

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE:	§	
	§	
TEXAS E&P OPERATING, INC.	§	CASE NO. 17-34386-SGJ-11
	§	
	§	
DEBTOR.	§	CHAPTER 11

**TRUSTEE'S MOTION TO SELL GILLIS-ENGLISH BAYOU UNIT FREE AND
CLEAR OF LIENS TO RICHMOND ENGINEERING, INC.**

**NO HEARING WILL BE CONDUCTED HEREON UNLESS A WRITTEN
RESPONSE IS FILED WITH THE CLERK OF THE UNITED STATES
BANKRUPTCY COURT AT 1100 COMMERCE ST., RM. 1254, DALLAS,
TEXAS 75242-1496 BEFORE CLOSE OF BUSINESS ON JUNE 12, 2018,
WHICH IS AT LEAST 21 DAYS FROM THE DATE OF SERVICE HEREOF.**

**ANY RESPONSE SHALL BE IN WRITING AND FILED WITH THE
CLERK, AND A COPY SHALL BE SERVED UPON COUNSEL FOR THE
MOVING PARTY PRIOR TO THE DATE AND TIME SET FORTH HEREIN.
IF A RESPONSE IS FILED A HEARING MAY BE HELD WITH NOTICE
ONLY TO THE OBJECTING PARTY.**

**IF NO HEARING ON SUCH NOTICE OR MOTION IS TIMELY
REQUESTED, THE RELIEF REQUESTED SHALL BE DEEMED TO BE
UNOPPOSED, AND THE COURT MAY ENTER AN ORDER GRANTING
THE RELIEF SOUGHT OR THE NOTICED ACTION MAY BE TAKEN.**

TO THE HONORABLE JUDGE OF SAID COURT:

NOW COMES JASON R. SEARCY, CHAPTER 11 TRUSTEE (the "Trustee" and/or
"Movant") for TEXAS E&P OPERATING, INC. ("Debtor"), and files this his *Motion to Sell Gillis-
English Bayou Unit Free and Clear of Liens to Richmond Engineering, Inc.* (the "Motion"); and
respectfully represents as follows:

I.

Movant is the duly appointed and serving Trustee for the estate of the above-named Debtor.

II.

A portion of the Debtor's estate consists of a leasehold interest in the Gillis-English Bayou Unit located in Calcasieu Parish, Louisiana and all fixtures and equipment associated therewith, (the "Property"). Debtor also owns a mobile home, tractor, and computer equipment used in connection with the Property which for purposes of this Motion are included in the definition of Property.

III.

The Trustee has been tendered an offer to purchase the above-described Property(the "Purchase Offer") in the amount of \$350,000.00 (the "Purchase Price") from Richmond Engineering, Inc. ("Richmond"), 1101 E. Arapaho Road, Suite 120, Richardson, Texas 75081. A true and correct copy of the Purchase Offer is attached hereto as Exhibit A and incorporated herein for all purposes. The Trustee desires to accept the Purchase Offer and sell the above-described property.

IV.

Upon approval of this Motion, the Trustee will enter into and execute appropriate documents to transfer ownership of the Property in furtherance hereof and will sign appropriate documents transferring the operating rights to the wells located on the Property to Richmond or its designee.

V.

Notwithstanding any other provision herein, the Trustee will continue to consider any offers or bids in amounts higher than the proposed Purchase Price from any third parties (provided that Richmond shall have the right to match any such higher offer) and any proposed order on this

Motion shall be submitted for the highest and best offer received before June 12, 2018.

VI.

Prosperity Bank holds a perfected mortgage and lien against the oil and gas leases to be transferred and sold pursuant hereto and more fully described in the Debtor's schedules as reflected on Exhibit B attached hereto and incorporated herein. Accordingly, the Trustee and Prosperity Bank have agreed that the sale proceeds shall be divided with the Debtor's estate receiving and retaining \$50,000 for its sale of the mobile home, tractor and other equipment not subject to the Prosperity Bank lien, and the balance shall be paid first to any unpaid ad valorem taxes and then to Prosperity Bank to be applied to its secured loan. The sale is proposed to be free and clear of all liens, claims and encumbrances with any valid liens, claims or encumbrances attaching to the appropriate sale proceeds. The Trustee believes this offer to be reasonable.

VI.

To the best of Trustee's knowledge and belief, the prospective purchaser, Richmond Engineering, Inc. is owned or controlled by Mark Plummer, the owner of the Debtor. Trustee has offered the property for sale to a number of other oil and gas companies and no offers comparable to the Purchase Offer have been received.

WHEREFORE PREMISES CONSIDERED, Jason R. Searcy, Trustee for the estate of Texas E& P Operating, Inc. prays for an Order of this Court, approving the sale of the above-described property free and clear of liens, claims and encumbrances to Richmond Engineering, Inc.. in accordance with the Purchase Offer, or to such higher and better offer timely received, to execute appropriate conveyance documents, for the sale proceeds to be divided as set out herein; and for such other and further relief as is just.

Respectfully submitted,

SEARCY & SEARCY, P.C.

