code by (a) providing more than ample notice of the proposed sale process, (b) facilitating a value-maximizing Sale, and (c) ensuring an unbiased and good faith sale process.

29. The Debtors, through EnergyNet, provided more than sufficient notice of the opportunity to bid on the ORRIs. As described above, EnergyNet used the highest level of mass and targeted marketing via several channels to ensure that all potentially interested parties were made aware of the sale of the ORRIs. In total, EnergyNet mailed notice of the sale transaction to 1,924 targeted contacts and over 20,000 database contacts, conducted in-person advertising, targeted parties with matching pre-selected interests in the EnergyNet database, and reached even more parties through third-party advertising services. Bidders were informed of the bidding process, bid qualifications, bid submission and selection criteria, and the auction process. Thus,

the Debtors and EnergyNet assured each entity potentially interested in purchasing the ORRIs that their respective rights would be protected and that the sale process was fair and reasonable.

30. The Sale has produced a price that is fair and reasonable as the Purchase Price represents the highest and best offer out of the seven bids submitted and is a strong offer in the current market for ORRIs. The Purchaser is not an insider or affiliate of any of the Debtors, and no common identity of current directors and officers exists between the Purchaser and any of the Debtors. Purchaser Declaration, ¶5. Finally, the Debtors and the Purchaser negotiated the terms of the deal at arm's length and in good faith, and in the absence of any collusion or any similar conduct that would permit the Sale to be avoidable under section 363(n), to effectuate a sale process that benefits both parties. Purchaser Declaration, ¶¶5-6. Therefore, the Sale should be approved as a sound exercise of the Debtors' business judgment and the Purchaser should be afforded all of the protections of Bankruptcy Code section 363(m). *See Abbotts Dairies of Pennsylvania Inc.*, 788 F. 2d 143 (3rd Cir. 1986).

B. Sale Free and Clear of Liens, Claims, Encumbrances and Interests and Distribution of Proceeds.

31. The Debtors seek to sell the ORRIs free and clear of all liens, claims, encumbrances, and other interests, including any Preferential Rights (collectively and as further specified in the Sale Order, the "Interests"). Section 363(f) of the Bankruptcy Code permits a debtor to sell property free and clear of another party's interest in the property if: (1) applicable nonbankruptcy law permits such a "free and clear" sale; (2) the holder of the interest consents; (3) the interest is a lien and the sale price of the property exceeds the value of all liens on the property; (4) the interest is in bona fide dispute; or (5) the holder of the interest could be compelled in a legal or equitable proceeding to accept a monetary satisfaction of its interest. *See* 11 U.S.C. § 363(f). Courts have interpreted the requirements of section 363(f) of the Bankruptcy

Code to be disjunctive. *See In Re Elliot*, 94 B.R. 343, 345 (Bankr. E. D. Pa. 1988). Accordingly, if any of the five conditions set forth in section 363(f) are met, then a debtor is empowered to sell property free and clear of liens. *Id*.

32. The Sale of the ORRIs to the Purchaser will satisfy the requirements of section 363(f). All relevant parties will have sufficient notice and the ability to object to this Motion. Accordingly, if a party with an interest in the ORRIs does not timely object to a transaction in accordance with the proposed procedures, the Debtors submit that such party should be deemed to have consented to the Sale within the meaning of section 363(f)(2) of the Bankruptcy Code. *See Hargrave v. Township of Pemberton (In re Tabone, Inc.)*, 175 B.R. 855, 858 (Bankr. D.N.J. 1994) (finding failure to object to sale free and clear of liens, claims, and encumbrances satisfies section 363(f)(2)).

C. The Debtors are Authorized to Pay the Sale Success Fee

33. Pursuant to the Retention Order, EnergyNet shall be paid the Sale Success Fee pursuant to section 328(a) of the Bankruptcy Code in accordance with the percentage fee schedule set forth in the Engagement Agreement. Prior to and during the Sale Period, EnergyNet diligently performed its duties under the Engagement Agreement and ultimately secured a winning bidder for the ORRIs. The Sale Success Fee is reasonable and consistent with the compensation provided for in the Retention Order and the Debtors should therefore be authorized to pay the Sale Success Fee directly from the Sale Proceeds.

D. Relief Under Bankruptcy Rule 6004(h)

34. Bankruptcy Rule 6004(h) provides that an "order authorizing the use, sale, or lease of property . . . is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise."

35. Here, a waiver of the stay is appropriate because the Sale was extensively marketed and notice of the Sale was adequately provided to all parties-in-interest. In addition, the Purchaser has expressed significant interest in closing the transaction as soon as practicable. Due to such facts and the posture of the Debtors' bankruptcy cases in general, the Debtors request that the Sale Order be effective immediately by providing that the 14-day stay under Bankruptcy Rule 6004(h) is waived.

NOTICE

36. Notice of the Motion will be given to the following parties or, in lieu thereof, to their counsel: (a) the U.S. Trustee; (b) the Creditors' Committee; (c) the Retiree Committee; (d) YPF S.A. and YPF Holdings, Inc.; (e) Occidental Chemical Corporation; (f) the Internal Revenue Service; (g) the U.S. Environmental Protection Agency; (h) the U.S. Department of Justice; (i) the New Jersey Department of Environmental Protection and other applicable state environmental agencies; (j) the offices of the attorneys general for the states in which the Debtors operate; (k) the Pension Benefit Guaranty Corporation; (l) all entities known to have asserted any lien, charge, claim or encumbrance on the ORRIs including, without limitation, all known entities potentially holding any Preferential Right in respect of the ORRIs, and (m) all parties that have requested notice in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary.

WHEREFORE the Debtors respectfully request that this Court (a) enter the Sale Order, and (b) grant such other and further relief as the Court deems just and proper.

Dated: March 28, 2017
Wilmington, Delaware

/s/ Travis G. Buchanan

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-and-

James M. Peck (admitted *pro hac vice*)
Lorenzo Marinuzzi (admitted *pro hac vice*)
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Counsel for Debtors
and Debtors-in-Possession

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
	)	Case No. 16-11501 (CSS)
MAXUS ENERGY CORPORATION, *et al.*,[1]	)	
	)	Jointly Administered
Debtors.	)	
	)	**Objection Deadline: April 11, 2017, at 4:00 p.m. (ET)**
	)	**Hearing Date: April 18, 2017, at 11:00 a.m. (ET)**

NOTICE OF MOTION

TO: (A) THE U.S. TRUSTEE; (B) THE CREDITORS' COMMITTEE; (C) THE RETIREES' COMMITTEE; (D) YPF S.A. AND YPF HOLDINGS, INC.; (E) OCCIDENTAL CHEMICAL CORPORATION; (F) THE INTERNAL REVENUE SERVICE; (G) THE ENVIRONMENTAL PROTECTION AGENCY; (H) THE U.S. DEPARTMENT OF JUSTICE; (I) THE NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION AND THE OTHER APPLICABLE STATE ENVIRONMENTAL AGENCIES; (J) THE OFFICES OF THE ATTORNEYS GENERAL FOR THE STATES IN WHICH THE DEBTORS OPERATE; (K) THE PENSION BENEFIT GUARANTY CORPORATION; (L) ALL ENTITIES KNOWN TO HAVE ASSERTED ANY LIEN, CHARGE, CLAIM OR ENCUMBRANCE ON THE ORRIS INCLUDING WITHOUT LIMITATION, ALL KNOWN ENTITIES POTENTIALLY HOLDING ANY PREFERENTIAL RIGHT IN RESPECT OF THE ORRIS; AND (M) ALL PARTIES WHO, AS OF THE FILING OF THE MOTION, HAVE FILED A NOTICE OF APPEARANCE AND REQUEST FOR SERVICE OF PAPERS PURSUANT TO BANKRUPTCY RULE 2002

PLEASE TAKE NOTICE that Maxus Energy Corporation and the above-captioned debtors and debtors-in-possession (collectively, the "Debtors") have filed the attached *Debtors' Motion for an Order (I) Approving and Authorizing the Sale of the Debtors' Overriding Royalty Interests Free and Clear of All Liens, Interests, Claims, and Encumbrances, (II) Authorizing the Debtors to Pay the Sale of Success Fee, and (III) Waiving the Requirements of Bankruptcy Rule 6004(h)* (the "Motion").

PLEASE TAKE FURTHER NOTICE that any objections to the Motion must be filed on or before **April 11, 2017, at 4:00 p.m. (ET)** (the "Objection Deadline") with the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 North Market Street, Wilmington, Delaware 19801. At the same time, you must serve a copy of any objection upon the undersigned counsel to the Debtors so as to be received on or before the Objection Deadline.

[1] The Debtors in the above-captioned chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Maxus Energy Corporation (1531), Tierra Solutions, Inc. (0498), Maxus International Energy Company (7260), Maxus (U.S.) Exploration Company (2439), and Gateway Coal Company (7425). The address of each of the Debtors is 10333 Richmond Avenue, Suite 1050, Houston, Texas 77042.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE MOTION WILL BE HELD ON **APRIL 18, 2017, AT 11:00 A.M. (ET)** BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI AT THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 5TH FLOOR, COURTROOM NO. 6, WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT FURTHER NOTICE OR A HEARING.

Dated: March 28, 2017
Wilmington, Delaware

/s/ Travis G. Buchanan

M. Blake Cleary (No. 3614)
Joseph M. Barry (No. 4221)
Justin P. Duda (No. 5478)
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Counsel for Debtors and Debtors-in-Possession

Exhibit A

Sale Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
MAXUS ENERGY CORPORATION, *et al.*,[1]	Case No. 16-11501 (CSS)
Debtors.	Jointly Administered
	Ref. Docket No. ____

ORDER (I) APPROVING AND AUTHORIZING THE SALE OF THE DEBTORS' OVERRIDING ROYALTY INTERESTS FREE AND CLEAR OF ALL LIENS, INTERESTS, CLAIMS, AND ENCUMBRANCES, (II) AUTHORIZING THE DEBTORS TO PAY THE SALE SUCCESS FEE, AND (III)WAIVING THE REQUIREMENTS OF BANKRUPTCY RULE 6004(h)

Upon the Motion (the "Motion")[2] of the above-captioned debtors and debtors-in-possession (the "Debtors") for entry of an order (the "Sale Order"), pursuant to sections 105, 328, and 363 of the Bankruptcy Code, Rule 2002 and 6004 of the Bankruptcy Rules, and Rule 6004-1 of the Local Rules: (a) approving and authorizing the sale of the Debtors' overriding royalty interests and certain related property rights, interests and privileges specified in the conveyance documents in the form attached as **Exhibit D** to the Motion (the "ORRIs") to the Purchaser free and clear of all liens, claims, encumbrances and all other Interests (as defined herein), (b) authorizing the Debtors to pay the Sale Success Fee, and (c) waiving the requirements of Bankruptcy Rule 6004(h); and upon the Declarations in support of the Motion; and upon the hearing on the Motion (the "Sale Hearing"); and all parties-in-interest having been heard, or having had the opportunity to be heard, regarding the Motion, the Purchase Agreement, and this Sale Order; and this Court having reviewed and considered the Motion and all

[1] The Debtors in the above-captioned chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Maxus Energy Corporation (1531), Tierra Solutions, Inc. (0498), Maxus International Energy Company (7260), Maxus (U.S.) Exploration Company (2439), and Gateway Coal Company (7425). The address of each of the Debtors is 10333 Richmond Avenue, Suite 1050, Houston, Texas 77042.

