

connection with that certain assignment and bill of sale (as modified and amended from time to time, the “Assignment”), a copy of which is annexed hereto as **Exhibit B**; (b) authorizing the payment of a success fee (the “Sale Success Fee”) to EnergyNet.com, Inc. (“EnergyNet”); (c) approving the (i) assumption and assignment of certain executory contracts and unexpired leases of nonresidential real property and (ii) rejection of certain executory contracts and unexpired leases of nonresidential real property; and (d) waiving the requirements of Bankruptcy Rule 6004(h). In support of the Motion, the Debtors submit the declarations of Cody Felton (the “Felton Declaration”) a copy of which is annexed hereto as **Exhibit C**. 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 Property. Following a robust online sealed bid auction process, EnergyNet received the highest and best bid from the Purchaser to purchase the Property for \$15,350,000 (the “Purchase Price”). The Purchase Price exceeds the Debtors’ sale projections for the Property and receipt of the funds will allow the Debtors to satisfy its secured obligations and utilize any excess funds for distributions to creditors upon confirmation. As discussed in more detail herein, the Purchaser has provided the Debtors with the highest and best price for the Property.

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 Property (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, approving the assumption or rejection of certain

unexpired leases and executory contracts related to the Property, 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 9013-1(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, 363, and 365 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. Neptune

6. The Debtors’ current business operations consist generally of managing the Property, collecting onshore oil and gas royalties from the Debtors’ overriding royalty interests, and providing environmental remediation management services. On April 19, 2017, the Debtors filed the (a) *Amended Chapter 11 Plan of Liquidation Proposed by Maxus Energy Corporation, et al. and the Official Committee of Unsecured Creditors* [Docket No. 1231] (as the same may be amended, modified, and/or supplemented from time to time, the “Plan”) and the *Amended Disclosure Statement for the Amended Chapter 11 Plan of Liquidation Proposed by Maxus Energy Corporation, et al. and the Official Committee of Unsecured Creditors* [Docket No. 1232] (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.

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. The working interest

owner is also liable for all of the costs of drilling, production, and operations. Often, several companies will join together, in their capacity as the working interest owners, to share the risks and costs of a particular project or pool their respective leasehold interests to meet drilling spacing requirements or achieve economies of scale. In this situation, the working interest is often fractionalized to reflect each party's percentage of leasehold ownership.

8. When the working interest is held among several parties, the owners will usually execute an operating agreement to memorialize the rights and obligations of each. The operator is the company (generally designated by the operating agreement) that actually drills and operates the well.

9. MUSE's primary asset is its ownership of the 15% non-operating working interest in three oil and gas leases relating to Neptune. Neptune is operated by non-affiliate BHP Billiton Petroleum (Deepwater) Inc. (the "Operator") pursuant to an operating agreement (the "Operating Agreement"). The working interest requires MUSE to pay its percentage of operating expenses and capital expenditures that are billed by the Operator. In exchange, MUSE receives revenues generated from third-party contracts to purchase the oil, gas, and liquids that are produced at Neptune. Prior to the Petition Date, MUSE granted to the Operator liens and security interests to secure payment of its share of expenses under the terms of the Operating Agreement.

10. The Bureau of Safety and Environmental Enforcement ("BSEE") calculates decommissioning (*i.e.*, plugging and abandonment) liability for Gulf of Mexico properties, including Neptune. BSEE has calculated the total amount of decommissioning liability for Neptune of \$190,892,139. MUSE's proportionate share of liability, based on its 15% working interest in Neptune, would be \$28,633,821. Pursuant to the Assignment, the Purchaser will assume all plugging and abandonment liability.

11. The Property is one of the Debtors' primary assets. In 2015, MUSE earned approximately \$20.2 million on account of the Property. From January 1, 2016 through December 31, 2016, MUSE earned approximately \$13.5 million on account of the Property. As of December 31, 2015, Neptune had 1.16 million barrels of oil equivalent (a combined measure of oil, gas, and natural gas liquids) of proved reserves. Based on current estimates of future oil prices and production, Neptune's reserves will decline to a point where it will cease to be operated profitably in early 2023. *See* Disclosure Statement, p. 18-19.

B. Retention of EnergyNet

12. 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].²

13. 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 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

² 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].

Debtors believe that the use of EnergyNet’s internet auction mechanism exposed the Property to a wide market, such that the Debtors will derive maximum value from the sale of the Property.

14. 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 Property, 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 \$250,921.00. 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

(i) The Marketing Process

15. 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.

16. 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, ¶3. The Data Room included a reserve report, revenue and expense data, well data, wellbore schematics, platts, source documents, well logs, production history, and a facilities overview. Id.

17. Any party potentially interested in submitting a bid for the Property 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., ¶4. 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.

18. The auction opened on February 24, 2017 and closed on March 23, 2017 (the “Sale Period”). Id., ¶7. As described more fully in the Felton Declaration, during the Sale Period, the Property 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 nearly 10,000 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) marketing the Property via third party services to a large database of potential buyers, and (d) marketed to EnergyNet members who have previously subscribed to receive such results using pre-selected search criteria. Id., ¶¶5-6.

19. 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 Property; (f) the winning bidder must make a 10% non-refundable deposit; (g) the closing of

the Sale is contingent on Court approval and the DIP lender approval at or before the hearing on the Sale (the “Sale Hearing”); and (f) the remainder of the purchase price would be due upon Court approval. Id., ¶9.

20. 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 the Property, 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., ¶9.

21. During the Sale Period, there were 383 views of EnergyNet’s website from 150 unique companies. Id., ¶10. Ultimately, two parties submitted bids. The other bidder submitted a higher purchase price, but the offer contained a diligence period and a number of contingencies that made the offer less desirable and more uncertain than that made by the Purchaser. Id.

22. The Purchaser, 31 Group, LLC, is a privately-held operating and holding company engaged in the exploration, development, and production of oil and gas from properties located in Colorado, Louisiana, North Dakota, Texas, and Wyoming. The Purchaser holds approximately 60,000 net acres and owns approximately 1,100 wells producing from shallow conventional oil fields, horizontal unconventional oil and gas fields and ultra deep vertical natural gas fields. The Purchaser owns over 300 miles of gathering lines and midstream lines, 3

compressor stations, water gathering systems and saltwater disposal wells. It operates the wells and midstream assets in 4 states with approximately 25 employees.

23. The Purchaser has no relationship with any of the Debtors other than the Purchaser being party to the Assignment. No common identity of current directors and officers exists between the Purchaser and any of the Debtors. Felton Declaration, ¶12.

(ii) The Sale Order and the Assignment

24. The Debtors and Purchaser have negotiated the terms for the purchase and sale of Neptune (the "Neptune Purchase"). These terms are set forth in both of the Sale Order and the Assignment.

25. The terms of the Neptune Purchase are as follows:

- **Purchased Assets** (the "Assets") (Assignment, Preamble and ¶1): all of Assignor's rights, title and interests in and to the following:
 - All oil and gas leases and any other rights to Hydrocarbons (as defined below) as set forth in Exhibit A to the Assignment, including, if applicable, all renewals and extensions of those documents and all documents issued in substitution therefor (collectively, the "Leases").
 - Any active or inactive Hydrocarbons wells, salt water disposal wells, injection wells and other wells and wellbores (collectively, the "Wells"), together with the wellheads and well equipment located on any of the Leases, Units or within any of the lands covered by the Leases (the "Lands").
 - All physical assets located on or in the Lands, rights of way or covered by a Contract and used or previously used for production, mechanical separation, handling, gathering, processing, storage, treatment, sale, disposal or other operations relating to Hydrocarbons (collectively, the "Facilities"), including all of the following: All structures, facilities, and foundations; All platforms, gathering lines, gas lines, water lines, flowlines, and production and storage facilities.
 - All equipment, machinery, fixtures, materials, and improvements; pipeline laterals, to the extent located on any of the Leases or within any of the Lands as a lease term pipeline or serving the Assets as a gathering line under a distinct right of way.

- Any unitization, pooling, communitization agreements, declarations, designations or orders relating to the Leases, and all of the Debtor's interest in and to the properties covered or units created thereby, to the extent attributable to the Leases (collectively, the "Units").
 - All substances (including petroleum, natural gas, and condensate) and every other mineral or substance for which the Leases grant the right to explore, develop, or produce (collectively, the "Hydrocarbons"), produced and severed from, or allocable, after severance, to the Lands, Leases, Units, and Wells on and after the Effective Date.
 - The Designated Contracts (defined below), including all rights, obligations and interests in such Designated Contracts.
 - All of the following records (in written or electronic form) related to or regarding the Assets that are assembled or created in the normal course of business: copies of files, records, documentation, and data in possession of Assignor or its affiliates that specifically relate to Assignor's ownership or rights in or describe the Assets, including any correspondence, information, and reports (including petroleum engineering, reservoir engineering, non-proprietary geological, drilling, and other kinds of technical data and samples, uninterrupted well-logs, and analyses in whatever form), lease files, land files, well files, division order files, title opinions, abstracts, non-privileged environmental assessments or data, safety records, governmental filings, production reports, production logs, and core materials;
 - Any over-production or under-production with respect to Hydrocarbons produced from or allocated to the Leases, Wells, Facilities or Units, where, as of the Effective Date, the Assignor is out of balance with any parties who own an interest in the Leases, Wells or Units or pursuant to any production handling agreement.
 - All permits, authorizations, rights of way, licenses, or other rights attributed to or associated with the operation and ownership of the Assets, to the extent transferable.
- **Purchase Price** (Sale Order, ¶C): The Purchaser shall pay \$15,350,000 in cash for the Assets.
 - **Deposit** (Sale Order, ¶C): The Purchaser has deposited \$1,500,000 in cash as a deposit for the Assets.
 - **Closing Date** (Sale Order, ¶C): Within fourteen (14) days after entry of the Sale Order.

