



**IT IS HEREBY ADJUDGED and DECREED that the below described is SO ORDERED.**

**Dated: April 23, 2014.**

**TONY M. DAVIS  
UNITED STATES BANKRUPTCY JUDGE**

**IN THE UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION**

<b>In re:</b>	§	
	§	
<b>VPR OPERATING, LLC <i>et al.</i>,</b>	§	<b>CASE NO. 13-10599-TMD</b>
	§	<b>CHAPTER 11</b>
<b>Debtors.</b>	§	
	§	<b>Jointly Administered</b>

**ORDER CONFIRMING THE OFFICIAL CREDITORS' COMMITTEE'S  
FIRST AMENDED CHAPTER 11 PLAN OF LIQUIDATION [AS MODIFIED]**

[Relating to Docket Nos. 470, 471 and 500]

On March 29, 2013, VPR Operating, LLC; VPR Corp.; VPR (NM), LLC; and VPR (OK), LLC (collectively, the "Debtors") each filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (the "Bankruptcy Code"). The Official Creditors' Committee (the "Committee") was subsequently appointed by the U.S. Trustee on April 15, 2013.

On September 16, 2013, the Debtors, with oversight by the Committee, conducted an auction for their unconventional and conventional oil and gas assets. COG Operating LLC was

the highest bidder for the Debtors' unconventional oil and gas assets. COG Operating LLC agreed to purchase the Debtors' unconventional assets for \$19.6 million. Stanlolind Oil and Gas LP was the highest bidder for the Debtors' conventional assets. Stanlolind Oil and Gas LP agreed to purchase the Debtors' conventional oil and gas assets for \$5.4 million. Two days later, on September 18, 2013, this Court entered *Orders* [Docket Nos. 354 and 355] approving the sale of the Debtors' unconventional and conventional oil and gas assets.

The Committee filed its *Chapter 11 Plan of Liquidation* [Docket No. 455] and corresponding *Proposed Disclosure Statement* [Docket No. 456] on January 23, 2014. On February 12, 2014, this Court entered an *Order* [Docket No. 468] conditionally approving the Committee's *Proposed Disclosure Statement*, and setting deadlines regarding the solicitation of votes, acceptance or rejection of votes, and objection to confirmation. Additionally, this *Order* set the hearing date regarding final approval of the *Proposed Disclosure Statement* and confirmation as March 19, 2014, at 1:30 p.m.

The Committee filed its *First Amended Chapter 11 Plan of Liquidation* [Docket No. 470] (as modified, the "*Plan*") and corresponding *First Amended Disclosure Statement* [Docket No. 471] ("*Disclosure Statement*") on February 14, 2014. The Committee filed its *Certificate of Service* [Docket No. 474] stating that a solicitation package containing the *Disclosure Statement*, *Plan*, and voting ballot were sent to the Debtors' creditors and parties-in-Interest.

An objection to confirmation of the First Amended Chapter 11 Plan of Liquidation was filed by Victory Park Credit Opportunities Intermediate Fund, LP, Victory Park Credit Opportunities Master Fund, Ltd., Victory Park Credit Opportunities, LP, Victory Park Management, LLC (the "VPC Objecting Parties"). On March 19, 2014, the Confirmation Hearing was commenced. The Committee introduced evidence and made argument regarding

confirmation of the First Amended Chapter 11 Plan of Liquidation. The VPC Objecting Parties introduced evidence and made argument regarding confirmation of the First Amended Chapter 11 Plan of Liquidation. After considering the evidence and argument at the Confirmation Hearing, the Court ruled that it would allow the Committee to file a motion to modify and/or clarify the First Amended Chapter 11 Plan of Liquidation and that such motion to modify and/or clarify would be taken up, along with a final hearing on confirmation, on April 15, 2014.

On March 24, 2014, the Committee filed its Motion to Modify/Clarify its First Amended Chapter 11 Plan of Liquidation [Docket No. 500] (the “Motion to Modify/Clarify”). In connection with the Motion to Modify/Clarify, the Committee re-solicited acceptance and rejection of the Plan from holders of Class 2 Claims. The Court has reviewed and considered the *Disclosure Statement*, the *Plan*, the Ballot Summary, the Ballot Summary following re-solicitation of the Plan from holders of Class 2 Claims, all objections to confirmation of the *Plan*, the evidence proffered or adduced at the March 19, 2014 confirmation hearing on the *First Amended Chapter 11 Plan of Liquidation*, the evidence proffered or adduced at the April 15, 2014 hearing on the Motion to Modify/Clarify and confirmation of the Plan, and arguments of counsel. Together with its findings, conclusions and rulings announced on the record on March 19, 2014 and April 15, 2014, the Court makes the following findings of fact and conclusions of law, and issues this *Confirmation Order* confirming the Committee’s *Plan*.

## FINDINGS OF FACT AND CONCLUSIONS OF LAW

### Jurisdiction and Venue

1. **Exclusive Jurisdiction; Venue; Core Proceeding.** This Court has jurisdiction over this case under 28 U.S.C. § 1334, and the *Order of Reference* entered by the United States District Court for the Western District of Texas on October 4, 2013. Venue is proper under 28

U.S.C. § 1409. This matter is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (L), and/or (O). This Court has exclusive jurisdiction to determine whether the *Plan* complies with the applicable provisions of the Bankruptcy Code and should be confirmed.

2. **Judicial Notice.** This Court takes judicial notice of the docket of the Debtors' bankruptcy cases maintained by the Clerk of the Bankruptcy Court, including, without limitation: (1) the Lists of Equity Security Holders, Bankruptcy Schedules, and Statements of Financial Affairs filed in Case Nos. 13-10599, 13-10604, 13-10606 and 13-10607; (2) the Claims Registers in Case Nos. 13-10599, 13-10604, 13-10606 and 13-10607; (3) the Declaration in Support of First Day Pleadings [Docket No. 12]; (4) the Orders of the Court entered at Docket Nos. 47-49, 57-60, 218, 225, 232, 240, 242, 292, 293, 330, 354-356, 397, 405, 406, 412, 436, 468; (5) the pleadings relating to such Orders; (6) the pleadings filed at Docket Nos. 140, 305, 306, 325, 326, 413 and 500; (7), the evidence and arguments made, proffered, or adduced at the hearings held before this Court on April 4, 2013, May 17, 2013, May 28, 2013, July 22, 2013, September 17, 2013, October 3, 2013, November 15, 2013, January 9, 2013, and in the Subordination/Characterization Adversary (Case No. 13-1106), on October 3, 2013; (8), the Complaint [Docket No. 1] and the Answer [Docket No. 15] in the Subordination/Characterization Adversary (Case No. 13-1106); and (9) the Order Regarding Motion to Dismiss in the Subordination/Characterization Adversary [Docket No. 13].

3. **Retention of Jurisdiction.** This Court's retention of jurisdiction as set forth in Article 12 of the *Plan* comports with 28 U.S.C. §§ 157 and 1334.

#### **Notice, Solicitation, and Acceptance**

4. **Adequate Notice of Confirmation Hearing.** In accordance with Bankruptcy Rules 2002 and 9014, the Court finds that the service described in the Committee's Certificate of

Service [Docket No. 747] filed on February 19, 2014, consisting of: (1) ECF/ECM notice to all attorneys that have registered to receive such notices in these jointly administered cases; and (2) service by Regular United States Mail to all creditors and parties-in-interest identified on the Debtors' schedules and matrices, and, where applicable, their counsel of record, constitutes proper, timely, and adequate notice to holders of Claims and Interests of the time for returning ballots, filing objections to the *Plan*, and proper, timely, and adequate notice regarding the March 14, 2014 confirmation hearing. The Court further finds the service described in the Committee's Certificate of Service [Docket No. 505] filed March 25, 2014, consisting of: (1) ECF/ECM notice to all attorneys that have registered to receive such notices in these jointly administered cases; and (2) service by Regular United States Mail to all holders of Class 2 Claims and, where applicable, their counsel of record, constitutes proper, timely, and adequate notice to holders of Class 2 Claims of the time for returning ballots, filing objections to the *Plan* after receipt and review of the Committee's Supplement to the *Plan*, and regarding the April 15, 2014, confirmation hearing. No further notice is necessary or required.

5. **Adequate Information.** The Court finds and concludes that the *Disclosure Statement* contains "adequate information," as defined in 11 U.S.C. § 1125(a) and as required by 11 U.S.C. § 1125(b). The Court further finds and concludes that the solicitation of acceptances of the *Plan* was conducted after disclosure of adequate information.

6. **Good Faith Solicitation.** The Court finds and concludes that the Committee solicited acceptances of the *Plan* in good faith and in compliance with the Bankruptcy Code. The Committee and each of its agents, directors, managing partners, managers, officers, employees, financial advisors, attorneys, and other professionals are deemed to have participated in good faith and in compliance with the applicable provisions of the Bankruptcy

Code in the solicitation of the *Plan*, and therefore are not and shall not, on account of such issuance or solicitation, be liable at any time for the violation of any law, rule, or regulation governing the solicitation of acceptances or rejections of the *Plan* or the distribution or dissemination of any information contained in the *Plan*, *Disclosure Statement*, and any and all related documents.

**Compliance with 11 U.S.C. § 1129**

7. **Compliance with 11 U.S.C. § 1129(a)(1)**. The Court finds and concludes that the *Plan* complies with the applicable provisions of the Bankruptcy Code, as required by 11 U.S.C. § 1129 (a)(1).

a. Compliance with 11 U.S.C. § 1123(a). The Court finds and concludes that the *Plan*: (i) designates classes of Claims and Interests, other than Claims of a kind specified in 11 U.S.C. § 507(a)(2), (3), (8); (ii) specifies classes of Claims and Interests that are not impaired under the *Plan*; (iii) specifies the treatment of classes of Claims and Interests that are impaired under the *Plan*; (iv) provides the same treatment for each Claim or Interest of a particular class, unless the holder of a particular Claim or Interest agrees to less favorable treatment of their respective Claim or Interest; (v) provides for adequate means for the implementation of the *Plan*; (vi) does not provide for the issuance of non-voting equity securities; and (vii) contains provisions that are consistent with the Interests of holders of Claims and Interests, and with public policy with respect to the manner of selection of any officer or director of the VPR Liquidation Trust on and after the Effective Date. Therefore, the *Plan* satisfies the requirements of 11 U.S.C. § 1123(a).

b. Compliance with 11 U.S.C. § 1123(b). As permitted by 11 U.S.C. § 1123(b), the *Plan*: (i) impairs or leaves unimpaired, classes of Claims and Interests; (ii) provides

for the assumption, rejection, or assignment of executory contracts and unexpired leases of the Debtors; (iii) provides for the settlement or adjustment of Claims or Interests belonging to the Debtors or their Bankruptcy Estates, and for the retention and enforcement of Claims or Interests; and (iv) includes other appropriate provisions that are not inconsistent with the applicable provisions of the Bankruptcy Code.

c. The relief provided in the *Plan* is fair and necessary for the orderly implementation of the *Plan* and the administration of the Debtors' Bankruptcy Estates. Therefore, the *Plan* satisfies the requirements of 11 U.S.C. § 1123(a) and (b).

8. **Compliance with 11 U.S.C. § 1129(a)(2).** The Court finds and concludes that the Committee has complied with the applicable provisions of the Bankruptcy Code, as required by 11 U.S.C. § 1129(a)(2). The Committee has complied with the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and this Court's orders in transmitting the *Plan*, *Disclosure Statement*, the ballots, and all related documents and notices in the solicitation and tabulation of acceptances or rejections of the *Plan*.

9. **Compliance with 11 U.S.C. § 1129(a)(3).** The Court finds and concludes that the Committee has proposed the *Plan* in good faith and not by any means forbidden by law, as required by 11 U.S.C. § 1129(a)(3). The Committee has acted and is presently acting in good faith in conjunction with all aspects of the *Plan*. All provisions and transactions contemplated by the *Plan* were negotiated and consummated in good faith, at arm's length, and without collusion. In determining that the *Plan* has been proposed in good faith, the Court has examined the totality of the circumstances surrounding the formulation of the *Plan* and the solicitation of the *Plan*. The Committee filed the proposed *Plan* with legitimate and honest purposes including, among other things, aiding the orderly liquidation of the Debtors'

remaining assets and maximizing the recovery holders of Claims or Interests. Additionally, the *Plan* reflects the best Interests of the Debtors' Bankruptcy Estates and holders of Claims and Interests.

10. **Payment for Services or Costs and Expenses.** The Court finds and concludes that all payments made or to be made by the Debtors or the VPR Liquidation Trust for services or for costs and expenses in or in connection with the Debtors' bankruptcy cases, or in connection with the *Plan* and incident to the Debtors' bankruptcy cases have been approved by, or are subject to approval of, this Court, as required by 11 U.S.C. § 1129(a)(4).

11. **Directors, Officers, and Insiders.** The Court finds and concludes that the Committee has disclosed the identity of the proposed Plan Trustee, Gregory S. Milligan, as required by 11 U.S.C. § 1129(a)(5)(A)(i). The Court further finds and concludes that the appointment of Mr. Milligan as Plan Trustee is consistent with the Interests of creditors and equity holders, and with public policy, as required by 11 U.S.C. § 1129(a)(5)(A)(ii). No insider of the Debtors will be employed or retained, thus making 11 U.S.C. § 1129(a)(5)(B) inapplicable.

12. **No Rate Changes.** The Court finds and concludes that, after confirmation of the *Plan*, no governmental regulatory commission will have jurisdiction over any rates, thus making 11 U.S.C. § 1129(a)(6) inapplicable.

13. **Best Interests of Creditors.** The Court finds and concludes that with respect to impaired classes of Claims or Interests (Classes 1, 2, 3, and 4), each holder of a Claim or Interest has either: (i) accepted the *Plan* or (ii) will receive under the *Plan* on account of such Claim or Interest property of a value, as of the Effective Date, that is not less than the amount that such holder would receive if the Debtors were liquidated under Chapter 7 of the Bankruptcy



Code, as required by 11 U.S.C. § 1129(a)(7).

14. **Acceptance or Rejection of Certain Classes.** The Court finds and concludes that Class 2 has accepted the *Plan* pursuant to 11 U.S.C. § 1126(c). Class 2 of the *Plan* have accepted the *Plan* in writing by creditors that hold at least two-thirds in amount and more than one-half in number of the allowed Claims of such Class, as required by 11 U.S.C. § 1129(a)(8). With respect to any class that has rejected the *Plan*, the Court finds and concludes that, pursuant to 11 U.S.C. § 1129(b)(1) and (2)(B)(ii), the *Plan* does not discriminate unfairly, and is fair and equitable a holder of any Claim or Interest that is junior to the Claims of such Class will not receive or retain under the *Plan* on account of such junior Claim or Interest in any property. The following details the ballot tabulation following solicitation of the First Amended Chapter 11 Plan of Liquidation:

Class	Accept		Reject	
	Amount	Number	Amount	Number
2	\$5,833,110.46	81	\$108,006.31	3
3	0	0	\$50,444,824.71	2
4	N/A	0	3	3

The following details the ballot tabulation following re-solicitation from holders of Class 2 Claims of the Plan following the filing of the Motion to Modify/Clarify:

Class	Accept		Reject	
	Amount	Number	Amount	Number
2	\$6,588,762.41	125	\$431,017.43	6
3	0	0	\$50,444,824.71	2
4	N/A	0	3	3

15. **Treatment of Administrative, Priority, and Tax Claims.** The Court finds and concludes that the treatment of Claims of a kind specified in 11 U.S.C. § 507(a)(1)-(8) satisfies the requirements set forth in 11 U.S.C. § 1129(a)(9).