[2] Capitalized terms used in this Sale Order but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

objections thereto, and the arguments of counsel made, and the evidence adduced, at the Sale Hearing; and upon the entire record of the Sale Hearing, and after due deliberation thereon, and sufficient cause appearing therefor:

IT IS HEREBY FOUND AND DETERMINED THAT:[3]

A. This Court has jurisdiction to approve the sale of the ORRIs (the "Sale") pursuant to 28 U.S.C. §§ 157(b) and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012.

B. This Court has authority to issue a final order consistent with Article III of the United States Constitution.

C. Venue of the Chapter 11 Cases in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409(a).

D. Approval of the Sale is a core proceeding under 28 U.S.C. §§ 157(b).

E. The statutory predicates for the approval of the Sale are sections 105 and 363 of the Bankruptcy Code, Rules 2002 and 6004 of the Bankruptcy Rules, and Rule 6004-1 of the Local Rules.

F. Actual written notice of the Sale Hearing, the Motion, and the Sale, and a reasonable opportunity to object or be heard with respect thereto and to the entry of this Sale Order has been afforded to all known interested persons and entities entitled to receive such notice, including, but not limited to, the following parties: (a) the U.S. Trustee; (b) the Creditors' Committee; (c) the Retiree Committee; (d) YPF S.A. and YPF Holdings, Inc.; (e) Occidental Chemical Corporation; (f) the Internal Revenue Service; (g) the U.S. Environmental Protection Agency; (h) the U.S. Department of Justice; (i) the New Jersey Department of Environmental

[3] Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.

Protection and other applicable state environmental agencies; (j) the offices of the attorneys general for the states in which the Debtors operate; (k) the Pension Benefit Guaranty Corporation; (l) all entities known to have asserted any lien, charge, claim or encumbrance on the ORRIs, including without limitation all known entities potentially holding any Preferential Right in respect of the ORRIs, and (m) all parties that have requested notice in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002 (collectively, the "Notice Parties").

G. As evidenced by the affidavits of service previously filed with this Court: (i) due, proper, timely, adequate, and sufficient notice of the Motion, the Sale Hearing, the entry of this Sale Order, and the Sale has been provided to all parties-in-interest, including the Notice Parties; (ii) such notice was, and is, good, sufficient, and appropriate under the circumstances of the Chapter 11 Cases, provided a fair and reasonable opportunity for parties-in-interest to object, and to be heard, with respect thereto, and was provided in accordance with sections 105 and 363 of the Bankruptcy Code, Bankruptcy Rules 2002 and 6004, and the applicable Local Rules; and (iii) no other or further notice of with respect to such matters is necessary or shall be required.

H. This Sale Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h), the parties may consummate the Sale immediately upon entry of this Sale Order. Time is of the essence in consummating the Sale to the Purchaser. Accordingly, cause exists to lift the stay to the extent necessary, as contemplated by Bankruptcy Rule 6004(h). To any extent necessary under Bankruptcy Rule 9014 and Rule 54(b) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7054, the Court expressly finds that there is no just reason for delay in the implementation of this Sale Order.

I. As demonstrated by the Declarations, the Debtors marketed the ORRIs, and the Debtors and the Purchaser negotiated the Sale in a diligent, noncollusive, fair, and good faith manner. The Debtors conducted an open and robust marketing and sale process for the ORRIs that afforded a full, fair, and reasonable opportunity for any person to make its highest and best offer to purchase the ORRIs. The Court finds that additional marketing of the ORRIs would not likely lead to any higher and better offers, and thus additional marketing of the ORRIs would not be in the best interest of the estates.

J. The Purchase Agreement and the Purchase Price constitute the highest and best offer obtainable for the ORRIs, and will provide a greater recovery for the Debtors' stakeholders than would be provided by any available alternative. Thus, prompt consummation of the Sale contemplated by the Purchase Agreement at this time will serve the best interests of the Debtors, their estates, their creditors, and all parties-in-interest by maximizing the value to be obtained from the ORRIs. Taking into consideration all relevant factors and circumstances, no other person or entity has offered to purchase the ORRIs for greater economic value to the Debtors or their estates.

K. The Debtors have demonstrated both: (i) good, sufficient, and sound business purpose and justification for the Sale because, among other things, the Debtors and their advisors diligently and in good faith analyzed all other available options in connection with the disposition of the ORRIs and determined that (a) the terms and conditions set forth in the Purchase Agreement, (b) the transfer of the ORRIs by the Debtors to the Purchaser, and (c) the Purchase Price as reflected in the Purchase Agreement are all fair and reasonable and together constitute the highest or otherwise best value obtainable for the ORRIs; and (ii) that compelling circumstances exist for the Sale under section 363 of the Bankruptcy Code before, and outside

of, a chapter 11 plan because, among other things, absent the Sale the value of the ORRIs will be substantially diminished. The pursuit and consummation of the Sale to the Purchaser are appropriate exercises of the Debtors' business judgment and are in the best interests of the Debtors, their creditors, their equity interest holders, their estates and other parties in interest.

L. A sale of the ORRIs other than one free and clear of liens, claims, and Interests (as defined herein) and without the protections of this Sale Order would impact materially and adversely the Debtors' estates and would yield substantially less value, with less certainty than any available alternatives. Without the protections afforded to the Purchaser under the Bankruptcy Code and this Sale Order, the Purchaser would have not offered the consideration indicated in the Purchase Agreement for the ORRIs. In addition, each entity with an Interest in the ORRIs (i) has consented to the Sale or is deemed to have consented to the Sale, (ii) could be compelled in a legal or equitable proceeding to accept money satisfaction of such interest or (iii) otherwise falls within the provisions of section 363(f) of the Bankruptcy Code and, therefore, in each case, one or more of the standards set forth in section 363(f)(1)-(5) of the Bankruptcy Code have been satisfied. Those holders of Interests who did not object, or who withdrew their objections, to the Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. Holders of Interests are adequately protected by having their Interests, if any, attach to the cash proceeds of the Sale in the same priority as their pre-petition liens and/or security interests ultimately attributable to the property to which the Interests apply, subject to the terms thereof. Therefore, approval of the Purchase Agreement and the consummation of the Sale free and clear of Interests are appropriate pursuant to section 363(f) of the Bankruptcy Code and are in the best interests of the Debtors' estates, their creditors, and other parties-in-interest.

M. The Purchase Price to be paid by the Purchaser under the Purchase Agreement in connection with the Sale, was negotiated at arm's length and constitutes reasonably equivalent value and fair and adequate consideration for the ORRIs under the Bankruptcy Code, the Uniform Fraudulent Transfer Act, the Uniform Fraudulent Conveyance Act, and the laws of the United States, any state, territory, possession thereof or the District of Columbia. The terms and conditions set forth in the Purchase Agreement are fair and reasonable under these circumstances and were not entered into for the purpose of, nor do they have the effect of, hindering, delaying, or defrauding any of the Debtors or their creditors under any applicable laws.

N. The Purchaser is not an "insider" or an "affiliate" (as those terms are respectively defined in section 101 of the Bankruptcy Code) of any of the Debtors. No common identity of current directors and officers exists between the Purchaser and any of the Debtors.

O. The Purchaser negotiated the terms and conditions of the Sale in good faith and at arm's length. The Purchaser has acted in good faith in all respects in connection with the Chapter 11 Cases and the Sale in that (i) the Purchaser recognized that the Debtors were free to negotiate with any other party that expressed interest in consummating the Sale, (ii) all payments to be made by the Purchaser and other agreements or arrangements entered into by the Purchaser with the Debtors in connection with the Sale have been disclosed, (iii) the negotiation and execution of the Purchase Agreement and all other aspects of the Sale were conducted at arm's length and in good faith; and (iv) the Debtors and the Purchaser have acted without collusion. The Purchaser is purchasing the ORRIs in "good faith" within the meaning of section 363(m) of the Bankruptcy Code and is, therefore, entitled to the protections afforded thereby.

P. The Debtors and their management actively participated in the sale process and acted in good faith. Accordingly, neither the Debtors nor the Purchaser has engaged in any

conduct that would cause or permit the Sale, the Purchase Agreement, or any related action to be avoided or result in the imposition of any costs or damages under section 363(n) of the Bankruptcy Code.

Q. No transfer or other disposition of the ORRIs pursuant to the Purchase Agreement will result in the Purchaser having any liability or responsibility (i) for any Interest, (ii) for the satisfaction in any manner of any Interest, or (iii) to third parties or the Debtors, except as expressly set forth in the Purchase Agreement. Without limiting the effect or scope of the foregoing, no transfer or other disposition of the ORRIs pursuant to the Purchase Agreement does or will subject the Purchaser to any liability for Interests against the Debtors or the Debtors' Interests in such ORRIs by reason of such transfer under any laws, including, without limitation, any theory of successor or transferee liability, antitrust, product line, de facto merger or substantial continuity, or similar theories.

R. Maxus (i) has full corporate or other power to execute, deliver, and perform its obligations under the Purchase Agreement, (ii) has all of the corporate or other power and authority necessary to consummate the Sale, and (iii) has taken all actions necessary to duly and validly authorize and approve the Purchase Agreement.

S. Upon entry of this Sale Order, the Purchase Agreement is a legal, valid, and binding contract between and among the parties thereto and is enforceable in accordance with its terms.

T. The ORRIs are property of the Debtors' estates within the meaning of section 541(a) of the Bankruptcy Code. As of the Closing Date, the consummation of the Sale contemplated by the Purchase Agreement will be legal, valid, and properly authorized under all applicable provisions of the Bankruptcy Code, including sections 105(a), 363(b), 363(f), and

363(m), and all of the applicable requirements of such sections have been complied with in respect of the Sale.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

A. Motion Granted, Objections Overruled.

1. The relief requested in the Motion is granted and approved in all respects as provided herein.

2. Any objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled, and all reservations of rights included in such objections, are overruled on the merits.

B. Sale Free and Clear is Approved and Authorized.

3. The Sale and the transfer and conveyance of the ORRIs to the Purchaser pursuant to the Purchase Agreement are hereby approved and authorized in accordance with, and under, sections 363(b), 363(f), and 363(m) of the Bankruptcy Code.

4. The terms and conditions of the Purchase Agreement and the Sale are hereby approved in all respects and incorporated herein; *provided*, *however*, that provisions in the Purchase Agreement pertaining to confidentiality have been waived by the Purchaser to the extent necessary for the disclosures made in the Motion and the Declarations. The Debtors are authorized and directed to execute and deliver, and empowered to fully perform under, consummate, and implement the Purchase Agreement and the Sale, together with all additional instruments and documents that may be reasonably necessary or desirable to do so, and to take all further action as may reasonably be requested by the Purchaser for the purpose of assigning,

transferring, granting, conveying, and conferring the ORRIs to the Purchaser as contemplated in the Purchase Agreement.