- **Successors and Assigns** (Assignment, ¶2.1): The obligations and responsibilities of Assignee and Assignor shall run with the land and the Assets assigned, conveyed, and transferred, such that all subsequent assignees, grantees, and transferees also accept and assume the same obligations to the non-assigning Party to the extent of the interest assigned, conveyed, or transferred, without the assigning Party or any subsequent assignees, grantees, or transferees being released of any of its or their obligations to the non-assigning Party.
- **Assumption of Obligations** (Assignment, ¶3.1): Subject to the terms of the Sale Order, Assignee assumes all covenants, terms, and provisions, express or implied, contained in the Leases and Designated Contracts. Subject to the terms contained in the Sale Order, effective as the Effective Date, Assignee shall assume and be responsible for all obligations and liabilities of Assignor accruing under the Leases and Contracts after the Effective Date and each Party agrees to execute any instrument or document reasonably required by the other Party to evidence such assumption.
- **Effective Date of the Sale** (Assignment, ¶ Preamble): March 1, 2017
- **Adjustments to Purchase Price** (Sale Order, ¶ D): The Purchase Price shall be adjusted downward (a) by any proceeds from the sale of Hydrocarbons produced from or attributable to the Assets or other income, including, but not limited to insurance proceeds, from the Assets received by Debtor, to the extent they are attributable to the ownership of the Assets on or after the Effective Date; (b) by the amount of unpaid federal, state, local, and foreign income, franchise, sales, use, ad valorem, property, severance, production, excise, stamp, documentary, real property transfer or gain, gross receipts, goods and services, registration, capital, transfer, or withholding taxes, including any interest, penalties or additional amounts which may be imposed with respect thereto relating to the period of time prior to the Effective Date; and (c) downward in an amount equal to the Cure Costs (as defined below).
- **Unobtained Consents** (Assignment, ¶7.1): If any of the Assets are subject to any right to consent to the Assignment under the Purchase Agreement 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 the assignment shall not operate to transfer such affected Assets until the receipt of acquisition of such consent, and such transfer shall be deemed to be effective as of the Effective Date.
- **Reconveyance of the Assets** (Sale Order, ¶ 7): Debtor shall cooperate with the Purchaser to obtain all usual post-closing consents, including all government consents, including from the BOEM. In the event that all post-closing consents have not been obtained by Purchaser pursuant to Purchaser's good faith efforts to obtain such consents within one (1) year from the Execution Date, Purchaser, has the option but not the obligation, to reconvey the Assets to Debtor and upon

Purchaser exercising its option, Debtor shall repay the Purchase Price to Purchaser *less* the revenues received by Purchaser on the Assets *plus* the operating expenses of Purchaser on the Assets during the time that Purchaser owned such Assets.

- **Subrogation of Warranties and Indemnities** (Assignment, ¶8.1): To the extent transferable, the Debtor assigns and grants to Assignee and Assignee's successors and assigns, without recourse (and the Debtor 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 proceeding owners, vendors, contractors or others.
- **EnergyNet Fee** (Sale Order, ¶16): 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.

26. The Purchaser has deposited with Purchaser's counsel, Locke Lord LLP, \$1,500,000. The closing of the Sale is subject to, among other things, approval by this Court and approval by the existing DIP lender at or before the Sale Hearing. Moreover, as discussed below, the Sale of the Property 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 Property 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.

27. The Debtors submit that the Property was 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 Property. *Id.*, ¶22.

(iii) *Assumption and Rejection of Executory Contracts and Unexpired Leases*

28. The Debtors are a party to executory agreements in connection with the Property. As part of the Sale, the Debtors intend to assume the executory contracts and unexpired leases designated by the Purchaser (the “Designated Contracts”), annexed to the Notice of Assumption and Assignment (defined below) (the “Designated Contracts List”), pursuant to section 365(b) of the Bankruptcy Code and assign such Designated Contracts to the Purchaser pursuant to section 365(f) of the Bankruptcy Code. Accordingly, the Debtors are seeking approval of proposed procedures to govern the authority of the Debtors to assume and assign all of the Designated Contracts (the “Assumption and Assignment Procedures”).

29. The Designated Contracts List specifies each of the Designated Contracts, including the name of each non-Debtor counterparty to such Designated Contract (the “Designated Contract Counterparty”) and the proposed amount necessary, if any, to cure all monetary defaults, if any, under the Designated Contract (the “Cure Costs”). Within two business days following the filing of this Motion, the Debtors will serve, via first class mail, a notice of assumption and assignment (the “Notice of Assumption and Assignment”), in substantially the form attached hereto as **Exhibit D**, on all Designated Contract Counterparties.

30. A Designated Contract Counterparty listed on the Notice of Assumption and Assignment may file an objection (a “Contract Objection”) to the proposed assumption and assignment of the applicable Designated Contract, the proposed Cure Costs, if any, and the ability of the Purchaser to provide adequate assurance of future performance. All Contract Objections must: (a) be in writing; (b) state with specificity the basis for the objection as well as any Cure Costs that the objector asserts to be due (in all cases with appropriate documentation in support thereof); (c) comply with the Bankruptcy Rules and the Local Rules; and (d) be filed and served on the following parties no later than 4:00 p.m. (prevailing Eastern Time) on **May 5, 2017**

(the “Contract Objection Deadline”): (i) co-counsel for the Debtors, Morrison & Foerster LLP, 250 West 55 Street, New York, New York 10019, Attn: Jennifer L. Marines and Jordan A. Wishnew, and Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801; (ii) counsel to the Purchaser, Locke Lord LLP, 2800 JPMorgan Chase Tower 600 Travis, Houston, Texas 77002; Attn: Philip Eisenberg, peisenberg@lockelord.com; and (iii) the Office of the United States Trustee, J. Caleb Boggs Federal Building, Room 2207, 844 North King Street, Wilmington, Delaware 19801, Attn: David L. Buchbinder and Linda J. Casey (collectively, the “Notice Parties”).

31. If a Designated Contract Counterparty files a Contract Objection in a manner that is consistent with the requirements set forth above, and the parties are unable to consensually resolve the dispute prior to the Sale Hearing, the amount to be paid or reserved with respect to such objection will be determined at the Sale Hearing, such later hearing date that the Debtors determine in their discretion, or such other date determined by this Court.

32. If the Designated Contract Counterparty does not file and serve a Contract Objection in a manner that is consistent with the requirements set forth above, and absent a subsequent order of the Court in connection with such objection establishing alternative Cure Costs, (a) the Cure Costs, if any, set forth in the Notice of Assumption and Assignment will be controlling, notwithstanding anything to the contrary in any Designated Contract or any other document, and (b) the Designated Contract Counterparty will be deemed to have consented to the assumption and assignment of the Designated Contract and the Cure Costs, if any, and will be forever barred from asserting any claim related to such Designated Contract for any default occurring or continuing prior to the Contract Objection Deadline against the Debtors or the Purchaser, or the property of any of them.

33. At this time, the Debtors are not intending to reject executory contracts and unexpired leases related to the Property (the “Rejected Contracts”) as part of the Sale pursuant to section 365(a) of the Bankruptcy Code. Notwithstanding, out of an abundance of caution, the Debtors are seeking approval of proposed procedures to govern the rejection of any Rejected Contracts (the “Rejection Procedures”). The Purchaser reserves the right prior to closing to (i) reject any contract or agreement previously designated for assumption and assignment and (ii) have the Debtor assume and assign any contract previously rejected. In the event the decision is made to reject a contract, the Debtors will serve, via first class mail, a notice of rejection (the “Notice of Rejection”), in substantially the form attached hereto as **Exhibit E** on all parties to a Rejected Contract.³

34. Objections to the proposed rejection must (a) be in writing; (b) state with specificity the basis for the objection as well as any Cure Costs that the objector asserts to be due (in all cases with appropriate documentation in support thereof); (c) comply with the Bankruptcy Rules and the Local Rules; and (d) be filed and served on the Notice Parties no later than 4:00 p.m. (prevailing Eastern Time) on **May 5, 2017** (the “Rejection Objection Deadline”). If a rejected contract counterparty does not object by the Rejection Objection Deadline, then it will be deemed to have consented to the rejection.

35. Any proof of claim based on the rejection of the Rejected Contracts must be filed with Prime Clerk LLC and served on the Debtors no later than thirty (30) days after service of the Notice of Rejection. Proof of Claim forms may be obtained at the following websites: <https://>

³ Pursuant to the *Order (A) Approving Disclosure Statement; (B) Establishing Voting Record Date, Voting Deadline, and Other Dates; (C) Approving Procedures for Soliciting, Receiving, and Tabulating Votes on Plan and for Filing Objections to Plan; (D) Approving Manner and Forms of Notice and Other Related Documents; and (E) Granting Related Relief* [Docket No. 1237] (the “Disclosure Statement Order”), the Debtors intend to send notices of rejection to all non-debtor counterparties to contracts that the Debtors are rejecting pursuant to the Plan. Therefore, a counterparty will receive both the Notice of Rejection annexed hereto, and the notice of rejection pursuant to the Disclosure Statement Order.

cases.primeclerk.com/maxus or <http://www.uscourts.gov/forms/bankruptcy-forms/proof-claim-0>.

Any claim based upon such rejection not filed within such time shall be automatically disallowed, forever barred from being asserted, and unenforceable against the Debtors, any trust provided for in the Plan, or their respective assets or properties, without the need for any objection or further notice to, or action, order, or approval of, the Court.