By: /s/ Jason R. Searcy

Jason R. Searcy, SBN 17953500

Joshua P. Searcy, SBN 24053468

Callan C. Searcy, State Bar No. 24075523

P. O. Box 3929

Longview, Texas 75606

Telephone: (903) 757-3399

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Attorneys for Trustee

CERTIFICATE OF SERVICE

I, the undersigned, certify that a true and correct copy of the above was served through electronic mail pursuant to the Electronic Case Management system of the United States Bankruptcy Court for the Northern District of Texas and was served via regular first class mail to those listed below and to each interested party shown on the attached Limited Service List by the service agent, Certificateofservice.com, as well as to the interested party shown below, on or before May 21, 2018.

/s/ Jason R. Searcy

Jason R. Searcy

Richmond Engineering, Inc.
1101 E. Arapaho Road, Suite 120
Richardson, Texas 75081

RICHMOND ENGINEERING

May 10, 2018

Jason R. Searcy
Searcy & Searcy, P.C.
PO Box 3929
Longview, TX 75606

RE: Offer to Purchase Leases & Interests of Texas E&P Operating, Inc.
Gillis-English Bayou Field, Calcasieu Parish, Louisiana

Dear Mr. Searcy,

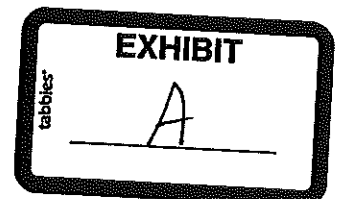
This letter confirms my offer to buy Texas E&P Operating, Inc. f/k/a Chestnut Exploration and Production, Inc. interests in the Gillis-English Bayou Field, Calcasieu Parish, Louisiana, for \$350,000. This offer includes acquisition of the leases, well rights, and existing physical assets, including the office trailer, tractor, tools and equipment for operating the field. In addition, this includes all the data servers and physical files previously removed from Texas E&P Operating, Inc.'s offices in Richardson, Texas, by Traton Engineering.

This offer assumes the Gillis-English Bayou Field leases remain valid and intact. If this offer is accepted, Richmond Engineering, Inc., the purchasing entity, offers to help preserve the validity of the leases through the close of the sale. Upon acceptance of this offer, Richmond Engineering, Inc. anticipates closing of the sale within 30 days, with an effective date of May 1, 2018.

Sincerely,



Mark Plummer, P.E.



GES UT RA 3U; Laine La Co. #6	Calcasieu Parish, Louisiana	SI	Operated	100.00%	Oil Well	No	9950	9950	On Land
GES UT RA 3U; Laine La Co. #11	Calcasieu Parish, Louisiana	Prod	Operated	100.00%	Oil Well	No	9912	9912	On Land
GES UT RA 3U; Laine La Co. #17	Calcasieu Parish, Louisiana	SI	Operated	100.00%	Oil Well	No	9959	9959	On Land
GES UT RA 3U; Laine La Co. #18	Calcasieu Parish, Louisiana	SI	Operated	100.00%	Oil Well	No	9185	9185	On Land
GES UT RA 3U; McCremon Fee #22	Calcasieu Parish, Louisiana	SI	Operated	100.00%	Oil Well	No	9776	9776	On Land
GES UT RA 3U; McCremon Fee #30	Calcasieu Parish, Louisiana	SI	Operated	100.00%	Oil Well	No	9962	9962	On Land
GES UT RA 3U; McCremon Fee #21	Calcasieu Parish, Louisiana	SI	Operated	100.00%	Oil Well	No	9674	9674	On Land
GES UT RA 3U; Union Test Fee #7	Calcasieu Parish, Louisiana	SI	Operated	100.00%	Oil Well	No	9913	9913	On Land
GES UT RA 3U; Laine La Co. #20	Calcasieu Parish, Louisiana	Prod	Operated	100.00%	Oil Well	No	9920	9920	On Land
GES UT RA 3U; Laine La Co. #21	Calcasieu Parish, Louisiana	SI	Operated	100.00%	Oil Well	No	9974	9974	On Land
GES UT RA 3U; Laine La Co. #22	Calcasieu Parish, Louisiana	SI	Operated	100.00%	Oil Well	No	9852	9852	On Land
GES UT RA 3U; Laine La Co. #24	Calcasieu Parish, Louisiana	Prod	Operated	100.00%	Oil Well	No	30100	30100	On Land
GES UT RA 3U; Laine La Co. #25	Calcasieu Parish, Louisiana	Prod	Operated	100.00%	Oil Well	No	9884	9884	On Land
Laine La Co SNO #5	Calcasieu Parish, Louisiana	Int	Operated	100.00%	SNO	No	4766	4766	On Land
Laine La Co SNO #7	Calcasieu Parish, Louisiana	Int	Operated	100.00%	SNO	No	3000	3000	On Land
Laine La Co SNO #16	Calcasieu Parish, Louisiana	Int	Operated	100.00%	SNO	No	5428	5428	On Land

Schedule B I