16. **Acceptance by Impaired Class.** The Court finds and concludes that at least

one class of Claims or Interests that is impaired under the *Plan* has voted to accept the *Plan*, excluding any acceptances by any insider, thus satisfying 11 U.S.C. § 1129(a)(10).

17. **Feasibility.** The Court finds and concludes that to the extent applicable, 11 U.S.C. § 1129(a)(11) is satisfied.

18. **Payment of U.S. Trustee Fees.** The Court finds and concludes that all U.S. Trustee fees payable under 28 U.S.C. § 1930 will be paid on the effective date of the *Plan*, as required by 11 U.S.C. § 1129(a)(12). Until these bankruptcy cases are closed, dismissed or converted, the VPR Litigation Trust shall accrue and be liable for U.S. Trustee fees payable under 28 U.S.C. 1930.

19. **Inapplicable Provisions of the Bankruptcy Code.** The Court finds and concludes that the provisions of 11 U.S.C. § 1129(a)(13)-(15) are inapplicable to the Debtors or the *Plan*.

20. **Transfer of Property.** The Court finds and concludes that all transfers of property to the VPR Liquidation Trust pursuant to the *Plan* are made in accordance with applicable non-bankruptcy law that governs the transfer of property by a corporation that is not a moneyed, business, or commercial corporation or trust, as required by 11 U.S.C. § 1129(a)(16)

21. **No Unfair Discrimination, Fair and Equitable.** The Court finds and concludes that the *Plan* does not discriminate unfairly, and that it is fair and equitable with respect to any class that has rejected the *Plan*, thus satisfying 11 U.S.C. § 1129(b)(1). Upon confirmation of the *Plan* and the occurrence of the effective date, the *Plan* and its provisions shall be binding upon the members of all classes.

22. **Principal Purpose.** The Court finds and concludes that the *Plan* has been proposed: (i) for valid business purposes; (ii) to satisfy substantial obligations of the Debtors;

and (iii) to provide relief to the Debtors, Creditors, and parties-in-Interest pursuant to Chapter 11 of the Bankruptcy Code, 11 U.S.C. § 101 *et seq.* The Court further finds and concludes that it is not the principal purpose of the *Plan* to avoid taxes, or the application of Section 5 of the Securities Act of 1933, 15 U.S.C. § 77a *et seq.* 11 U.S.C. § 1129(a)(16)

### **Exemptions from Certain Taxes**

23. **Exemptions from Recording, Stamp, and Similar Taxes.** The Court finds and concludes that, pursuant to 11 U.S.C. § 1146(a), any transfers from the Debtors to the VPR Liquidation Trust as described in the Plan may not be taxed under any law imposing a stamp tax or similar tax.

### **Oral Findings and Conclusions Incorporated**

24. All finding and conclusions announced orally on the record by the Court on March 19, 2014 and April 15, 2014 are hereby incorporated herein by reference.

25. **[INTENTIONALLY OMITTED]**

### **CONFIRMATION ORDER**

Based on the foregoing Findings of Fact and Conclusions of Law, it is hereby ORDERED, ADJUDGED, AND DECREED AS FOLLOWS:

1. **Disclosure Statement Approval.** The *Disclosure Statement* is APPROVED as containing adequate information, as required by in 11 U.S.C. § 1125(b).

2. **Confirmation.** The *Plan*, as attached to this Order, and with the modifications and clarifications stated in this Order, is HEREBY CONFIRMED. The terms of this Order are controlling if any inconsistency exists between this Order, the *Plan*, and the VPR Liquidating Trust Agreement. The failure to specifically include or to refer to any particular article, section,

or provision of the *Plan* or any related document in this Order shall not diminish or impair the effectiveness of such article, section, or provision. The *Plan* and any related documents are confirmed in their entirety.

3. **Binding Effect.** This Order and the *Plan* shall be, and hereby are, binding upon the Debtors, the Debtors' creditors, and any equity holder of the Debtors, regardless of impairment or acceptance or rejection of the *Plan*. Additionally, pursuant to 11 U.S.C. § 1141, all prior orders entered in the Debtors' bankruptcy cases are binding upon the Debtors, the Debtors' creditors, and any equity holder of the Debtors. The terms and provisions of the Court's *Order Under Sections 105(a), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 6004 and 6006 Approving (I) Sale of Certain Assets and (II) Assumption and Assignment of Certain Executory Agreements and Granting Related Relief* [Docket No. 354] (the "Sale Order") shall survive the confirmation and consummation of the Plan, and shall continue to be enforceable notwithstanding the confirmation and consummation of the Plan. The obligations of Debtors under the Sale Order or the PSA (as defined therein), as applicable, shall not be discharged by the entry of this Order confirming the Plan. The terms and provisions of the Court's Final Order [Docket No. 232] (A) Authorizing Use of Cash Collateral and Granting Adequate Protection; (B) Requiring Delivery of Cash Collateral; (C) Authorizing Debtors in Possession to Obtain Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 363 AND 364; and (D) Granting Liens, Security Interests and Superpriority Claims (the "Final Cash Collateral and DIP Order") shall survive the confirmation and consummation of the Plan and shall continue to be enforceable notwithstanding the confirmation and consummation of the Plan. For avoidance of any doubt, the Plan Trustee is a representative of the Debtors' Bankruptcy Estates as meant by 11 U.S.C. § 1123(b)(3)(B) appointed for the purpose of retaining and

enforcing the Causes of Action, including, without limitation, those preserved and reserved by the Committee in Docket No. 232.

4. **Plan Classification Controlling.** The terms of the Plan shall solely govern the classification of Claims and Interests for purposes of distributions to be made thereunder. The classifications set forth on the Ballots tendered to or returned by the Holders of Claims or Interests in connection with voting on the Plan: (i) were set forth on the Ballots solely for purposes of voting to accept or reject the Plan; (ii) do not necessarily represent, and in no event shall be deemed to modify or otherwise affect, the actual classification of such Claims and Interests under the Plan for distribution purposes; (iii) may not be relied upon by any Holder of a Claim or Interest as representing the actual classification of such Claim or Interest under the Plan for distribution purposes; and (iv) shall not be binding on the Debtors or the Liquidating Trust except for voting purposes.

5. **[Intentionally Omitted].**

6. **Establishment of the VPR Liquidation Trust and Appointment of Plan Trustee.** The VPR Liquidation Trust Agreement is hereby approved, and Gregory S. Milligan is appointed the initial Plan Trustee of the VPR Liquidation Trust. On or before the Effective Date, the VPR Liquidation Trust Agreement shall be executed by the Debtors, the Plan Trustee, and the Committee. All other reasonably necessary steps shall be taken to establish the VPR Liquidation Trust. The VPR Liquidation Trust shall be governed by the VPR Liquidation Trust Agreement. The VPR Liquidation Trust, the Plan Trustee, and any subsequent Plan Trustee shall not challenge any provision of the *Plan*.

7. **Authority of Plan Trustee.** The Plan Trustee shall hold and maintain all rights otherwise maintained by the Debtors and/or the Bankruptcy Estates. Whenever the *Plan* or

related plan documents require or permit notice to the Debtors after the Effective Date, such notice shall be effective only when given to the Plan Trustee. The Plan Trustee shall have the right to take all actions that the Debtors and/or the Bankruptcy Estates would have had the right to take prior to the Effective Date. The Plan Trustee will act as the Bankruptcy Estates' successor for all purposes, and he will be responsible for, among other things: (i) making distributions under the *Plan*; (ii) liquidating to Cash Causes of Action assigned to the VPR Liquidation Trust; (iii) filing, prosecuting, and settling objections to Claims; (iv) prosecuting or otherwise resolving the Subordination/Characterization Adversary; (v) winding-up and closing the Debtors' Bankruptcy Estates; (vi) abandoning any of the assets of the Debtors if the Plan Trustee determines, using his business judgment, that such assets are of no benefit to the Creditors; (vii) opening and maintaining bank accounts on behalf of or in the name of the Debtors or the VPR Liquidation Trust; (viii) appointing, engaging, employing, supervising, and compensating officers, employees, and other Persons as may be necessary or desirable, including managers, consultants, accountants, technical, financial, real estate, or investment advisors or managers, attorneys, agents or brokers, corporate fiduciaries, or depositories; (ix) executing, delivering, and performing such other agreements and documents and to take or cause to be taken any and all such other actions as may be necessary or desirable to effectuate and carry out the purposes of the *Plan* and the VPR Liquidation Trust; (x) filing any federal, state, or local tax returns and provide for the payment of any related taxes; and (xi) undertaking any action or performing any obligation provided for or required under the *Plan* or the VPR Liquidation Trust Agreement. The Plan Trustee's compensation set forth in the VPR Liquidation Trust Agreement is approved. In case of the Gregory S. Milligan's resignation or inability to serve as Plan Trustee, a successor Plan Trustee shall be appointed in

accordance with the VPR Liquidation Trust Agreement.

The Plan Trustee is authorized to employ legal, accounting, and financial professionals employed by the Debtors or the Committee pre-confirmation, as well as such other professionals as the Plan Trustee may deem necessary and appropriate, including, without limitation, employment of professionals on a contingent fee basis, without further order of this Court.

For the avoidance of doubt, the Plan Trustee and any subsequent Plan Trustee shall own all of the Bankruptcy Estates' positions in all matters, and the Plan Trustee, as the Bankruptcy Estates' representative for all purposes, will be substituted as the real party-in-Interest for all purposes. The Plan Trustee owns and has the right to assert, enforce, and/or waive any applicable privileges (legal or otherwise, including the attorney-client privilege) held by the Debtors at any time (pre-petition or post-petition). However, the Plan Trustee and the VPR Liquidation Trust shall not have the right to waive any applicable attorney-client privileges that belonged to the Committee prior to the dissolution of the Committee.

8. **Distributions.** The Plan Trustee shall make payments and distributions pursuant to the procedures in the *Plan*. Any payments or distributions to be made by the Debtors or Plan Trustee as required by the *Plan* shall be made only to the holders of Allowed Claims. No payments or other distributions of property shall be made on account of any Claim or portion of any Claim unless and until such Claim or portion is Allowed. Any payment, delivery, or distribution by the Debtors or the Plan Trustee pursuant to the *Plan*, to the extent delivered by the United States mail, shall be deemed made when deposited into the United States mail.

9. **Injunction.** All Persons who have held, hold or may hold Claims or causes of

action against the Debtors related to the Debtors, their Bankruptcy Estates, or their bankruptcy cases are permanently enjoined, on and after the Effective Date, to the fullest extent permissible under applicable law, as such law may be extended or integrated after the Effective Date, from commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claims or causes of action in any venue other than the United States Bankruptcy Court for the Western District of Texas, Austin Division.

10. **Plan Modification and Clarifications.** The *Plan*, as originally filed and distributed for solicitation, is hereby modified by the following changes or clarifications, none of which adversely affect the treatment and rights of the holders of any Claim or Interest or, to the extent such changes or clarifications do adversely affect the treatment and rights of the holders of such Claim or Interest, have been accepted by the holders of such Claim or Interest as required by 11 U.S.C. § 1127:

As clarified, Section 4.10 of the *Plan* shall state:

4.10 **Treatment:** After payment in full of Allowed Classes 1 and 2, with funds remaining from the Distributable Litigation Proceeds, if any, the subordinated Claims of Victory Park Credit Opportunities Intermediate Fund, LP and Victory Park Credit Opportunities, LP, , if any, shall be satisfied from the Distributable Litigation Proceeds. Holders of Class 3 Claims shall not shall not receive a distribution on account of their Allowed subordinated Claims unless and until (i) the Plan Trustee resolves the adversary proceeding styled *Official Creditors' Committee v. Victory Park Credit Opportunities, LP et al.*, Adversary No. 13-01106-TMD (the "Subordination/Characterization Adversary") in a manner that yields a subordinated claim (and not a characterization as equity) and (ii) holders of Allowed Class 1 through 2 Claims have been paid in full on account of such Claims.

In the event the "Claims" asserted by Victory Park Credit Opportunities Intermediate Fund, LP and Victory Park Credit Opportunities, LP are characterized as equity, this class is vacant. In the event Claims of Victory Park Credit Opportunities Intermediate Fund, LP and Victory Park Credit Opportunities, LP prevail in the Subordination/Characterization Adversary such that their Claims are neither subordinated nor deemed equity, Claims of Victory Park Credit Opportunities Intermediate Fund, LP and Victory Park Credit



Opportunities, LP shall be considered Secured Claims with respect to the Disputed Sales Proceeds Cash and any other of the Debtors' assets subject to Claims of Victory Park Credit Opportunities Intermediate Fund, LP and Victory Park Credit Opportunities, LP's Liens, if any. In such event, with respect to Claims of Victory Park Credit Opportunities Intermediate Fund, LP and Victory Park Credit Opportunities, LP Allowed deficiency Claim, if any, such Allowed Claim will be paid *pari passu* with the Allowed Claims in Class 2.

In the event that Victory Park Credit Opportunities Intermediate Fund, LP and Victory Park Credit Opportunities, LP prevail in the Subordination/Characterization Adversary such that their alleged claim is neither subordinated nor characterized as equity, Victory Park Credit Opportunities Intermediate Fund, LP and Victory Park Credit Opportunities, LP's Allowed unsecured deficiency claim could be as high as \$47,775,793.71. In such event, distributions to Allowed Claims in Class 2 will be substantially diluted. The following chart illustrates this potential result:

<b><u>Litigation Result in Adversary</u></b>	<b><u>Estimated Potential Combined Class 2 and Class 3 Claims</u></b>
VPR Liquidation Trust Prevails	\$16,253,433.12
Victory Park Credit Opportunities Intermediate Fund, LP and Victory Park Credit Opportunities, LP Prevail	\$64,029,226.83

Thus, if Victory Park Credit Opportunities Intermediate Fund, LP and Victory Park Credit Opportunities, LP prevail and their alleged Claim is Allowed as filed, the difference to Class 2 will be substantial. The Committee has also objected to the amount and calculation of the alleged Claims of Victory Park Credit Opportunities Intermediate Fund, LP and Victory Park Credit Opportunities, LP. This figure represents the amount alleged by Victory Park Credit Opportunities Intermediate Fund, LP and Victory Park Credit Opportunities, LP. The Committee makes no admission regarding the allowable amount, if any, of Victory Park Credit Opportunities Intermediate Fund, LP and Victory Park Credit Opportunities, LP Claim.