ARGUMENT

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

36. The Sale should be approved as a sound exercise of the Debtors' business judgment. Section 363(b)(1) 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.

37. 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

Property for the benefit of their creditors. 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.

38. The Debtors, through EnergyNet, provided more than sufficient notice of the opportunity to bid on the Property. 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 Property. In total, EnergyNet mailed notice of the sale transaction to nearly 10,000 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 Property that their respective rights would be protected and that the sale process was fair and reasonable.

39. The Sale has produced a price that is fair and reasonable as the Purchase Price represents the best offer out of the bids submitted and is a strong offer in the current market for working interests. 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. 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. 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.

40. The Debtors seek to sell the Property 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.*

41. The Sale of the Property 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 Property 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

42. 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 Property. 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. Assumption and Assignment of the Designated Contracts Should Be Authorized

43. Section 365(a) of the Bankruptcy Code provides, in relevant part, that a debtor in possession “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a). Further, section 365(f) of the Bankruptcy Code provides that the “trustee may assign an executory contract . . . only if the trustee assumes such contract . . . and adequate assurance of future performance . . . is provided. . . .” 11 U.S.C. § 365(f)(2). Assumption and assignment of the Designated Contracts in connection with the Sale is appropriate

(i) Assumption of the Designated Contracts is a Reasonable Exercise of the Debtors’ Business Judgment

44. Assumption or rejection of a contract is a matter of the debtor’s business judgment. *See Nat’l Labor Relations Bd. v. Bildisco and Bildisco (In re Bildisco)*, 682 F.2d 72,

79 (3d Cir. 1982), *aff'd sub nom., N.L.R.B. v. Bildisco & Bildisco*, 465 U.S. 513 (1984) (“The usual test for rejection of an executory contract is simply whether rejection would benefit the estate, the ‘business judgment’ test.”); *In re Physiotherapy Holdings, Inc.*, 506 B.R. 619, 622 (Bankr. D. Del. 2014) (citing *In re Federal Mogul Global, Inc.*, 293 B.R. 124, 126 (D. Del. 2003)). A debtor’s decision in this regard is “entitled to great deference from the Court.” *See In re Armstrong World Indus.*, 348 B.R. 136, 162 (Bankr. D. Del. 2006). In order to satisfy the business judgment test, a debtor must only show that assumption or rejection of an executory contract will benefit the estate. *See Bildisco*, 682 F.2d at 79; *see also In re HQ Global Holdings, Inc.*, 290 B.R. 507, 511 (Bankr. D. Del. 2003) (“Under the business judgment standard, the sole issue is whether the rejection benefits the estate.”).

45. To facilitate the Sale and to maximize the value received for the Debtors’ assets, the Debtors request approval under section 365 of the Bankruptcy Code of the Debtors’ assumption and assignment of the Designated Contracts to the Purchaser. The Designated Contracts will be necessary for the Purchaser’s continued operation of the Debtors’ assets.

46. The Debtors further request that the Sale Order provide that the Designated Contracts will be transferred to, and remain in full force and effect for the benefit of, the Purchaser, notwithstanding any provisions in the Designated Contracts, including those described in sections 365(b)(2), 365(f)(1), and 365(f)(3) of the Bankruptcy Code that prohibit such assignment.

47. The Debtors also request that the Sale Order provide that to the extent any provision in any Designated Contract assumed and assigned (a) prohibits, restricts or conditions, or purports to prohibit, restrict or condition, such assumption or assignment (including, without limitation, any “change of control” provision), or (b) is modified, breached, or terminated, or

deemed modified, breached, or terminated by any of the following: (i) the commencement of the Cases, (ii) the insolvency or financial condition of the Debtors at any time before the closing of the Cases, (iii) the Debtors' assumption or assumption and assignment (as applicable) of such Designated Contract, or (iv) the consummation of the Sale, then such provisions shall be deemed modified so as to not entitle the non-Debtor party thereto to prohibit, restrict or condition such assumption or assignment, to modify, terminate or declare a breach or default under such Designated Contract, or to exercise any other default-related rights or remedies with respect thereto, including, without limitation, any such provision that purports to allow the non-Debtor party thereto to recapture such Designated Contracts, impose any penalty thereunder, condition any renewal or extension thereof, impose any rent acceleration or assignment fee, or increase or otherwise impose any other fees or other charges in connection therewith. The Debtors request that all such provisions be deemed to constitute unenforceable anti-assignment provisions and are void and of no force and effect pursuant to sections 365(b), 365(e), and 365(f) of the Bankruptcy Code.

(ii) Any Defaults Under the Designated Contracts Will be Cured and Evidence of Adequate Assurance of Future Performance by the Successful Bidder Will be Provided

48. Once an executory contract or unexpired lease is assumed, the trustee or debtor in possession may generally elect to assign such contract, so long as it cures any defaults and provides adequate assurance of future performance. *See* 11 U.S.C. § 365(f)(2)(B) (a debtor may assign an executory contract or unexpired lease of nonresidential property if “adequate assurance of future performance by the assignee of such contract or lease is provided. . . .”). The requirements to show “adequate assurance of future performance” will depend on the facts and circumstances of each case, but should be given a “practical, pragmatic construction.” *In re*

DBSI, Inc., 405 B.R. 698, 708 (Bankr. D. Del. 2009); *see also Cinicola v. Scharffenberger*, 248 F.3d 110, 120 n.10 (3d Cir. 2001); *In re Decora Indus.*, No. 00-4459 (JJF), 2002 WL 32332749, at *8 (D. Del. May 20, 2002) (“[A]dequate assurance falls short of an absolute guaranty of payment.”). Adequate assurance may be provided by demonstrating the assignee’s financial health and experience in managing the type of enterprise or property assigned. *See, e.g., In re Bygaph, Inc.*, 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (finding adequate assurance of future performance present when the prospective assignee of a lease from the debtors has the financial resources and has expressed a willingness to devote sufficient funding to the business in order to give it a strong likelihood of succeeding).

49. The Debtors contemplate that the Purchaser will be able to provide adequate assurance of future performance in connection with any Designated Contracts because the Purchaser has submitted evidence sufficient to demonstrate its financial wherewithal and ability to consummate the Sale to EnergyNet prior to bidding on the Property. *See Felton Decl.* ¶13. If needed, the Debtors will present facts at the Sale Hearing to show the financial credibility, willingness, and ability of the Purchaser to perform under the Designated Contracts. The Sale Hearing thus will afford the Court and other interested parties the opportunity to evaluate the ability of the Purchaser to provide adequate assurance of future performance under the Designated Contracts, as required under section 365(f)(2)(B) of the Bankruptcy Code.

50. Moreover, as set forth above, the Debtors have filed a Designated Contract List containing a list of the Designated Contracts and the Cure Costs that the Debtors believe are due under each such Designated Contract. The Debtors will serve a Notice of Assumption and Assignment that provides the Cure Costs on all Designated Contract Counterparties and provide them with an opportunity to be heard. In the absence of an objection by a non-Debtor party to a

Designated Contract, the Contract Notice Party will receive the specified Cure Costs, if any, at the closing of the Sale with funds paid by the Purchaser.

51. Accordingly, the Debtors submit that implementation of the Assumption and Assignment Procedures regarding assumption and assignment of the Designated Contracts is appropriate in these cases.

E. Rejection of the Rejected Contracts Should be Authorized

52. Section 365(a) of the Bankruptcy Code provides, in pertinent part, that a debtor in possession, “subject to the court’s approval, may assume or reject any executory contract or unexpired lease of the debtor.” *See NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 521 (1984); *see also In re Lavigne*, 114 F.3d 379, 386 (2d Cir. 1997). “[T]he purpose behind allowing the assumption or rejection of executory contracts is to permit the trustee or debtor-in possession to use valuable property of the estate and to ‘renounce title to and abandon burdensome property.’” *Orion Pictures Corp. v. Showtime Networks, Inc. (In re Orion Pictures Corp.)*, 4 F.3d 1095, 1098 (2d Cir. 1993).

53. Courts defer to a debtor’s business judgment in rejecting an executory contract or unexpired lease, and upon finding that a debtor has exercised its sound business judgment, approve the rejection under section 365(a) of the Bankruptcy Code. *See Bildisco & Bildisco*, 465 U.S. at 523 (recognizing the “business judgment” standard used to approve rejection of executory contracts and unexpired leases); *Nostas Assocs. v. Costich (In re Klein Sleep Products, Inc.)*, 78 F.3d 18, 25 (2d Cir. 1996) (recognizing the “business judgment” standard used to approve rejection of executory contracts).

54. The “business judgment” standard is not a strict standard; it requires only a showing that either assumption or rejection of the executory contract or unexpired lease will

benefit a debtor's estate. *See In re Helm*, 335 B.R. 528, 538 (Bankr. S.D.N.Y. 1996) ("To meet the business judgment test, the debtor in possession must 'establish that rejection will benefit the estate.' ") (citation omitted); *In re Balco Equities, Inc.*, 323 B.R. 85, 99 (Bankr. S.D.N.Y. 2005) ("In determining whether the debtor has employed reasonable business discretion, the court for the most part must only determine that the rejection will likely benefit the estate.") (quoting *G Survivor*, 171 B.R. at 757)). Further, under the business judgment standard, "[a] debtor's decision to reject an executory contract must be summarily affirmed unless it is the product of 'bad faith, or whim or caprice.'" *In re Trans World Airlines, Inc.*, 261 B.R. 103, 121 (Bankr. D. Del. 2001).