5. Pursuant to section 363(f) of the Bankruptcy Code, at closing the ORRIs shall be transferred to the Purchaser pursuant to the Sale, and shall vest the Purchaser and/or its designees as of the Closing Date with all rights, title, privileges, and interests of the Debtors and their estates in and to the ORRIs, free and clear of all Interests, pursuant to the terms of the Purchase Agreement and this Sale Order. The transfer of the ORRIs to the Purchaser, as provided in the Purchase Agreement, will be legal, valid, and effective to the fullest extent provided herein. For purposes of this Sale Order, Interests shall mean:

- liens (including, without limitation, mechanics', materialmens', and other consensual and non-consensual liens and statutory liens), mortgages, deeds of trust, restrictions, hypothecations, charges, indentures, loan agreements, judgment liens, instruments, leases, licenses, options, deeds of trust, security interests, conditional sale or other title retention agreements, pledges, judgments, demands, encumbrances, easements, servitudes, proxy, voting trust or agreement, and liens and security interests granted under sections 361, 363 and/or 364 of the Bankruptcy Code or any orders of the Court;

- claims (as that term is defined in the Bankruptcy Code), including without limitation claims for reimbursement, contribution claims, liabilities, counterclaims, cross-claims, third-party claims, indemnity claims, exoneration claims, alter-ego claims, causes of action, environmental claims (including claims that may be secured or entitled to priority under the Bankruptcy Code), claims based upon or relating to any putative successor or transferee liability, claims based on or relating to taxes (including foreign, state, and local taxes), claims based on or relating to labor or employment agreements, claims based on or relating to pension obligations, reclamation claims, administrative expenses (including priority and super-priority claims granted under sections 361, 363, 364, 503 and 507 of the Bankruptcy Code or any Orders of the Court), and pending litigation claims;

- interests, obligations, remedies, liabilities, demands, agreements, guaranties, options, restrictions, contractual or other commitments;

- rights, including, without limitation rights of use, rights of possession, Preferential Rights, rights of offset, rights to use, contract rights, recoupment rights, and rights of recovery;

- judgments and/or decrees of any court or foreign or domestic governmental entity (to the fullest extent permitted by law);

- charges or restrictions of any kind or nature, including, without limitation, any restriction on the use, transfer, receipt of income or other exercise of any attributes of ownership of the ORRIs, including, without limitation, consent of any person or entity to assign or transfer any of the ORRIs;

- debts arising in any way in connection with any agreements, acts, or failures to act of the Debtors or any of the Debtors' predecessors or affiliates;

- matters of any kind and nature whatsoever, in each instance for all of the foregoing, whether known or unknown, choate or inchoate, filed or unfiled, scheduled or unscheduled, noticed or unnoticed, recorded or unrecorded, perfected or unperfected, allowed or disallowed, contingent or noncontingent, liquidated or unliquidated, matured or unmatured, material or nonmaterial, disputed or undisputed, whether arising prior to or subsequent to the commencement of these bankruptcy cases, and whether imposed by agreement, understanding, law, equity, statute or otherwise, and whether occurring or arising before, on or after the Petition Date, or occurring or arising prior to the Closing Date; and

- any other interest within the meaning of section 363(f) of the Bankruptcy Code.

6. Any Interests, including the liens of YPF Holdings, Inc. under the Debtor-In-Possession Secured Credit Agreement dated as of September 14, 2016 approved by Final Order Pursuant to Sections 362, 363 and 364 of the Bankruptcy Code and Rule 4001 of the Federal Rules of Bankruptcy Procedure (A) Authorizing the Debtors to Obtain Postpetition Financing and (B) Granting Related Relief dated August 19, 2016 (the "Final DIP Order") or any replacement thereof, shall attach to the proceeds of the Sale in the order of their priority, with the same validity, force, priority, and effect which they previously had against the ORRIs, subject to the rights and defenses, if any, of the Debtors and their estates with respect thereto, and the proceeds of the Sale shall be allocated and managed in accordance with the Final DIP Order, and any replacement thereof, and any other applicable orders of this Court related thereto and in accordance with the terms of the Plan or any chapter 11 plan that may be confirmed and become effective in the Chapter 11 Cases.

7. As of the Closing Date, all persons and entities holding Interests are hereby barred and enjoined from asserting such Interests in any manner against any of the Purchaser, its affiliates, successors or assigns, an any of their respective properties, including without limitation, the ORRIs. As of the Closing Date, no person or entity shall interfere with the Purchaser's title to or use and enjoyment of the ORRIs on account of the Interests, and the Purchaser shall be free to sell or otherwise transfer the ORRIs it acquires in its sole discretion. All persons and entities in possession of any ORRIs subject to the Sale are directed to surrender possession of such ORRIs to the Purchaser upon demand.

8. This Sale Order shall be construed as, and shall be for any and all purposes, a full and complete general assignment, conveyance, and transfer of the ORRIs or a bill of sale transferring good and marketable title in the ORRIs to the Purchaser pursuant to the terms of the Purchase Agreement. Each and every federal, state, and local governmental agency or department is hereby directed to accept any and all documents and instruments necessary and appropriate to consummate the Sale and to give effect to the Purchase Agreement.

C. <u>No Assumed Liabilities.</u>

9. The Purchaser (as a successor entity, successor employer, or otherwise) has not acquired and will not acquire or assume or be deemed to have acquired or assumed at the Closing Date any obligations or liabilities of the Debtors whatsoever except as expressly provided in the Purchase Agreement, and all entities are hereby permanently enjoined and restrained from asserting or prosecuting any claim on account of any obligations or liabilities against any of the Purchaser or its agents on account of the ORRIs except as expressly provided by the Purchase Agreement. Without limiting the generality of the foregoing, the Purchaser

expressly assumes the obligation to pay all 2017 ad valorem taxes related to any and all assets and property transferred pursuant to this Sale Order and the Purchase Agreement.

10. Except as expressly provided in the Purchase Agreement, neither the Purchaser nor its respective successors or assigns shall be obligated or liable, either directly or indirectly, as successor, transferee, or otherwise, for any obligations or liabilities of the Debtors or their affiliates (whether under federal or state law or otherwise) as a result of the sale or purchase of the ORRIs. Neither the Purchaser nor its respective successors and assigns shall be or be deemed to be a successor or successor in interest or responsible person or potentially responsible person to the Debtors or any current or former creditor, employee, equity holder, or other party-in-interest with respect to any liability, and to the extent permitted by applicable law, none shall have any liability (whether under federal or state law or otherwise) for successor liability, including with respect to any liabilities arising from or under products liability, tax, environmental, employment, or other applicable law. The Purchaser is not a mere continuation of or successor to the Debtors in any respect, there is no continuity of enterprise between the Debtors or the Purchaser, and the Sale does not amount to a consolidation, merger, or de facto merger of the Purchaser and the Debtors.

D. Order Binding.

11. This Sale Order (a) shall be effective as a determination that, upon the Closing Date of the Sale, all liabilities of any kind or nature whatsoever existing as to the ORRIs being sold by the Debtors prior to the Closing Date of the Sale have been unconditionally released, discharged, and terminated, and that the conveyances described herein have been effected, and (b) shall be binding upon and shall govern the acts of all entities, including, without limitation all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of

deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal, state, and local officials, and all other persons and entities who may be required by operation of law, the duties of their office, or contract, to accept, file, register, or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to the ORRIs. Upon consummation of the Sale set forth in the Purchase Agreement, the Purchaser or its designee shall be authorized to file this Sale Order, termination statements, lien terminations, or any other similar releases of real property interests in any jurisdiction to remove any record, notice filing, or financing statement recorded to attach, perfect, or otherwise notice any lien or encumbrance that is extinguished or otherwise released pursuant to this Sale Order under section 363 and the related provisions of the Bankruptcy Code. To the extent provided by section 525 of the Bankruptcy Code, no governmental unit may revoke or suspend, on account of the filing or pendency of the Chapter 11 Cases or the consummation of the Sale, any permit or license relating to the operation of the ORRIs sold, transferred, or conveyed to the Purchaser.

12. If any person or entity that has filed financing statements, mortgages, construction or mechanic's liens, lis pendens, or other document or agreement evidencing liens on or Interests in the ORRIs shall not have actually delivered to the Debtors prior to the Closing Date, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of any Interests which the person or entity has with respect to the ORRIs, each such person or entity is hereby directed to deliver all such statements, instruments, and releases and the Debtors and the Purchaser are hereby authorized to execute and file such statements, instruments, releases, and other documents on behalf of the person or entity asserting the same and the Purchaser is further authorized to file a copy of this Sale Order which, upon

filing, shall be conclusive evidence of the release and/or termination of any Interest. Each and every federal, state, and local governmental unit, and each representative and clerk thereof, is hereby directed to accept any and all documents and instruments—including without limitation this Sale Order—necessary or appropriate to give effect to the Sale.

E. Good Faith.

13. The Sale is undertaken by the Debtors and the Purchaser in good faith, as that term is used in section 363(m) of the Bankruptcy Code and, accordingly, the reversal or modification on appeal of the authorization provided herein to consummate the Sale shall not affect the validity of the Sale to the Purchaser, unless such authorization is duly stayed pending such appeal. The Purchaser is a good faith purchaser of the ORRIs, and is entitled to all of the benefits and protections afforded by section 363(m) of the Bankruptcy Code.

F. Other Provisions.

14. The Purchaser is a party-in-interest and shall have the ability to appear and be heard on all issues related to this Sale Order, the Sale, the Purchase Agreement, and the various procedures contemplated therein.

15. The Purchase Agreement and related documents may be modified, amended, or supplemented by the parties thereto in accordance with the terms thereof without further order of this Court, provided that any such modification, amendment, or supplement is not material and adverse to the Debtors, *provided further, however*, that any such modification, amendment, or supplement that is material and adverse to the Debtors may be made without further order of this Court subject to the prior consent from the DIP Lender and the Creditors' Committee.

16. This Sale Order and the terms and provisions of the Purchase Agreement shall be binding on all of the Debtors' creditors (whether known or unknown), the Debtors, the

Purchaser, and each of the respective affiliates, successors, and assigns thereof, and any affected third parties including, but not limited to, all persons asserting an Interest in or relating to the ORRIs, notwithstanding any subsequent appointment of any trustee, party, entity, or other fiduciary under any section of the Bankruptcy Code with respect to the forgoing parties, and as to such trustee, party, entity or other fiduciary, such terms and provisions likewise shall be binding. The provisions of this Sale Order and the terms and provisions of the Purchase Agreement, and any actions taken pursuant hereto or thereto shall survive the entry of any order that may be entered confirming or consummating any plan of the Debtors or converting the Debtors' cases from chapter 11 to chapter 7, and the terms and provisions of the Purchase Agreement, as well as the rights and interests granted pursuant to this Sale Order and the Purchase Agreement, shall continue in these or any superseding cases and shall be binding upon the Debtors, the Purchaser, and their respective successors and permitted assigns, including any trustee or other fiduciary hereafter appointed as a legal representative of the Debtors under chapter 7 or chapter 11 of the Bankruptcy Code. Each of the Purchaser and the trustee shall be and hereby is authorized to perform under the Purchase Agreement upon the appointment of the trustee without further order of this Court. The Purchase Agreement, this Sale Order, and the Debtors' obligations therein and herein shall not be altered, impaired, amended, rejected, discharged or otherwise affected by any chapter 11 plan proposed or confirmed in the Chapter 11 Cases, any order confirming any chapter 11 plan, or any subsequent order of this Court without the prior written consent of the Purchaser. Without limiting the forgoing, to the extent of any conflict or derogation between this Sale Order or the Purchase Agreement and any such plan or order, the terms of this Sale Order and the Purchase Agreement shall control.

17. No bulk sales law or any similar law of any state or other jurisdiction shall apply in any way to the Sale.

18. The Purchaser is not and will not become obligated to pay any fee, commission, or like payment to any broker, finder, or financial advisor as a result of the consummation of the Sale based upon any arrangement made by or on behalf of the Debtors or any of their predecessors.

19. The Debtors are authorized to pay the Sale Success Fee. Notwithstanding payment of the Sale Success Fee on the Closing Date, approval of the Sale Success Fee shall be subject to the Court's approval of EnergyNet's final fee application in accordance with the Retention Order.