Unless and until the Litigation Trustee prevails in or resolves by agreement with Victory Park Credit Opportunities Intermediate Fund, LP and Victory Park Credit Opportunities, LP the Subordination/Characterization Adversary, the VPR Litigation Trustee shall not be authorized to utilize in any manner the Disputed

Sales Proceeds Cash and such funds shall remain subject to the alleged liens of Claims of Victory Park Credit Opportunities Intermediate Fund, LP and Victory Park Credit Opportunities, LP and held in trust pending the conclusion of the Subordination/Characterization Adversary by the Litigation Trustee.

The following section shall be added to Article 5 of the *Plan*:

5.9 Settlement with Archer Wireline, LLC f/k/a Gray Wireline, Inc. and Archer Well Company, Inc.: Pursuant to the settlement between the Committee and Archer Wireline, LLC f/k/a Gray Wireline (“Gray Wireline”) and Archer Well Company, Inc. (“Archer”), the initial costs of the VPR Liquidation Trust will be funded from a loan from Gray Wireline and Archer. The terms of this loan are as follows:

a. Gray Wireline and Archer will provide, pursuant to 11 U.S.C. § 364(b), an \$85,000.00 unsecured loan to the VPR Liquidation Trust. The loan shall have the status of an administrative claim under 11 U.S.C. § 503(b), but shall be paid by agreement pursuant to the following terms: The \$85,000.00 unsecured loan will be repaid by the VPR Liquidation Trust from net litigation proceeds, calculated by subtracting both the Plan Trustee’s fees and expenses and professionals’ fees and expenses from the gross monetary recovery of litigation. From this amount, Gray Wireline’s loan shall be repaid. Interest on this \$85,000.00 unsecured loan will be deferred for eighteen (18) months from the date the funds are loaned to the VPR Liquidation Trust. If the \$85,000.00 unsecured loan is repaid within eighteen (18) months, no interest shall be due. If the \$85,000.00 unsecured loan remains unpaid after eighteen (18) months, the balance of the loan shall include interest from the date of the loan at the prime rate, as published in the Wall Street Journal, plus two percent (2%).

b. Gray Wireline’s Proof of Claim shall be allowed as an unsecured claim in the amount of \$193,784.45. Gray Wireline shall share in the VPR Liquidation Trust’s net litigation proceeds on a pro-rata basis on account of this allowed unsecured claim, and pursuant to the terms of the *Plan*.

c. The Debtors’ Bankruptcy Estates shall release and discharge Gray Wireline and Archer, and their respective officers, directors, managers, members, shareholders, employees, affiliates, agents, attorneys, representatives, and insurers, of and from any and all damages, claims, demands, liabilities, penalties, interests, rights and causes of action, whether known or unknown, and whether direct or derivative, of any kind or character, whatsoever, that have been or could have been asserted, whether at law or in equity, whether based on contract, in tort or otherwise, and/or upon any acts, omissions, disclosures, nondisclosures, facts, matters, transactions, and/or occurrences, including, but not limited to, any claim

arising from services provided by Gray Wireline regarding the Debtors' Harrier Well in New Mexico

11. **Assumption and Rejection of Executory Contracts and Unexpired Leases.**

On the Effective Date, all remaining Executory Contracts and Unexpired Leases shall be deemed rejected by the Debtors pursuant to 11 U.S.C. § 365(a). Entry of the Confirmation Order shall constitute approval of such rejection of these Executory Contracts and Unexpired Leases. The bar date for rejection Claims is thirty (30) days after the entry of the Confirmation Order. Executory Contracts and Unexpired Leases previously assumed and assigned pursuant to the Bankruptcy Court's orders regarding the sale of the Debtors' unconventional and conventional oil and gas assets shall remain assumed and assigned.

Any proofs of Claim arising from the rejection of the Debtors' Executory Contracts or Unexpired Leases that are not timely filed shall be disallowed automatically, forever barred from assertion, and shall not be enforceable against the Debtors, their Bankruptcy Estates, the Plan Trustee, or the VPR Liquidation Trust without the need for any objection by any Person, or further notice to or action, order, or approval of this Court, and any Claim arising out of the rejection of Executory Contracts or Unexpired Leases shall be deemed fully satisfied, released, and discharged, notwithstanding anything in the Schedules or a Proof of Claim to the contrary. All Allowed Claims arising from the rejection of the Debtors' Executory Contracts and Unexpired Leases shall be classified as general Unsecured Claims in Class 2, and shall be treated in accordance with the particular provisions of the *Plan*; provided however, if the Holder of an Allowed Claim for rejection damages has an unavoidable security Interest in any collateral to secure obligations under such rejected Executory Contract or Unexpired Lease, the Allowed Claim for rejection damages shall be treated as a Secured Claim to the extent of the value of such Holder's Interest in the collateral, with the

deficiency, if any, treated as a general Unsecured Claim.

12. **Reservation of Rights.** Notwithstanding anything in the *Plan* or this Confirmation Order, all rights of parties considering reconsideration of a Claim under 11 U.S.C. § 502(j) are reserved. Nothing in the *Plan* or this Confirmation Order shall in anyway limit the rights of the Plan Trustee to surcharge any property securing an Allowed Secured Claim pursuant to 11 U.S.C. § 506(c).

13. **Manner of Notices and Distributions.** All notices, requests, and distributions to a holder of a Claim or Interest be sent to the last known address of the holder or its attorney of record. Any holder of a Claim or Interest may designate another address for the purposes of this paragraph by providing the Plan Trustee with written notice of such address.

14. **Retention of Jurisdiction.** The Court retains jurisdiction of this case for all purposes provided in 11 U.S.C. §§ 1127(b) and 1142 and Bankruptcy Rule 3020(d). Additionally, the Court retains jurisdiction for the following:

- a. To determine any and all objections and proceedings involving the allowance, estimation, classification, and subordination of Claims, including any counterclaim;
- b. To determine any and all applications for the allowance and payment of fees and reimbursement of expenses authorized to be paid or reimbursed under the Bankruptcy Code;
- c. To determine any and all applications, adversary proceedings, and contested or litigated matters that may be pending on the Effective Date;
- d. To consider any modifications of this Plan, remedy any defect or omission, or reconcile any inconsistency in any order of the Court, including the Confirmation Order, to the extent authorized by the Bankruptcy Code;
- e. To determine all controversies, suits, disputes, and proceedings that may arise in connection with the interpretation, enforcement, Consummation, or performance of the Plan or the Plan Trustee's obligation under the Plan;
- f. To determine all controversies, suits, disputes, and proceedings that may arise in

connection with this Plan;

- g. To hear and determine any Claim belonging to the Debtors, and to consider and act on the compromise and settlement of any other Claim against, or cause of action asserted by, the Debtor;
- h. To recover all assets of the Debtors and property of the Bankruptcy Estates, wherever located;
- i. To hear and determine matters concerning state, local, and federal taxes in accordance with Sections 346, 505, and 1146 of the Bankruptcy Code (including any requests for expedited determinations under section 505(b) of the Bankruptcy Code filed, or to be filed, with respect to tax returns for any and all taxable periods ending after the Petition Date through, and including, the date that any final distribution is made);
- j. To enter a Final Decree closing the Case;
- k. To issue orders in aid of execution of this Plan to the extent authorized by 11 U.S.C. § 1142 of;
- l. To determine such other matters as may be set forth in the Confirmation Order or which may arise in connection with this Plan or the Confirmation Order; and
- m. To resolve any removal disputes regarding the Plan Trustee, including whether cause exists to remove the Plan Trustee.

15. **Payment of Statutory Fees.** On or before the Effective Date, the Debtors shall have paid in full, in Cash, all U.S. Trustee fees payable pursuant to 28 U.S.C. § 1930. Fees shall be paid on all disbursements made to creditors, including, and not limited to, funds paid in the ordinary course of business. Post-Effective Date, the Plan Trustee shall be responsible for the payment of United States Trustee quarterly fees for each of the Debtors until each case is closed by the Court. The Debtors and the Plan Trustee shall file with the Court and serve on the United States Trustee quarterly financial reports for each quarter (or portion thereof) that any of the Debtors' bankruptcy cases remain open, in a format prescribed by the United States Trustee.

16. **[Intentionally Omitted].**

17. **Notice of the Effective Date.** On or after ten (10) Business Days after the Effective Date, the Plan Trustee shall mail or cause to be mailed to all holders of Claims and Interest a notice that informs such holders: (i) the entry of the Confirmation Order; (ii) the occurrence of the Effective Date; and (iii) the deadline established under the *Plan* for the filing of Administrative Expense Claims.

18. **[Intentionally Omitted].**

19. **Administrative Claim Bar Date.** The bar date for the filing of an Administrative Claim shall be thirty (30) days following the entry of the Confirmation Order (“Administrative Claim Bar Date”). Upon entry of the Confirmation Order, the Debtors shall provide notice of such Administrative Claim Bar Date to every Person that may assert an Administrative Claim against the Debtors. The deadline to object to timely filed Administrative Claims shall be the (30) days following the Administrative Claim Bar Date.

20. **Professional Claim Bar Date.** Final applications for compensation and reimbursement filed by Professionals employed under 11 U.S.C. § 327 shall be filed no later than forty-five (45) days after the entry of the Confirmation Order (the “Professional Claim Bar Date”). The deadline to object to timely filed applications for the compensation and reimbursement filed Professionals shall be thirty (30) days following the Professional Claim Bar Date.

21. **Objections to Claims.** Except as otherwise provided in Paragraphs 19 and 20 of the Confirmation Order, objections to Claims must be filed with the Court and served in accordance with the Bankruptcy Rules by the later of (i) ninety (90) days following the Confirmation Order or (ii) thirty (30) days following the date a proof of Claim was timely filed. Otherwise, such Claims shall be deemed Allowed in accordance 11 U.S.C. § 502 of the

Bankruptcy Code, unless an extension of such time period is sought by the Plan Trustee. Prior to the expiration of twenty-one (21) days from receipt of an objection, the claimant whose Claim has been objected to must file with the Court and serve upon the objecting party a response to such Claim objection. Failure to file such a response within the twenty-one (21) day time period shall cause the Court to enter a default judgment against the non-responding claimant and thereby grant the relief requested in the claim objection.

22. **Rule 9019 Motion Regarding Delfinco.** By Order entered on March 24, 2014, the Committee's compromise with Delfinco has been APPROVED [Docket No. 502] (the "Delfinco Settlement").

The Delfinco Settlement shall survive the Confirmation of the Plan and/or the conversion or dismissal of Bankruptcy Case.

23. **The Gray Wireline and Archer Compromise.** The compromise with Gray Wireline and Archer as contained in the Plan is hereby APPROVED.

24. **Confirmation Order Non-severable.** The provisions of this Confirmation Order are non-severable and mutually dependent.

25. **Order Effective and Enforceable Immediately.** This Confirmation order is effective and enforceable immediately upon entry.

26. **IRS Default Provision.**

- (a) A failure by the VPR Liquidating Trust to make a payment to the Internal Revenue Service pursuant to the terms of the Plan and/or failure to remain current on filing and paying post-confirmation taxes, if any, shall be an event of default as to the Internal Revenue Service. If there is an event of default as to the Internal Revenue Service, the Internal Revenue Service must send written demand for payment, and said payment must be received by the Internal Revenue Service within 15 days of the date of the demand letter. The VPR Liquidating Trust can receive up to three notices of default from the Internal Revenue Service; however, on the third notice of default from the Internal

Revenue Service the third notice cannot be cured, and the Internal Revenue Service may accelerate its allowed claim(s), past and future, and declare the outstanding amount of such claim(s) to be immediately due and owing and pursue any and all available state and federal rights and remedies. These default provisions pertain to the entire claim(s) of the Internal Revenue Service, secured, unsecured priority and unsecured general.

- (b) The IRS is bound by the provisions of the confirmed plan and is barred under 11 USC 1141 from taking any collection actions against the VPR Liquidating Trust for prepetition claims during the duration of the Plan (provided there is no default as to the IRS). The period of limitations on collection remains suspended under 26 USC 6503 (h) for the tax periods being paid under the Plan and terminates on the earlier of (1) all required payments to the IRS have been made pursuant to the terms of the Plan; or (2) 30 days after the date of the demand letter (described above) for which the VPR Liquidating Trust failed to cure the default.

###



Proposed order submitted by:

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ATTORNEYS FOR THE OFFICIAL  
CREDITORS' COMMITTEE

IN THE UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION

<b>In re:</b>  <b>VPR OPERATING, LLC <i>et al.</i>,</b>  <b>Debtors.</b>	§ § § § § §	<b>CASE NO. 13-10599-TMD</b> <b>CHAPTER 11</b>  <b>Jointly Administered</b>
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**OFFICIAL CREDITORS' COMMITTEE'S**  
**FIRST AMENDED CHAPTER 11 PLAN OF LIQUIDATION**

Date: February 14, 2014

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**OFFICIAL CREDITORS' COMMITTEE'S  
FIRST AMENDED CHAPTER 11 PLAN OF LIQUIDATION**

The Official Creditors' Committee of the jointly administered Debtors proposes the following First Amended Chapter 11 Plan of Liquidation (the "Plan"). Unless stated otherwise, capitalized terms shall have the meaning ascribed to them in the definitions attached as *Exhibit 1* to this Plan. Reference is made to the Disclosure Statement, which discusses the history of the Debtors, their past business operations, their assets, and their liabilities. The Disclosure Statement also provides a summary of this Plan. **YOU ARE URGED TO READ THE DISCLOSURE STATEMENT WITH CARE IN EVALUATING HOW THIS PLAN WILL AFFECT YOUR CLAIM(S) AND/OR INTERESTS.**

**SUMMARY OF THE PLAN**

Prior to the Effective Date, pursuant to the Delfinco Compromise, if approved by the Bankruptcy Court, except for the Administrative Claims Reserved Cash and the Disputed Sales Proceeds Cash, all of the Debtors' Cash on hand will have been distributed to Delfinco in full and final satisfaction of its Allowed Administrative Claim relating to the DIP Loans made by Delfinco under the Court's *Final Order* [Docket No. 232] and in partial satisfaction of its Allowed Secured Claim. The Plan contemplates the assignment to the VPR Liquidation Trust of the Administrative Claims Reserve Cash, the Disputed Sales Proceeds Cash and the Bankruptcy Estates' Causes of Action including but in no way limited to, those Causes of Action reserved and/or preserved for the benefit of the Bankruptcy Estates by the Committee and its successor pursuant to the Court's *Final Order* [Docket No. 232] regarding the Debtors' use of cash collateral and obtaining post-petition financing. The alleged Claims and Liens of the Victory Park Capital Defendants regarding the Disputed Sales Proceeds Cash shall remain in place except and until the Subordination/Characterization Adversary is finally resolved.