55. At this time, the Debtors are not seeking to reject any executory contracts or leases related to the Property. In the event a determination is made that an executory contract or unexpired lease is not necessary or valuable to the Purchaser or for the Purchaser's use of the Property, then the Debtors will seek to reject such contract or lease. In the event a rejection request is made, the Debtors will argue that, in light of the Debtors' anticipated liquidation of its assets pursuant to the Plan, the Rejected Contracts are no longer necessary for or beneficial to the Debtors' ongoing business, and create unnecessary and burdensome expenses for the Debtors' estates. The Debtors will further argue that no meaningful value would be realized by the Debtors if the Rejected Contracts were assumed and assigned to third parties. Accordingly, the Rejected Contracts, if any, should be rejected.

F. Relief Under Bankruptcy Rule 6004(h)

56. 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."

57. 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

58. 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.; (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 Property including, without limitation, all known entities potentially holding any preferential right in respect of the Property; (m) all parties that have requested notice in the Chapter 11 Cases pursuant to Bankruptcy Rule 2002; and (n) the Bureau of Ocean Energy Management, U.S. Dept. of the Interior. 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, (b) authorize the payment of the Sale Success Fee to EnergyNet, (c) approve the assumption and assignment and rejection of certain executory contracts and unexpired leases of nonresidential real property, (d) waive the requirements of Bankruptcy Rule 6004(h), and (e) grant such other and further relief as the Court deems just and proper.

Dated: April 19, 2017
Wilmington, Delaware

/s/ Travis G. Buchanan

M. Blake Cleary (No. 3614)

Joseph M. Barry (No. 4221)

Justin P. Duda (No. 5478)

Travis G. Buchanan (No. 5595)

**YOUNG CONAWAY STARGATT &
TAYLOR, LLP**

Rodney Square

1000 North King Street

Wilmington, Delaware 19801

Telephone: (302) 571-6600

Facsimile: (302) 571-1253

-and-

James M. Peck (admitted *pro hac vice*)

Lorenzo Marinuzzi (admitted *pro hac vice*)

Jennifer L. Marines (admitted *pro hac vice*)

Jordan A. Wishnew (admitted *pro hac vice*)

MORRISON & FOERSTER LLP

250 West 55th Street

New York, New York 10019

Telephone: (212) 468-8000

Facsimile: (212) 468-7900

Counsel for Debtors

and Debtors-in-Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	) Chapter 11
)
MAXUS ENERGY CORPORATION, <i>et al.</i> , ¹	) Case No. 16-11501 (CSS)
)
Debtors.	) Jointly Administered
)
	) Objection Deadline: May 3, 2017, at 4:00 p.m. (ET)
	) Hearing Date: May 10, 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 PROPERTY INCLUDING, WITHOUT LIMITATION, ALL KNOWN ENTITIES POTENTIALLY HOLDING ANY PREFERENTIAL RIGHT IN RESPECT OF THE PROPERTY; (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; AND (N) THE BUREAU OF OCEAN ENERGY MANAGEMENT, U.S. DEPT. OF THE INTERIOR

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’ Assets Free and Clear of All Liens, Interests, Claims, and Encumbrances, (II) Authorizing the Debtors to Pay the Sale Success Fee, (III) Approving the (A) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases of Nonresidential Real Property and (B) Rejection of Certain Executory Contracts and Unexpired Leases of Nonresidential Real Property, and (IV) 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 **May 3, 2017, at 4:00 p.m. (ET)** (the “Objection Deadline”) with the United States

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.

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.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE MOTION WILL BE HELD ON MAY 10, 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: April 19, 2017
Wilmington, Delaware

/s/ Travis G. Buchanan
M. Blake Cleary (No. 3614)
Joseph M. Barry (No. 4221)
Justin P. Duda (No. 5478)
Travis G. Buchanan (No. 5595)
**YOUNG CONAWAY STARGATT &
TAYLOR, LLP**
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
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MORRISON & FOERSTER LLP
250 West 55th Street
New York, New York 10019
Telephone: (212) 468-8000
Facsimile: (212) 468-7900

*Counsel for Debtors and
Debtors-in-Possession*

Exhibit A

Sale Order

other notice need be given; and having heard the objections made, if any, to the relief sought in the Motion; and after due deliberation and sufficient cause therefor,

IT IS HEREBY FOUND AND DETERMINED AS FOLLOWS:³

A. This Court has jurisdiction over the Motion and the sale of the Property (the “Sale”) and assignment of the Assigned Contracts (as defined below) (the “Assignment”) pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A), (N) and (O). Venue of this case and the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

B. As evidenced by the affidavit of service filed with the Court, proper, timely, adequate and sufficient notice of the Motion has been provided in accordance with sections 363 and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, and 6006, and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware. No further notice of the Motion or the Assignment and Sale is or shall be required.

C. 31 Group LLC (the “Buyer”) desires to purchase the Property from Debtor Maxus (U.S.) Exploration Company (“MUSE”). Buyer and MUSE have agreed to a purchase price of \$15,350,000 to purchase the Property (the “Purchase Price”). The Buyer has placed \$1,500,000 into the client trust account of Locke Lord LLP (the “Deposit”) as an example of their ability and intent to close the acquisition of the Property.

D. Buyer and MUSE agree that the Purchase Price will be adjusted as follows for the purposes of determining the amount of money that will be paid for the Property by Buyer:

i. downward by any proceeds from the sale of Hydrocarbons produced from or

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.

attributable to the Property or other income, including, but not limited to insurance proceeds, from the Property received by MUSE, to the extent they are attributable to the ownership of the Property on or after the Effective Time;

- ii. downward by the amount of unpaid federal, state, local, and foreign income, franchise, sales, use, ad valorem, property, severance, production, excise, stamp, documentary, real property transfer or gain, gross receipts, goods and services, registration, capital, transfer, or withholding taxes, including any interest, penalties or additional amounts which may be imposed with respect thereto (“Taxes”) relating to the period of time prior to the Effective Date; and
- iii. downward in an amount equal to the Cure Costs, as hereinafter defined.

E. The Assignment and Bill of Sale (the “Assignment and Bill of Sale”), a copy of which is attached as Exhibit A to this Order, was negotiated, proposed and entered into by MUSE and the Buyer in good faith, and from arm’s length bargaining positions. Neither MUSE nor the Buyer have engaged in any conduct that would cause or permit the Assignment and Bill of Sale to be avoided under section 363(n) of the Bankruptcy Code. The Buyer is a good faith purchaser under section 363(m) of the Bankruptcy Code and, as such, is entitled to all the protections afforded thereby.

F. Within fourteen (14) days following the Court approving the Assignment and Sale and entering this Order, Buyer and MUSE will close the sale of the Property. On the day of closing (the “Closing Date”), Buyer will pay the Purchase Price (as adjusted) in accordance with the written wiring instructions provided to Buyer by MUSE, Buyer and MUSE will execute, deliver and properly notarize the Assignment and Bill of Sale and the requisite governmental

forms of assignment for the transfer of the Property to Buyer, and Buyer and MUSE will execute and delivery any other documents or instruments reasonably requested by either Buyer or MUSE to the other party.

G. The consideration provided by the Buyer for the Property is (i) fair and reasonable, (ii) is the highest and/or best offer for the Property, (iii) will provide a greater recovery for creditors of the estate than would be provided by any other practical alternative, and (iv) constitutes reasonably equivalent value and fair consideration under the Bankruptcy Code and applicable non-bankruptcy law.

H. MUSE may assume and assign to Buyer the executory contracts identified and listed in the Assignment and Bill of Sale as Exhibit B thereto (the "Assigned Contracts") and may sell and assign all oil and gas leases identified and listed in the Assignment and Bill of Sale as Exhibit A thereto. Further, the Motion provided adequate notice to the nondebtor party(ies) to each Assigned Contract and identified the current amount each Assigned Contract is in default (the "Cure Amount"), which Cure Amount total was listed on Exhibit ___ to the Motion for all Assigned Contracts. The service of such notice was good, sufficient and appropriate under the circumstances, and no further notice need be given in respect of establishing a Cure Amount for the Assigned Contracts. No nondebtor party has objected to a Cure Amount or the total Cure Amount, and each such Cure Amount is final and binding on the nondebtor parties as to all Assigned Contracts.

I. MUSE has demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification to enter into the Assignment and Bill of Sale, to sell the Property pursuant thereto and to assume and assign the Assigned Contracts, and such actions are

an appropriate and reasonable exercise of MUSE's business judgment. MUSE has also demonstrated compelling circumstances and a good, sufficient, and sound business purpose and justification for the Sale prior to, and outside of, a plan of reorganization.

J. MUSE may sell and assign the Property to Buyer free and clear of all liens, claims, causes of action, encumbrances, interests, pledges, security interests, rights of setoff, restrictions or limitations on use, successor liabilities, conditions, rights of first refusal, options to purchase, obligations to allow participation, agreements or rights, rights asserted in litigation matters, rights asserted in adversary proceedings in this bankruptcy proceeding, competing rights of possession, obligations to lend, matters filed of record that relate to, evidence or secure an obligation of MUSE (and all related expenses and charges) of any type under, among other things, any document, instrument, contract, affidavit, matter filed of record, cause, or law, whether known or unknown, legal or equitable, and all liens, rights of offset, replacement liens, adequate protection liens, charges, obligations, or claims granted, allowed or directed in any court order, to the fullest extent provided by applicable law ("Free and Clear") because, in each case, one or more of the standards set forth in section 363(f) of the Bankruptcy Code has been satisfied; provided, however, that Buyer will assume all plugging and abandonment obligations related to the Property in accordance with any applicable law ("Decommissioning Obligations"). Those entitled to object that the Sale not be Free and Clear and who did not object to the Motion are deemed to have consented pursuant to section 363(f)(2) of the Bankruptcy Code. Those entitled to object that the Sale not be Free and Clear and who did object fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and their interests, therefore, are adequately protected because such interests, if any, attach to the proceeds of the Sale

ultimately attributable to the Property against or in which they claim or may claim an interest on any of the Property.

