

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION

In Re:)
)
TARHEEL OIL II, INC. AND) Case No. 16-50216
GAMBILL OIL, LLC)
) (Jointly Administered Chapter 11)
Debtors.)

**MOTION TO (A) APPROVE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR’S
CUSTOMER RELATIONSHIPS AND EQUIPMENT, (B) TRANSFER ANY AND ALL
CLAIMS, LIENS, ENCUMBRANCES AND INTERESTS IN SALE ASSETS TO
PROCEEDS OF SALE, AND (C) TO AUTHORIZE CERTAIN DISTRIBUTIONS OF
SALE PROCEEDS**

NOW COMES John Paul H. Cournoyer, the Chapter 11 Trustee in the above-captioned bankruptcy case (the “Trustee”), and pursuant to §§ 105 and 363 of the Bankruptcy Code and Bankruptcy Rule 6004, and hereby moves the Court as follows:

1. On March 4, 2016 (the “Petition Date”), Tar Heel Oil II, Inc. (“Tar Heel”) and Gambill Oil, LLC (“Gambill”) (jointly the “Debtors”) each filed voluntary petitions seeking relief under Chapter 11 of the Bankruptcy Code. On July 21, 2016, the Court entered a Final Order Authorizing Joint Administration, ordering that the cases be consolidated under Case No. 16-50216.

2. The Court has jurisdiction over the subject matter hereof pursuant to 28 U.S.C. §§151, 157 and 1334 and Local Rule 83.11 adopted by the United States District Court for the Middle District of North Carolina, and this is a core proceeding within 28 U.S.C. §157(b)(2). Venue is proper pursuant to 28 U.S.C. §§1408 and 1409.

Background and Security Interests

3. The Debtor is in the business of supplying gasoline to numerous gas stations and convenience stores. The Debtor owns personal property at many of these gas stations and

convenience stores, including but not limited to underground storage tanks, dispenser equipment, canopies, cash registers, and other personal property associated with the sale of petroleum products.

4. Cary Oil Company (“Cary Oil” or “Purchaser”) is the Debtor’s primary supplier of petroleum products, under the Tenth Interim Order Granting Authority to Continue to Operate Under Supply Agreement [Dkt. No. 267]. Cary Oil Company also acts as the Debtor’s day-to-day operations manager under the Order Granting Motion to Employ Cary Oil Company to Provide Operational Services to the Debtors [Dkt No. 201].

5. Cary Oil asserts the following claims in the Debtors’ bankruptcy cases:

a. A pre-petition secured claim against Tar Heel Oil II, Inc. (“Tar Heel”) in the amount of \$1,323,394.30, of which \$1,047,014.42 is owed jointly and severally with Gambill Oil, LLC (“Gambill”).

b. A pre-petition secured claim against Gambill in the amount of \$1,126,853.30, of which \$1,047,014.42 is owed jointly and severally with Tar Heel.

c. Post-petition administrative expense claims against the Debtors totaling \$212,078.55, arising from post-petition sales to the Debtors that remain unpaid.

6. Among other collateral, Cary Oil asserts a first priority security interest in Tar Heel’s general intangibles and equipment, a first priority security interest in Gambill’s general intangibles, and a second priority security interest in Gambill’s equipment.

7. BLT Investments, LLC (“BLT”) asserts a secured claim against Tar Heel in the amount of \$1,597,957.79. Among other collateral, BLT asserts a second priority security interest in Tar Heel’s equipment and general intangibles. BLT does not assert any claim against Gambill.

8. Yadkin Bank asserts secured claims against Gambill totaling \$1,350,562.63.

Among other collateral, Yadkin Bank asserts a first priority security interest in Gambill's equipment, but no security interest in Gambill's general intangibles. Yadkin Bank filed a secured claim in Tar Heel's bankruptcy case, but there is no recorded UCC Financing Statement in favor of Yadkin Bank filed against Tar Heel. Upon information and belief, and based upon discussions with counsel, Yadkin Bank shall not contend it holds a secured claim in the Tar Heel case.

9. Gambill Oil Company, Inc., Jon M. Gambill, Northwest Property Holdings, LLC, and JMG Energy Solutions, Inc. (the "JMG Entities") were scheduled as holding secured claims against Gambill. The JMG Entities filed UCC financing statements against Gambill, which identified liens in general intangibles and equipment, among other things. Each of these UCC financing statements has now lapsed post-petition due to no continuation statement being filed.

10. Based upon a review of the draft plan of reorganization prepared by the Debtors prior to the appointment of the Trustee, the Trustee believes that there is no outstanding indebtedness to the JMG Entities. None of the JMG Entities have filed proofs of claim in Gambill's bankruptcy case.¹

11. Great State Bank does not assert any security interest in either Tar Heel or Gambill's general intangibles or equipment.

12. The Trustee is not aware of any other asserted security interests in the assets proposed to be sold pursuant to this motion.

¹ Additionally, even if there was outstanding indebtedness to the JMG Entities, and such entities had properly perfected security interests, such interests are deemed retroactively unperfected as against a purchaser of the collateral for value, including a junior secured creditor. *See* N.C. Gen. Stat. § 25-9-515(c); U.C.C. § 9-515, cmt. 3, ex. 2; *see also, e.g., Highland Constr. Mgmt. Servs. v. Wells Fargo, N.A. (In re: Highland Constr. Mgmt. Servs.)*, 497 B.R. 829 (Bankr. E.D. Va. 2013). Thus, even if the JMG Entities had secured claims in Gambill's general intangibles and equipment, these claims would be deemed retroactively unperfected under § 9-515(c) as against Cary Oil. As discussed below, Cary Oil shall assign its secured claims to the Debtors' bankruptcy estate under the sale transaction proposed herein.

Proposed Sale

13. In this motion, the Trustee seeks approval of the sale to Purchaser of (i) all of the Sellers' customer relationships and goodwill, as well as any and all rights to the supply contracts to be negotiated between the Sellers' customers and the Purchaser pursuant to the terms of this Agreement and (ii) all EMV equipment owned by Sellers and believed to be stored in the Sellers' former offices in North Wilkesboro, NC (collectively, the "Cary Sale Assets"). The Trustee further seeks approval to sell to the Debtors' various customers the personal property located at each respective customer's location, including but not limited to underground storage tanks, dispenser equipment, canopies, cash registers, and other personal property associated with the sale of petroleum products (the "Dealer Equipment").

14. Subject to the Court's approval, the Trustee has entered into an Asset Purchase Agreement (the "APA") with the Purchaser to sell the Cary Sale Assets free and clear of any liens or other interests pursuant to 11 U.S.C. § 363(f). The Cary Sale Assets shall be sold "as is, where is," without any representation as to warranty or fitness, subject to wear and tear.

15. Under the terms of the APA, the Purchaser will enter into discussions and negotiations with the various customers of the Debtors, and propose long-term supply contracts. These contracts would offer more favorable rates than the margins they are currently receiving from the Debtors, and the Trustee anticipates that many of the dealers will find these proposals attractive. Additionally, in order to enter into a long-term supply contract, the various dealers would be required to purchase the USTs and equipment at their respective locations from the estate. The APA provides that for each dealer that enters into a long-term supply contract, the Purchaser would pay a fixed price to the estate for that location and the dealer would pay a fixed price for the associated equipment, as set forth in Exhibits A and B attached to the APA.