Additionally, on the Effective Date, the Plan Trustee shall be substituted as the real party-in-interest in the Subordination/Characterization Adversary, and the Plan Trustee shall be substituted as the real party-in-interest with regards to pending claim objections filed by the Committee. On the Effective Date, the Plan Trustee will pay Allowed Administrative Claims with the Administrative Claims Reserved Cash. After the Effective Date, the Plan Trustee shall liquidate to Cash the assigned Causes of Action. The Plan Trustee will distribute the Distributable Litigation Proceeds in the following manner: (i) first, to any holders of Allowed Administrative Claims that have agreed to defer payment until recovery from the Causes of Action; (ii) second, to holders of Allowed priority Claims; (iii) third, to holders of Allowed General Unsecured Claims; and (iv) fourth, to holders of subordinated Claims, if any. Holders of Equity Interests shall neither receive nor retain property under the Plan; provided, however, in the event that there is a surplus of Distributable Litigation Proceeds after holders of Allowed Claims are paid in full, the Plan Trustee shall distribute such surplus to holders of record of Equity Interests on a Pro Rata basis. The Debtors and their Bankruptcy Estates shall be substantively consolidated for all purposes, including, but not limited to, voting on and distributions under the Plan.

A law firm has not been engaged to bring the Causes of Action that are reserved for and assigned to the VPR Liquidation Trust pursuant to the Plan. The Plan Trustee will ultimately be responsible for hiring one or more professionals to bring the Causes of Action that are reserved for and assigned to the VPR Liquidation Trust. Husch Blackwell LLP has not, at this time, agreed to represent the Plan Trustee. The Plan Trustee's professionals may be selected by the time of the Confirmation Hearing. If so, additional information regarding such professionals and the terms of their engagement will be made available.

## **ARTICLE 1 TREATMENT OF ADMINISTRATIVE CLAIMS**

1.1 Treatment: On the Effective Date, each holder of an Allowed Administrative Claim shall receive: (i) Cash from the VPR Liquidation Trust in the amount of such Allowed Administrative Claim or (ii) such other treatment as may be agreed upon in writing by the holder of the Allowed Administrative Claim and the Plan Trustee. An Allowed Administrative Claim representing a liability incurred in the ordinary course of business of the Debtor shall be paid by the Debtor upon presentment or otherwise in accordance with the terms of the particular transaction and any agreements relating thereto.

This Plan constitutes a motion to fix and establish an administrative bar date of thirty (30) days following the Confirmation Order. Upon entry of the Confirmation Order, the Debtor shall provide notice of such Administrative Claim Bar Date to every Person that may assert an Administrative Claim against the Debtor. Applications for compensation and reimbursement filed by Professionals employed under Section 327 of the Bankruptcy Code shall be filed no later than thirty (30) days after the Confirmation Order, or by a date set by the Bankruptcy Court. All other requests for payment of Administrative Claims shall be filed by the earlier of thirty (30) days after the Confirmation Order, or by a date set by the Bankruptcy Court.

1.2 Administrative Claim Objection Deadline: This Plan constitutes a motion to fix and establish a deadline to object to timely filed Administrative Claims, such deadline being thirty (30) days following the Administrative Claim Bar Date.

1.3 Funding: On the Effective Date, the Plan Trustee shall set aside sufficient Cash from the Administrative Claims Reserved Cash in an amount sufficient to pay all Allowed Administrative Claims in full. Such Cash shall be paid to the holders of Allowed Administrative Claims. Any Cash from the Administrative Claims Reserved Cash remaining after payment of all Allowed Administrative Claims will revert to the VPR Liquidation Trust, and be used by the Plan Trustee for further use in accordance with this Plan.

1.4 U.S. Trustee Fees: All fees owing to the United States Trustee pursuant to 28 U.S.C. § 1930 shall be paid by the Plan Trustee in Cash as such fees become due.

**ARTICLE 2**  
**DIVISION OF CREDITORS AND INTEREST HOLDERS INTO CLASSES**

2.1 Classification: As provided in Section 1123(a) of the Bankruptcy Code, Administrative Claims shall not be classified for purposes of voting under the Plan. The Claims against and Interests in the Debtors are classified as set forth in this Article. A Claim or Interest is in a particular Class only to the extent that such Claim or Interest fits within the description of such Class, and is in such other and different Class or Classes to the extent that the remainder of such Claim or Interest fits within the description of such other Class or Classes. Any dispute with respect to classification of Claims or Interests or impairment shall be resolved by the Court upon motion of the holder of such Claim or Interest affected thereby, with notice to the Debtor. This Plan shall only provide distributions to Allowed Claims; except as expressly provided herein, nothing within this Plan shall Allow any Claim or Interest. The Claims and Interests are classified as follows:

- Class 1: Priority Claims**
- Class 2: General Unsecured Creditor Claims**
- Class 3: Subordinated Claims**
- Class 4: Equity Interests**

2.2 Impaired Classes of Claims or Interests: Claims in Classes 1, 2, 3, and 4 are impaired under the Plan, and, therefore, shall be entitled to vote to accept or reject this Plan.

2.3 Impairment Controversies: If a controversy arises as to whether any Claim or Interest or any Class of Claims or Interests is impaired under the Plan, the Court shall, upon notice and a hearing, determine such controversy.

**ARTICLE 3**  
**ACCEPTANCE OR REJECTION OF THIS PLAN**

3.1 Voting of Claims: Except as provided in this Article, holders of Claims or Interests in an impaired Class shall be entitled to vote to accept or reject this Plan as provided for in the order entered by the Bankruptcy Court establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject this Plan.

3.2 Acceptance by a Class of Creditors or Interest Holders: Consistent with Section 1126(c) of the Bankruptcy Code and except as provided for in Section 1126(e) of the Bankruptcy Code, a Class of Creditors or Interest Holders shall have accepted this Plan if it is accepted by at least two-thirds in dollar amount and more than one-half in number of the holders of Allowed Claims or Interests of such Class that have timely and properly voted to accept or reject this Plan.

3.3 Cramdown: If any Class of Claims or Interest Holders shall fail to accept the Plan in accordance with Section 1126(c) of the Bankruptcy Code, the Bankruptcy Court may still confirm the Plan in accordance with Section 1129(b) of the Bankruptcy Code. The Plan Proponents will seek confirmation of the Plan pursuant to Section 1129(b) with respect to any non-accepting Class of Claims or Interest Holders.



## ARTICLE 4 TREATMENT OF CLAIMS AND EQUITY INTERESTS

### **Class 1: Priority Claims**

4.1 This Class shall consist priority Claims under Section 507 of the Bankruptcy Code.

4.2 Treatment: After payment in full to any holders of Allowed Administrative Claims that have agreed to defer payment until recovery from the Causes of Action, on the Effective Date, each holder of an Allowed priority Claim shall be paid its Pro Rata portion of the Distributable Litigation proceeds up to 100% of its Allowed priority Claim.

4.3 Funding: The funds necessary to make payments under the Plan shall come from Distributable Litigation Proceeds.

4.4 Impairment & Voting: Class 1 is impaired. Acceptance of this Plan from holders of Class 1 Claims will be solicited.

### **Class 2: General Unsecured Creditor Claims**

4.5 This Class shall consist of the General Unsecured Claims against the Debtors.

4.6 Treatment: After payment in full of Allowed Class 1, with funds remaining from the Distributable Litigation Proceeds, if any, each holder of an Allowed General Unsecured Claim shall receive, in full and final satisfaction of such claim, its Pro Rata portion of Distributable Litigation Proceeds.

4.7 Funding: The funds necessary to make payments under the Plan shall come from Distributable Litigation Proceeds.

4.8 Impairment & Voting: Class 2 is impaired. Acceptance of this Plan from holders of Class 2 Claims will be solicited.

### **Class 3: Subordinated Claims**

4.9 This Class shall consist of Victory Park Capital's subordinated Claim against the Debtors, if any.

4.10 Treatment: After payment in full of Allowed Classes 1 and 2, with funds remaining from the Distributable Litigation Proceeds, if any, the subordinated Claim of Victory Park Capital, if any, shall be satisfied from the Distributable Litigation Proceeds. Victory Park Capital shall not receive a distribution on account of its Allowed subordinated Claim unless and until (i) the Plan Trustee resolves the adversary proceeding styled *Official Creditors' Committee v. Victory Park Credit Opportunities, LP et al.*, Adversary No. 13-01106-TMD (the "Subordination/Characterization Adversary") in a manner that yields a subordinated claim (and

not a characterization as equity) and (ii) holders of Allowed Class 1 through 2 Claims have been paid in full on account of such Claims. In the event the “Claims” asserted by Victory Park Capital are characterized as equity, this class is vacant.

4.3 Funding: The funds necessary to make payments under the Plan shall come from the Distributable Litigation Proceeds.

4.4 Impairment & Voting: Class 3 is impaired. Acceptance of this Plan from holders of Class 3 Claims will be solicited.

#### **Class 4: Equity Interests**

4.5 This Class shall consist of holders of Equity Interests in the Debtors.

4.6 Treatment: No distribution shall be made under the Plan to holders of Equity Interests in the Debtors unless there is a surplus of Distributable Litigation Proceeds after holders of Allowed Claims are paid in full. In such case, the Plan Trustee shall distribute such surplus to holders of record of Equity Interests on a Pro Rata basis. The record date shall be the Effective Date.

4.7 Impairment and Voting: Class 4 is impaired. Acceptance of this Plan from holders of Class 4 Interests will be solicited.

### **ARTICLE 5 IMPLEMENTATION**

A spreadsheet provided by the Debtor’s CRO that shows current Cash on hand as of the date hereto is attached as *Exhibit 4*. All Cash on hand that is described in this spreadsheet is subject to the Liens of Delfinco or, with respect to the Disputed Sales Proceeds, subject to alleged Liens of Victory Park Capital.

#### **a. Substantive Consolidation**

5.1 The Debtors and their Bankruptcy Estates shall be substantively consolidated for all purposes, including, but not limited to, voting on and distributions under the Plan. As a result of the substantive consolidation, (i) all intercompany Claims by and among the Debtors, including such Claims arising from the rejection of any Executory Contract or Unexpired Lease, will either be eliminated or shall remain in place but shall not be entitled to any distributions under the Plan, (ii) any obligation of any of the Debtors and all guarantees thereof executed by any of the Debtors will be deemed to be an obligation of each of the Debtors, (iii) any Claim filed or asserted against any of the Debtors will be deemed a Claim against each of the Debtors, (iv) any Equity Interest in any of the Debtors will be deemed an Equity Interest in each of the Debtors, and (v) for purposes of determining the availability of any right of setoff under Section 553 of the Bankruptcy Code, the Debtors will be treated as one entity so that, subject to the other provisions of Section 553 of the Bankruptcy Code, debts due to any of the Debtors may be offset against the debts owed by any of the Debtors. The substantive consolidation contemplated by

this section shall not, however, cause any Debtor to be liable for any Claim or Equity Interest for which it would not otherwise be liable absent the substantive consolidation under this Plan.

**b. VPR Liquidation Trust**

5.2 Establishment of the VPR Liquidation Trust: On the Effective Date, the Debtor and the Committee shall execute the VPR Liquidation Trust Agreement, attached as *Exhibit 2*, and shall take all steps reasonably necessary to establish the VPR Liquidation Trust in accordance with the Plan.

The proposed Plan Trustee is Gregory S. Milligan. Mr. Milligan has extensive experience serving as a Chapter 11 liquidating trustee, a Chapter 11 post-confirmation trustee, Chapter 11 operating trustee, a litigating trustee, and a court-appointed receiver. In addition to serving in these capacities, Mr. Milligan also has experience in providing financial advisory and turnaround management services. Mr. Milligan's Curriculum Viata is attached as *Exhibit 5*. Mr. Milligan's compensation as Plan Trustee is described below.

5.3 Purpose of the VPR Liquidation Trust: The VPR Liquidation Trust shall be established for the sole purpose of liquidating the Debtors' assets and distributing the proceeds of such liquidation pursuant to the terms of this Plan.

5.4 Assignment of Assets to the VPR Liquidation Trust:

a. On the Effective Date, the Bankruptcy Estates shall assign to the VPR Liquidation Trust all of their right, title, and interest in the Administrative Claims Reserve Cash and the Disputed Sales Proceeds Cash and Causes of Action, and such assignment shall be free and clear of all Claims and Liens; provided, however, that the alleged Claims and Liens of the Victory Park Capital Defendants regarding the Disputed Sales Proceeds Cash shall remain in place except and until the Subordination/Characterization Adversary is finally resolved. In connection with this assignment of assets, any attorney-client, work-product, or relevant privilege shall be preserved and shall vest in the VPR Liquidation Trust. The Debtors and their Bankruptcy Estates shall take all steps reasonably necessary to assign the Administrative Claims Reserve Cash and the Disputed Sales Proceeds Cash and Causes of Action to the VPR Liquidation Trust.

b. On the Effective Date, with funds from the Administrative Claims Reserve Cash, the Plan Trustee shall hold in reserve Cash in an amount sufficient to pay in full all Allowed Administrative Claims. The Trustee shall hold in reserve the Disputed Sales Proceeds Cash until the Subordination/Characterization Adversary is resolved.

c. On the Effective Date, the Plan Trustee shall be substituted as the real party-in-interest in the Subordination/Characterization Adversary. The Plan Trustee shall be the Committee's successor in this adversary proceeding, and the Plan Trustee shall be authorized to prosecute, compromise, or otherwise resolve this adversary proceeding.

5.5 Tax Reporting:

- a. The Plan Trustee shall file tax returns for the VPR Liquidation Trust.
- b. The Plan Trustee shall annually send to each holder of an interest in the VPR Liquidation Trust a separate statement regarding the receipts and expenditures of the VPR Liquidation Trust.
- c. The Plan Trustee shall make a good faith valuation of the assets assigned to the VPR Liquidation Trust. To the extent necessary for tax purposes, such valuation shall be made available to a holder of an interest in the VPR Liquidation Trust.
- d. Allocations of taxable income or loss of the VPR Liquidation Trust shall be allocated by reference to the manner in which an economic gain or loss would be borne immediately after a hypothetical liquidating distribution of the assets of the VPR Liquidation Trust. The tax book value of the assets of the VPR Liquidation Trust shall equal their fair market value on the date of the assignment, adjusted in accordance with tax accounting principles prescribed by the Internal Revenue Code, applicable Treasury Regulations, and other applicable judicial or administrative authorities and pronouncements.
- e. The Plan Trustee shall be responsible for payment, out of the assets of the VPR Liquidation Trust, of any taxes imposed on the VPR Liquidation Trust or its assets.

5.6 Representative of the Estate: From and after the Effective Date, the Plan Trustee, pursuant to Section 1123(b)(3) of the Bankruptcy Code, shall serve as the representative of the Bankruptcy Estates. The Plan Trustee shall have the exclusive right, authority, and discretion to institute, prosecute, abandon, settle, or compromise any and all Causes of Action assigned to the VPR Liquidation Trust and any claim objections. Additionally, the Plan Trustee shall be substituted as the real part-in-interest in the Committee’s adversary proceeding against Victory Park Capital Advisors.