K. The transfer of the Property to the Buyer will be a legal, valid, and effective transfer, and will vest the Buyer with all rights, title and interest of MUSE in the Property, Free and Clear except to the extent set forth herein.

L. The Buyer 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 Buyer and MUSE.

M. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rule 6004(h), the parties may consummate the Sale immediately upon entry of this Order. Time is of the essence in consummating the Sale to the Buyer. 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 Order.

NOW THEREFORE, BASED UPON THE FOREGOING FINDINGS OF FACT, AND BASED UPON THE EVIDENCE PRESENTED AT THE HEARING, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Sale and Assumption Motion is granted as set forth herein.
2. This Court’s findings of fact and conclusions of law are incorporated herein by reference.
3. All objections to the Motion or the relief requested therein that have not been

withdrawn, waived, or settled, and all reservations of rights included therein, are hereby overruled on the merits or the interests of such objections have been otherwise satisfied or adequately provided for.

4. The Assignment and Bill of Sale, and all of the terms and conditions thereof, is hereby approved. Pursuant to section 363(b) and 365 of the Bankruptcy Code, MUSE is hereby authorized and directed to consummate the Assignment and Sale contemplated by the Assignment and Bill of Sale.

5. MUSE is authorized and directed to execute and deliver, and is empowered to perform under, consummate and implement, the Assignment and Bill of Sale, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Assignment and Bill of Sale, and to take all further actions as may be requested by the Buyer for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer or reducing to possession, the Property, or as may be necessary or appropriate to the performance of the Assignment and Bill of Sale.

6. Pursuant to sections 105(a) and 363(f) of the Bankruptcy Code, the Property shall be transferred to the Buyer Free and Clear and free and clear of Interests (as defined below) of any kind whatsoever, with all such Interests to attach to the net proceeds of the sale in the order of their priority, with the same validity, force and effect that they now have as against the Property, subject to any claims and defenses MUSE may possess with respect thereto.

7. The transfer of the Property to the Buyer, as provided in the Assignment and Bill of Sale, will be legal, valid and effective to the fullest extent provided herein. For purposes of this Order, "Interests" shall mean:

- liens (including, without limitation, mechanics', materialmen's, 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 section 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 to purchase, rights of offset, rights to use, contract rights, recoupment rights, and rights of recovery;
- judgment and/or decrees of any court or foreign domestic governmental entity (to the fullest extent permitted by law);
- judgment and/or decrees of any court or foreign or domestic governmental entities (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 Property, including, without limitation, consent of any person or entity to assign or transfer any of the Property;
- debts arising in any way in connection with any agreements, acts, or failures to act of MUSE or any of MUSE's 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 non-contingent, 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 Effective Date or prior to the execution date of the Assignment and Bill of Sale; and

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

8. Any Interests, including, without limitation, the liens of the Debtors' existing secured lender, 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 Property, subject to the rights and defenses, if any, of MUSE and its estate 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 any chapter 11 plan that may be confirmed and become effective in the Debtors' chapter 11 cases.

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

10. This Court retains jurisdiction to enforce and implement the terms and provisions of the Assignment and Bill of Sale, all amendments thereto, any waivers and consents thereunder, and each of the agreements executed in connection therewith, including, but not limited to, retaining jurisdiction to (a) compel delivery of the Property to the Buyer, (b) compel delivery of the Purchase Price or performance of other obligations owed to MUSE, (c) resolve

any disputes arising under or related to the Assignment and Bill of Sale, (d) compel delivery of any lien releases or other documentation reasonably required to implement the terms of this Order, and (e) interpret, implement, and enforce the provisions of this Order.

11. 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 Property shall not have actually delivered to MUSE prior to the Closing Date, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or release of any Interests which the person or entity has with respect to the Property, each such person or entity is hereby directed to deliver all such statements, instruments, and releases and MUSE and the Buyer 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 Buyer is further authorized to file a copy of this Order which, upon filing, shall be conclusive evidence of the release and/or termination of any Interest. Each and every federal, state and local government unit, and each representative and clerk thereof, is hereby directed to accept any and all documents and instruments – including without limitation this Order – necessary or appropriate to give effect to the executed Assignment and Bill of Sale.

12. Upon execution of the Assignment and Bill of Sale, this Order shall be construed and shall constitute for any and all purposes a full and complete general assignment, conveyance and transfer of MUSE's interests in the Property and/or a bill of sale or assignment transferring good and marketable, indefeasible title and interest in the Property. This Order is and shall be effective as a determination that, upon executing the Assignment and Bill of Sale, all interests of any kind or nature whatsoever existing, except for any Decommissioning Obligations, shall have

been unconditionally released, discharged and terminated, and that the conveyances described herein have been effected.

13. This Order is and shall be binding upon and govern the acts of all persons and entities, including, without limitation, all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, administrative agencies, governmental departments, secretaries of state, federal, state and local officials, and all others who may be required by operation of law, the duties of their office, to accept, file, register or otherwise record or release any document or instrument and each of such entities and foregoing persons is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transaction contemplated by the Assignment and Bill of Sale and this Order.

14. The transactions contemplated by the Assignment and Bill of Sale are undertaken by the Buyer 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 Assignment and Bill of Sale shall not affect the validity of the sale to the Buyer. The Buyer is a purchaser in good faith of the Property, and the Buyer is entitled to all of the protections afforded by section 363(m) of the Bankruptcy Code.

15. The terms and provisions of the Assignment and Bill of Sale and this Order shall be binding in all respects upon, and shall inure to the benefit of, MUSE's estate, MUSE, the Buyer, and their respective affiliates, successors, and assigns, and any affected third parties including, but not limited to, all persons asserting Interests in the Property and any subsequently appointed bankruptcy trustee. All operators of the Property and purchasers of production related

to the proceeds from the Property are hereby directed to make all payments of revenue to the Buyer as of the Effective Date.

16. MUSE is authorized to distribute to EnergyNet.com, Inc. ("EnergyNet") an amount equal to \$250,921 from the proceeds of the Sale, subject to the Court's approval of EnergyNet's final fee application.

17. Upon execution of the Assignment and Bill of Sale, MUSE is authorized and directed to assume and assign all of the Assigned Contracts to the Buyer and, for purposes of assumption and assignment of the Assigned Contracts to the Buyer, the Cure Amount of all Assigned Contracts is deemed to be zero and the closing shall be deemed to (a) effect a cure of all defaults existing thereunder as of the closing, (b) compensate for any actual pecuniary loss to such nondebtor party resulting from such default, and (c) together with the assumption of the Assigned Contracts by the Buyer constitute adequate assurance of future performance thereof.

18. Upon execution of the Assignment and Bill of Sale, the Assigned Contracts shall be deemed to have been fully assumed by MUSE and assigned to the Buyer pursuant to section 365(f) of the Bankruptcy Code, the assignment by MUSE of such Assigned Contracts shall not be a default thereunder, and the Buyer shall have no liabilities to the nondebtor parties to the Assigned Contracts other than the Buyer's obligations under the Assigned Contracts that accrue and become due and payable on or after the closing.

19. Upon execution of the Assignment and Bill of Sale, the Buyer shall be deemed to be substituted for MUSE as a party to the applicable Assigned Contract and MUSE shall be relieved, pursuant to section 365(k) of the Bankruptcy Code, from any further liability under the Assigned Contracts.

20. MUSE (or its designated successor or trust) shall cooperate with the Buyer to obtain all usual post-closing consents, including all government consents, including from the Bureau of Ocean Energy Management. In the event that all post-closing consents have not been obtained by Buyer pursuant to Buyer's good faith efforts to obtain such consents within one (1) year from the Execution Date, Buyer has the option but not the obligation, to reconvey the Assets to Debtor and upon Buyer exercising its option, and Debtor shall repay the Purchase Price to Buyer *less* the revenues received by Buyer on the Property *plus* the operating expenses of Buyer on the Property during the time that Buyer owned such Property. Except for the cooperation obligations set forth above, the Debtor's obligations under this Order and the Assignment and Bill of Sale shall not extend or be assigned to any successor or any trust under any plan of liquidation of the Debtor.

21. The Buyer 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 MUSE or any of its predecessors.

22. Nothing in this Order or the Assignment and Bill of Sale releases, nullifies, precludes or enjoins the enforcement of any police or regulatory liability to a governmental unit that any entity would be subject to as the owner or operator of property after the date of entry of this Order. Nothing in this Order or the Assignment and Bill of Sale authorizes the transfer or assignment of any governmental (a) license, (b) permit, (c) registration, (d) authorization, or (e) approval, or the discontinuation of any obligation thereunder, without compliance with all applicable legal requirements and approvals under police or regulatory law. Nothing in this Order divests any tribunal of any jurisdiction it may have under police or regulatory law to

interpret this Order or to adjudicate any defense asserted under this Order.

23. The failure specifically to include any particular provision of the Assignment and Bill of Sale in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Assignment and Bill of Sale be authorized and approved in its entirety. Likewise, all of the provisions of this Sale Order are non-severable and mutually dependent.

24. The Assignment and Bill of Sale and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto and in accordance with the terms thereof, without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on MUSE's estate.

25. Except for the Decommissioning Obligations, the Buyer shall not have any liability or other obligation of MUSE arising under or related to any of the Property. Without limiting the generality of the foregoing, the Buyer shall not be liable for any claims against MUSE or any of its affiliates or predecessors, and the Buyer shall have no successor or vicarious liabilities of any kind under any theory of successor, or transferee liability, de facto merger or substantial continuity or otherwise.

26. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a). Notwithstanding Bankruptcy Rules 6004(h) and 6006(d), and 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 Order, waives any stay under Bankruptcy Rules 6004(h) and/or 6006(d), expressly directs entry of judgment as set forth herein and shall be

effective and enforceable immediately upon execution of this Court.

Dated: _____, 2017
Wilmington, DE

HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

Assignment

STATE OF LOUISIANA §
 §
PARISH OF _____ §

ASSIGNMENT AND BILL OF SALE

THIS ASSIGNMENT AND BILL OF SALE (this “**Assignment**”) dated [____][__], 2017 (the “**Execution Date**”), but effective from and after 7:00 a.m. Central Time Zone, on March 1, 2017 (the “**Effective Date**”), is by and between Maxus (U.S.) Exploration Company, with a mailing address of 10333 Richmond Avenue, Suite 1050, Houston, Texas 77042 (“**Assignor**”), and 31 Group, LLC, with a mailing address of 3021 Ridge Rd., Ste. 156, Rockwall, Texas 75032 (“**Assignee**”). Assignor and Assignee may sometimes be referred to in this Assignment individually as a “**Party**” or collectively as the “**Parties**”.

W I T N E S S E T H:

1. CONVEYANCE.

For and in consideration of the sum of One Hundred and No/100 dollars (\$100.00), cash in hand paid, and other valuable consideration, including the assumption by Assignee of certain obligations and liabilities described in that certain Order Authorizing Sale of Debtor’s Assets) Free and Clear of Liens, Claims, Encumbrances and Interests and Authorizing the Assumption and Assignment of Executory Contract in Bankruptcy No. 16-11501 (the “**Sale Order**”), the receipt and sufficiency of which are hereby acknowledged, Assignor, subject to said Sale Order (which Sale Order is made a part of, and incorporated herein, by reference for all purposes), does hereby sell, transfer, assign, convey, set over and deliver unto Assignee, subject to the terms hereof, all of Assignor’s rights, title and interests in and to the following (collectively, the “**Assets**”):

- 1.1 All oil and gas leases and any other rights to Hydrocarbons as set forth in Exhibit A, including, if applicable, all renewals and extensions of those documents and all documents issued in substitution therefor (collectively, the “**Leases**”).
- 1.2 Any active or inactive Hydrocarbons wells, salt water disposal wells, injection wells and other wells and wellbores (collectively, the “**Wells**”), together with the wellheads and well equipment located on any of the Leases, Units or within any of the lands covered by the Leases (the “**Lands**”).
- 1.3 All physical assets located on or in the Lands, rights of way or covered by a Contract and used or previously used for production, mechanical separation, handling, gathering, processing, storage, treatment, sale, disposal or other operations relating to Hydrocarbons (collectively, the “**Facilities**”), including all of the following:
 - (A) All structures, facilities, and foundations.
 - (B) All platforms, gathering lines, gas lines, water lines, flowlines, and production and storage facilities.
 - (C) All equipment, machinery, fixtures, materials, and improvements.

- (D) Pipeline laterals, to the extent located on any of the Leases or within any of the Lands as a lease term pipeline or serving the Assets as a gathering line under a distinct right of way.
- 1.4 Any unitization, pooling, communitization agreements, declarations, designations or orders relating to the Leases, and all of Assignor's interest in and to the properties covered or units created thereby, to the extent attributable to the Leases (collectively, the "**Units**").
- 1.5 All substances (including petroleum, natural gas, and condensate) and every other mineral or substance for which the Leases grant the right to explore, develop, or produce (collectively, the "**Hydrocarbons**"), produced and severed from, or allocable, after severance, to the Lands, Leases, Units, and Wells on and after the Effective Date.
- 1.6 Those contracts that Assignee has elected to assume, as set forth on Exhibit B attached hereto (collectively, the "**Contracts**"); including all rights, obligations and interests in such Contracts.
- 1.7 All of the following records (in written or electronic form) related to or regarding the Assets that are assembled or created in the normal course of business (collectively, the "**Records**"): copies of files, records, documentation, and data in possession of Assignor or its affiliates that specifically relate to Assignor's ownership or rights in or describe the Assets, including any correspondence, information, and reports (including petroleum engineering, reservoir engineering, non-proprietary geological, drilling, and other kinds of technical data and samples, uninterrupted well-logs, and analyses in whatever form), lease files, land files, well files, division order files, title opinions, abstracts, non-privileged environmental assessments or data, safety records, governmental filings, production reports, production logs, and core materials.
- 1.8 Any over-production or under-production with respect to Hydrocarbons produced from or allocated to the Leases, Wells, Facilities or Units, where, as of the Effective Date, Assignor is out of balance with any parties who own an interest in the Leases, Wells or Units or pursuant to any production handling agreement (collectively, the "**Production Imbalances**").
- 1.9 All permits, authorizations, rights of way, licenses, or other rights attributed to or associated with the operation and ownership of the Assets, to the extent transferable (collectively, the "**Permits**").

TO HAVE AND TO HOLD the Assets unto Assignee, its successors and assigns forever, subject to the terms, conditions and reservations set forth herein, in the Leases, the Contracts, and in the Sale Order.

2. SUCCESSORS AND ASSIGNS

- 2.1 The obligations and responsibilities of Assignee and Assignor shall run with the land and the Assets assigned, conveyed, and transferred, such that all subsequent assignees, grantees, and transferees also accept and assume the same obligations to the non-assigning Party to the extent of the interest assigned, conveyed, or transferred, without the assigning Party or any subsequent assignees, grantees, or transferees being released of any of its or their obligations to the non-assigning Party.

3. ASSUMPTION OF OBLIGATIONS

3.1 Subject to the terms of the Sale Order, Assignee assumes all covenants, terms, and provisions, express or implied, contained in the Leases and Contracts. Subject to the terms contained in the Sale Order, effective as the Effective Date, Assignee shall assume and be responsible for all obligations and liabilities of Assignor accruing under the Leases and Contracts after the Effective Date and each Party agrees to execute any instrument or document reasonably required by the other Party to evidence such assumption.

4. FURTHER ASSURANCES; ENTIRE AGREEMENT

4.1 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 Assets.

4.2 This Assignment along with the Sale Order, any Bureau of Ocean Management or State of Louisiana forms of assignment, or any instruments or documents executed pursuant to the Section 4.1 of this Assignment constitute the entire understanding between Assignor and Assignee with regard to the subject matter hereof, superseding all prior statements, representations, discussions, agreements and understandings.

5. CONFLICTS

5.1 In case of any conflict between the terms and provisions of the Sale Order and the terms and provisions of this Assignment, the terms and provisions of the Sale Order shall prevail. Notwithstanding the foregoing, Third Parties may rely upon this Assignment for the description of the Assets conveyed.

6. GOVERNING LAW

6.1 This Assignment is governed by and interpreted under the laws of the State of Texas, without regard to its choice of law rules.

7. UNOBTAINED CONSENTS

7.1 If any of the Assets 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 Assets until the receipt of 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 one (1) year from the Effective Date of this Assignment.

8. SUBROGATION OF WARRANTIES AND INDEMNITIES.

8.1 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 proceeding owners, venders, contractors or others.

[Signature Page Follows]

IN WITNESS WHEREOF, this Assignment is executed by the parties hereto before the undersigned competent witnesses, as of the dates acknowledged below, but effective the first day of March 1, 2017, subject to approval by the Bureau of Ocean Energy Management.

Witnesses:

Printed Name:

Printed Name:

Witnesses:

Printed Name:

Printed Name:

ASSIGNOR:

Maxus (U.S.) Exploration Company

Signature:

Name: Daniel Rico

Title: President

Assignor's Address:
10333 Richmond Avenue
Suite 1050
Houston, Texas 77042

ASSIGNEE:

31 Group LLC

Signature:

Name: Ken Goggans

Title: President

Assignee's Address:
3021 Ridge Road, Suite 1560
Rockwall, Texas 75032

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

On this _____ day of _____, 2017, before me and the two named competent witnesses appeared _____, to me, Notary, personally known, who being by me duly sworn did say that (s)he is the [_____] of [Maxus (U.S.) Exploration Company] and that said instrument was signed on behalf of said company, and said appearer acknowledged that (s)he executed the same as the free act and deed of said company.

IN WITNESS WHEREOF, I have hereunto set my official hand and seal on the date hereinabove written.

Notary Public in and for the State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

On this ____ day of _____, 2017, before me and the two named competent witnesses appeared Ken Goggans, to me, Notary, personally known, who being by me duly sworn did say that he is the President of 31 Group LLC, a ____ limited liability company, and that said instrument was signed in behalf of said limited liability company, by authority of its governing authorization, and said appearer acknowledged that he executed the same as the free act and deed of said limited liability company.

IN WITNESS WHEREOF, I have hereunto set my official hand and seal on the date hereinabove written.

Notary Public in and for the State of Texas

EXHIBIT A

LEASES

EXHIBIT B

CONTRACTS

Exhibit C

Felton Declaration

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

	)	Chapter 11
In re:)	
	)	Case No. 16-11501 (CSS)
MAXUS ENERGY CORPORATION, <i>et al.</i> , 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’ ASSETS FREE AND CLEAR OF ALL LIENS,
INTERESTS, CLAIMS, AND ENCUMBRANCES, (II) AUTHORIZING THE
DEBTORS TO PAY THE SALE SUCCESS FEE, (III) APPROVING THE (A)
ASSUMPTION AND ASSIGNMENT OF CERTAIN EXECUTORY CONTRACTS
AND UNEXPIRED LEASES OF NONRESIDENTIAL REAL PROPERTY AND
(B) REJECTION OF CERTAIN EXECUTORY CONTRACTS AND UNEXPIRED
LEASES OF NONRESIDENTIAL REAL PROPERTY, AND (IV) 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 Debtor Maxus (U.S.) Exploration Company’s (“MUSE”) 15% non-operating working interest (the “Property”) in an oil and gas field in the deep waters of the Gulf of Mexico known as Neptune 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 an Order (I) Approving and Authorizing the Sale of the Debtors’ Assets Free and Clear of 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.