16. If 100% of the Debtors customers entered into long-term supply contracts, the Purchaser would pay the bankruptcy estates \$398,527 and the dealers would pay the bankruptcy estates \$173,000. However, it is reasonable to expect that not all dealers will agree to enter into long-term supply contracts or purchase the underground storage tanks and equipment at their location.

17. The APA provides that the Purchaser shall pay to the Trustee the sum of \$175,000 (the “Minimum Purchase Price”) at Closing². The Minimum Purchase Price shall be allocated \$128,212.50 to Tar Heel Oil II, Inc., and \$46,787.55 to Gambill Oil, LLC, which is a pro rata allocation based upon the values set forth in Exhibit A to the APA. Although the Trustee anticipates that the total cash consideration from Purchaser will ultimately exceed this amount, the estates shall receive at least the Minimum Purchase Price, regardless of how many dealer locations are converted.

18. Each such customer that signs a supply contract with the Purchaser is referred to in the APA as a “Converted Site.” For each Converted Site, the Purchaser shall pay to the applicable bankruptcy estate, within ten (10) business days of the execution of the supply contract, the “Assigned Value” for the Converted Site as set forth in Exhibit A attached to the APA (a “Site Purchase Price”). Provided however, the Minimum Purchase Price shall be credited against the Site Purchase Prices as set forth in Exhibit A, such that the Purchaser will only have an obligation to pay all or part of the Site Purchase Price for a particular location once the aggregate total of the Site Purchase Prices exceeds the Minimum Purchase Price.

19. The purchase price for the personal property at a particular customer’s location shall be the amount set forth in Exhibit B attached to the APA, and shall be paid to the

² Unless otherwise defined herein, capitalized terms have the meaning ascribed to them in the APA.

bankruptcy estate concurrently with the execution of the applicable supply contract. The customer and/or the Purchaser shall be responsible for the preparation of the UST-15 form required by the North Carolina Department of Environmental Quality to transfer ownership of any underground storage tanks, which the Trustee shall promptly execute and return on behalf of the applicable Seller. The Trustee shall deliver a bill of sale for such personal property promptly upon receipt of the sale funds. All personal property sales shall be “as is, where is,” without any representations or warranties, and shall be sold free and clear of all Liens to the fullest extent permitted under Section 363 of the Bankruptcy Code. The Trustee shall be free to sell or otherwise administer any remaining unsold personal property upon either (i) notification from Purchaser that it does not anticipate any further locations will become Converted Sites, or (ii) the expiration of 180 days after the Closing Date.

20. As additional consideration under the APA, effective immediately at the Closing, Cary Oil shall (i) assign its secured claims to each Seller’s respective bankruptcy estate, and (ii) waive and release any and all other claims against the Debtors, their Trustee, and their respective bankruptcy estates, whether known or unknown, that accrued on or before the Closing Date. Without limiting the breadth of the foregoing, this waiver includes any secured, administrative expense, or unsecured claims in the Bankruptcy Cases. No further documentation shall be needed to evidence this waiver, which shall be effective immediately upon the Closing. Provided however, (i) Cary Oil shall be entitled to retain the “security adder” in its possession, totaling \$137,526.85, and (ii) Cary Oil retains and reserves all rights, remedies and claims as pertain to guarantors of the debts of Tar Heel and Gambill and nothing in the APA is intended to waive Purchaser’s right to pursue collection from such guarantors.

21. Although such consideration is in the form of a claims waiver, and not in the form of cash, the Trustee believes the value of this waiver to the bankruptcy estates is substantial. Cary Oil asserts a first priority lien in the majority of the assets to be sold pursuant to this motion, with the sole exception of Gambill's equipment, in which Yadkin Bank holds a higher priority security interest. The waiver of Cary Oil's administrative and unsecured claims, together with the assignment of its secured claims to the bankruptcy estates, will enable a dividend to unsecured creditors in this case. Given the size of Cary Oil's asserted claim, the Cary Sale Assets and Dealer Equipment would need to be sold for over \$1.6 million in order to create an equivalent benefit for the bankruptcy estate. The Trustee does not believe this amount could be realized for these assets under any circumstance.

Distribution of Sale Proceeds and Agreed Carve-Outs

22. Subject to this Court's approval, BLT and the Trustee have agreed that BLT shall receive a distribution from the sale proceeds of \$80,000.³ This distribution shall be in complete satisfaction of BLT's secured claim, with the sole exception of BLT's lien in certain vehicles owned by Tar Heel, consisting of a 1997 Lincoln, a 2002 Yukon and a 2002 Suburban. All remaining sale proceeds attributable to BLT's secured claim shall be carved-out for the benefit of the Debtors' bankruptcy estates. BLT shall have an allowed unsecured claim in the amount of

³ This limited secured claim and agreed carve-out reflects a negotiated agreement based upon two primary considerations. First, absent a basis to avoid all or part of Cary Oil's secured claim, the agreement of Cary Oil to assign its secured claims to the estate and waive all other claims creates equity in collateral from which BLT would otherwise not reasonably expect to receive any distribution. Secondly, the security agreement attached to BLT's proof of claim, which granted BLT an interest in equipment and general intangibles, was executed on June 29, 2015. This date is within the one-year lookback period for the avoidance of preferential transfers to insiders. BLT contends that it is not an insider under the Bankruptcy Code. Additionally, BLT argues that the avoidance of the security agreement would be of no impact, since the applicable UCC financing statement was filed outside the one-year lookback period, and there is language a 2008 APA that grants a security interest in general intangibles and equipment.

\$1,517,957.79, which shall be further credited by any amounts recovered from the vehicle collateral or any recoveries from non-debtor entities. BLT consents to the sale along these terms.

23. Yadkin Bank shall receive a distribution of all sale proceeds attributable to the Dealer Equipment sold in Gambill's bankruptcy estate. Yadkin Bank holds no secured claim in the Tar Heel case, and holds no security interest in the Cary Sale Assets sold in Gambill's bankruptcy estate, since such assets constitute general intangibles. Upon information and belief, and based upon preliminary discussions with counsel, Yadkin Bank shall consent to the sale.

24. Therefore, as a result of the claims waiver from Cary Oil, and the agreed carve-out from BLT, all sale proceeds in the Tar Heel case after the payment of \$80,000 to BLT shall be unencumbered proceeds for the benefit of Tar Heel's bankruptcy estate. All of the proceeds of Dealer Equipment sold in Gambill's case shall be paid to Yadkin Bank, but the proceeds of the Cary Sale Assets shall be unencumbered proceeds for the benefit of Gambill's bankruptcy estate.

25. The Trustee believes that the sale proposed herein is in the best interests of the bankruptcy estate since it will result in more value for creditors than any alternative, and requests that the Court approve the transactions set forth in this motion and the attached APA.

WHEREFORE, the Trustee prays the Court for an Order:

1. Approving the APA;
2. Authorizing the Trustee to sell the Cary Sale Assets to the Purchaser free and clear of all liens and other interests under 11 U.S.C. § 363(f), and transferring such liens or interests to the sale proceeds;

3. Authorizing the Trustee to sell the Dealer Equipment for the amounts set forth in Exhibit B to the APA free and clear of all liens and other interests under 11 U.S.C. § 363(f), and transferring such liens or interests to the sale proceeds;

4. Authorizing the Trustee to distribute \$80,000 of the Tar Heel proceeds to BLT, which shall be in complete satisfaction of BLT's secured claim, with the sole exception of BLT's lien in certain vehicles owned by Tar Heel, and providing that BLT has an allowed unsecured claim for the balance of \$1,517,957.79;

5. Authorizing the Trustee to distribute to Yadkin Bank all sale proceeds attributable to the Dealer Equipment sold in Gambill's bankruptcy case; and

6. Granting such other relief as the court deems just and proper.

Respectfully submitted on behalf of the Debtor, this the 27th day of June 2017.