5.7 Fees and Expenses: From and after the Effective Date, the Plan Trustee shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable professional fees and expenses incurred by VPR Liquidation Trust, including the Plan Trustee’s fees and expenses, and any professionals retained by the VPR Liquidation Trust.

With respect to the Plan Trustee’s fees, the Plan Trustee shall be compensated by being paid a percentage of the gross recoveries of the VPR Liquidation Trust under the following schedule:

<u>Amount</u>	<u>Percentage to Plan Trustee</u>
\$0 to \$5,000	25%
\$5,000 to \$50,000	10%
\$50,000 and above	5%

A law firm has not been engaged to bring the Causes of Action that are reserved for and assigned to the VPR Liquidation Trust pursuant to the Plan. The Plan Trustee will ultimately be responsible for hiring one or more professionals to bring the Causes of Action that are reserved for and assigned to the VPR Liquidation Trust. Husch Blackwell LLP has not, at this time, agreed to represent the Plan Trustee. The Plan Trustee's professionals may be selected by the time of the Confirmation Hearing. If so, additional information regarding such professionals and the terms of their engagement will be made available.

5.8 Funding of Cash Payments: To fund the payment obligations under the Plan, the Plan Trustee intends to utilize the Administrative Claims Reserve Cash, and proceeds arising from the liquidation of the Causes of Action.

## ARTICLE 6 CAUSES OF ACTION

6.1 Retention of Causes of Action: All of the Bankruptcy Estates' Causes of Action are specifically retained by the Debtors and assigned to the VPR Liquidation Trust. Without limitation, the Bankruptcy Estates' Causes of Action against Richard Levy, Brendan Carroll, Matthew Ray, Kelly Hoffman, Robert Pullen, and Victory Park Capital (including directors and officers) are expressly retained by the Debtors and assigned to the VPR Liquidation Trust. Except as released, settled, or compromised herein, the Plan Trustee will be vested with the right to prosecute, compromise, or otherwise resolve Causes of Action assigned to the VPR Litigation Trust.

6.2 Claim Objections: In accordance with Section 1123(b)(3) of the Bankruptcy Code and under this Plan, the Plan Trustee shall have the right and power to object to proofs of Claim or Claims, including those deemed allowed under Section 1111(a) of the Bankruptcy Code, on any ground, including those set forth in Chapter 5 of the Bankruptcy Code. Additionally, the Plan Trustee shall be substituted as the real party-in-interest of any pending claim objections filed by the Committee. **THE RIGHT TO OBJECT TO ANY CREDITOR'S CLAIM IS RESERVED IN FAVOR OF THE VPR LITIGATION TRUST, REGARDLESS OF WHETHER THE CREDITOR HAS VOTED IN FAVOR OF OR AGAINST THE PLAN.**

6.3 Continuing Investigation: The investigation of potential objections to Claims or other Causes of Action has not been completed. **THE PLAN DOES NOT AND IS NOT INTENDED TO RELEASE ANY SUCH RIGHTS OF ACTION, OR ANY OBJECTIONS TO PROOFS OF CLAIM. ALL SUCH RIGHTS AND RIGHTS OF ACTION ARE SPECIFICALLY RESERVED IN FAVOR OF THE VPR LIQUIDATION TRUST.**

6.4 Prosecution of Causes of Action: After the Effective Date, the Plan Trustee, in his or her sole discretion, shall evaluate the Causes of Action assigned to the VPR Liquidation Trust, and shall determine whether to pursue such Causes of Action, including, without limitation, the Causes of Action against Richard Levy, Brendan Carroll, Matthew Ray, Kelly Hoffman, Robert Pullen, and Victory Park Capital (including directors and officers), any insurers where direct actions against insurers are allowed, including without limitation, Indian Harbor Insurance Company and XL America Companies, and any Causes of Action against Gray Wireline

Services, Inc. Additionally, the Plan Trustee shall prosecute, compromise, or otherwise resolve the Causes of Action in which the Debtors are a party, and the Plan Trustee shall continue to litigate, as the substituted real party-in-interest, the Subordination/Characterization Adversary. The Plan Trustee shall retain professionals on an appropriate basis to prosecute any Causes of Action.

6.5 Prosecution of Causes of Action Against Certain Third Parties: The Plan Trustee shall be authorized to prosecute Causes of Action against third parties, whether in their individual or representative capacities, that may have aided, abetted, and/or conspired in the breach of the Debtors' fiduciary duties. The Plan Trustee, in his or her sole discretion, shall evaluate these Causes of Action, and shall determine whether to pursue such Causes of Action. The Plan Trustee shall retain professionals on an appropriate basis to prosecute any Causes of Action.

6.6 Prosecution of Avoidance Actions: The Plan Trustee shall be authorized to prosecute Avoidance Actions against parties that received avoidable transfers. Section 3 of the Debtors' Statements of Financial Affairs identifies those parties that received transfers from the Debtors during the ninety (90) days preceding the Debtors' bankruptcy filing date. The Plan Trustee is authorized to prosecute Avoidance Actions against these parties. Attached as *Exhibit 3* is a list of parties that may be subject to an Avoidance Action.

**THE PLAN DOES NOT AND IS NOT INTENDED TO RELEASE CAUSES OF ACTION, AND ALL SUCH RIGHTS OF CAUSES OF ACTION ARE SPECIFICALLY RESERVED IN FAVOR OF THE VPR LIQUIDATION TRUST.**

A law firm has not been engaged to bring the Causes of Action that are reserved for and assigned to the VPR Liquidation Trust pursuant to the Plan. The Plan Trustee will ultimately be responsible for hiring one or more professionals to bring the Causes of Action that are reserved for and assigned to the VPR Liquidation Trust. Husch Blackwell LLP has not, at this time, agreed to represent the Plan Trustee. The Plan Trustee's professionals may be selected by the time of the Confirmation Hearing. If so, additional information regarding such professionals and the terms of their engagement will be made available.

## **ARTICLE 7 OBJECTION TO PROOFS OF CLAIM**

7.1 Objections to Claims: Except as otherwise provided in this Plan in connection with Administrative Claims, objections to Claims must be filed with the Court and served in accordance with the Bankruptcy Rules by the later of (i) ninety (90) days following the Confirmation Order or (ii) thirty (30) days following the date such proof of Claim was timely filed. Otherwise, such Claims shall be deemed Allowed in accordance with Section 502 of the Bankruptcy Code, unless an extension of such time period is sought by the Plan Trustee.

7.2 Responses to Objections: Prior to the expiration of twenty-one (21) days from receipt of an objection, the claimant whose Claim has been objected to must file with the Court and serve upon the objecting party a response to such Claim objection. Failure to file such a response

within the twenty-one (21) day time period shall cause the Court to enter a default judgment against the non-responding claimant and thereby grant the relief requested in the claim objection.

## **ARTICLE 8 PROVISIONS RELATING TO DISPUTED CLAIMS RESERVE**

8.1 Distributions on Allowed Claims Only: Distributions under the Plan shall be made only to the holders of Allowed Claims. Until a Disputed Claim becomes an Allowed Claim, the holder of that Disputed Claim shall not receive the consideration otherwise provided to holders of Claims in the same Class as such Claim under the Plan. No interest shall be paid on account of Disputed Claims that later become Allowed, except to the extent that payment of interest is required under Section 506(b) of the Bankruptcy Code. The Claim of any holder of an Allowed Claim that has received notice that the Plan Trustee may seek to bring an Avoidance Action against such holder shall be deemed Disallowed pursuant to Section 502(d) of the Bankruptcy Code until such time as the avoidable transfers are returned to the Bankruptcy Estates or the Avoidance Action is otherwise resolved.

8.2 Settlement of Claims: The Plan Trustee shall have authority to compromise or otherwise resolve Disputed Claims.

8.3 Establishment of Disputed Claims Reserve: On the occasion of each payment required under the Plan, the Plan Trustee, shall deposit Cash in a segregated, interest bearing account in such amount necessary to pay all Disputed Claims in accordance with the terms of this Plan if such Claims were to become Allowed Claims. This account shall be called the Disputed Claim Reserve. The VPR Liquidation Trust shall hold the Disputed Claim Reserve in trust for the benefit of the holders of Allowed Claims whose distributions are unclaimed and the holders of Disputed Claims pending determination of their entitlement thereto under the terms of the Plan. When a Disputed Claim becomes an Allowed Claim, the Plan Trustee shall release and deliver the distributions reserved for such Allowed Claims (net of distribution costs) from the Disputed Claim Reserve. To the extent of any funds exist in the Disputed Claim Reserve after resolution of all Disputed Claims and distribution to all Allowed Claims, such funds shall be released to the VPR Liquidation Trust for distribution per the terms of the Plan.

## **ARTICLE 9 DELIVERY OF DISTRIBUTIONS**

9.1 Record Date: The Record Date for purposes of this Plan will be the Effective Date. At the close of business on the Record Date, there shall be no further changes in the record holders of Claims. The Plan Trustee shall have no obligation to recognize any transfer of any such Claims occurring after the Record Date, and shall be entitled instead to recognize and deal for all purposes hereunder with only those record holders as of the close of business on the Record Date.

9.2 Delivery of Distributions and Undeliverable Distributions: Any distribution to be made to a Creditor will be sent to that Creditor at the address set forth on the proof of claim filed for such Creditor, or if no proof of claim is filed, at the address set forth on the Debtors' Schedules.

In the event that a distribution is returned as undeliverable or a distribution is returned on account of there being no payment due to the affected Creditor, the Plan Trustee shall hold such distribution for the affected Creditor for a period of sixty (60) days following the return of that distribution. If the affected Creditor does not make a demand in writing for such unclaimed distribution within the sixty-day period, the Creditor shall forfeit all entitlement to the distribution, and the distribution shall revert to the VPR Liquidation Trust.

9.3 Time Bar to Cash Payments: All uncashed distributions shall be handled in accordance with this Article, unless provided otherwise by applicable law. Checks issued by the VPR Liquidation Trust with respect to any Allowed Claim shall be null and void if not negotiated within ninety (90) days after the date of issuance. After such date, all funds held on account of such voided check shall be remitted to the VPR Liquidation Trust; the holder of any such Claim shall not be entitled to any other or further distribution under this Plan on account of such Claim, and such Claim shall be deemed Disallowed for purposes of any such distribution.

9.4 Prepayments: So long as the VPR Liquidation Trust remains current on all other Plan payments, the Plan Trustee reserves the right to prepay or settle Allowed Claims except as otherwise provided in this Plan.

9.5 Transactions on Business Days: If the Effective Date or any other date on which a transaction may occur under this Plan shall occur on a day that is not a Business Day, the transactions contemplated by this Plan to occur on such day shall instead occur on the next succeeding Business Day.

## **ARTICLE 10**

### **CONDITIONS PRECEDENT TO EFFECTIVENESS OF THIS PLAN**

The effectiveness of this Plan is subject to satisfaction of the following conditions precedent in addition to the requirements provided in Section 1129 of the Bankruptcy Code,:

- a. All actions, documents and agreements necessary to implement the Plan shall have been effected or executed, including, without limitation, any assignment instruments regarding the Administrative Claims Reserve Cash and the Disputed Sales Proceeds Cash;
- b. The Debtors shall have received all authorizations, consents, regulatory approvals, rulings, letters, no-action letters, opinions or documents that are determined by the Debtors to be necessary to implement the Plan; and
- c. Entry of a Confirmation Order that is a Final Order in form and substance acceptable to the Committee.



## ARTICLE 11 EXECUTORY CONTRACTS & LEASES

11.1 Rejection of Executory Contracts and Unexpired Leases. On the Effective Date, all remaining Executory Contracts and Unexpired Leases shall be deemed rejected by the Debtors under Sections 365(a) and 1123 of the Bankruptcy Code. Entry of the Confirmation Order shall constitute approval of such rejection of these Executory Contracts and Unexpired Leases.

11.2 Previously Assumed and Assigned Executory Contracts. Previously assumed and assigned Executory Contracts and Unexpired Leases pursuant to the Court's orders regarding the sale of substantially all the Debtors' assets shall remain assumed and assigned.<sup>1</sup> Nothing in this Plan shall conflict with or derogate from the provisions of these orders.

11.3 Bar Date for Rejection Claims. If the rejection of an Executory Contract or Unexpired Lease pursuant to the Plan gives rise to a Claim by the other party or parties to such contract or lease, such Claim, to the extent that it is timely filed and is an Allowed Claim, shall be classified in Class 3; provided, however, that the Claim arising from rejection shall be forever barred and shall not be enforceable against the Debtor or VPR Liquidation Trust unless a proof of Claim is filed and served on the Plan Trustee thirty (30) days after the entry of the Confirmation Order.

## ARTICLE 12 CONSUMMATION OF THE PLAN

12.1 Retention of Jurisdiction: The Court shall retain and have exclusive jurisdiction over this Case for the purposes stated in items (1) through (13) below.

1. To determine any and all objections and proceedings involving the allowance, estimation, classification, and subordination of Claims, including any counterclaim;
2. To determine any and all applications for the allowance and payment of fees and reimbursement of expenses authorized to be paid or reimbursed under the Bankruptcy Code;
3. To determine any and all applications, adversary proceedings, and contested or litigated matters that may be pending on the Effective Date;

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<sup>1</sup> See Order Under Sections 105(a), 363 and 365 of the Bankruptcy Code and Bankruptcy Rules 6004 and 6006 Approving (I) Sale of Certain Assets and (II) Assumption and Assignment of Certain Executory Agreements and Granting Related Relief [Docket No. 354] and the Order Authorizing and Approving (I) the Sale of Oklahoma Assets and All "Conventional" New Mexico Assets Free and Clear of All Claims, Liens, Liabilities, Rights, Interests, and Encumbrances to Stanolind Oil and Gas LP; (II) the Debtors' Entry Into and Performance of Their Obligations Under the Purchase and Sale Agreement; (III) the Debtors' Assumption and Assignment of Certain Executory Agreements; and (IV) Related Relief [Docket No. 355].

4. To consider any modifications of this Plan, remedy any defect or omission, or reconcile any inconsistency in any order of the Court, including the Confirmation Order, to the extent authorized by the Bankruptcy Code;
5. To determine all controversies, suits, disputes, and proceedings that may arise in connection with the interpretation, enforcement, Consummation, or performance of the Plan or the Plan Trustee's obligation under the Plan;
6. To determine all controversies, suits, disputes, and proceedings that may arise in connection with this Plan;
7. To hear and determine any Claim belonging to the Debtors, and to consider and act on the compromise and settlement of any other Claim against, or cause of action asserted by, the Debtor;
8. To recover all assets of the Debtors and property of the Bankruptcy Estates, wherever located;
9. To hear and determine matters concerning state, local, and federal taxes in accordance with Sections 346, 505, and 1146 of the Bankruptcy Code (including any requests for expedited determinations under section 505(b) of the Bankruptcy Code filed, or to be filed, with respect to tax returns for any and all taxable periods ending after the Petition Date through, and including, the date that any final distribution is made);
10. To enter a Final Decree closing the Case;
11. To issue orders in aid of execution of this Plan to the extent authorized by section 1142 of the Bankruptcy Code; and
12. To determine such other matters as may be set forth in the Confirmation Order or which may arise in connection with this Plan or the Confirmation Order.
13. To resolve any removal disputes regarding the Plan Trustee, including whether cause exists to remove the Plan Trustee.