20. This Court shall retain jurisdiction (i) to enforce and implement the terms and provisions of the Purchase Agreement, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith, (ii) to resolve any disputes arising under or related to the Sale, the Purchase Agreement, Interests, and ORRIs, (iii) to interpret, implement, and enforce the provisions of this Sale Order, and (iv) to protect the Debtors and/or the Purchaser against any assertions of Interests.

21. The failure to include specifically any particular provision of the Purchase Agreement in this Sale Order shall not diminish or impair the effectiveness of such provisions, it being the intent of the Court that the Purchase Agreement and all of their provisions, payments, and Sale, be authorized and approved in their entirety. Likewise, all of the provisions of this Sale Order are nonseverable and mutually dependent.

22. Notwithstanding the provisions of Bankruptcy Rule 6004(h), because time is of the essence, this Sale Order shall not be stayed for fourteen (14) days after the entry hereof, but shall be effective and enforceable immediately upon issuance hereof.

23. To the extent that anything contained in this Sale Order explicitly conflicts with a provision in the Purchase Agreement and/or any other related agreements, this Sale Order shall govern and control.

Dated: _____, 2017
Wilmington, Delaware

HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

Felton Declaration

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
	)	Case No. 16-11501 (CSS)
MAXUS ENERGY CORPORATION, *et al.*,[1]	)	
	)	Jointly Administered
Debtors.	)	
	)	
	)	

DECLARATION OF CODY FELTON IN SUPPORT OF THE DEBTORS' MOTION FOR AN ORDER (I) APPROVING AND AUTHORIZING THE SALE OF THE DEBTORS' OVERRIDING ROYALTY INTERESTS FREE AND CLEAR OF ALL LIENS, INTERESTS, CLAIMS, AND ENCUMBRANCES, (II) AUTHORIZING THE DEBTORS TO PAY THE SALE SUCCESS FEE, AND (III)WAIVING THE REQUIREMENTS OF BANKRUPTCY RULE 6004(h)

Cody Felton, under penalty of perjury, hereby declares as follows:

1. I am a Business Development Manager at EnergyNet.com, Inc. ("EnergyNet"), which firm has been retained as the Debtors' advisor in connection with the sale or disposition of the Debtors' overriding royalty interests (the "ORRIs") pursuant to that certain *Order Authorizing the Retention and Employment of EnergyNet.com as Sales Broker and Consultant for the Debtors, Nunc Pro Tunc to November 17, 2016* [Docket No. 629]. I am submitting this Declaration in Support of the *Debtors' Motion for Orders Pursuant to Sections 363 and 105 of the Bankruptcy Code and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure Approving and Authorizing the Sale of the Debtors' Overriding Royalty Interests Free and Clear of all Liens, Interests, Claims and Encumbrances and Waiving the Requirements of Bankruptcy*

[1] The Debtors in the above-captioned chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Maxus Energy Corporation (1531), Tierra Solutions, Inc. (0498), Maxus International Energy Company (7260), Maxus (U.S.) Exploration Company (2439), and Gateway Coal Company (7425). The address of each of the Debtors is 10333 Richmond Avenue, Suite 1050, Houston, Texas 77042.

Rule 6004(h) (the "Motion").[2] Unless otherwise stated, I have personal knowledge of all the facts stated herein.

2. The ORRIs consist of overriding royalty interests in approximately 3,700 wells located in Louisiana, New Mexico, Oklahoma, Texas, and West Virginia and certain related property rights, interests and privileges specified in the conveyance documents, the form of which are attached to the Motion.

3. EnergyNet handles over 1,000 transactions annually, either through auction, sealed bid or negotiated sale processes. The auction process is generally reserved for properties under $5MM in value. Properties that exceed that price are generally put in the sealed bid process due to the size of the asset and the many potential ways it can be evaluated by a third party. EnergyNet has handled a high volume of assets similar to the ORRIs. The Debtors' listing is right in order with our day-to-day business. EnergyNet has sold, and will sell, dozens of similar assets this year alone. The Debtors chose to use the sealed bid process, described in greater detail herein, to improve their chance of getting the highest possible offer. Similar size properties that go through our process would almost always go through the sealed bid process, including bankruptcy sales. EnergyNet has found that properties of a size, similar to the lot of ORRIs being sold by the Debtors, will almost always garner a higher return in the sealed bid process.

A. Marketing Process

4. EnergyNet conducts its sales through its online platform – www.EnergyNet.com, which includes a data room for interested parties. The data room included a property overview, a mapping overview, historical production curves, checks (i.e., copies of received revenue checks),

[2] Capitalized terms used in this Declaration but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

revenue summary, well list, API well identification numbers (i.e., unique numbers giving to each of the wells), and land documents (i.e., documents establishing ownership).

5. As with other auctions that EnergyNet conducts, potential bidders go through a registration process before becoming eligible to bid. Once registered, the bidder can request a bidder allowance by allowing EnergyNet's controller to examine their creditworthiness and contacting the bidder's financial institution. Bidders that have not requested a bidder allowance can submit an offer on a sealed bid package, but must also be vetted to ensure adequate funds are available. Bidders must verify that they are "Accredited Investors," as defined by SEC's Regulation 501 Rule D. When bid allowances are established, EnergyNet's controller then contacts the bidder's banker to ensure funds are readily available in the event they are the winning bidder.

6. The ORRIs went through the highest level of mass and target marketing offered by EnergyNet, and multiple means were utilized to advertise this sale in order to ensure all potentially interested parties were made aware of this purchase opportunity. For example, it conducted multiple mailings, including a first mailing sent on February 10, 2017 to a targeted list of 1,924 contacts, then a second mailing using third-party advertising services and a third mailing to EnergyNet's database of over 20,000 contacts. In addition, EnergyNet made direct phone calls to parties that it identified as high-interest candidates. In addition, the North American Prospect Expo ("NAPE") was going on during the Sale Period (which had 11,000 registered attendees), and EnergyNet conducted in-person advertising at NAPE of the sale of the ORRIs.

7. The ORRIs were also marketed by EnergyNet to its users through the pre-saved search feature on the EnergyNet.com website. This feature delivers search results for new

auctions to members who have previously subscribed to receive such results using pre-selected search criteria. In this regard, the ORRIs would have been made available to all EnergyNet users with pre-saved searches for auctions that matched the profile of the ORRIs.

B. The "Sealed Bid" Auction

8. The auction opened on February 9, 2017 and closed on March 2, 2017.

9. At the time that potential bidders were evaluating the material in the data room and deciding whether to submit a bid, they were advised of the following:

- Bids were being accepted in the form of a "sealed bid";
- No offers would be considered that required further technical evaluation or due diligence;
- Offers contingent on financing would not be considered;
- The conveyance would be with no warranties whatsoever, including without limitation, as to title or environmental matters;
- The buyer is expected to assume all liabilities related to the properties, regardless of when they arose;
- Seller reserves the right to reject any and all offers;
- It is the Seller's strong preference to receive an offer for the entire ORRI package and close the transaction with one buyer or buying group. Seller may, however, consider separate individual bids or other constructive bid proposals;
- The bidder will be required to make a 15% (non-refundable) deposit on the date the property is awarded to them, and the Purchase Letter Agreement is signed;
- The final amount will be due immediately after bankruptcy court approval is received; and
- The winning bid remains subject to approval of the Seller's lender.

10. The Debtors chose to use a "sealed bid" process that allows for privatized bidding because there are many ways that companies evaluate properties, such as ORRIs, and that can lead to a wide range of bidding approaches. In the sealed bid process, bidders put in the best bid based on their individual valuation approach to the asset; whereas, in an open auction, bidders have more visibility and can elect to simply bid one increment over the rest of the market. As a result, the open auction requires multiple parties to compete heavily to substantially raise the price. By comparison, a seller can achieve significant value for its asset in a more efficient manner by using the sealed bid process.

11. Over the three-week sale period, there were 888 views of EnergyNet's website from 301 unique companies. In my opinion, the ORRIs were very well received by potential bidders, there was significant interest in the assets, and bidding was very competitive. The level of activity for these assets is entirely consistent with what I would expect for a property of this size going through a sealed bid process. Ultimately, seven parties submitted bids, and the range in the value of those bids was significant. For example, Kimbell's winning bid was almost four times the amount of the lowest bid. The third-highest bid was 46% lower than the second-highest bid, and the fourth-highest bid was approximately 20% lower than the third-highest bid. No other person or entity has offered to purchase the ORRIs for greater economic value to the Debtors or their estates.

C. The Winning Bidder

12. The Purchaser, Kimbell Royalty Holdings, LLC, is an affiliate of Kimbell Royalty Partners, LP ("Kimbell"), a publicly traded mineral and royalty master limited partnership based in Fort Worth, Texas. Kimbell is one of the largest owners of minerals, royalties and overriding royalty interests nationwide. Since 1998, Kimbell and its predecessors have engaged in over 160

transactions and acquired interests in approximately 48,000 wells. Kimbell now owns mineral and royalty interests in approximately 4.5 million gross acres in twenty states and in nearly every major onshore basin in the continental United States. It is publicly traded on the NYSE under the ticker symbol KRP.

13. To my knowledge, in all respects relating to the Sale, the Purchaser has acted in good faith and without any collusion, fraud, or attempt to take grossly unfair advantage of any party. The Debtors were free to deal with any other party interested in acquiring the ORRIs and thoroughly pursued the marketing and sale process described above. To my knowledge, neither Kimbell nor the Purchaser has any relationship with any of the Debtors other than the Purchaser being party to the Purchase Agreement. To my knowledge, no common identity of current directors and officers exists between the Purchaser and any of the Debtors.

14. After the Purchaser submitted its initial bid by the Bid Deadline, EnergyNet followed up with the Purchaser to clarify its offer. Thereafter, thePurchaser enhanced its initial offer.

15. On or about March 7, 2017, the Debtors reached an agreement with the Purchaser for the purchase of the ORRIs.

16. The Purchaser has deposited with EnergyNet 15% of the Purchase Price. The closing of the Sale is subject to, among other things, approval by the Court and approval by the Debtors' postpetition lender (i.e., YPF Holdings Inc.) by the Sale Hearing.

17. The Debtors and their advisors diligently and in good faith analyzed all other available options in connection with the disposition of the ORRIs and determined that (a) the terms and conditions set forth in the Purchase Agreement, (b) the transfer of the ORRIs by the Debtors to the Purchaser, and (c) the Purchase Price as reflected in the Purchase Agreement are

all fair and reasonable and together constitute the highest or otherwise best value obtainable for the ORRIs. I believe that the Purchase Agreement and the Purchase Price constitute the highest and best offer obtainable for the ORRIs, and will provide a greater recovery for the Debtors' stakeholders than would be provided by any available alternative.

18. Further, absent the Sale, the value of the ORRIs will be substantially diminished. Thus, prompt consummation of the Sale contemplated by the Purchase Agreement at this time will serve the best interests of the Debtors, their estates, their creditors, and all parties in interest by maximizing the value to be obtained from the ORRIs.

19. I believe that a sale of the ORRIs other than one free and clear of Interests and without the protections of the Sale Order would impact materially and adversely the Debtors' estates and would yield substantially less value, with less certainty than any available alternatives, because without the protections afforded to the Purchaser under the Bankruptcy Code and the Sale Order, the Purchaser would have not offered the consideration indicated in the Purchase Agreement for the ORRIs.