NORTHEN BLUE, LLP

/s/ John Paul H. Cournoyer
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Chapel Hill, NC 27517
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Counsel for the Trustee

CONSENTED TO:

/s Daniel C. Bruton
Counsel for BLT Investments, LLC

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (together with the exhibits hereto, this “Agreement”), is made as of this 23rd day of June, 2017, by and between Tar Heel Oil II, Inc., and Gambill Oil, LLC (collectively, the “Sellers” or the “Debtors”), and Cary Oil Company (the “Purchaser”).

W I T N E S S E T H

WHEREAS, on March 4, 2016 (the “Petition Date”), the Sellers filed voluntary petitions with the United States Bankruptcy Court for the Middle District of North Carolina (the “Bankruptcy Court”) for relief under Chapter 11, title 11, United States Code, 11 U.S.C. §§ 101, *et seq.* (the “Bankruptcy Code”).

WHEREAS, John Paul H. Cournoyer is the duly appointed Chapter 11 Trustee for the Sellers.

WHEREAS, Sellers currently supply gasoline to numerous gas stations and convenience stores;

WHEREAS, Purchaser is the Sellers’ supplier of petroleum products, and acts as the Sellers’ operations manager in connection with the day-to-day operations of Sellers’ business;

WHEREAS, Sellers own certain personal property at the gas stations and convenience stores, including but not limited to underground storage tanks, dispenser equipment, canopies, cash registers, and other personal property associated with the sale of petroleum products;

WHEREAS, Purchaser asserts certain secured, administrative expense, and unsecured claims in connection with the Sellers’ bankruptcy cases;

WHEREAS, as set forth herein, Purchaser has agreed to purchase all of the Sellers’ customer relationships and goodwill, as more particularly set forth herein;

NOW, THEREFORE, for and in consideration of the representations, warranties, covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. ARTICLE 1.

As used herein, the following terms shall have the following meanings:

“*Bankruptcy Cases*” means Sellers’ bankruptcy cases commenced under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court, which are jointly administered under the consolidated case number 16-50216.

“*Bankruptcy Petition*” means the voluntary bankruptcy petitions filed by Sellers with the Bankruptcy Court.

“*Business Day*” means any day that is not a Saturday, Sunday, or other day on which banks are required or authorized by law to be closed in New York, New York.

“*Closing Date*” has the meaning set forth in Section 4.1.

“*Lien*” means any lien, security interest, pledge, hypothecation, encumbrance or other interest or claim (including, but not limited to, any and all “claims,” as defined in Section 101(5)

of the Bankruptcy Code, and any and all rights and claims under any bulk transfer statutes and similar laws) in or with respect to any of the Sale Assets (including, but not limited to, any options or rights to purchase such Sale Assets and any mechanics' or tax liens), whether arising by agreement, by statute or otherwise and whether arising prior to, on or after the date of the filing of the Bankruptcy Petition.

“*Person*” means any individual, corporation, partnership, joint venture, trust, association, limited liability company, unincorporated organization, other entity, or governmental body or subdivision, agency, commission or authority thereof.

“*Petition Date*” means March 4, 2016.

“*Sale Assets*” has the meaning set forth in Section 2.1.

“*Sale Motion*” means the motion to approve the sale under this Agreement, to be filed in the Bankruptcy Court.

“*Sale Order*” means the entry of an Order of the Bankruptcy Court approving the transactions contemplated hereby and the definitive documentation and waiving the fourteen (14) day automatic stay of Bankruptcy Rule 6004(h), which Sale Order has not been stayed pending appeal.

2. **ARTICLE 2.**

2.1. Sale and Purchase of Assets. Upon the terms and subject to the satisfaction of the conditions contained in this Agreement, at the Closing, Sellers' shall sell, assign, convey, transfer and deliver to Purchaser (i) all of the Sellers' customer relationships and goodwill, as well as any and all rights to the supply contracts to be negotiated between the Sellers' customers and the Purchaser pursuant to the terms of this Agreement and (ii) all EMV equipment owned by Sellers and believed to be stored in the Sellers' former offices in North Wilkesboro, NC (collectively, the “Sale Assets”). The Sale Assets shall be sold “as is, where is” and free and clear of all Liens to the fullest extent permitted under Section 363 of the Bankruptcy Code.

2.2. Excluded Assets. Notwithstanding any provision herein to the contrary, the Sale Assets shall not include any assets other than those specifically identified in the above Section 2.1, and without limiting the generality of the foregoing, shall not include (i) real property or fixtures, (ii) equipment including but not limited to Underground Storage Tanks (UST) and associated UST related equipment, parts, piping, containers, manholes, measuring devices, pumping equipment, dispensing equipment, EPOS equipment, canopy, lights, signs, machinery, or any other tangible personal property, (iii) inventory (raw materials, work in process, finished goods), (iv) cash, cash equivalents, accounts receivable, bank deposits, funds in transit or tax refunds, or other refunds or deposits or (v) any causes of action that are pending or may be brought by or on behalf of the Debtor, including those that may be brought by the Debtor pursuant to Chapter 5 of the Bankruptcy Code (collectively, the “Excluded Assets”).

3. **ARTICLE 3.**

3.1. Minimum Purchase Price. In consideration for the Sale Assets, and subject to the other terms and conditions of this Agreement, and the entry and effectiveness of the Sale

Order, Purchaser shall pay to Sellers the sum of \$175,000 (the "Minimum Purchase Price") at Closing. The Minimum Purchase Price shall be allocated \$128,212.50 to Tar Heel Oil II, Inc., and \$46,787.55 to Gambill Oil, LLC.

- 3.2. Site Purchase Prices.** Upon the entry of the Sale Order, the Purchaser may enter into discussions and negotiations with the Sellers' customers regarding the entry of supply contracts between the Purchaser and the Sellers customers. Each such customer that signs a supply contract with the Purchaser is referred to herein as a "Converted Site." For each Converted Site, the Purchaser shall pay to the applicable Seller, within ten (10) business days of the execution of the supply contract, the "Assigned Value" for the Converted Site as set forth in Exhibit A attached hereto (a "Site Purchase Price"). Provided however, the Minimum Purchase Price shall be credited against the Site Purchase Prices as set forth in Exhibit A, such that the Purchaser will only have an obligation to pay all or part of the Site Purchase Price for a particular location once the aggregate total of the Site Purchase Prices exceeds the Minimum Purchase Price.
- 3.3. Claims Waiver.** As additional consideration under this Agreement, effective immediately at the Closing, the Purchaser hereby (i) assigns its secured claims to each Seller's respective bankruptcy estate, and (ii) waives and releases any and all other claims against the Sellers, their Trustee, and their respective bankruptcy estates, whether known or unknown, that accrued on or before the Closing Date. Without limiting the breadth of the foregoing, this waiver includes any secured, administrative expense, or unsecured claims in the Bankruptcy Cases. No further documentation shall be needed to evidence the waiver set forth herein, which shall be effective immediately upon the Closing. Provided however, and notwithstanding any language herein to the contrary, (i) Purchaser shall be entitled to retain the "security adder" in its possession, totaling \$137,526.85, and (ii) Purchaser retains and reserves all rights, remedies and claims as pertain to guarantors of the debts of Tar Heel Oil and Gambill Oil and nothing in this agreement is intended to waive Purchaser's right to pursue collection from such guarantors.
- 3.4. Associated Equipment Sales.** In connection with the negotiation of supply contracts described in Section 3.2 above, the Purchaser shall require that each of the Sellers' customers purchase the personal property including underground storage tanks owned by Seller at their location (if any). The purchase price for such personal property shall be the amount set forth in Exhibit B attached hereto, and shall be paid to the Seller concurrently with the execution of the applicable supply contract. The customer and/or the Purchaser shall be responsible for the preparation of the UST-15 form required by the North Carolina Department of Environmental Quality to transfer ownership of any underground storage tanks, which the Trustee shall promptly execute and return on behalf of the applicable Seller. The Seller shall deliver a bill of sale for such personal property promptly upon receipt of the sale funds. All personal property sales shall be "as is, where is," without any representations or warranties, and shall be sold free and clear of all Liens to the fullest extent permitted under Section 363 of the Bankruptcy Code. The Trustee shall be free to sell or otherwise administer any remaining unsold personal property upon either (i) notification from Purchaser that it does not anticipate any further locations will become Converted Sites, or (ii) the expiration of 180 days after the Closing Date.