If the Court abstains from exercising jurisdiction, declines to exercise jurisdiction, or is otherwise without jurisdiction over any matter arising out of or relating to this Case, this section shall not prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

**12.2 Modification of Plan:** Modifications of this Plan may be proposed in writing by the Plan Proponents at any time before Confirmation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Plan Proponents shall have complied with section 1125 of the Bankruptcy Code. The Plan may be modified at any time after Confirmation and before its substantial Consummation, provide that the Plan, as

modified, meets the requirements of Sections 1122 and 1123 of the Bankruptcy Code, and the Court after notice and hearing, confirms the Plan, as modified, under Section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. At any time after the Confirmation Date, the VPR Liquidation Trust, without the approval of the Court, may modify the Plan to remedy any defect or omission, or reconcile any such inconsistencies in the Plan or in the Confirmation Order, as such matters may be necessary to carry out the purposes, intent, and effect of this Plan, provided that such modification does not materially or adversely affect the interest of Creditors.

12.3 Deemed Acceptance to Modifications: A holder of a Claim that has accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

12.4 Revocation of Plan: The Plan Proponents reserve the right to revoke and withdraw this Plan before the entry of the Confirmation Order. If the Plan Proponents revoke or withdraw this Plan, or if confirmation of the Plan does not occur, then this Plan shall be deemed null and void and nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtor or any other Person, or to prejudice in any manner the rights of the Debtor or any Person in any further proceedings involving the Debtor.

### **ARTICLE 13 EFFECT OF CONFIRMATION**

13.1 Assignment of Assets: On the Effective Date, pursuant to Section 1141(b) and (c) of the Bankruptcy Code, the Debtors' interest in the Administrative Claims Reserve Cash and Disputed Sales Proceeds Cash and Causes of Action shall vest in Debtors, with such Administrative Claims Reserve Cash and Disputed Sales Proceeds Cash and Causes of Action to be assigned from the Debtors to the VPR Liquidation Trust. .

13.2 Binding Effect: On the Effective Date, the provisions of the Plan shall bind the Debtors, and the Plan Trustee. Additionally, the Plan shall bind holders of a Claim against any of the Debtors, and holders of an Equity Interest in any of the Debtor, and their respective successors and assigns, regardless of whether such holder is impaired under the Plan or whether such holder has accepted the Plan. A holder of a Claim that has accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, such Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection

13.3 Discharge of Claims: The rights afforded in the Plan, and the payments and distributions to be made under the Plan shall discharge all existing debts and Claims against the Debtors to the fullest extent permitted by Section 1141 of the Bankruptcy Code.

## ARTICLE 14 MISCELLANEOUS

14.1 Dissolution of the Committee: On the Effective Date, the Committee shall be released and discharged of and from all authority, duties, responsibilities, and obligations relating to and arising from and in connect with the Debtors' Chapter 11 Cases, and, except for the limited purpose of preparing and presenting its final application for the allowance and payment of Professional fees and reimbursement of expenses and the final resolution of same, the Committee shall be deemed dissolved.

14.2 Due Authorization by Creditors: Each and every Creditor who elects to participate in the distributions provided for herein warrants that it is authorized to accept the distributions provided for in this Plan in consideration of its Claim against the Debtor, and that there are no outstanding commitments, agreements, understandings, expressed or implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by it under this Plan.

14.3 Exculpation and Limitation of Liability: Except as otherwise provided in this Plan, neither the Committee, nor any of its attorneys, representatives, financial advisors, or agents, and their successors and assigns, as the case may be, shall have or incur any claim, obligation, Cause of Action, or liability to one another or to any holder of a Claim, or any other party in interest, or any of its respective agents, employees, representatives, financial advisors, attorneys or affiliates, or any of its successors or assigns, for any act or omission in connection with, or arising out of, the Debtors, the Case, negotiation and filing of the Plan, the pursuit of confirmation of the Plan, the Consummation of the Plan, the administration of the Plan or the property to be distributed under the Plan except for their willful misconduct, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

14.4 Courts of Competent Jurisdiction: If the Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of this Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

14.5 Governing Law: Except to the extent that the Bankruptcy Code or other federal law that may be applicable, provides otherwise, the rights, duties and obligations arising under this Plan shall be governed by and construed and enforced in accordance with the internal laws of the State of Texas without reference to the laws of other jurisdictions.

14.6 Privileged Communications; Work Product: For purpose of any proprietary, confidential, or privileged information, communication, or documents, the VPR Liquidation Trust shall succeed to the interest of the Debtors and the Bankruptcy Estates.

**ARTICLE 14**  
**MISCELLANEOUS**

14.1 Dissolution of the Committee: On the Effective Date, the Committee shall be released and discharged of and from all authority, duties, responsibilities, and obligations relating to and arising from and in connect with the Debtors' Chapter 11 Cases, and, except for the limited purpose of preparing and presenting its final application for the allowance and payment of Professional fees and reimbursement of expenses and the final resolution of same, the Committee shall be deemed dissolved.

14.2 Due Authorization by Creditors: Each and every Creditor who elects to participate in the distributions provided for herein warrants that it is authorized to accept the distributions provided for in this Plan in consideration of its Claim against the Debtor, and that there are no outstanding commitments, agreements, understandings, expressed or implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by it under this Plan.

14.3 Exculpation and Limitation of Liability: Except as otherwise provided in this Plan, neither the Committee, nor any of their attorneys, representatives, financial advisors, or agents, and their successors and assigns, as the case may be, shall have or incur any claim, obligation, Cause of Action, or liability to one another or to any holder of a Claim, or any other party in interest, or any of its respective agents, employees, representatives, financial advisors, attorneys or affiliates, or any of its successors or assigns, for any act or omission in connection with, or arising out of, the Debtors, the Case, negotiation and filing of the Plan, the pursuit of confirmation of the Plan, the Consummation of the Plan, the administration of the Plan or the property to be distributed under the Plan except for their willful misconduct, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

14.4 Courts of Competent Jurisdiction: If the Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of this Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

14.5 Governing Law: Except to the extent that the Bankruptcy Code or other federal law that may be applicable, provides otherwise, the rights, duties and obligations arising under this Plan shall be governed by and construed and enforced in accordance with the internal laws of the State of Texas without reference to the laws of other jurisdictions.

14.6 Privileged Communications; Work Product: For purpose of any proprietary, confidential, or privileged information, communication, or documents, the VPR Liquidation Trust shall succeed to the interest of the Debtors and the Bankruptcy Estates.

**IN THE UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION**

<b>In re:</b>  <b>VPR OPERATING, LLC <i>et al.</i>,</b>  <b>Debtors.</b>	§ § § § § §	<b>CASE NO. 13-10341-TMD</b> <b>CHAPTER 11</b>  <b>Jointly Administered</b>
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**DEFINITIONS FOR THE OFFICIAL CREDITORS’ COMMITTEE’S  
CHAPTER 11 PLAN OF LIQUIDATION**

1. “Administrative Claim” means any cost or expense of the administration of the Debtor’s Chapter 11 bankruptcy case incurred on or before the Effective Date entitled to priority under Section 507(a)(1) of the Bankruptcy Code and Allowed under Section 503(b) of the Bankruptcy Code, including allowances of compensation or reimbursement of expenses for Professionals to the extent Allowed by the Bankruptcy Court.

2. “Administrative Claims Reserve Cash” means with the consent of Delfinco, the amount of (1) funds advanced and/or otherwise provided to the Bankruptcy Estates for purposes of paying Allowed Administrative Claims; and (2) funds advanced and/or otherwise provided to the Bankruptcy Estates for purposes of paying reasonably anticipated costs to be incurred by the Plan Trustee.

3. “Administrative Claim Bar Date” means the first Business Day that is thirty (30) days after the Confirmation Order.

4. “Administrative Claim Objection Deadline” means thirty (30) days after the Administrative Claim Bar Date.

5. “Allowed” means a Claim (a) in respect to which a Proof Claim has been filed with the Court on or before the Bar Date, (b) scheduled by the Debtor in its Schedules (including any amendments) as being liquidated, not disputed, and not contingent, or (c) allowed pursuant to this Plan and with respect to (a) or (b) above, as to which no objection to the allowance has been filed within any applicable period of limitation fixed by Bankruptcy Rule 3003, an order of the Court, or this Plan, or which has been Allowed by Final Order. Unless otherwise specified in this Plan or by order of the Court, an Allowed Claim shall not, for purposes of computation or distributions under this Plan, include interest on such Claim from and after the August 26, 2012 petition date, and shall not include any penalty on such claim.

6. “Avoidance Action” means Causes of Action arising under Chapter 5 of the Bankruptcy Code, or under related state or federal statutes and common law, including, without

limitation, fraudulent transfer and fraudulent conveyance laws, whether or not litigation has commenced to prosecute such causes of actions.

7. “Ballot” means the form or forms distributed to each holder of an impaired Claim entitled to vote on the Plan on which the holder indicates acceptance or rejection of the Plan.

8. “Bankruptcy Code” means title 11 of the United States Code, as amended from time to time and applicable to the Chapter 11 Case.

9. “Bankruptcy Court” or “Court” means the United States Bankruptcy Court for the Southern District of Texas, Brownsville Division, or such other court as may have jurisdiction over the Chapter 11 Case.

10. “Bankruptcy Estates” means the Debtors’ bankruptcy estates created pursuant to Section 541 of the Bankruptcy Code.

11. “Bankruptcy Rule” means the Federal Rules of Bankruptcy Procedure, as amended and prescribed under 28 U.S.C. § 2075, applicable to the captioned Chapter 11 Case.

12. “Bar Date” means the date or dates fixed by the Bankruptcy Court or by this Plan by which Persons asserting a Claim against, or Equity Interest in, the Debtor (except Administrative Claims, Claims of Professionals, and Rejection Claims) are required to file a proof of claim, proof of equity interest, or a request for payment, or be forever barred from: (i) asserting a Claim against or Equity Interest in the Debtor or the Debtor’s property; (ii) voting on the Plan, and (iii) sharing in distributions under the Plan.

13. “Business Day” means any day other than a Saturday, Sunday, or legal holiday (as defined in Bankruptcy Rule 9006).

14. “Cash” means currency denominated in United States dollars, checks drawn on a bank insured by the Federal Deposit Insurance Corporation, certified checks, money orders, negotiable instruments, and wire transfers of immediately available funds.

15. “Causes of Action” means, without limitation, any and all actions, causes of action, liabilities, obligations, rights, suits, accounts, debts, sums of money, damages, judgments, claims and demands, actions, defenses, offsets, powers (excluding all police, regulatory, and enforcement powers and actions that may be taken), privileges, licenses, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims, whatsoever, whether known or unknown, suspected or unsuspected, whether arising prior to, on or after the Debtor’s August 26, 2013 petition date, in contract or tort, in law, equity or otherwise, whether or not reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, unsecured and whether asserted or assertable. For avoidance of doubt, Causes of Action include, but are in no way limited to: (i) Causes of Action preserved and/or reserved for the benefit of the Debtors’ Bankruptcy Estates by the Committee and its successor pursuant to the Court’s *Final Order* [Docket No. 232] regarding the Debtors’ use of cash collateral and

obtaining post-petition financing; (ii) rights of setoff, counterclaim, or recoupment, and claims on contracts or for breaches of duties imposed by law; (iii) claims pursuant to Section 362 of the Bankruptcy Code; (iv) claim objections, and usury; (v) Avoidance Actions; (vi) claims to or regarding the Disputed Sales Proceeds Cash; and (vii) all Causes of Action that may be directly or derivatively asserted on behalf of the Debtors or their the Bankruptcy Estates.

16. “Chapter 11 Case” or “Case” means the Debtors’ Chapter 11 bankruptcy case pending before the Bankruptcy Court.

17. “Claim” has the meaning assigned to such term by Section 101(5) of the Bankruptcy Code.

18. “Class” or “Classification” means the particular class designated in the Plan, pursuant to Section 1122 and Section 1129 of the Bankruptcy Code, into which the Claims of all Creditors have been segregated for purposes of voting and distributions.

19. “Committee” means Official Creditors’ Committee.

20. “Confirmation Hearing” means the hearing held by the Bankruptcy Court to consider confirmation of the Plan under Section 1129 of the Bankruptcy Code.

21. “Confirmation Order” means the order of the Bankruptcy Court confirming this Plan in accordance with the Bankruptcy Code. The Confirmation Order need not necessarily be a Final Order.

22. “Consummation” means the accomplishment of substantially all things contained or provided for in the Plan.

23. “Creditor” has the meaning assigned to such term by Section 101(1) of the Bankruptcy Code.

24. “Debtors” means VPR Operating, LLC; VPR Corp.; VPR (NM), LLC; and VPR (OK), LLC.

25. “Delfinco Compromise” means the compromise between the Committee and Delfinco LP approved by the Bankruptcy Court.

26. “Disallowed” or “Disallowance” means a Claim or any portion of a Claim that has been disallowed, overruled, withdrawn, or expunged by Final Order. The term “Disallowed,” when used to modify a reference in this Plan to any Claim, Equity Interest, Class of Claims, or Class of Equity Interests, means a Claim or Equity Interest (or any Claim or Equity Interest in any Class) that is so Disallowed.



27. “Disputed” means

- (i) A Claim, Interest, or Administrative Expense Claim that is subject to a pending objection;
- (ii) A claim for which a corresponding Claim has not been listed in the Debtor’s Schedules (including any amendments);
- (iii) A Claim listed in the Debtor’ Schedules with a differing amount, with a differing classification, or as unliquidated, disputed, or contingent; or
- (iv) A Claim which the Debtor in good faith believes is held by a holder (i) from which property is recoverable by under Sections 542, 543, 550 and/or 553 of the Bankruptcy Code or (ii) that is a transferee of an avoidable transfer under Sections 522(f), 522(h), 544, 545, 547, 548, 549 and/or 724(a) of the Bankruptcy Code, unless the holder has paid the amount or turned over any such property for which such holder is liable under Sections 522(i), 542, 543, 550, or 553 of the Bankruptcy Code.

28. “Disputed Sales Proceeds Cash” means the Cash proceeds from the Bankruptcy Court-approved sale of substantially all of the Debtors’ assets to COG Operating LLC and Stanlolind Oil and Gas LP in which Victory Park Capital alleges Claims and Liens on such Cash proceeds. As of February 10, 2014, the amount of the Disputed Sales Proceeds Cash is \$2,689,031.