20. The Purchase Price to be paid by the Purchaser under the Purchase Agreement in connection with the Sale was negotiated at arm's length and constitutes reasonably equivalent value and fair and adequate consideration for the ORRIs. I believe the terms and conditions set forth in the Purchase Agreement are fair and reasonable under these circumstances and were not entered into for the purpose of, nor do they have the effect of, hindering, delaying or defrauding any of the Debtors or their creditors under any applicable laws.

21. The Purchaser is not an "insider" (as that term is defined in section 101 (31) of the Bankruptcy Code) of any of the Debtors.

22. The Purchaser negotiated the terms and conditions of the Sale in good faith and at arm's length. The Purchaser has acted in good faith in all respects in connection with the Chapter 11 Cases and the Sale in that (i) the Purchaser recognized that the Debtors were free to negotiate with any other party that expressed interest in consummating the Sale, (ii) all payments to be made by the Purchaser and other agreements or arrangements entered into by the Purchaser with the Debtors in connection with the Sale have been disclosed, and (iii) the negotiation and execution of the Purchase Agreement and all other aspects of the Sale were conducted in good faith.

23. The Debtors and their management actively participated in the sale process and acted in good faith.

24. Given the foregoing, I believe that the ORRIs were thoroughly marketed to all potential interested parties, the sealed bid auction was conducted in a manner consistent with industry norms, and that the Purchase Price to be paid by the Purchaser represents the highest and best price for the ORRIs.

Dated: March 28, 2017

Cody Felton
EnergyNet.com, Inc.
Business Development Manager

Exhibit C

Taylor Declaration

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
	)	Case No. 16-11501 (CSS)
MAXUS ENERGY CORPORATION, *et al.*,[1]	)	
	)	Jointly Administered
Debtors.	)	
	)	
	)	

DECLARATION OF BRETT TAYLOR IN SUPPORT OF THE DEBTORS' MOTION FOR ORDER PURSUANT TO SECTIONS 363 AND 105 OF THE BANKRUPTCY CODE AND RULES 2002 AND 6004 OF THE FEDERAL RULES OF BANKRUPTCY PROCEDURE APPROVING AND AUTHORIZING THE SALE OF THE DEBTORS' OVERRIDING ROYALTY INTERESTS FREE AND CLEAR OF ALL LIENS, INTERESTS, CLAIMS AND ENCUMBRANCES AND WAIVING THE REQUIREMENTS OF BANKRUPTCY RULE 6004(H)

I, Brett Taylor, state the following:

1. I am an Executive Vice Chairman, Director and Co-Founder of Kimbell Royalty GP, LLC, the general partner of Kimbell Royalty Partners LP ("Kimbell"), which is the parent company of Kimbell Royalty Holdings, LLC (the "Purchaser"). I offer this testimony in support of the *Debtors' Motion for Orders Pursuant to Sections 363 and 105 of the Bankruptcy Code and Rules 2002 and 6004 of the Federal Rules of Bankruptcy Procedure Approving and Authorizing the Sale of the Debtors' Overriding Royalty Interests Free and Clear of all Liens, Interests, Claims and Encumbrances and Waiving the Requirements of Bankruptcy Rule 6004(h)* (the "Motion") filed by Maxus Energy Corporation and its affiliated debtors in the above-captioned cases (collectively, the "Debtors").[2]

[1] The Debtors in the above-captioned chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Maxus Energy Corporation (1531), Tierra Solutions, Inc. (0498), Maxus International Energy Company (7260), Maxus (U.S.) Exploration Company (2439), and Gateway Coal Company (7425). The address of each of the Debtors is 10333 Richmond Avenue, Suite 1050, Houston, Texas 77042.

[2] Capitalized terms not otherwise defined herein are to be given the meanings ascribed to them in the Motion.

2. Except as otherwise indicated, the facts and statements in this declaration are based on my personal knowledge, my review of relevant documents, information provided to me or verified by the Purchaser or its professional advisors, and my opinion based upon my experience and my knowledge of the circumstances and negotiations resulting in the agreement the Purchaser and the Debtors reached on or about March 7, 2017 (as modified and amended from time to time, the "Purchase Agreement"). I am authorized to make this declaration on behalf of the Purchaser and, if called upon to testify, I would testify competently to the facts set forth herein.

EXPERIENCE AND QUALIFICATIONS

3. In 1998, I co-founded the Neuhoff-Taylor Royalty Company to acquire producing royalties and minerals, and have served as President and Chief Executive Officer of various related companies since 1998. In 1999, I co-founded the Fort Worth Royalty Partners group, which in turn became Kimbell. I began my career as a petroleum landman at Texas Oil and Gas Corporation in 1982 and joined Fortson Oil Company in 1985, where I served as Land Manager and Vice President of Land until 1998. I hold a Bachelor of Business Administration in Petroleum Land Management degree from the University of Texas at Austin. I am also a member of the American Association of Professional Landmen.

BACKGROUND REGARDING THE PURCHASER

4. The Purchaser is an affiliate of Kimbell, a publicly traded mineral and royalty master limited partnership based in Fort Worth, Texas. Kimbell is one of the largest owners of minerals, royalties and overriding royalty interests nationwide. Since 1998, Kimbell and its predecessors have engaged in over 160 transactions and acquired interests in approximately 48,000 wells. It now owns mineral and royalty interests in approximately 4.5 million gross acres in twenty states and in nearly every major onshore basin in the continental United States. With a current market capitalization of approximately $318 million, Kimbell is traded on the NYSE under the ticker symbol "KRP."

GOOD FAITH OF THE PURCHASER

5. The Purchaser has acted in good faith in all respects relating to the Sale. The Debtors were free to deal with any other party interested in acquiring the ORRIs and, in fact, thoroughly pursued a marketing and sale process managed by EnergyNet, in which the Purchaser participated. The Purchase Agreement and related documents were negotiated, proposed, and entered into by the Purchaser in good faith without any collusion, fraud, or attempt to take grossly unfair advantage of any party, including any other potential purchaser. I understand that all payments to be made by the Purchaser and other agreements or arrangements entered into by the Purchaser with the Debtors in connection with the Sale have been disclosed. The Purchaser is not an "insider" or "affiliate" of any of the Debtors and, to my knowledge, no common identity of current directors and officers exists between the Purchaser (or its affiliates) and any of the Debtors.

6. It is my belief that the Purchaser is a good-faith purchaser and should be granted the protections of section 363(m) of the Bankruptcy Code; without these protections, the Purchaser may not consummate the acquisition. The Purchaser did not engage in any collusion or any similar conduct that would cause or permit the Sale to be avoidable under section 363(n) of the Bankruptcy Code.

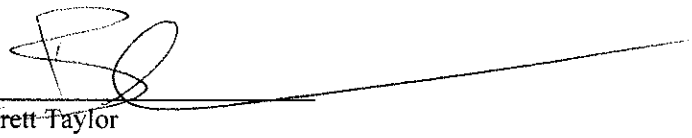
NEGOTIATION OF THE TERMS OF THE SALE ORDER

7. The Purchaser specifically negotiated for the form of the proposed Sale Order, including without limitation the provisions regarding: the good faith purchaser protections under section 363(m); the sale being free and clear of liens, claims and Interests (as defined in the proposed Sale Order). Without inclusion of such terms in the proposed Sale Order, the Purchaser would not have entered into the Purchase Agreement or proceeded with the Sale.

[*Signature Page Follows*]

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed this 27th day of March 2017.

By: 

Brett Taylor
Executive Vice Chairman and Director
Kimbell Royalty GP, LLC

Exhibit D

Conveyance Documents

ASSIGNMENT AND CONVEYANCE

STATE OF LOUISIANA §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF [_____] §

This Assignment and Conveyance (this "*Assignment*") is executed by **MAXUS ENERGY CORPORATION**, a Delaware corporation, f/k/a Midgard Energy Corporation and f/k/a Midgard LP Sub, Inc., whose address for these purposes is 10333 Richmond Avenue, Suite 1050, Houston, Texas 77042 (collectively, "*Assignor*"), to and for the benefit of **KIMBELL ROYALTY HOLDINGS, LLC**, a Delaware limited liability company whose address for these purposes is 777 Taylor Street, Suite 810, Fort Worth, Texas 76102 ("*Assignee*"), to be effective for all purposes as of 12:01 a.m. Central time on April 1, 2017 (the "*Effective Date*").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, and subject to the terms of this Assignment, Assignor does hereby GRANT, BARGAIN, SELL, TRANSFER, ASSIGN, and CONVEY unto Assignee and Assignee's successors and assigns one hundred percent (100%) of Assignor's right, title, and interest in and to the Interests (as hereinafter defined).

TO HAVE AND TO HOLD the Interests unto Assignee and Assignee's successors and assigns, forever, subject to the terms and matters set forth herein:

1. **Description of Interests**. The Interests shall consist of all of Assignor's right and title to, all interest in and all privileges appurtenant to the following described property rights, interests and privileges, save and except the Retained Interests described herein (collectively, the "*Interests*"):

(a) All fee mineral interests, royalty interests, non-participating royalty interests, reversionary interests, overriding royalty interests and any other interests relating to the mineral estate, including, without limitation, all benefits, rights and privileges related to such interests, in and to all oil, natural gas, liquid or gaseous hydrocarbons, as well as their respective constituent products (including condensate, casinghead gas, distillate and natural gas liquids), and any other minerals in, under or which may be produced from lands located in [_____] County, State of Louisiana, including without limitation any such interest in the lands described on or covered by or described in the instruments described on EXHIBIT A attached hereto (without limitation by any depth limitation that may be set forth in EXHIBIT A or in any such instrument referred to for description), even though Assignor's interests may be incorrectly described in or omitted from EXHIBIT A or the instruments referenced therein (collectively, the "*Lands*");

(b) All claims, causes of actions, audit rights, accounts receivable, funds held in suspense, or any other contract, agreement or other rights associated with the items set forth in subparagraph (a) above or with the Interests, whether accruing before, on or after the Effective Date hereof;

(c) All rights and interests with respect to any acreage pooled, communitized or unitized by virtue of any of the Interests being a part thereof, including all production of minerals from such pool or unit allocated to any of the Interests from and after the Effective Date;

(d) All executive rights, including the right to make and execute leases, to the extent such executive rights relate to the Interests;

(e) All interest in proceeds and revenues attributable to the Interests from and after the Effective Date;

(f) All of the original (or copies, if originals are not available) files, records, documents, correspondence and data in the possession or control of Assignor that relate to the items described above, including, without limitation, abstracts, title opinions and runsheets; and

(g) Any and all rights and claims arising, accruing or existing in Assignee from and after the Effective Date, including, but not limited to, any and all contract rights, claims, penalties, receivables, revenues, recoupment rights, recovery rights, accounting adjustments, credits, mispayments, erroneous payments or other claims of any nature relating to any time period from and after the Effective Date.

2. **Retained Interests**. The Interests shall not include, and Assignor hereby retains, reserves, and excludes from this Assignment, any leasehold working interest, operating rights, or any other cost-bearing interest derived from an oil, gas, and/or mineral lease (other than an overriding royalty interest, production payment interest, or similar interest that do not bear costs or liabilities of development and operation, which are not excluded and are hereby conveyed to Assignee as Interests) affecting the Lands or in any well on the Lands or lands pooled, communitized, or unitized therewith, and all obligations, liabilities, costs, expenses and claims, including but not limited to any obligations related to the plugging and abandonment of any wells, any environmental obligations or breach of environmental laws, and payment of all operating expenses and capital expenditures, arising from or related to such interests regardless of whether arising before, on or after the Effective Date (collectively the "*Retained Interests*").