3.5. Continued Operations. The Purchaser shall continue to act as the Sellers' day-to-day operations manager pursuant to the Order Granting Motion to Employ Cary Oil Company to Provide Operational Services to the Debtors [Dkt No. 201]. The Sellers shall continue to be entitled to payment of the net margin from each location until such location has become a Converted Site.

4. ARTICLE 4.

4.1. Closing. The closing of the transaction contemplated hereby will take place (the "Closing" or "Closing Date") with five (5) business days of the entry of the Sale Order. The Closing will take place at a location to be mutually agreed upon by Purchaser and Seller. The transfer of the Sale Assets shall be effective for all purposes as of 12:01 a.m. eastern time on the day following the Closing Date.

4.2. Court Approval Required. Seller and Purchaser acknowledge and agree that the Bankruptcy Court's entry of the Sale Order is required in order for Seller and Purchaser to consummate the transactions contemplated hereby and that the requirement that the Sale Order be entered is a condition that cannot be waived by any party hereto.

5. ARTICLE 5.

5.1. Deliveries by Seller. At the Closing, Seller shall deliver or cause to be delivered to Purchaser the following (each in form and substance reasonably satisfactory to Purchaser):

5.1.1. A duly executed bill of sale, dated the Closing Date, transferring to Purchaser all right, title and interest in and to the Sale Assets free and clear of all Liens, without exception or condition.

5.1.2. A copy of the Sale Order.

5.1.3. Such other instruments or documents or certificates or affidavits that may be required by any local, state or federal taxing or other authority, as Purchaser may reasonably request to fully effect the transfer of the Sale Assets and to confer upon Purchaser the benefits contemplated by this Agreement, and any transfer agreements with any local, state or federal authority or agency, including the United States Patent and Trademark Office, necessary to perfect title to any of the Sale Assets in Purchaser.

5.2. Deliveries by Purchaser. At the Closing, Purchaser shall deliver, or cause to be delivered, the following:

5.2.1. \$175,000.00 in cash.

5.2.2. A withdrawal of all of its filed claims in the Bankruptcy Cases.

5.2.3. Such other instruments or documents as Seller may reasonably request to fully effect the transfer of the Sale Assets and to otherwise consummate the transactions contemplated by this Agreement.

6. ARTICLE 6.

6.1. Representations And Warranties Of Purchaser. Purchaser hereby represents and warrants to Seller that the statements contained in this Article are correct and complete as of the date hereof and as of the Closing Date:

6.1.1. Purchaser is a legal entity duly organized, validly existing and in good standing under the laws of North Carolina.

6.1.2. The execution, delivery and performance of this Agreement by Purchaser and the consummation of the transactions contemplated hereby have been duly authorized by the board of directors or other governing body of Purchaser and, subject to and conditioned upon the entry of the Sale Order, no other act or proceeding on the part of Purchaser is necessary to approve the execution and delivery of this Agreement, the performance by Purchaser of its obligations hereunder or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Purchaser and constitutes a legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms.

6.1.3. The execution, delivery and performance by Purchaser of this Agreement and the consummation of the transactions contemplated hereby will not: (i) with or without the giving of notice or the lapse of time, or both, conflict with, or result in the breach of or constitute a default under, or result in the modification, cancellation, lapse or termination of, or limitation, or curtailment under, or violate any (a) provision of law, or (b) any agreement, contract, lease, power of attorney, commitment, instrument, insurance policy, arrangement, undertaking, order, decree, ruling or injunction to which Purchaser is subject or a party or by which it is bound (or with respect to which its properties or assets are subject or bound); or (ii) violate the certificate of incorporation or bylaws of Purchaser.

6.1.4. Except for the Sale Order, no consent, notice, authorization or approval of, or exemption by, any governmental or public body or authority or by any other Person, whether pursuant to contract or otherwise, is required to be obtained by Purchaser in connection with the execution, delivery and performance of this Agreement or any of the instruments or agreements herein referred to or the taking of any action herein or therein contemplated.

6.1.5. Purchaser has not taken any action that would cause Seller to have any obligation or liability to any Person for finders' fees, brokerage fees, agents' commissions or like payments in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

7. ARTICLE 7.

7.1. Representations And Warranties Of Seller. Seller hereby represents and warrants to Purchaser that the statements contained in this Article are correct and complete as of the date hereof and as of the Closing Date:

7.1.1. Seller is a legal entity duly organized, validly existing and in good standing under the laws of the State of North Carolina.

7.1.2. The execution, delivery and performance of this Agreement by Seller and the consummation of the transactions contemplated hereby have been duly authorized by the Trustee and, subject to and conditioned upon the entry and effectiveness of

the Sale Order, no other act or proceeding on the part of Seller is necessary to approve the execution and delivery of this Agreement, the performance by Seller of their obligations hereunder or the consummation of the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Seller and, subject to and conditioned upon the entry and effectiveness of the Sale Order, constitutes a legal, valid and binding obligation of Seller, enforceable in accordance with its terms.

7.1.3. Seller shall convey its interest in the Sale Assets “**as is, where is**”, free and clear of all Liens to the extent provided in the Sale Order.

7.1.4. Except to the extent excused by or unenforceable as a result of the filing of the Bankruptcy Petition and except for the entry and effectiveness of the Sale Order, the execution, delivery and performance by Seller of this Agreement and the consummation of the transactions contemplated hereby will not: (i) with or without the giving of notice or the lapse of time, or both, conflict with, or result in the breach of or constitute a default under, or result in the modification, cancellation, lapse or termination of, or limitation, or curtailment under, or violate any (a) provision of law, or (b) any agreement, contract, lease, power of attorney, commitment, instrument, insurance policy, arrangement, undertaking, order, decree, ruling or injunction to which Seller is subject or a party or by which it is bound (or with respect to which its properties or assets are subject or bound); or (ii) violate the articles of incorporation or bylaws of Seller.

7.1.5. Except for the Sale Order, no consent, notice, authorization or approval of, or exemption by, any governmental or public body or authority, or by any other Person, whether pursuant to contract or otherwise, is required in connection with the execution, delivery and performance of this Agreement or any of the instruments or agreements herein referred to or the taking of any action herein or therein contemplated.