*Liens, Interests, Claims, and Encumbrances, (II) Authorizing the Debtors to Pay the Sale Success Fee, (III) Approving the (A) Assumption and Assignment of Certain Executory Contracts and Unexpired Leases of Nonresidential Real Property and (B) Rejection of Certain Executory Contracts and Unexpired Leases of Nonresidential Real Property, and (IV) Waiving the Requirements of Bankruptcy Rule 6004(h) (the “Motion”).*² Unless otherwise stated, I have personal knowledge of all the facts stated herein.

2. 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 Property. 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 similar to the Property will almost always garner a higher return in the sealed bid process.

A. Marketing Process

3. EnergyNet conducts its sales through its online platform – www.EnergyNet.com, which includes a data room for interested parties. The data room included a reserve report, revenue and expense data, well data, wellbore schematics, plats, source documents, well logs, production history, and a facilities overview.

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

4. 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.

5. The Property went through the highest level of mass and targeted 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. This property was marketed via direct calls, mailers, emails, and third-party advertising. For example, the initial email list targeted nearly 10,000 contacts, and there were subsequent weekly mailings to the general database of over 20,000 contacts. The package was also marketed via third party services such as Hart Energy, to a large database of potential buyers. In addition, EnergyNet made direct phone calls to parties that it identified as high-interest candidates.

6. The Property was 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 Property would have been made available to all EnergyNet users with pre-saved searches for auctions that matched the profile of the Property.

B. The "Sealed Bid" Auction

7. The auction opened on February 24, 2017 and closed on March 23, 2017.

8. 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;
- The bidder will be required to make a 10% (non-refundable) deposit;
- 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.

9. 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 the Property, 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.

10. Over the sale period, there were 383 views of EnergyNet's website from 150 unique companies. 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, two parties submitted bids. The other bidder submitted a higher purchase price, but the offer contained a diligence period and a number of contingencies that made the offer less desirable and more uncertain than that made by the Purchaser.

C. The Winning Bidder

11. The Purchaser, 31 Group LLC, is a privately-held operating and holding company engaged in the exploration, development, and production of oil and gas from properties located in Colorado, Louisiana, North Dakota, Texas, and Wyoming. The Purchaser holds approximately 60,000 net acres and owns approximately 1,100 wells producing from shallow conventional oil fields, horizontal unconventional oil and gas fields and ultra deep vertical natural gas fields. The Purchaser owns over 300 miles of gathering lines and midstream lines, 3 compressor stations, water gathering systems, and saltwater disposal wells. It operates the wells and midstream assets in 4 states with approximately 25 employees.

12. 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 Property and thoroughly pursued the marketing and sale process described above. To my knowledge, the Purchaser does not have any relationship with any of the Debtors other than being party to the Assignment. To my knowledge, no common identity of current directors and officers exists between the Purchaser and any of the Debtors.

13. It is my belief that the Purchaser will be able to provide adequate assurance of future performance in connection with any Designated Contracts because the Purchaser has submitted evidence sufficient to demonstrate its financial wherewithal and ability to consummate the Sale to EnergyNet prior to bidding on the Property.

14. The Purchaser has deposited \$1,500,000 with its counsel, Locke Lord LLP. The closing of the Sale is subject to, among other things, approval by the Court and approval by the Debtors' postpetition lender (i.e., Occidental Chemical Corporation) by the Sale Hearing.

15. The Debtors and their advisors diligently and in good faith analyzed all other available options in connection with the disposition of the Property and determined that (a) the terms and conditions set forth in the Assignment, (b) the transfer of the Property by the Debtors to the Purchaser, and (c) the Purchase Price as reflected in the Assignment are all fair and reasonable and together constitute the highest or otherwise best value obtainable for the Property. I believe that the Assignment and the Purchase Price constitute the highest and best offer obtainable for the Property, and will provide a greater recovery for the Debtors' stakeholders than would be provided by any available alternative.

16. Further, absent the Sale, the value of the Property will be substantially diminished. Thus, prompt consummation of the Sale contemplated by the Assignment 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 Property.

17. I believe that a sale of the Property 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 Assignment for the Property.

18. The Purchase Price to be paid by the Purchaser under the Assignment in connection with the Sale was negotiated at arm's length and constitutes reasonably equivalent value and fair and adequate consideration for the Property. I believe the terms and conditions set forth in the Assignment 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.

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

20. 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 (a) the Purchaser recognized that the Debtors were free to negotiate with any other party that expressed interest in consummating the Sale, (b) 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 (c) the negotiation and execution of the Assignment and all other aspects of the Sale were conducted in good faith.

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

22. Given the foregoing, I believe that the Property was 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 Property.

Dated: April 19, 2017

/s/ Cody Felton

Cody Felton

EnergyNet.com, Inc.

Business Development Manager

Exhibit D

Notice of Assumption and Assignment

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

<p>In re:</p> <p>MAXUS ENERGY CORPORATION, <i>et al.</i>,¹</p> <p style="text-align: center;">Debtors.</p>	<p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p>	<p>Chapter 11</p> <p>Case No. 16-11501 (CSS)</p> <p>Jointly Administered</p>
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**NOTICE REGARDING EXECUTORY CONTRACTS AND
UNEXPIRED LEASES TO BE ASSUMED BY THE DEBTORS**

PLEASE TAKE NOTICE THAT the above-captioned debtors and debtors in possession (collectively, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) on June 17, 2016 (the “Petition Date”).

PLEASE TAKE FURTHER NOTICE that on April 19, 2017, the Debtors filed a motion (the “Sale Motion”) with the Bankruptcy Court, seeking entry of orders, among other things, approving (a) the sale of Debtor Maxus (U.S.) Exploration Company’s 15% non-operating working interest (the “Property”) in an oil and gas field in the deepwaters of the Gulf of Mexico, known as Neptune, to 31 Group LLC (the “Purchaser”), (b) the payment of a sale success fee to EnergyNet.com, Inc., (c) procedures for the (i) assumption and assignment (the “Assumption and Assignment Procedures”) of the executory contracts and unexpired leases (the “Designated Contracts”) annexed hereto as **Schedule 1** and (ii) rejection of certain executory contracts and unexpired leases in connection with the Sale, and (d) waiving the requirements of Bankruptcy Rule 6004(h).

PLEASE TAKE FURTHER NOTICE that upon the closing of the Sale, the Debtors intend to assume and assign to the Purchaser the Designated Contracts. In addition, the cure payments, if any, necessary for the assumption and assignment of the Designated Contracts (the “Cure Payments”) are set forth on **Schedule 1**.

**YOU ARE RECEIVING THIS NOTICE BECAUSE THE DEBTORS HAVE
IDENTIFIED YOU AS A COUNTERPARTY TO A DESIGNATED CONTRACT**

PLEASE TAKE FURTHER NOTICE that pursuant to the Assumption and Assignment Procedures, you must file an objection (a “Contract Objection”) to the proposed assumption and

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.

assignment of the Designated Contract, the proposed Cure Costs, if any, and the ability of the Purchaser to provide adequate assurance of future performance. All Contract Objections must: (a) be in writing; (b) state with specificity the basis for the objection as well as any Cure Costs that the objector asserts to be due (in all cases with appropriate documentation in support thereof); (c) comply with the Bankruptcy Rules and the Local Rules; and (d) be filed and served on the following parties **no later than 4:00 p.m. (prevailing Eastern Time) on May 5, 2017** (the “Contract Objection Deadline”): (i) co-counsel for the Debtors, Morrison & Foerster LLP, 250 West 55 Street, New York, New York 10019, Attn: Jennifer L. Marines and Jordan A. Wishnew, and Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801; (ii) counsel to the Purchaser, Locke Lord LLP, 2800 JPMorgan Chase Tower 600 Travis, Houston, Texas 77002; Attn: Philip Eisenberg, peisenberg@lockelord.com; and (iii) the Office of the United States Trustee, J. Caleb Boggs Federal Building, Room 2207, 844 North King Street, Wilmington, Delaware 19801, Attn: David L. Buchbinder and Linda J. Casey.

PLEASE TAKE FURTHER NOTICE that if you file a Contract Objection in a manner that is consistent with the requirements set forth above, and the parties are unable to consensually resolve the dispute prior to the hearing on the Sale currently scheduled for **May 10, 2017, at 11:00 a.m.** (the “Sale Hearing”), the amount to be paid or reserved with respect to such objection will be determined at the Sale Hearing, such later hearing date that the Debtors determine in their discretion, or such other date determined by this Court.

IF YOU FAIL TO TIMELY FILE AND SERVE A CONTRACT OBJECTION TO THE PROPOSED ASSUMPTION AND ASSIGNMENT OF YOUR DESIGNATED CONTRACT IN ACCORDANCE WITH THE ASSUMPTION AND ASSIGNMENT PROCEDURES THE CURE AMOUNT SET FORTH ON SCHEDULE 1 SHALL BE CONTROLLING AND YOU ARE DEEMED TO HAVE CONSENTED TO THE ASSUMPTION AND ASSIGNMENT OF THE DESIGNATED CONTRACT AND THE CURE COSTS, IF ANY, AND YOU SHALL BE FOREVER BARRED FROM ASSERTING ANY CLAIM RELATED TO SUCH DESIGNATED CONTRACT FOR ANY DEFAULT OCCURRING OR CONTINUING PRIOR TO THE CONTRACT OBJECTION DEADLINE AGAINST THE DEBTORS OR THE PURCHASER, OR THE PROPERTY OF ANY OF THEM.