29. “Distributable Litigation Proceeds” means the net Cash proceeds from the Trustee’s liquidation of the Causes of Action assigned to the VPR Liquidation Trust. Distributable Litigation Proceeds shall be calculated as follows: Cash recovered by the Trustee from the prosecution, compromise, or resolution of the Causes of Action assigned to the VPR Liquidation Trust minus reasonable fees incurred by the Trustee and the Trustee’s professionals (regardless of fees being hourly or contingent) regarding same, minus reasonable expenses incurred by the Trustee and the Trustee’s professionals regarding same. The Distributable Litigation Proceeds includes the Disputed Sales Proceeds Cash to the extent that the Subordination/Characterization Adversary is resolved in a manner that allows such Disputed Sales Proceeds Cash to be distributed to holders of Allowed Claims under the Plan.

30. “Effective Date” means the first Business Day that is fifteen (15) days after the Confirmation Order on which (a) no stay of the Confirmation Order is in effect; and (b) all conditions to effectiveness set forth in Plan have been satisfied or waived in accordance with the terms of this Plan.

31. “Equity Interest” means any equity interest in the Debtor represented by (i) any class or series of common or preferred stock, (ii) any member interest; (iii) any general or limited partnership interest issued before the Effective Date; or (iv) any warrants, options, or rights to purchase any common or preferred stock.

32. “Estate” or “Debtor’s Bankruptcy Estate” means the estate for the Debtor created in the Chapter 11 Case under Section 541 of the Bankruptcy Code.

33. “Executory Contract” or “Unexpired Lease” means any contract or agreement between the Debtor and any Person or entity pursuant to which a duty of performance remains on one or both sides.

34. “Final Order” means an order of a court:

- (i) To which the time to appeal, petition for writ of certiorari, or otherwise seek appellate review or to move for reargument, rehearing or reconsideration has expired and as to which no appeal, petition for writ of certiorari, or other appellate review, or proceedings for reargument, rehearing, or reconsideration shall then be pending;
- (ii) As to which any right to appeal, petition for certiorari, or move for reargument, rehearing, or reconsideration shall have been waived in writing by the party with such right; or
- (iii) In the event that an appeal, writ of certiorari, or other appellate review or reargument, rehearing, or reconsideration thereof has been sought, which shall have been affirmed by the highest court to which such order was appealed, from which writ of certiorari or other appellate review or reargument, rehearing, or reconsideration was sought, and as to which the time to take any further appeal, to petition for writ of certiorari, to otherwise seek appellate review, and to move for reargument, rehearing, or reconsideration shall have expired; provided, however, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure or under Section 1144 of the Bankruptcy Code, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not cause such order not to be a Final Order.

35. “Lien” has the meaning assigned by Section 101(37) of the Bankruptcy Code, except for a lien that has been avoided in accordance with Sections 544, 545, 546, 547, 548, or 549 of the Bankruptcy Code.

36. “Person” means any individual, corporation, partnership, limited liability company, limited liability partnership, joint venture, association, joint-stock company, trust, unincorporated association or organization, governmental agency or associated political subdivision.

37. “Plan” means this Plan, either in its present form or as it may be amended, supplemented, or modified from time to time in accordance with the terms of this Plan, including, except where the context otherwise requires, all attached exhibits.

38. “Professional” means a Person: (a) employed in the Chapter 11 Case in accordance with Sections 327, 328, 363, or 1103 of the Bankruptcy Code, and to be compensated for services under Sections 327, 328, 329, 330, and/or 331 of the Bankruptcy Code; or (b) for whom compensation and reimbursement has been Allowed by a Final Order under Section 503(b) of the Bankruptcy Code.

39. “Pro Rata” means a proportionate share, such that the ratio of the consideration distributed on account of an Allowed Claim or Equity Interest in a Class to the amount of such Allowed Claim or Equity Interest is the same as the ratio of the amount of the consideration distributed on account of all Allowed Claims or Equity Interests in that Class to the amount of all Allowed Claims or Equity Interests in that Class.

40. “Secured” means any Claim: (i) listed in the Debtor’s Schedules as a liquidated, non-contingent, and undisputed secured Claim or (ii) reflected in a proof of claim as a Secured Claim, secured by a Lien on collateral to the extent of the value of the collateral, as determined in accordance with Section 506(a) of the Bankruptcy Code, or, if the Claim is subject to setoff under Section 553 of the Bankruptcy Code, net of the setoff. The term “Secured,” when used to modify a reference in this Plan to any Claim or Class of Claims means a Claim (or any Claim in any Class) that is so Secured.

41. “Subordination/Characterization Adversary” means the adversary proceeding styled *Official Creditors’ Committee v. Victory Park Credit Opportunities, LP et al.*, Adversary No. 13-01106-TMD that is currently pending before the Bankruptcy Court.

42. “Plan Trustee” means Gregory S. Milligan, the Trustee of the VPR Liquidation Trust. For avoidance of any doubt, the Plan Trustee shall be and is the successor to the Committee with respect to any Cause of Action preserved and/or reserved for the benefit of the Debtors’ bankruptcy estates by the Committee and its successor pursuant to the Court’s *Final Order* [Docket No. 232] regarding the Debtors’ use of cash collateral and obtaining post-petition financing .

43. “Unsecured” means any Claim against the Debtor’s Bankruptcy Estate for which the holder has no security for the repayment thereof, and for which the holder is not entitled to any priority under the Bankruptcy Code. The term "Unsecured," when used to modify a reference in this Plan to any Claim or Class of Claims, means a Claim (or any Claim in any Class) that is so Unsecured.

44. “Victory Park Capital” means Victory Park Credit Opportunities, LP; Victory Park Credit Opportunities Master Fund I, LLC; Victory Park Credit Opportunities Fund, LP; and Victory Park Management, LLC, Victory Park Capital Advisors, LLC, Victory Park Capital Advisors, L.P., and their subsidiaries, affiliates, directors, officers, and employees.

## VPR Liquidation Trust Agreement

This VPR Liquidation Trust Agreement (the “VPR Liquidation Trust Agreement”), dated as of \_\_\_\_\_, 2014, by and among the Debtors, the Official Committee of Creditors (the “Committee”), and Gregory S. Milligan, as Plan Trustee, is executed in order to establish the VPR Liquidation Trust in connection with the Debtors’ Plan, including, without limitation, any supplement to such Plan and accompanying exhibits. Capitalized terms in this Liquidation Trust Agreement shall have the meanings ascribed to them in the Plan.

### RECITALS

WHEREAS, the Debtors filed petitions for relief under Chapter 11 of the Bankruptcy Code on March 29, 2013;

WHEREAS, the Debtors Bankruptcy Cases are currently jointly administered under *In re VPR Operating, LLC*, Case No. 13-10599-TMD;

WHEREAS, the Committee was appointed by the United States Trustee on April 15, 2013;

WHEREAS, on \_\_\_\_\_, 2014, the Bankruptcy Court entered the Confirmation Order approving the Plan;

WHEREAS, the VPR Liquidation Trust is created pursuant to the Plan;

WHEREAS, the Plan Trustee is the duly appointed as a representative of the Debtors’ bankruptcy estates pursuant to Section 1123(a)(5), (a)(7), and (b)(3)(B) of the Bankruptcy Code;

WHEREAS, the VPR Liquidation Trust is organized for the primary purpose of liquidating and distributing assets assigned to the VPR Liquidation Trust with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the VPR Liquidation Trust;

WHEREAS, the VPR Liquidation Trust is established for the benefit of the holders of Allowed Claims, and for the purpose of liquidating and distributing assets assigned to the VPR Liquidation Trust, including Causes of Action; and

WHEREAS, the VPR Liquidation Trust is intended to qualify as a liquidating trust within the meaning of Treasury Regulation Section 301.7701-4(d).

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained in this VPR Liquidation Trust Agreement, the Plan and the Confirmation Order, the Debtors, the Committee, and the Plan Trustee agree as follows:

**PLAN EXHIBIT 2**

ARTICLE 1  
ESTABLISHMENT OF THE VPR LIQUIDATION TRUST

1.1 Establishment of VPR Liquidation Trust and Appointment of the Plan Trustee.

(a) Pursuant to the this VPR Liquidation Trust Agreement, the Plan and the Confirmation Order, the Debtors and the Committee hereby establish the VPR Liquidation Trust on behalf of holders of Allowed Claims.

(b) The Plan Trustee is hereby appointed as trustee of the VPR Liquidation Trust effective as of the Effective Date. The Plan Trustee agrees to accept and hold the assets of the VPR Liquidation Trust in trust for the holders of Allowed Claims subject to the terms of this VPR Liquidation Trust Agreement, the Plan, and the Confirmation Order. The Plan Trustee and any successor trustee shall have all the rights, powers and duties set forth herein.

1.2 Assignment of Assets and Rights to the VPR Liquidation Trust.

(a) As of the Effective Date, Debtors hereby assign to the VPR Liquidation Trust, without recourse, all of their Bankruptcy Estates' respective rights, title, and interests in and to the Administrative Claims Reserve Cash, Disputed Sales Proceeds Cash, and their Causes of Action clear of any and all Liens, Claims, encumbrances, or interests of any kind in such property of any other Person or entity; provided, however, the alleged Claims and Liens of Victory Park Capital on the Disputed Sales Proceeds Cash shall remain in place except and until the Subordination/Characterization Adversary is finally resolved. Additionally, the Debtors hereby assign to the VPR Liquidation Trust, without waiver, all of their respective rights, title, and interests in and to any attorney-client privilege, work-product privilege, or other privilege or immunity attaching to any documents or communications (whether written or oral) associated with the Cash and Causes of Action (collectively, the "Privileges"), and the Privileges shall vest in the VPR Liquidation Trust, in trust, and, consistent with Sections 1123(a)(5)(B) and 1123(b)(3)(B) of the Bankruptcy Code, for the benefit of the holders of Allowed Claims.

(b) As of the Effective Date, the Plan Trustee shall be substituted as the real party-in-interest as to all litigation positions in the Subordination/Characterization Adversary..

(c) On or as promptly as practicable after the Effective Date, the Debtors and the Committee shall (i) deliver or cause to be delivered to VPR Liquidation Trust any and all documents in connection with the assignment of Administrative Claims Reserve Cash, Disputed Sales Proceeds Cash, and Causes of Action (including those maintained in electronic format and original documents) whether held by the Debtors, or their respective employees, agents, advisors, attorneys, accountants, or any other professionals and (ii) provide access to their agents, advisors, attorneys, accountants or any other professionals with knowledge of matters relevant to the assigned Administrative Claims Reserve Cash, Disputed Sales Proceeds Cash, and their Causes of Action.

(d) At any time and from time to time on and after the Effective Date, the Debtors agree (i) at the reasonable request of the Plan Trustee to execute and/or deliver any instruments,

**PLAN EXHIBIT 2**

documents, books, and records (including those maintained in electronic format), (ii) to take or cause to be taken, all such further actions as the Plan Trustee may reasonably request in order to evidence or effectuate the assignment of the Cash on hand, Causes of Action, and the Privileges to the Plan Trustee and (iii) to cooperate with the Plan Trustee in the prosecution of the assigned Causes of Action, including the Subordination/Characterization Adversary.

### 1.3 Title to Assets of the VPR Liquidation Trust.

The assignment of the Administrative Claims Reserve Cash, Disputed Sales Proceeds Cash, and Causes of Action to the VPR Liquidation Trust shall be made for the benefit of the holders of Allowed Claims. In this regard, the Administrative Claims Reserve Cash, Disputed Sales Proceeds Cash, and Causes of Action will be treated for federal income tax purposes as (i) assigned to the holders of Allowed Claims in partial satisfaction of Allowed Claims and (ii) immediately thereafter, assigned to the VPR Liquidation Trust in exchange for interests in the VPR Liquidation Trust. Upon the assignment of the Administrative Claims Reserve Cash, Disputed Sales Proceeds Cash, and Causes of Action, the VPR Liquidation Trust shall succeed to all of the right, title, and interest of the Administrative Claims Reserve Cash, Disputed Sales Proceeds Cash, and Causes of Action, and the Debtors will not have any further interest in or with respect to the assigned Administrative Claims Reserve Cash, Disputed Sales Proceeds Cash, and Causes of Action.

### 1.4 Nature and Purpose of the VPR Liquidation Trust.

(a) Purpose. The purpose of the VPR Liquidation Trust is to liquidate the assets assigned by the Debtors, their Bankruptcy Estates, and the Committee with no objective to continue or engage in the conduct of a trade or business, except to the extent reasonably necessary to preserve or enhance the liquidation value of the assigned assets.

(b) Actions of the Plan Trustee. The Plan Trustee shall: (i) in an expeditious but orderly manner, liquidate and convert to Cash the assets of the VPR Liquidation Trust and (ii) make timely distributions in accordance with the Plan. The Plan Trustee shall have the absolute right to pursue, settle, and compromise or not pursue any and all Causes of Action as the Plan Trustee determines is in the best interests of the holders of Allowed Claims.

(c) Relationship. This VPR Liquidation Trust Agreement is intended to create a trust and a trust relationship, and to be governed and construed in all respects as a trust. The VPR Liquidation Trust is not intended to be, and shall not be deemed to be or treated as, a general partnership, limited partnership, joint venture, corporation, joint stock company or association, nor shall the Plan Trustee or holders of Allowed Claims, or any of them, for any purpose be, or be deemed to be or treated in any way whatsoever to be, liable or responsible hereunder as partners or joint venturers. The relationship of the Plan Trustee and VPR Liquidation Trust to the holders of Allowed Claims shall be solely that of beneficiaries of a trust and shall not be deemed a principal or agency relationship, and the rights of the holders of Allowed Claims shall be limited to those conferred upon them by this VPR Liquidation Trust Agreement or the Plan.

1.5 Incorporation of the Plan and the Confirmation Order.

The Plan and the Confirmation Order are each hereby incorporated into this VPR Liquidation Trust Agreement and made a part hereof by this reference; provided, however, to the extent that there is conflict between the provisions of this VPR Liquidation Trust Agreement, the provisions of the Plan, and the provisions of the Confirmation Order, each such document shall have controlling effect in the following rank order: (1) the Confirmation Order; (2) the Plan; and (3) this VPR Liquidation Trust Agreement.

1.6 Initial Funding of the VPR Liquidation Trust.

On the Effective Date, the Debtors shall assign to the VPR Liquidation Trust the Administrative Claims Reserve Cash, Disputed Sales Proceeds Cash, and Causes of Action. The Plan Trustee shall hold in reserve Cash in an amount sufficient to pay in full all Allowed Administrative Claims.

1.7 Appointment as Representative.

Pursuant to Sections 1123(a)(5)(B) and 1123(b)(3) of the Bankruptcy Code, the Plan provides for the appointment of the Plan Trustee as the duly appointed representative of the Debtors' Bankruptcy Estates, and, as such, the Plan Trustee succeeds to all of the rights and powers of a trustee in bankruptcy with respect to the Causes of Action assigned to the VPR Liquidation Trust. Additionally, the Plan Trustee shall be substituted as the real party-in-interest in the Subordination/Characterization Adversary.