7.1.6. Seller has not taken any action that would cause Purchaser to have any obligation or liability to any Person for finders’ fees, brokerage fees, agents’ commissions or like payments in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

7.2. No Other Representations or Warranties. Except as expressly set forth herein, Seller makes no representation or warranty, express or implied, at law or in equity, with respect to Seller and the Sale Assets or any other information provided to Purchaser, its agents or representatives in connection with or in expectation of the transactions contemplated by this Agreement. Seller does not make any representations or warranties regarding information, documents, projections, forecasts or other material made available to Purchaser, its agents or representatives in connection with or in expectation of the transactions contemplated in this Agreement except to the extent such information is expressly and specifically included in a representation or warranty contained in this Article 7.

8. ARTICLE 8.

8.1. Submission for Bankruptcy Court Approval.

8.1.1. Seller shall seek: (i) the Bankruptcy Court's approval of this Agreement, and Seller's performance under this Agreement; and (ii) the entry of the Sale Order. Purchaser shall take such actions as are reasonably requested by Seller to assist Seller in obtaining a finding by the Bankruptcy Court that Purchaser is deemed to have purchased the Sale Assets in good faith pursuant to section 363(m) of the Bankruptcy Code.

8.1.2. If the Sale Order or any other orders of the Bankruptcy Court relating to this Agreement or the transactions contemplated hereby shall be appealed by any Person (or if any petition for certiorari or motion for reconsideration, amendment, clarification, modification, vacation, stay, rehearing or reargument shall be filed with respect to the Sale Order or other such order), subject to rights otherwise arising from this Agreement, Seller and Purchaser shall use their commercially reasonable efforts to prosecute such appeal, petition or motion and obtain an expedited resolution of any such appeal, petition or motion.

8.2. Governmental Authority and Approvals. Prior to the Closing, each of Seller and Purchaser shall use its commercially reasonable efforts to make any filings and notifications, and to obtain any consents from governmental authorities, required to be made and obtained under applicable legal requirements in connection with the transactions contemplated by this Agreement as promptly as practicable.

8.3. Transaction Expenses. Except as expressly provided for herein, each party shall pay all fees, costs and expenses incurred by it with respect to this Agreement, whether or not the transactions contemplated hereby are consummated.

8.4. Further Assurances. Purchaser and Seller shall, from time to time after the Closing, without further consideration, execute and deliver such instruments and take such further actions as may be reasonably necessary or desirable to carry out the provisions hereof and the transactions contemplated hereby.

8.5. Payment of Certain Taxes. Unless exempt under Section 1146(c) of the Bankruptcy Code, Purchaser shall pay any and all sales, transfer or transaction taxes imposed by any taxing authority, including, without limitation, any state, county, municipality or other subdivision thereof, in connection with the consummation of the transactions contemplated by this Agreement.

8.6. Actions Required. From the date of this Agreement until the Closing Date, Seller shall use commercially reasonable efforts to obtain all consents to the extent required by the operation of Section 365 of the Bankruptcy Code for the assumption and assignment to Purchaser of the Assumed Liabilities in accordance with this Agreement.

9. ARTICLE 9.

9.1. Conditions Precedent To The Obligations Of Purchaser. The obligation of Purchaser to consummate the transactions contemplated herein is subject to the satisfaction, at or before the Closing, of each of the following conditions (any of which conditions may, subject to Section 4.2, be waived by Purchaser in its sole discretion):

9.1.1. The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though made on the Closing Date. Seller shall have performed

and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Seller on or prior to the Closing Date.

9.1.2. The Bankruptcy Court shall have entered the Sale Order.

9.1.3. Purchaser shall have received all documents and other items to be delivered by Seller pursuant to Section 5.1.

9.1.4. All proceedings, corporate or otherwise, required to be taken by Seller prior to or at Closing in connection with the performance of this Agreement, and all documents incident thereto, shall be complete to the reasonable satisfaction of Purchaser and its counsel.

9.1.5. No claim, suit, action or other proceeding shall be pending before or by any court, governmental agency, arbitrator or other entity against any of the parties to this Agreement with respect to the transactions contemplated by this Agreement, except for the proceedings conducted in the Bankruptcy Court related to and arising out of the Bankruptcy Petition. Purchaser retains and reserves all rights, remedies and claims as pertain to guarantors of the debts of Tar Heel Oil and Gambill Oil and nothing in this agreement is intended to waive Purchaser's right to pursue collection from such guarantors.

10. ARTICLE 10.

10.1. Conditions Precedent To The Obligations Of Seller. The obligation of Seller to consummate the transactions contemplated herein is subject to the satisfaction, at or before the Closing, of each of the following conditions (any of which conditions, subject to Section 4.2, may be waived by Seller in its sole discretion):

10.1.1. The representations and warranties of Purchaser contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as though made on the Closing Date. Purchaser shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Purchaser on or before the Closing Date.

10.1.2. The Bankruptcy Court shall have entered the Sale Order.

10.1.3. Seller shall have received \$175,000.00 and all other items to be delivered by Purchaser pursuant to Section 5.2.

10.1.4. All proceedings, corporate or otherwise, required to be taken by Purchaser prior to or at Closing in connection with the performance of this Agreement, and all documents incident thereto, shall be complete to the reasonable satisfaction of Seller and its counsel.

11. ARTICLE 11.

11.1. Termination of Agreement. This Agreement may be terminated only as follows:

11.1.1. By written agreement of Seller and Purchaser at any time.

11.1.2. By Seller or Purchaser, if the Closing shall not have occurred on or prior to August 31, 2017, for any reason other than such party's breach of this Agreement.

11.1.3. By Purchaser, on written notice to Seller, if one or more of the conditions specified in Article 9 is not satisfied on or prior to the Closing Date or if satisfaction of such conditions is or becomes impossible.

11.1.4. By Seller, on written notice to Purchaser, if one or more of the conditions specified in Article 10 is not satisfied on or prior to the Closing Date or if satisfaction of such conditions is or becomes impossible.

11.2. **Effect of Termination.** If this Agreement is terminated pursuant to this Article 11 and the transactions contemplated hereby are not consummated, this Agreement shall become null and void and have no further force or effect, and no liability shall attach to either of the parties. Notwithstanding the preceding sentence or anything else in this Agreement to the contrary, the provisions of this Section 11.2 and Article 12 shall survive any termination of this Agreement.

12. ARTICLE 12.

12.1. **Survival.** The parties hereto agree that only the covenants contained in this Agreement that are expressly required to be performed at or after the Closing Date shall survive the Closing hereunder, and each of the parties hereto shall be liable to the other after the Closing Date for any breach thereof.

12.2. **Jurisdiction.** The parties agree that the Bankruptcy Court shall retain the exclusive and sole jurisdiction to resolve any controversy or claim arising out of or relating to this Agreement or the implementation or the breach hereof. The parties consent to the core jurisdiction of the Bankruptcy Court, to the constitutional authority of the Bankruptcy Court to enter a final judgment, and agree to have waived any right to a jury trial in connection with any disputes related to or arising out of this Agreement.