3. **Unobtained Consents**. If any of the Interests are subject to any right to consent to this Assignment that, by the express terms of such consent, would render such interest purported to be assigned herein to be invalidated or terminated without obtaining such consent, then this Assignment shall not operate to transfer such affected interests until the receipt or acquisition of such consent, and such transfer shall be deemed to be effective as of the Effective Date. The receipt or acquisition of any such consent(s) must be accomplished within twenty-one (21) years from the Effective Date of this Assignment.

4. **Subrogation of Warranties and Indemnities**. To the extent transferable, Assignor assigns and grants to Assignee and Assignee's successors and assigns, without recourse (and Assignor will execute any documentation reasonably necessary to effect such assignment and grant), the full power and right of substitution and subrogation in and to all covenants and warranties (including warranties of title) and in and to all rights to indemnification (including environmental, injury to property or persons (including death and disability)) given or made with respect to the Interests or any part thereof by preceding owners, vendors, contractors or others.

5. **Further Assurances**. Assignor and Assignee agree to execute, acknowledge and deliver to the other (and to otherwise cause to be executed, acknowledged and delivered), from time to time, such other and additional instruments, notices, division orders, transfer orders (or letters in lieu thereof) and other documents, and to do such other and further acts and things, as may be reasonably necessary or appropriate to more fully and effectively grant, convey and assign to Assignee the Interests.

6. **Successors and Assigns**. This Assignment binds and inures to the benefit of the parties hereto and their respective successors and assigns, and all of the terms and provisions of this Assignment shall be enforceable by the parties hereto and their respective successors and assigns.

7. **Severability**. If any provision of this Assignment is found by a court of competent jurisdiction to be invalid or unenforceable, that provision will be deemed modified to the extent necessary to make it valid and enforceable, and if it cannot be so modified, it shall be deemed deleted and the remainder of this Assignment shall continue and remain in full force and effect.

8. **Attachments**. The Exhibit attached to this Assignment (including any preamble thereto) are incorporated herein by reference and made a part hereof, save and for all purposes.

9. **Counterparts**. This Assignment may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the authorized representative of Assignor executes this Assignment as of the date set forth in the acknowledgment below to be effective for all purposes as of the Effective Date.

ASSIGNOR:

Witnesses:

MAXUS ENERGY CORPORATION,
a Delaware corporation

_____

Name:_____

By:_____
Jose Daniel Rico
President and CEO

_____

Name:_____

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF _____ §

On this ___ day of _____, 2017, before me appeared Jose Daniel Rico, to me personally known, who, being by me duly sworn did say that he is the President and CEO of **MAXUS ENERGY CORPORATION**, a Delaware corporation, and that the seal affixed to the aforesaid instrument is the corporate seal of said corporation and that the instrument was signed and sealed on behalf of the corporation by authority of its Board of Directors and that Jose Daniel Rico acknowledged the instrument to be the free act and deed of the corporation.

_____
Notary Public, State of Texas
Printed Name:_____

(SEAL)

EXHIBIT A

Attached to and for all purposes made a part of that certain Assignment and Conveyance dated effective as of April 1, 2017, at 7:00 a.m. Central Time, by and between **Maxus Energy Corporation**, as Assignor, and **Kimbell Royalty Holdings, LLC**, as Assignee

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[*Located in Cameron, De Soto and Webster Counties, Louisiana*]

ASSIGNMENT AND CONVEYANCE

STATE OF NEW MEXICO §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF [_____] §

This Assignment and Conveyance (this "*Assignment*") is executed by **MAXUS ENERGY CORPORATION**, a Delaware corporation, f/k/a Midgard Energy Corporation and f/k/a Midgard LP Sub, Inc., whose address for these purposes is 10333 Richmond Avenue, Suite 1050, Houston, Texas 77042 (collectively, "*Assignor*"), to and for the benefit of **KIMBELL ROYALTY HOLDINGS, LLC**, a Delaware limited liability company whose address for these purposes is 777 Taylor Street, Suite 810, Fort Worth, Texas 76102 ("*Assignee*"), to be effective for all purposes as of 12:01 a.m. Central time on April 1, 2017 (the "*Effective Date*").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, and subject to the terms of this Assignment, Assignor does hereby GRANT, BARGAIN, SELL, TRANSFER, ASSIGN, and CONVEY unto Assignee and Assignee's successors and assigns one hundred percent (100%) of Assignor's right, title, and interest in and to the Interests (as hereinafter defined).

TO HAVE AND TO HOLD the Interests unto Assignee and Assignee's successors and assigns, forever, subject to the terms and matters set forth herein:

1. **Description of Interests**. The Interests shall consist of all of Assignor's right and title to, all interest in and all privileges appurtenant to the following described property rights, interests and privileges, save and except the Retained Interests described herein (collectively, the "*Interests*"):

(a) All fee mineral interests, royalty interests, non-participating royalty interests, reversionary interests, overriding royalty interests and any other interests relating to the mineral estate, including, without limitation, all benefits, rights and privileges related to such interests, in and to all oil, natural gas, liquid or gaseous hydrocarbons, as well as their respective constituent products (including condensate, casinghead gas, distillate and natural gas liquids), and any other minerals in, under or which may be produced from lands located in San Juan County, State of New Mexico, including without limitation any such interest in the lands described on or covered by or described in the instruments described on EXHIBIT A attached hereto (without limitation by any depth limitation that may be set forth in EXHIBIT A or in any such instrument referred to for description), even though Assignor's interests may be incorrectly described in or omitted from EXHIBIT A or the instruments referenced therein (collectively, the "*Lands*");

(b) All claims, causes of actions, audit rights, accounts receivable, funds held in suspense, or any other contract, agreement or other rights associated with the items set forth in subparagraph (a) above or with the Interests, whether accruing before, on or after the Effective Date hereof;

(c) All rights and interests with respect to any acreage pooled, communitized or unitized by virtue of any of the Interests being a part thereof, including all production of minerals from such pool or unit allocated to any of the Interests from and after the Effective Date;

(d) All executive rights, including the right to make and execute leases, to the extent such executive rights relate to the Interests;

(e) All interest in proceeds and revenues attributable to the Interests from and after the Effective Date;

(f) All of the original (or copies, if originals are not available) files, records, documents, correspondence and data in the possession or control of Assignor that relate to the items described above, including, without limitation, abstracts, title opinions and runsheets; and

(g) Any and all rights and claims arising, accruing or existing in Assignee from and after the Effective Date, including, but not limited to, any and all contract rights, claims, penalties, receivables, revenues, recoupment rights, recovery rights, accounting adjustments, credits, mispayments, erroneous payments or other claims of any nature relating to any time period from and after the Effective Date.

2. **Retained Interests**. The Interests shall not include, and Assignor hereby retains, reserves, and excludes from this Assignment, any leasehold working interest, operating rights, or any other cost-bearing interest derived from an oil, gas, and/or mineral lease (other than an overriding royalty interest, production payment interest, or similar interest that do not bear costs or liabilities of development and operation, which are not excluded and are hereby conveyed to Assignee as Interests) affecting the Lands or in any well on the Lands or lands pooled, communitized, or unitized therewith, and all obligations, liabilities, costs, expenses and claims, including but not limited to any obligations related to the plugging and abandonment of any wells, any environmental obligations or breach of environmental laws, and payment of all operating expenses and capital expenditures, arising from or related to such interests regardless of whether arising before, on or after the Effective Date (collectively the "*Retained Interests*").

3. **Unobtained Consents**. If any of the Interests are subject to any right to consent to this Assignment that, by the express terms of such consent, would render such interest purported to be assigned herein to be invalidated or terminated without obtaining such consent, then this Assignment shall not operate to transfer such affected interests until the receipt or acquisition of such consent, and such transfer shall be deemed to be effective as of the Effective Date. The receipt or acquisition of any such consent(s) must be accomplished within twenty-one (21) years from the Effective Date of this Assignment.

4. **Subrogation of Warranties and Indemnities**. To the extent transferable, Assignor assigns and grants to Assignee and Assignee's successors and assigns, without recourse (and Assignor will execute any documentation reasonably necessary to effect such assignment and grant), the full power and right of substitution and subrogation in and to all covenants and warranties (including warranties of title) and in and to all rights to indemnification (including environmental, injury to property or persons (including death and disability)) given or made with respect to the Interests or any part thereof by preceding owners, vendors, contractors or others.

5. **Further Assurances**. Assignor and Assignee agree to execute, acknowledge and deliver to the other (and to otherwise cause to be executed, acknowledged and delivered), from time to time, such other and additional instruments, notices, division orders, transfer orders (or letters in lieu thereof) and other documents, and to do such other and further acts and things, as may be reasonably necessary or appropriate to more fully and effectively grant, convey and assign to Assignee the Interests.

6. **Successors and Assigns**. This Assignment binds and inures to the benefit of the parties hereto and their respective successors and assigns, and all of the terms and provisions of this Assignment shall be enforceable by the parties hereto and their respective successors and assigns.

7. **Severability**. If any provision of this Assignment is found by a court of competent jurisdiction to be invalid or unenforceable, that provision will be deemed modified to the extent necessary to make it valid and enforceable, and if it cannot be so modified, it shall be deemed deleted and the remainder of this Assignment shall continue and remain in full force and effect.

8. **Attachments**. The Exhibit attached to this Assignment (including any preamble thereto) are incorporated herein by reference and made a part hereof, save and for all purposes.

9. **Counterparts**. This Assignment may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the authorized representative of Assignor executes this Assignment as of the date set forth in the acknowledgment below to be effective for all purposes as of the Effective Date.

ASSIGNOR:

MAXUS ENERGY CORPORATION,
a Delaware corporation

By:_____
Jose Daniel Rico
President and CEO

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ___ day of _____, 2017, by Jose Daniel Rico, as President and CEO of **MAXUS ENERGY CORPORATION**, a Delaware corporation, who acknowledged that he executed this instrument by proper authority for the purposes and consideration therein expressed and in the capacity therein stated.

_____
Notary Public, State of Texas
Printed Name:_____

(SEAL)

EXHIBIT A

Attached to and for all purposes made a part of that certain Assignment and Conveyance dated effective as of April 1, 2017, at 7:00 a.m. Central Time, by and between **Maxus Energy Corporation**, as Assignor, and **Kimbell Royalty Holdings, LLC**, as Assignee

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[*Located in San Juan County, New Mexico*]

ASSIGNMENT AND CONVEYANCE

STATE OF OKLAHOMA §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF [_____] §

This Assignment and Conveyance (this "*Assignment*") is executed by **MAXUS ENERGY CORPORATION**, a Delaware corporation, f/k/a Midgard Energy Corporation and f/k/a Midgard LP Sub, Inc., whose address for these purposes is 10333 Richmond Avenue, Suite 1050, Houston, Texas 77042 (collectively, "*Assignor*"), to and for the benefit of **KIMBELL ROYALTY HOLDINGS, LLC**, a Delaware limited liability company whose address for these purposes is 777 Taylor Street, Suite 810, Fort Worth, Texas 76102 ("*Assignee*"), to be effective for all purposes as of 12:01 a.m. Central time on April 1, 2017 (the "*Effective Date*").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, and subject to the terms of this Assignment, Assignor does hereby GRANT, BARGAIN, SELL, TRANSFER, ASSIGN, and CONVEY unto Assignee and Assignee's successors and assigns one hundred percent (100%) of Assignor's right, title, and interest in and to the Interests (as hereinafter defined).