Dated: _____, 2017
Wilmington, Delaware

M. Blake Cleary (No. 3614)
Joseph M. Barry (No. 4221)
Justin P. Duda (No. 5478)
Travis G. Buchanan (No. 5595)
**YOUNG CONAWAY STARGATT &
TAYLOR, LLP**
Rodney Square
1000 North King Street
Wilmington, Delaware 19801
Telephone: (302) 571-6600
Facsimile: (302) 571-1253

-and-

James M. Peck (admitted *pro hac vice*)
Lorenzo Marinuzzi (admitted *pro hac vice*)
Jennifer L. Marines (admitted *pro hac vice*)
Jordan A. Wishnew (admitted *pro hac vice*)
MORRISON & FOERSTER LLP
250 West 55th Street
New York, New York 10019
Telephone: (212) 468-8000
Facsimile: (212) 468-7900

Counsel for Debtors and Debtors-in-Possession

Schedule 1

Executory Contracts and Unexpired Leases to be Assumed

Contract Counterparty	Description of Contract or Lease	Date of Contract	Estimated Cure Amount
Allocation Specialists, Ltd.	NGL Bank Agreement (Contract No. 300047)	Effective December 1, 2011	\$ -
Allocation Specialists, Ltd.	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
Anadarko Energy Services Co.	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
ANR Pipeline Company	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
Apache Corporation	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
BHP Billiton Petroleum (Deepwater) Inc.	Neptune Unit Operating Agreement Atwater Valley Block 574 Unit Outer Continental Shelf Gulf of Mexico	Effective April 23, 2002	\$ -
BHP Billiton Petroleum (GOM) Inc.	Neptune Unit Operating Agreement Atwater Valley Block 574 Unit Outer Continental Shelf Gulf of Mexico	Effective April 23, 2002	\$ -
BHP Petroleum (Americas) Inc.	Working Interest (Offshore Oil Well)	March 15, 1995	\$ -
Caesar Oil Pipeline Co. LLC	Oil Transportation Agreement	October 31, 2005	\$17,793.22
CGG Services (US) Inc.	General Agreement	December 3, 2009	\$ -
CGG Services (US) Inc.	Geodata License	June 17, 2003	\$ -

Contract Counterparty	Description of Contract or Lease	Date of Contract	Estimated Cure Amount
Chevron U.S.A. Inc.	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
Cleopatra Gas Gathering Company	Gas Gathering Agreement	October 31, 2015	\$6,701.20
Contango Operators Inc.	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
Enbridge Offshore Facilities LLC	Gas Gathering Contract	January 31, 2006	\$68,126.40
Enbridge Offshore Facilities LLC	Oil Transportation Contract	January 31, 2006	\$77,724.00
Energy Resources Technology	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
Energy XXI, GOM	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
Enterprise Gas Processing, LLC	Raw Make Purchase Letter Agreement for the Neptune Gas Plant	August 4, 2011	\$ -
Gaffney, Cline & Associates, Inc.	Neptune Simulation Support Proposal Agreement	February 26, 2016	\$ -
Gaffney, Cline & Associates, Inc.	Vendor Contract	September 25, 2015	\$ -
Hall Houston Exploration L.P.	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
Hunt Oil Company	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -

Contract Counterparty	Description of Contract or Lease	Date of Contract	Estimated Cure Amount
Hunt Petroleum (AEC) Inc.	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
Lexco Data Systems	Vendor Contract	December 11, 2001	\$ -
Manta Ray Offshore Gathering Co. LLC	Gas Gathering Agreement	December 15, 2007	\$ -
Manta Ray Offshore Gathering Company, L.L.C.	NGL Bank Agreement (Contract No. 300047)	Effective December 1, 2011	\$4,275.69
Manta Ray Offshore Gathering Company, L.L.C.	First Amendment to Manta Ray Liquids Separation and Stabilization Agreement	December 17, 2010	\$ -
Marathon Oil Company	Neptune Unit Operating Agreement Atwater Valley Block 574 Unit Outer Continental Shelf Gulf of Mexico	Effective April 23, 2002	\$ -
Mariner Energy Incorporated	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
McMoRan Oil & Gas	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
Nautilus Pipeline Company LLC	Vendor Contract	December 15, 2007	\$299.71
Northstar Interests, L.C.	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
Pioneer Natural Resources	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -

Contract Counterparty	Description of Contract or Lease	Date of Contract	Estimated Cure Amount
Shell Exploration & Production Co.	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
Shell Trading (US) Company	Oil and Gas Marketing Agreement	March 23, 2008	\$ -
Stone Energy	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
Tana Exploration Company	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
Transcontinental Gas Pipeline LLC	Vendor Contract	June 1, 2009	\$ -
Transzap Inc.	Vendor Contract	July 26, 2010	\$ -
Trinova Energy Services Inc.	2008 Trinova Agreement	October 1, 2001	\$ -
Trinova Energy Services Inc.	Vendor Contract	February 12, 2008	\$ -
W&T Offshore Inc.	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
Walter Oil & Gas Corporation	Agreement for the Allocation of Liquid Hydrocarbons at the Patterson Terminal St. Mary Parish, Louisiana	Effective July 1, 2017	\$ -
Williams Field Services	Vendor Contract	June 1, 2009	\$ -
Woodside Energy (USA) Inc.	Neptune Unit Operating Agreement Atwater Valley Block 574 Unit Outer Continental Shelf Gulf of Mexico	Effective April 23, 2002	\$ -

Exhibit E

Notice of Rejection

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
)	
MAXUS ENERGY CORPORATION, <i>et al.</i> , ¹	)	Case No. 16-11501 (CSS)
)	
Debtors.	)	Jointly Administered
)	
)	

**NOTICE REGARDING EXECUTORY CONTRACTS AND
UNEXPIRED LEASES TO BE REJECTED BY THE DEBTORS**

PLEASE TAKE NOTICE THAT the above-captioned debtors and debtors in possession (collectively, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) on June 17, 2016 (the “Petition Date”).

PLEASE TAKE FURTHER NOTICE that on April 19, 2017, the Debtors filed a motion (the “Sale Motion”) with the Bankruptcy Court, seeking entry of orders, among other things, approving (a) the sale of Debtor Maxus (U.S.) Exploration Company’s 15% non-operating working interest (the “Property”) in an oil and gas field in the deep waters of the Gulf of Mexico, known as Neptune, to 31 Group LLC (the “Purchaser”), (b) the payment of a sale success fee to EnergyNet.com, Inc., (c) procedures for the (i) assumption and assignment of the executory contracts and unexpired leases and (ii) rejection (the “Rejection Procedures”) of certain executory contracts and unexpired leases (the “Rejected Contracts”) annexed hereto as **Schedule 1** in connection with the Sale, and (d) waiving the requirements of Bankruptcy Rule 6004(h).

PLEASE TAKE FURTHER NOTICE that upon the closing of the Sale, the Debtors intend to reject the Rejected Contracts.

**YOU ARE RECEIVING THIS NOTICE BECAUSE THE
DEBTORS HAVE DECIDED TO REJECT YOUR CONTRACT**

PLEASE TAKE FURTHER NOTICE that objections, if any, to the proposed rejection of the above Executory Contract(s) or Unexpired Lease(s) must: (a) be in writing; (b) state with specificity the basis for the objection; (c) comply with the Bankruptcy Rules and the Local Rules; and (d) be filed and served on the following parties **no later than 4:00 p.m. (prevailing Eastern Time) on May 5, 2017** (the “Rejection Objection Deadline”): (i) co-counsel for the

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.

Debtors, Morrison & Foerster LLP, 250 West 55 Street, New York, New York 10019, Attn: Jennifer L. Marines and Jordan A. Wishnew, and Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801; (ii) counsel to the Purchaser, Locke Lord LLP, 2800 JPMorgan Chase Tower 600 Travis, Houston, Texas 77002; Attn: Philip Eisenberg, peisenberg@lockelord.com; and (iii) the Office of the United States Trustee, J. Caleb Boggs Federal Building, Room 2207, 844 North King Street, Wilmington, Delaware 19801, Attn: David L. Buchbinder and Linda J. Casey.

PLEASE TAKE FURTHER NOTICE that if you fail to object timely to the proposed rejection by the Rejection Objection Deadline, you will be deemed to have assented to such rejection.

PLEASE TAKE FURTHER NOTICE that any proof of claim based on the rejection of the Rejected Contracts must be filed with Prime Clerk LLC and served on the Debtors no later than **thirty (30) days** after service of the Notice of Rejection. Proof of Claim forms may be obtained at the following websites: <https://cases.primeclerk.com/maxus> or <http://www.uscourts.gov/forms/bankruptcy-forms/proof-claim-0>. Any claim based upon such rejection not filed within such time shall be automatically disallowed, forever barred from being asserted, and unenforceable against the Debtors, any trust provided for in the Plan, or their respective assets or properties, without the need for any objection or further notice to, or action, order, or approval of, the Court.

Dated: _____, 2017
Wilmington, Delaware

M. Blake Cleary (No. 3614)
Joseph M. Barry (No. 4221)
Justin P. Duda (No. 5478)
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Facsimile: (212) 468-7900

Counsel for Debtors and Debtors-in-Possession

Schedule 1