12.3. **Notices.** All notices, consents or other communications required or permitted hereunder shall be given in writing and hand delivered or addressed and sent by Federal Express or other recognized overnight courier, or by certified or registered mail, postage prepaid, and return receipt requested, as follows or to such other address as may hereafter be designated by any party by the giving of notices in accordance with this Section 12.3:

12.3.1. Seller: John Paul H. Cournoyer, Trustee, 1414 Raleigh Road, Suite 435, Chapel Hill, NC 27517. Tel: 919-968-4441, Fax: 919-942-6603, Email: jpc@nbfirm.com

12.3.2. Purchaser: Cary Oil Company, Attn: Don Stephenson, 110 MacKenan Drive, Cary, NC 27511. Tel: 919-460-3196, Email: dons@caryoil.com

12.3.3. All notices, consents or other communications shall be deemed given when actually delivered (in the case of hand delivery by Federal Express or other recognized overnight courier) or five days after mailing in accordance with this Section 12.3.

12.4. **Governing Law.** To the extent not governed by the Bankruptcy Code, this Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina, without giving effect to rules governing the conflict of laws.

- 12.5. Waiver.** The waiver by a party of a breach of any covenant, agreement or undertaking contained herein shall be made only by a written waiver in each case. No waiver of any breach of any covenant, agreement or undertaking contained herein shall operate as a waiver of any prior or subsequent breach of the same covenant, agreement or undertaking or as a waiver of any breach of any other covenant, agreement or undertaking.
- 12.6. Severability.** If any provision of this Agreement shall be held invalid, illegal or unenforceable, in whole or in part, the validity, legality, and enforceability of the remaining part of such provision, and the validity, legality and enforceability of all other provisions hereof or thereof, shall not be affected thereby.
- 12.7. Counterparts.** This Agreement may be executed in one or more counterparts (whether manually signed or by facsimile or other electronic means), each such counterpart shall be deemed an original, and all such counterparts shall constitute one and the same agreement.
- 12.8. Captions; References.** The headings, titles or captions of the Articles and Sections of this Agreement are inserted only to facilitate reference, and they shall not define, limit, extend or describe the scope or intent of this Agreement or any provision hereof, and they shall not constitute a part hereof or affect the meaning or interpretation of this Agreement or any part hereof.
- 12.9. Amendments.** This Agreement may not be amended, changed, modified, altered or terminated unless the parties hereto agree in writing to such amendment, change, modification, alteration or termination.
- 12.10. Remedies Cumulative; Specific Performance.** Except as otherwise expressly provided in this Agreement, no remedy herein conferred is exclusive of any other available remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given by agreement or now or hereafter existing at law or in equity or by statute. Except as otherwise expressly provided in this Agreement, in addition to any and all other remedies that may be available at law, in the event of any breach of this Agreement each party shall be entitled to seek specific performance of the agreements and obligations hereunder and to such other injunctive or equitable relief as may be granted by a court of competent jurisdiction.
- 12.11. Binding Nature; Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns, but neither this Agreement nor any of the rights, interest or obligations hereunder shall be assigned by any of the parties hereto without prior written consent of the other party. Nothing contained herein, express or implied, is intended to confer on any Person other than the parties hereto or their successors and assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.
- 12.12. No Third Party Beneficiaries.** This Agreement is a contract solely between Purchaser and Seller. No third party beneficiaries, (including, without limitation, employees and customers of Seller) are intended hereunder and none shall be inferred herein; and no party other than Purchaser or Seller may assert any right, make any claim or otherwise attempt to enforce any provision of or under this Agreement.

12.13. Bankruptcy Court Approval. This Agreement shall not be binding on the Purchaser or Seller until it has been approved by entry of the Sale Order by the Bankruptcy Court.

[signatures on following page]

IN WITNESS WHEREOF, the parties have caused their duly authorized officers to execute this Agreement as of the day and year first above written.

PURCHASER:

CARY OIL COMPANY

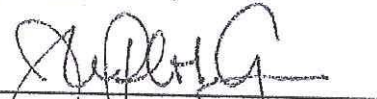
By: 

Name: Don Stephenson

Title: President

SELLERS:

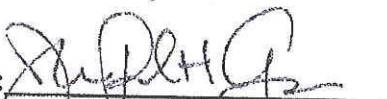
TAR HEEL OIL II, INC.

By: 

Name: John Paul H. Cournoyer

Title: Trustee

GAMBILL OIL, LLC

By: 

Name: John Paul H. Cournoyer

Title: Trustee

EXHIBIT A

Attached.

<u>Num</u>	<u>Store Name</u>	<u>Assigned Value</u>	<u>Applicable Debtor</u>
9502	Ambar Mart (Pure 4 Sure) (Tar Heel)	\$ 2,681	Tar Heel Oil II, Inc.
9508	Westpark (Tar Heel)	\$ 4,195	Tar Heel Oil II, Inc.
9510	Ray's - Millers Creek Market (Tar Heel)	\$ 14,145	Tar Heel Oil II, Inc.
9511	J&M Citgo General Store (formerly Daniel Boone) (Tar Heel)	\$ 15,846	Tar Heel Oil II, Inc.
9512	Blowing Rock (Tar Heel)	\$ 5,888	Tar Heel Oil II, Inc.
9515	Backyard Convenience (Tar Heel)	\$ 12,319	Tar Heel Oil II, Inc.
9517	Grocery Bag 1 (Tar Heel)	\$ 5,168	Tar Heel Oil II, Inc.
9518	Grocery Bag 2 (Tar Heel)	\$ 14,195	Tar Heel Oil II, Inc.
9522	Hartley's Store - formerly Eller's (Tar Heel)	\$ 3,999	Tar Heel Oil II, Inc.
9523	Yadkin Valley (Tar Heel)	\$ 4,378	Tar Heel Oil II, Inc.
9524	Thurmond's (Tar Heel)	\$ 5,293	Tar Heel Oil II, Inc.
9525	Foothills Grocery (Tar Heel)	\$ 15,829	Tar Heel Oil II, Inc.
9526	N & W Reggies (Tar Heel)	\$ 2,660	Tar Heel Oil II, Inc.
9528	Oakwoods (Tar Heel)	\$ 5,293	Tar Heel Oil II, Inc.
9529	Woods Grocery (Tar Heel)	\$ 12,462	Tar Heel Oil II, Inc.
9532	R & L (Tar Heel)	\$ 5,217	Tar Heel Oil II, Inc.
9533	Jerrys Midway (High Country Str.) (Tar Heel)	\$ 2,310	Tar Heel Oil II, Inc.
9534	Tripps Market (formerly Yadkin River (Tar Heel))	\$ 5,101	Tar Heel Oil II, Inc.
9535	Fairplains General Store (Tar Heel)	\$ 3,540	Tar Heel Oil II, Inc.
9536	Rays Quick Stop (Tar Heel)	\$ 9,654	Tar Heel Oil II, Inc.
9537	North Catawba Superette (Tar Heel)	\$ 2,447	Tar Heel Oil II, Inc.
9538	Discount Foods (Tar Heel)	\$ 6,436	Tar Heel Oil II, Inc.
9544	Cheeks Convenience & Grill (Tar Heel)	\$ 23,198	Tar Heel Oil II, Inc.
9548	Cove Creek Grocery (Tar Heel)	\$ 14,195	Tar Heel Oil II, Inc.
9554	Gas & Go (Tar Heel)	\$ 4,103	Tar Heel Oil II, Inc.
9557	Food Fare (Tar Heel)	\$ 16,875	Tar Heel Oil II, Inc.
9560	White Cross Citgo (Tar Heel)	\$ 21,553	Tar Heel Oil II, Inc.
9561	Honey Pik (Tar Heel)	\$ 17,285	Tar Heel Oil II, Inc.
9571	Heel))	\$ 5,270	Tar Heel Oil II, Inc.
9578	Ross & Company (Tar Heel)	\$ 16,902	Tar Heel Oil II, Inc.
9579	Traphill (Tar Heel)	\$ 4,110	Tar Heel Oil II, Inc.
9600	H & W Oil (formerly Gambill Oil JMG Energy (Tar Heel))	\$ 20,910	Gambill Oil, LLC
9601	163 Mystik Service (Tar Heel)	\$ 3,944	Gambill Oil, LLC
9605	Clingman Pit Stop	\$ 19,025	Gambill Oil, LLC
9608	D & B Mini Mart Zionfields (Tar Heel)	\$ 4,948	Gambill Oil, LLC
9611	Ridgeview MYSTIK Grocery (Tar Heel)	\$ 2,448	Gambill Oil, LLC
9613	Johnson's Citgo Service (Tar Heel)	\$ 2,887	Gambill Oil, LLC
9619	Sheets MYSTIK Grocery (Tar Heel)	\$ 3,740	Gambill Oil, LLC
9622	Foscoe Country Corner or Taylors (Tar Heel)	\$ 5,556	Gambill Oil, LLC
9625	Jonesville Pitstop (Tar Heel)	\$ 17,285	Gambill Oil, LLC
9626	SAR Inc (Tar Heel)	\$ 2,091	Gambill Oil, LLC
9627	OM Mystik Express (Tar Heel)	\$ 3,944	Gambill Oil, LLC
9628	21 Quick Stop (Tar Heel)	\$ 4,505	Gambill Oil, LLC
9631	P & R Store (18 Run In) (Tar Heel)	\$ 1,704	Gambill Oil, LLC
9632	B&B Food Store (Tar Heel)	\$ 13,562	Gambill Oil, LLC
9637	Ashley Farms II formerly Logans (Tar Heel)	\$ 4,110	Gambill Oil, LLC
9638	Discount Foods (Tar Heel)	\$ 3,618	Gambill Oil, LLC
9641	PARSONS QUICK STOP (TAR HEEL)	\$ 1,704	Gambill Oil, LLC
Total		\$ 398,527	