TO HAVE AND TO HOLD the Interests unto Assignee and Assignee's successors and assigns, forever, subject to the terms and matters set forth herein:

1. **Description of Interests**. The Interests shall consist of all of Assignor's right and title to, all interest in and all privileges appurtenant to the following described property rights, interests and privileges, save and except the Retained Interests described herein (collectively, the "*Interests*"):

(a) All fee mineral interests, royalty interests, non-participating royalty interests, reversionary interests, overriding royalty interests and any other interests relating to the mineral estate, including, without limitation, all benefits, rights and privileges related to such interests, in and to all oil, natural gas, liquid or gaseous hydrocarbons, as well as their respective constituent products (including condensate, casinghead gas, distillate and natural gas liquids), and any other minerals in, under or which may be produced from lands located in [_____] County, State of Oklahoma, including without limitation any such interest in the lands described on or covered by or described in the instruments described on EXHIBIT A attached hereto (without limitation by any depth limitation that may be set forth in EXHIBIT A or in any such instrument referred to for description), even though Assignor's interests may be incorrectly described in or omitted from EXHIBIT A or the instruments referenced therein (collectively, the "*Lands*");

(b) All claims, causes of actions, audit rights, accounts receivable, funds held in suspense, or any other contract, agreement or other rights associated with the items set forth in subparagraph (a) above or with the Interests, whether accruing before, on or after the Effective Date hereof;

(c) All rights and interests with respect to any acreage pooled, communitized or unitized by virtue of any of the Interests being a part thereof, including all production of minerals from such pool or unit allocated to any of the Interests from and after the Effective Date;

(d) All executive rights, including the right to make and execute leases, to the extent such executive rights relate to the Interests;

(e) All interest in proceeds and revenues attributable to the Interests from and after the Effective Date;

(f) All of the original (or copies, if originals are not available) files, records, documents, correspondence and data in the possession or control of Assignor that relate to the items described above, including, without limitation, abstracts, title opinions and runsheets; and

(g) Any and all rights and claims arising, accruing or existing in Assignee from and after the Effective Date, including, but not limited to, any and all contract rights, claims, penalties, receivables, revenues, recoupment rights, recovery rights, accounting adjustments, credits, mispayments, erroneous payments or other claims of any nature relating to any time period from and after the Effective Date.

2. **Retained Interests**. The Interests shall not include, and Assignor hereby retains, reserves, and excludes from this Assignment, any leasehold working interest, operating rights, or any other cost-bearing interest derived from an oil, gas, and/or mineral lease (other than an overriding royalty interest, production payment interest, or similar interest that do not bear costs or liabilities of development and operation, which are not excluded and are hereby conveyed to Assignee as Interests) affecting the Lands or in any well on the Lands or lands pooled, communitized, or unitized therewith, and all obligations, liabilities, costs, expenses and claims, including but not limited to any obligations related to the plugging and abandonment of any wells, any environmental obligations or breach of environmental laws, and payment of all operating expenses and capital expenditures, arising from or related to such interests regardless of whether arising before, on or after the Effective Date (collectively the "*Retained Interests*").

3. **Unobtained Consents**. If any of the Interests are subject to any right to consent to this Assignment that, by the express terms of such consent, would render such interest purported to be assigned herein to be invalidated or terminated without obtaining such consent, then this Assignment shall not operate to transfer such affected interests until the receipt or acquisition of such consent, and such transfer shall be deemed to be effective as of the Effective Date. The receipt or acquisition of any such consent(s) must be accomplished within twenty-one (21) years from the Effective Date of this Assignment.

4. **Subrogation of Warranties and Indemnities**. To the extent transferable, Assignor assigns and grants to Assignee and Assignee's successors and assigns, without recourse (and Assignor will execute any documentation reasonably necessary to effect such assignment and grant), the full power and right of substitution and subrogation in and to all covenants and warranties (including warranties of title) and in and to all rights to indemnification (including environmental, injury to property or persons (including death and disability)) given or made with respect to the Interests or any part thereof by preceding owners, vendors, contractors or others.

5. **Further Assurances**. Assignor and Assignee agree to execute, acknowledge and deliver to the other (and to otherwise cause to be executed, acknowledged and delivered), from time to time, such other and additional instruments, notices, division orders, transfer orders (or letters in lieu thereof) and other documents, and to do such other and further acts and things, as may be reasonably necessary or appropriate to more fully and effectively grant, convey and assign to Assignee the Interests.

6. **Successors and Assigns**. This Assignment binds and inures to the benefit of the parties hereto and their respective successors and assigns, and all of the terms and provisions of this Assignment shall be enforceable by the parties hereto and their respective successors and assigns.

7. **Severability**. If any provision of this Assignment is found by a court of competent jurisdiction to be invalid or unenforceable, that provision will be deemed modified to the extent necessary to make it valid and enforceable, and if it cannot be so modified, it shall be deemed deleted and the remainder of this Assignment shall continue and remain in full force and effect.

8. **Attachments**. The Exhibit attached to this Assignment (including any preamble thereto) are incorporated herein by reference and made a part hereof, save and for all purposes.

9. **Counterparts**. This Assignment may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the authorized representative of Assignor executes this Assignment as of the date set forth in the acknowledgment below to be effective for all purposes as of the Effective Date.

ASSIGNOR:

MAXUS ENERGY CORPORATION,
a Delaware corporation

By:_____
Jose Daniel Rico
President and CEO

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ___ day of _____, 2017, by Jose Daniel Rico, as President and CEO of **MAXUS ENERGY CORPORATION**, a Delaware corporation, who acknowledged that he executed this instrument by proper authority for the purposes and consideration therein expressed and in the capacity therein stated.

_____
Notary Public, State of Texas
Printed Name:_____

(SEAL)

EXHIBIT A

Attached to and for all purposes made a part of that certain Assignment and Conveyance dated effective as of April 1, 2017, at 7:00 a.m. Central Time, by and between **Maxus Energy Corporation**, as Assignor, and **Kimbell Royalty Holdings, LLC**, as Assignee

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[*Located in Beaver, Beckham, Custer, Dewey, Ellis, Garfield, Garvin, Harper, Pittsburgh, Roger Mills, Stephens, Texas, Washita, Woods and Woodward Counties, Oklahoma*]

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

COUNTYWIDE ASSIGNMENT AND CONVEYANCE

STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF [_____]	§	

This Countywide Assignment and Conveyance (this "*Assignment*") is executed by **MAXUS ENERGY CORPORATION**, a Delaware corporation, f/k/a Midgard Energy Corporation and f/k/a Midgard LP Sub, Inc., whose address for these purposes is 10333 Richmond Avenue, Suite 1050, Houston, Texas 77042 (collectively, "*Assignor*"), to and for the benefit of **KIMBELL ROYALTY HOLDINGS, LLC**, a Delaware limited liability company whose address for these purposes is 777 Taylor Street, Suite 810, Fort Worth, Texas 76102 ("*Assignee*"), to be effective for all purposes as of 12:01 a.m. Central time on April 1, 2017 (the "*Effective Date*").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, and subject to the terms of this Assignment, Assignor does hereby GRANT, BARGAIN, SELL, TRANSFER, ASSIGN, and CONVEY unto Assignee and Assignee's successors and assigns one hundred percent (100%) of Assignor's right, title, and interest in and to the Interests (as hereinafter defined).

TO HAVE AND TO HOLD the Interests unto Assignee and Assignee's successors and assigns, forever, subject to the terms and matters set forth herein:

1. **Description of Interests**. The Interests shall consist of all of Assignor's right and title to, all interest in and all privileges appurtenant to the following described property rights, interests and privileges, save and except the Retained Interests described herein (collectively, the "*Interests*"):

(a) All mineral interests, royalty interests, non-participating royalty interests, reversionary interests, overriding royalty interests, interests in any oil, gas and/or mineral leases and any other interests relating to the mineral estate, including, without limitation, all benefits, rights and privileges related to such mineral and leasehold interests, in and to all oil, natural gas, liquid or gaseous hydrocarbons, as well as their respective constituent products (including condensate, casinghead gas, distillate and natural gas liquids), and any other minerals in, under or which may be produced from lands located in [_____] County, State of Texas, including without limitation any such interest in the lands described on or covered by or described in the instruments described on EXHIBIT A attached hereto (without limitation by any depth limitation that may be set forth in EXHIBIT A or in any such instrument referred to for description), even though Assignor's interests in such mineral interests and oil, gas and/or mineral leases may be incorrectly described in or omitted from EXHIBIT A or the instruments referenced therein (collectively, the "*Lands*");

(b) All claims, causes of actions, audit rights, accounts receivable, funds held in suspense, or any other contract, agreement or other rights associated with the items set forth in subparagraph (a) above or with the Interests, whether accruing before, on or after the Effective Date hereof;

(c) All rights and interests with respect to any acreage pooled, communitized or unitized by virtue of any of the Interests being a part thereof, including all production of minerals from such pool or unit allocated to any of the Interests from and after the Effective Date;

(d) All executive rights, including the right to make and execute leases, to the extent such executive rights relate to the Interests;

(e) All interest in proceeds and revenues attributable to the Interests from and after the Effective Date;

(f) All of the original (or copies, if originals are not available) files, records, documents, correspondence and data in the possession or control of Assignor that relate to the items described above, including, without limitation, abstracts, title opinions and runsheets; and

(g) Any and all rights and claims arising, accruing or existing in Assignee from and after the Effective Date, including, but not limited to, any and all contract rights, claims, penalties, receivables, revenues, recoupment rights, recovery rights, accounting adjustments, credits, mis-payments, erroneous payments or other claims of any nature relating to any time period from and after the Effective Date.

2. **Retained Interests**. The Interests shall not include, and Assignor hereby retains, reserves and excludes from this Assignment, all of Assignor's right, title and interest in, and any obligations, liabilities, revenue, costs, expenses and claims, including, without limitation, those related to the plugging and abandonment of any wells, compliance with or breach of any environmental laws or other laws relating to the protection of lands, water or the air, and the payment of all operating expenses and capital expenditures, in each case, arising from or related to the Producing Working Interests and the Wells and Equipment (as such terms are defined hereafter), regardless of whether arising, accruing or attributable to periods of time before, on or after the Effective Date (collectively the "*Retained Interests*"). As used herein, the term (i) the "*Producing Working Interests*" shall mean any interests under an oil, gas and/or mineral lease in effect as of or before the Effective Date affecting the Lands or any portion thereof (including, without limitation, any certain depths therein), under which (A) oil, gas and/or other minerals are currently being produced therefrom or operations are currently being conducted to obtain such production or (B) a well has been drilled, or operations to drill a well have been commenced, to obtain production of oil, gas and/or other minerals, SAVE AND EXCEPT any such interests and depths that directly relate to a well which has been properly plugged and abandoned in a manner that complies with all applicable laws and rules, regulations, permits, judgments, orders and decrees of any governmental authority, and the term (ii) the "*Wells and Equipment*" shall mean any well associated with the Working Interests, whether active or inactive, which has not been properly plugged and abandoned in a manner that complies with all applicable laws and rules, regulations, permits, judgments, orders and decrees of any governmental authority and all interest in and to fixtures, equipment and personal property associated with or related to such wells or the Working. PROVIDED, HOWEVER, NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE RETAINED INTERESTS SHALL NOT INCLUDE (Y) ANY OVERRIDING ROYALTY INTERESTS, PRODUCTION PAYMENT INTERESTS, OR SIMILAR INTERESTS THAT DO NOT BEAR COSTS OR LIABILITIES OF DEVELOPMENT AND OPERATION OWNED BY ASSIGNOR IN THE LANDS, OR (Z) ANY LEASEHOLD INTEREST OR DEPTHS IN OIL, GAS AND/OR MINERAL LEASES WHICH DOES NOT QUALIFY AS PRODUCING WORKING INTERESTS OR WELLS AND EQUIPMENT, WHICH SHALL BE CONSIDERED AS INTERESTS TO BE CONVEYED TO ASSIGNEE UNDER THIS ASSIGNMENT.