EXHIBIT B

Attached.

Station	Town	State	Zone	Tar Heel Owned Tanks	MPD's	Number of Units	Mechanical Pumps	Number of Units	Registers	ATG's with Probes	Tanks	Number of Units	Submersible Pumps	Number of Units	STP HP	FMV	Debtor
163 Grocery	W. Jefferson	NC	b				Bennett Mechanical	5								\$ 500.00	Gambill Oil, LLC
21 Quick Stop	Sparta	NC	f		Slumberjay	3	Bennett Mechanical	2	Ruby	Veeder Root	Steel w/IC	4	Red Jacket	4	3/4 hp	\$ 1,000.00	Gambill Oil, LLC
Ashley Farms 2	Wilkesboro	NC	e				Bennett Mechanical	3					Red Jacket	3	3/4 hp	\$ 500.00	Tar Heel Oil II, Inc.
B&B Royal Foods	Hildebran	NC	d	Yes	Gilbarco Advantage	2	Gilbarco Highline	2	Ruby 2 Commander	Incon			Red Jacket	3	3/4 hp	\$ 10,000.00	Gambill Oil, LLC
Beaver Creek Citgo	W. Jefferson	NC	b	Yes			Bennett Mechanical	5			Above Ground					\$ 1,000.00	Tar Heel Oil II, Inc.
Blowing Rock BP	Blowing Rock	NC	c		Gilbarco Advantage	2	Bennett Mechanical	2	RubyCi	Incon ATG			Red Jacket	3	1/3 hp	\$ 7,500.00	Tar Heel Oil II, Inc.
Cheeks Market	Lenoir	NC	d	Yes	Gilbarco Advantage	3	Gilbarco Highline	2	RubyCi	Incon ATG	STIP3	5	Red Jacket	4	3/4 hp	\$ 10,000.00	Tar Heel Oil II, Inc.
Clingman Pit Stop	Ronda	NC	e		Gilbarco 300	3	Gilbarco High Line	2	RubyCi	Incon	Fiberglass	3	Red Jacket	3	1.5 hp	\$ 12,500.00	Gambill Oil, LLC
Collettsville General Store	Collettsville	NC	d	Yes			Bennett Mechanical	6	TMS Controller	Incon ATG	STIP3	4	Red Jacket	3	3/4 hp	\$ 1,000.00	Tar Heel Oil II, Inc.
Cove Creek	Sugar Grove	NC	c	Yes	Gilbarco Advantage	2	Bennett Mechanical	2	RubyCi	Incon ATG	STIP3	2	Red Jacket	3	1/3 hp	\$ 2,500.00	Gambill Oil, LLC
D&B Mini Mart	Zionville	NC	c				Bennett Mechanical	5	TMS Controller	AutoStick II	teel & Stip	4				\$ 1,000.00	Gambill Oil, LLC
Daniel Boone BP	Blowing Rock	NC	c	Yes	Gilbarco Advantage	2	Bennett Mechanical	2	Bennett Mechanical	Incon ATG	STIP3	5	Red Jacket	2	1/3 hp	\$ 7,500.00	Tar Heel Oil II, Inc.
Discount Foods	Lenoir	NC	d	Yes	Gilbarco Advantage	2			Ruby 2 Commander	Incon ATG	STIP3	4	Red Jacket	3	3/4 hp	\$ 10,500.00	Tar Heel Oil II, Inc.
Eller's	Ferguson	NC	e	Yes	Gilbarco Advantage	1	Bennett Mechanical	4	Bennett Mechanical	Incon ATG	STIP3	6	Red Jacket	2	3/4 hp	\$ 1,000.00	Tar Heel Oil II, Inc.
Food Fare	Hudson	NC	d	Yes			Bennett Mechanical	6	RubyCi	Incon ATG	STIP3	4				\$ 5,500.00	Tar Heel Oil II, Inc.
Foothills Grocery	Thurmond	NC	a	Yes			Gilbarco Highline	6	TMS Controller	Incon ATG	STIP3	5				\$ 2,500.00	Tar Heel Oil II, Inc.
Foscoe Country Store	Boone	NC	c				Gilbarco High Line	5	TMS Controller	Incon	Steel	4				\$ 2,500.00	Gambill Oil, LLC
Gas & Go	Lenoir	NC	d	Yes	Gilbarco Advantage	2			RubyCi	Incon ATG	STIP3	3	Red Jacket	2	3/4 hp	\$ 7,500.00	Tar Heel Oil II, Inc.
Grocery Bag 1	N. Wilkesboro	NC	e		Gilbarco Advantage	2	Bennett Mechanical	1	TMS Controller	Incon ATG	STIP3	4	Red Jacket	3	1/3 hp	\$ 2,500.00	Tar Heel Oil II, Inc.
Grocery Bag 2	Hayes	NC	e		Gilbarco Advantage	2	Bennett Mechanical	1	Ruby 64 Key	Incon ATG	STIP3	4	Red Jacket	2	1/3 hp	\$ 2,500.00	Tar Heel Oil II, Inc.
H&W Oil Company	W. Jefferson	NC	b				Unloading & Loading Pum	7		Incon	bove Grou	10				\$ 1,000.00	Gambill Oil, LLC
Hamptonville BP	Hamptonville	NC	a	Yes	Gilbarco Advantage	2	Bennett Mechanical	4	RubyCi	Incon ATG	STIP3	5	Red Jacket	2	1/3 hp	\$ 7,500.00	Tar Heel Oil II, Inc.
High Country Store	Laurel Springs	NC	f				Bennett Mechanical	3	TMS Controller	Incon ATG	STIP3	3				\$ 500.00	Tar Heel Oil II, Inc.
Honey Pik	Hickory	NC	d	Yes			Gilbarco Highline	6	TMS Controller	Incon ATG	STIP3	4	Red Jacket	4	3/4 hp	\$ 1,000.00	Tar Heel Oil II, Inc.
Jonesville Pitstop	Jonesville	NC	a		Gilbarco 300	3			RubyCi	Incon	Fiberglass	3	Red Jacket	3	1.5 hp	\$ 12,500.00	Gambill Oil, LLC
Lackey's Market	Boomer	NC	e				Bennett Mechanical	6	TMS Controller							\$ 500.00	Tar Heel Oil II, Inc.
Millers Creek Market	Millers Creek	NC	e	Yes	Gilbarco Advantage	3	Bennett Mechanical	2	RubyCi	Incon ATG	STIP3	5	Red Jacket	5	1/3 hp	\$ 5,500.00	Tar Heel Oil II, Inc.
N&W	N. Wilkesboro	NC	e	Yes			Bennett Mechanical	5		Incon ATG	STIP3	5				\$ 500.00	Tar Heel Oil II, Inc.