3. **Countywide Conveyance**. By its execution of this Assignment, Assignor hereby expressly acknowledges and agrees that the intent of this Assignment is to convey and assign to Assignee,

and Assignee's successors and assigns, all of Assignor's right, title and interest in the Interests wherever located in [_____] County, Texas, regardless of whether or not such Interests is described on the attached EXHIBIT A.

4. **Unobtained Consents**. If any of the Interests are subject to any right to consent to this Assignment that, by the express terms of such consent, would render such interest purported to be assigned herein to be invalidated or terminated without obtaining such consent, then this Assignment shall not operate to transfer such affected interests until the receipt or acquisition of such consent, and such transfer shall be deemed to be effective as of the Effective Date. The receipt or acquisition of any such consent(s) must be accomplished within twenty-one (21) years from the Effective Date of this Assignment.

5. **Subrogation of Warranties and Indemnities**. To the extent transferable, Assignor assigns and grants to Assignee and Assignee's successors and assigns, without recourse (and Assignor will execute any documentation reasonably necessary to effect such assignment and grant), the full power and right of substitution and subrogation in and to all covenants and warranties (including warranties of title) and in and to all rights to indemnification (including environmental, injury to property or persons (including death and disability)) given or made with respect to the Interests or any part thereof by preceding owners, vendors, contractors or others.

6. **Further Assurances**. Assignor and Assignee agree to execute, acknowledge and deliver to the other (and to otherwise cause to be executed, acknowledged and delivered), from time to time, such other and additional instruments, notices, division orders, transfer orders (or letters in lieu thereof) and other documents, and to do such other and further acts and things, as may be reasonably necessary or appropriate to more fully and effectively grant, convey and assign to Assignee the Interests.

7. **Successors and Assigns**. This Assignment binds and inures to the benefit of the parties hereto and their respective successors and assigns, and all of the terms and provisions of this Assignment shall be enforceable by the parties hereto and their respective successors and assigns.

8. **Governing Law**. This Assignment shall be governed, construed and enforced in accordance with the laws of the State of Texas, excluding any conflicts-of-law rule or principle that might apply the law of another jurisdiction.

9. **Severability**. If any provision of this Assignment is found by a court of competent jurisdiction to be invalid or unenforceable, that provision will be deemed modified to the extent necessary to make it valid and enforceable, and if it cannot be so modified, it shall be deemed deleted and the remainder of this Assignment shall continue and remain in full force and effect.

10. **Attachments**. The Exhibits attached to this Assignment (including any preamble thereto) are incorporated herein by reference and made a part hereof, save and for all purposes.

11. **Counterparts**. This Assignment may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the authorized representative of Assignor executes this Assignment as of the date set forth in the acknowledgment below to be effective for all purposes as of the Effective Date.

ASSIGNOR:

MAXUS ENERGY CORPORATION,
a Delaware corporation

By:_____
Jose Daniel Rico
President and CEO

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ___ day of _____, 2017, by Jose Daniel Rico, as President and CEO of **MAXUS ENERGY CORPORATION**, a Delaware corporation, who acknowledged that he executed this instrument by proper authority for the purposes and consideration therein expressed and in the capacities therein stated.

_____
Notary Public, State of Texas
Printed Name:_____

(SEAL)

EXHIBIT A

Attached to and for all purposes made a part of that certain Countywide Assignment and Conveyance dated effective as of April 1, 2017, at 7:00 a.m. Central Time, by and between **Maxus Energy Corporation**, as Assignor, and **Kimbell Royalty Holdings, LLC**, as Assignee

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[*Insert Lands located in Carson, Chambers, Dallam, Gray, Hansford, Hartley, Hemphill, Hutchinson, Lipscomb, Moore, Ochiltree, Roberts, Sherman and Wheeler Counties, Texas*]

ASSIGNMENT AND CONVEYANCE

STATE OF WYOMING §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF [_____] §

This Assignment and Conveyance (this "*Assignment*") is executed by **MAXUS ENERGY CORPORATION**, a Delaware corporation, f/k/a Midgard Energy Corporation and f/k/a Midgard LP Sub, Inc., whose address for these purposes is 10333 Richmond Avenue, Suite 1050, Houston, Texas 77042 (collectively, "*Assignor*"), to and for the benefit of **KIMBELL ROYALTY HOLDINGS, LLC**, a Delaware limited liability company whose address for these purposes is 777 Taylor Street, Suite 810, Fort Worth, Texas 76102 ("*Assignee*"), to be effective for all purposes as of 12:01 a.m. Central time on April 1, 2017 (the "*Effective Date*").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, and subject to the terms of this Assignment, Assignor does hereby GRANT, BARGAIN, SELL, TRANSFER, ASSIGN, and CONVEY unto Assignee and Assignee's successors and assigns one hundred percent (100%) of Assignor's right, title, and interest in and to the Interests (as hereinafter defined).

TO HAVE AND TO HOLD the Interests unto Assignee and Assignee's successors and assigns, forever, subject to the terms and matters set forth herein:

1. **Description of Interests**. The Interests shall consist of all of Assignor's right and title to, all interest in and all privileges appurtenant to the following described property rights, interests and privileges, save and except the Retained Interests described herein (collectively, the "*Interests*"):

(a) All fee mineral interests, royalty interests, non-participating royalty interests, reversionary interests, overriding royalty interests and any other interests relating to the mineral estate, including, without limitation, all benefits, rights and privileges related to such interests, in and to all oil, natural gas, liquid or gaseous hydrocarbons, as well as their respective constituent products (including condensate, casinghead gas, distillate and natural gas liquids), and any other minerals in, under or which may be produced from lands located in [_____] County, State of Wyoming, including without limitation any such interest in the lands described on or covered by or described in the instruments described on EXHIBIT A attached hereto (without limitation by any depth limitation that may be set forth in EXHIBIT A or in any such instrument referred to for description), even though Assignor's interests may be incorrectly described in or omitted from EXHIBIT A or the instruments referenced therein (collectively, the "*Lands*");

(b) All claims, causes of actions, audit rights, accounts receivable, funds held in suspense, or any other contract, agreement or other rights associated with the items set forth in subparagraph (a) above or with the Interests, whether accruing before, on or after the Effective Date hereof;

(c) All rights and interests with respect to any acreage pooled, communitized or unitized by virtue of any of the Interests being a part thereof, including all production of minerals from such pool or unit allocated to any of the Interests from and after the Effective Date;

(d) All executive rights, including the right to make and execute leases, to the extent such executive rights relate to the Interests;

(e) All interest in proceeds and revenues attributable to the Interests from and after the Effective Date;

(f) All of the original (or copies, if originals are not available) files, records, documents, correspondence and data in the possession or control of Assignor that relate to the items described above, including, without limitation, abstracts, title opinions and runsheets; and

(g) Any and all rights and claims arising, accruing or existing in Assignee from and after the Effective Date, including, but not limited to, any and all contract rights, claims, penalties, receivables, revenues, recoupment rights, recovery rights, accounting adjustments, credits, mispayments, erroneous payments or other claims of any nature relating to any time period from and after the Effective Date.

2. **Retained Interests**. The Interests shall not include, and Assignor hereby retains, reserves, and excludes from this Assignment, any leasehold working interest, operating rights, or any other cost-bearing interest derived from an oil, gas, and/or mineral lease (other than an overriding royalty interest, production payment interest, or similar interest that do not bear costs or liabilities of development and operation, which are not excluded and are hereby conveyed to Assignee as Interests) affecting the Lands or in any well on the Lands or lands pooled, communitized, or unitized therewith, and all obligations, liabilities, costs, expenses and claims, including but not limited to any obligations related to the plugging and abandonment of any wells, any environmental obligations or breach of environmental laws, and payment of all operating expenses and capital expenditures, arising from or related to such interests regardless of whether arising before, on or after the Effective Date (collectively the "*Retained Interests*").

3. **Unobtained Consents**. If any of the Interests are subject to any right to consent to this Assignment that, by the express terms of such consent, would render such interest purported to be assigned herein to be invalidated or terminated without obtaining such consent, then this Assignment shall not operate to transfer such affected interests until the receipt or acquisition of such consent, and such transfer shall be deemed to be effective as of the Effective Date. The receipt or acquisition of any such consent(s) must be accomplished within twenty-one (21) years from the Effective Date of this Assignment.

4. **Subrogation of Warranties and Indemnities**. To the extent transferable, Assignor assigns and grants to Assignee and Assignee's successors and assigns, without recourse (and Assignor will execute any documentation reasonably necessary to effect such assignment and grant), the full power and right of substitution and subrogation in and to all covenants and warranties (including warranties of title) and in and to all rights to indemnification (including environmental, injury to property or persons (including death and disability)) given or made with respect to the Interests or any part thereof by preceding owners, vendors, contractors or others.

5. **Further Assurances**. Assignor and Assignee agree to execute, acknowledge and deliver to the other (and to otherwise cause to be executed, acknowledged and delivered), from time to time, such other and additional instruments, notices, division orders, transfer orders (or letters in lieu thereof) and other documents, and to do such other and further acts and things, as may be reasonably necessary or appropriate to more fully and effectively grant, convey and assign to Assignee the Interests.

6. **Successors and Assigns**. This Assignment binds and inures to the benefit of the parties hereto and their respective successors and assigns, and all of the terms and provisions of this Assignment shall be enforceable by the parties hereto and their respective successors and assigns.

7. **Severability**. If any provision of this Assignment is found by a court of competent jurisdiction to be invalid or unenforceable, that provision will be deemed modified to the extent necessary to make it valid and enforceable, and if it cannot be so modified, it shall be deemed deleted and the remainder of this Assignment shall continue and remain in full force and effect.

8. **Attachments**. The Exhibit attached to this Assignment (including any preamble thereto) are incorporated herein by reference and made a part hereof, save and for all purposes.

9. **Counterparts**. This Assignment may be executed in counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the authorized representative of Assignor executes this Assignment as of the date set forth in the acknowledgment below to be effective for all purposes as of the Effective Date.

ASSIGNOR:

MAXUS ENERGY CORPORATION,
a Delaware corporation

By:_____
Jose Daniel Rico
President and CEO

ACKNOWLEDGMENT

STATE OF TEXAS §
§
COUNTY OF _____ §

This instrument was acknowledged before me on the ___ day of _____, 2017, by Jose Daniel Rico, as President and CEO of **MAXUS ENERGY CORPORATION**, a Delaware corporation, who acknowledged that he executed this instrument by proper authority for the purposes and consideration therein expressed and in the capacity therein stated.

_____
Notary Public, State of Texas
Printed Name:_____

(SEAL)

EXHIBIT A

Attached to and for all purposes made a part of that certain Assignment and Conveyance dated effective as of April 1, 2017, at 7:00 a.m. Central Time, by and between **Maxus Energy Corporation**, as Assignor, and **Kimbell Royalty Holdings, LLC**, as Assignee

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[*Located in Campbell and Carbon Counties, Wyoming*]