North Catawba Superette	Lenoir	NC	d	Yes			Gilbarco Highline	6	TMS Controller	Incon ATG	STIP3	4	Red Jacket	2	3/4 hp	\$ 1,000.00	Tar Heel Oil II, Inc.
Oakwoods	Wilkesboro	NC	e				Bennett Mechanical	4	TMS Controller	Incon ATG						\$ 500.00	Tar Heel Oil II, Inc.
P&R	Ennice	NC	f		Gilbarco Advantage	1	Bennett Mechanical	2	Ruby 64 Key	Incon ATG			Red Jacket	2	1/3 hp	\$ 1,000.00	Tar Heel Oil II, Inc.
Phil's Citgo	Boone	NC	c				Gilbarco High Line	3	TMS Controller	Sir	Steel	3				\$ 1,000.00	Tar Heel Oil II, Inc.
Pleasant Hill Grocery	Elkin	NC	a		Gilbarco Advantage	2	Bennett Mechanical	2	RubyCi	Incon ATG			Red Jacket	2	1/3 hp	\$ 7,500.00	Tar Heel Oil II, Inc.
Porter's	Roaring River	NC	a		Gilbarco Advantage	2	Bennett Mechanical	2	TMS Controller	Incon ATG			FE Petro	2	1/3 hp	\$ 2,500.00	Tar Heel Oil II, Inc.
Pro Stop BP	Glade Valley	NC	f		Gilbarco Advantage	2	Bennett Mechanical	3	RubyCi	Incon ATG			Red Jacket	3	3/4 hp	\$ 2,500.00	Tar Heel Oil II, Inc.
Pure For Sure	Purlear	NC	e	Yes			Bennett Mechanical	6	TMS Controller		STIP3	6				\$ 500.00	Tar Heel Oil II, Inc.
R&L	Lansing	NC	b				Bennett Mechanical	5	TMS Controller	Incon ATG						\$ 500.00	Tar Heel Oil II, Inc.
Ridgeview Grocery	Ennice	NC	f				Bennett Mechanical	4	TMS	Sir	bove Grou	2				\$ 500.00	Gambill Oil, LLC
Rock Creek	N. Wilkesboro	NC	e	Yes	Gilbarco Advantage	3	Bennett Mechanical	1	RubyCi	Incon ATG	STIP3	4	Red Jacket	2	1/3 hp	\$ 7,500.00	Tar Heel Oil II, Inc.
Ross & Company	Lenoir	NC	d	Yes	Gilbarco Advantage	2			Topaz Commander	Incon ATG	STIP3	4	Red Jacket	3	3/4 hp	\$ 10,500.00	Tar Heel Oil II, Inc.
Run-In 804	N. Wilkesboro	NC	e		Gilbarco Advantage	2	Bennett Mechanical	1	RubyCi	Incon ATG			Red Jacket	3	1/3 hp	\$ 7,500.00	Tar Heel Oil II, Inc.
Sheets Store	Jefferson	NC	b				Bennett Mechanical	5	TMS Controller	Incon	Act 100	2				\$ 500.00	Gambill Oil, LLC
Thurmond BP	Thurmond	NC	a	Yes			Bennett Mechanical	6	TMS Controller	Incon ATG	STIP3	6				\$ 500.00	Tar Heel Oil II, Inc.
Traphill	Traphill	NC	e		Gilbarco Advantage	1	Bennett Mechanical	4	TMS Controller	Incon ATG			Red Jacket	3	1/3 hp	\$ 1,000.00	Tar Heel Oil II, Inc.
Westpark	N. Wilkesboro	NC	e		Gilbarco Advantage	2			RubyCi	Incon ATG	STIP3	3	Red Jacket	3	1/3 hp	\$ 6,500.00	Tar Heel Oil II, Inc.
Wood's Grocery	Creston	NC	b	Yes			Bennett Mechanical	6	TMS Controller	Incon ATG	STIP3	6				\$ 500.00	Tar Heel Oil II, Inc.

Yadkin River Grocery	Ferguson	NC	b	Yes			Bennett Mechanical	5	TMS Controller	Incon ATG	STIP3	4	Red Jacket	2	1/3 hp	\$ 500.00	Tar Heel Oil II, Inc.
Yadkin Valley Grocery	Lenoir	NC	b	Yes	Gilbarco Advantage	2	Bennett Mechanical	2	TMS Controller	Incon ATG	STIP3	4	Red Jacket	3	2 hp	\$ 1,000.00	Tar Heel Oil II, Inc.
Yogi # 2	Hudson	NC	d	Yes	Gilbarco Advantage	2			Ruby 64 Key	Incon ATG	STIP3	4				\$ 1,000.00	Tar Heel Oil II, Inc.
															Total	\$ 173,000.00	

**UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION**

IN RE:

**TAR HEEL OIL II, INC. and
GAMBILL OIL, LLC,

Debtors.**

**Case No. 16-50216
(Jointly Administered)**

Chapter 11

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing by automatic electronic noticing to the email address of record for the following parties:

William P. Miller Bankruptcy Administrator	Charles M. Ivey, III and Justin William Kay Counsel for Debtors
Brian Richard Anderson Counsel for Great State Bank	Daniel C. Bruton Counsel for BLT Investments, LLC
Nan E. Hannah Counsel for Cary Oil Company	Robert Paul Laney Counsel for McElwee Firm, PLLC
W. Walt Petit and William Fay Kirk, III Counsel for Yadkin Bank	Scott E. Shealy Counsel for Citizens Fuel Co.
J. Marshall Shelton Counsel for David Kennedy	Michael E. Bulleri Counsel for NC Dept. of Environmental Quality
Christopher M. Towery Counsel for D&L Compton, LLC	

I hereby certify that I have this day served the foregoing by depositing a copy in the United States Mail, postage prepaid, as follows:

See Attached

This the 27th day of June 2017.

NORTHEN BLUE, LLP
/s/ John Paul H. Cournoyer
John Paul H. Cournoyer, NCSB #42224
jpc@nbfirm.com
Post Office Box 2208
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