ARTICLE 2  
THE VPR LIQUIDATION TRUST

2.1 VPR Liquidation Trust Proceeds. All recoveries and proceeds from the Causes of Action assigned to the VPR Liquidating Trust shall be added to the assets of the VPR Liquidation Trust and held as a part thereof.

2.2 Payment of VPR Liquidation Trust Expenses.

(a) From and after the Effective Date, the Plan Trustee shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable professional fees and expenses incurred by VPR Liquidation Trust, including the Plan Trustee's fees and expenses, and any professionals retained by the VPR Liquidation Trust.

(b) Notwithstanding any other provision of this VPR Liquidation Trust Agreement to the contrary, the Plan Trustee shall not be required to take any action or enter into or maintain any claim, demand, action or proceeding relating to the VPR Liquidation Trust unless it shall have sufficient funds in the Litigation Expense Fund for that purpose.

## 2.3 Distributions.

The Plan Trustee shall distribute the Distributable Litigation Proceeds of the VPR Liquidation Trust to holders of Allowed Claims in accordance with the provisions of the Plan.

## 2.4 Tenure, Removal For Cause, and Replacement of the Plan Trustee.

(a) The Plan Trustee will serve until resignation and the appointment of a successor pursuant to subsection (b) below, removal for cause pursuant to subsection (c) below, or death (if applicable).

(b) The Plan Trustee may resign by giving not less than thirty (30) days prior written notice to holders of Allowed Claims. Such resignation will become effective on the later to occur of: (i) the day specified in such notice or (ii) the appointment of a successor trustee as provided herein and the acceptance by such successor trustee of such appointment. If a successor trustee is not appointed or does not accept its appointment within sixty (60) days following delivery of notice of resignation, the Plan Trustee may file a motion with the Bankruptcy Court for the appointment of a successor trustee. The Plan Trustee forfeits the compensation detailed in Section 3.13 herein in the event that the Plan Trustee resigns.

(c) The Plan Trustee may be removed for cause by the affirmative vote of the holders of a majority of Allowed Claims. The Plan Trustee may be removed for cause only for a (i) breach of fiduciary duty; (ii) fraud; (iii) gross negligence; or (iv) a knowing violation of the law. Such removal for cause shall become effective on the date action is taken by the holders of holders of Allowed Claims. The Bankruptcy Court shall retain exclusive jurisdiction regarding any removal disputes of the Plan Trustee, including whether cause exists to remove the Plan Trustee.

(d) In the event of the death (in the case the Plan Trustee is a natural person), dissolution (in the case the Plan Trustee is not a natural person), resignation pursuant to Section 3.5(b) hereof, incompetency, or removal for cause pursuant to Section 3.5(c) hereof, the holders Allowed Claims may appoint a successor trustee subject to Bankruptcy Court approval. Such appointment shall specify the date on which such appointment shall be effective.

(e) Immediately upon the appointment of any successor trustee, all rights, powers, duties, authority, and privileges of the predecessor trustee hereunder will be vested in and undertaken by the successor trustee without any further act. The successor trustee will not be liable personally for any act or omission of the predecessor trustee.

(f) Upon the appointment of a successor trustee, the processor trustee (or the duly appointed legal representative of a deceased trustee) shall, if applicable, execute and deliver an instrument or instruments conveying and assigning to such successor trustee all the estates, properties, rights, powers and trusts of such predecessor trustee, and shall duly assign, transfer, and deliver to such successor trustee all property and money held hereunder, and all other assets and documents relating to the VPR Liquidation Trust and its assets.



## 2.5 Acceptance of Appointment by Successor Trustee.

Any successor trustee appointed hereunder shall execute an instrument accepting such appointment and assuming all of the obligations of the predecessor trustee hereunder and thereupon the successor trustee shall, without any further act, become vested with all the estates, properties, rights, powers, trusts, and duties of its predecessor in the VPR Liquidation Trust hereunder with like effect as if originally named herein.

## 2.6 Role of the Plan Trustee.

In furtherance of and consistent with the purpose of the VPR Liquidation Trust and the Plan, the Plan Trustee, subject to the terms and conditions contained herein and in the Plan, shall have the power to (i) prosecute, compromise and settle, abandon or dismiss for the benefit of the holders of Allowed Claims all Claims, rights, and Causes of Action assigned to the VPR Liquidation Trust and (ii) otherwise perform the functions and take the actions provided or permitted in the Plan or in this VPR Liquidation Trust Agreement.

## 2.7 Authority of the Plan Trustee.

Subject to any limitations contained herein or in the Plan, the Plan Trustee shall have the following powers and authorities:

(a) Perform the duties, exercise the powers, and assert the rights of a trustee under Sections 704 and 1106 of the Bankruptcy Code, including, without limitation, commencing, prosecuting, or settling Causes of Action, enforcing contracts or asserting Claims, defenses, offsets and privileges;

(b) The Plan Trustee shall have the exclusive right, authority, and discretion to institute, prosecute, abandon, settle, compromise, or otherwise any and all Causes of Action assigned to the VPR Liquidation Trust. Additionally, the Plan Trustee, as the substituted real party-in-interest, shall have the exclusive right, authority, and discretion to prosecute the Subordination/Characterization Adversary;

(c) Retain legal counsel and other professionals on terms the Plan Trustee deems reasonable and appropriate;

(d) Pay legal counsel and other professionals reasonable compensation for services rendered and reasonable out-of-pocket expenses incurred by such legal counsel or professionals; and

(e) Take or refrain from taking any and all other actions that the Plan Trustee reasonably deems necessary or convenient for the continuation, protection, and maximization of the assets of the VPR Liquidation Trust.

2.8 Books and Records.

(a) The Plan Trustee shall maintain books and records relating to the assets of the VPR Liquidation Trust, proceeds arising from the liquidation of Causes of Action, and the payment of expenses of the VPR Liquidation Trust. Nothing in this VPR Liquidation Trust Agreement requires the Plan Trustee to file any accounting or seek approval of any court with respect to the administration of the VPR Liquidation Trust, or as a condition for managing any payment or distribution out of the assets of the VPR Liquidation Trust.

(b) The holders of Allowed Claims and their duly authorized representatives shall have the right, upon reasonable prior written notice to the Plan Trustee, to inspect and, at the sole expense of such holder of Allowed Claim seeking the same, make copies of the books and records relating to the VPR Liquidation Trust.

2.9 Compliance with Laws.

Any and all distributions of assets of the VPR Liquidation Trust shall be in compliance with applicable laws.

2.10 Compensation of the Plan Trustee.

With respect to the Plan Trustee's fees, the Plan Trustee shall be compensated by being paid a percentage of the gross recoveries of the VPR Liquidation Trust under the following schedule:

<b>Amount</b>	<b>Percentage to Plan Trustee</b>
\$0 to \$5,000	25%
\$5,000 to \$50,000	10%
\$50,000 and above	5%

2.11 Standard of Care; Exculpation.

Neither the Plan Trustee nor any of the Plan Trustee's duly designated agents, representatives, or professionals shall be liable for any act or omission taken or omitted to be taken by the Plan Trustee in good faith, other than acts or omissions resulting from the Plan Trustee's own gross negligence, recklessness, willful misconduct, or knowing violation of law. The Plan Trustee may, in connection with the performance of the duties herein, and in the Plan Trustee's sole and absolute discretion, consult with its attorneys, accountants, financial advisors and agents, and shall not be liable for any act taken, omitted to be taken, or suffered to be done in accordance with advice or opinions rendered by such Persons. Notwithstanding such authority, the Plan Trustee shall be under no obligation to consult with attorneys, accountants, financial advisors or agents, and the Plan Trustee's good faith determination not to consult with such Persons shall not result in the imposition of liability on the Plan Trustee, unless such determination is based on gross negligence, recklessness, willful misconduct, or knowing violation of law.

ARTICLE 3  
TAX MATTERS

3.1 Federal Income Tax Reporting.

- (a) The Plan Trustee shall file tax returns for the VPR Liquidation Trust.
- (b) The Plan Trustee shall annually send to each holder of an interest in the VPR Liquidation Trust a separate statement regarding the receipts and expenditures of the VPR Liquidation Trust.
- (c) The Plan Trustee shall make a good faith valuation of the assets assigned to the VPR Liquidation Trust. To the extent necessary for tax purposes, such valuation shall be made available to a holder of an interest in the VPR Liquidation Trust.
- (d) Allocations of taxable income or loss of the VPR Liquidation Trust shall be allocated by reference to the manner in which an economic gain or loss would be borne immediately after a hypothetical liquidating distribution of the assets of the VPR Liquidation Trust. The tax book value of the assets of the VPR Liquidation Trust shall equal their fair market value on the date of the assignment, adjusted in accordance with tax accounting principles prescribed by the Internal Revenue Code, applicable Treasury Regulations, and other applicable judicial or administrative authorities and pronouncements.
- (e) The Plan Trustee shall be responsible for payment, out of the assets of the VPR Liquidation Trust, of any taxes imposed on the VPR Liquidation Trust or its assets.

3.2 Allocations of VPR Liquidation Trust Taxable Income.

Allocations of VPR Liquidation Trust taxable income or loss shall be allocated by reference to the manner in which an economic gain or loss would be borne immediately after a hypothetical liquidating distribution of the remaining assets of the VPR Liquidation Trust. The tax book value of the assets of the VPR Liquidation Trust Assets for purpose of this paragraph shall equal their fair market value on the Effective Date, adjusted in accordance with tax accounting principles prescribed by the United States Internal Revenue Code, applicable Treasury Regulations and other applicable administrative and judicial authorities and pronouncements.

ARTICLE 4  
DISTRIBUTIONS

4.1 Annual Distribution; Withholding.

The Plan Trustee shall distribute at least annually to the holders of Allowed Claim the Distributable Litigation Proceeds, if any; provided, however, that the VPR Liquidation Trust may retain such amounts (i) as are reasonably necessary to maintain reserves for distributions to holders of Disputed Claims; (ii) as are reasonably necessary to meet contingent liabilities and to

maintain the value of the assets of the VPR Liquidation Trust during liquidation; and (iii) to pay or reserve for reasonable administrative expenses (including the costs and expenses of the VPR Liquidation Trust, and the fees of the Plan Trustee and professionals retained by the Plan Trustee).

#### 4.2 Manner of Payment or Distribution.

(a) All distributions made by the Plan Trustee to holders of Allowed Claims shall be payable in Cash.

(b) All distributions under holders of Allowed Claims shall be made at the address of such holder as set forth in the Trust Register or at the address set forth on the proof of claim filed for such Creditor, or if no proof of claim is filed, at the address set forth on the Debtors' Schedules.

### ARTICLE 5 INDEMNIFICATION

#### 5.1 Indemnification of the Plan Trustee.

To the fullest extent permitted by law, the VPR Liquidation Trust, to the extent of its assets legally available for that purpose, shall indemnify and hold harmless the Plan Trustee and the Plan Trustee's respective directors, members, shareholders, partners, officers, agents, employees, attorneys and other professionals (collectively, the "Indemnified Persons") from and against any and all losses, costs, damages, reasonable and documented out-of-pocket expenses (including, without limitation, fees and expenses of attorneys and other advisors and any court costs incurred by any Indemnified Person) or liability by reason of anything any Indemnified Person did, does, or refrains from doing for the business or affairs of the VPR Liquidation Trust, except to the extent that the loss, cost, damage, expense or liability resulted primarily from the Indemnified Person's recklessness, gross negligence, willful misconduct, or knowing violation of law. To the extent reasonable, the VPR Liquidation Trust shall pay in advance or reimburse reasonable and documented out-of-pocket expenses (including advancing reasonable costs of defense) incurred by the Indemnified Person who is or is threatened to be named or made a defendant or a respondent in a proceeding concerning the business and affairs of the VPR Liquidation Trust.

### ARTICLE 6 REPORTS TO VPR LIQUIDATION TRUST BENEFICIARIES

#### 6.1 Reports.

(a) The Plan Trustee shall prepare and deliver to holders of Allowed Claim annual financial statements of the VPR Liquidation Trust and an annual income tax report of the VPR Liquidation Trust.

(b) The Plan Trustee shall file with the Bankruptcy Court bi-annual (twice a year) financial reports of the VPR Liquidation Trust.

## ARTICLE 7 TERM; TERMINATION OF THE VPR LIQUIDATION TRUST

### 7.1 Term; Termination of the VPR Liquidation Trust.

(a) The VPR Liquidation Trust shall have an initial term of five (5) years. The Bankruptcy Court, upon motion by the Plan Trustee, may extend, for a fixed period, the term of the VPR Liquidation Trust if it is necessary to facilitate or complete the liquidation of the assets of the VPR Liquidation Trust. The Bankruptcy Court may approve multiple extensions of the term of the VPR Liquidation Trust.

(b) The VPR Liquidation Trust may be terminated earlier than its scheduled termination if the Plan Trustee has administered all assets of the VPR Liquidation Trust and performed all other duties required by the Plan and the VPR Liquidation Trust.

### 7.2 Continuance of Trust for Winding Up.

After the termination of the VPR Liquidation Trust and for the purpose of liquidating and winding up the affairs of the VPR Liquidation Trust, the Plan Trustee shall continue to act as such until the Plan Trustee's duties have been fully performed. Prior to the final distribution of all of the remaining assets of the VPR Liquidation Trust, the Plan Trustee shall be entitled to reserve from such assets any and all amounts required to pay the Plan Trustee's reasonable compensation and expenses, and the reasonable compensation of the Plan Trustee's legal counsel and other professionals reasonable compensation for services rendered and reasonable out-of-pocket expenses incurred by such legal counsel or professionals.

Upon termination of the VPR Liquidation Trust, the Plan Trustee shall retain for a period of one (1) year the books and records of the VPR Liquidation Trust. Except as otherwise specifically provided herein, the Plan Trustee shall have no further duties or obligations upon the termination of the VPR Liquidation Trust.

## ARTICLE 8 AMENDMENT AND WAIVER

### 8.1 Amendment and Waiver.

(a) The Plan Trustee may amend, supplement or waive any provision of this VPR Liquidation Trust Agreement, without notice to or the consent of holders of Allowed Claims or the approval of the Bankruptcy Court: (i) to cure any ambiguity, omission, defect, or inconsistency in this VPR Liquidation Trust Agreement provided that such amendments, supplements or waivers shall not adversely affect the distributions to be made under this VPR Liquidation Trust, or adversely affect the federal income tax status of the VPR Liquidation Trust as a "liquidating trust;" (ii) to comply with any requirements in connection with the federal

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income tax status of the VPR Liquidation Trust as a “liquidating trust;” and (iv) to evidence and provide for the acceptance of appointment hereunder by a successor trustee in accordance with the terms of this VPR Liquidation Trust Agreement and the Plan.

(b) Any substantive provision of this VPR Liquidation Trust Agreement may be amended or waived by the Plan Trustee, subject to the prior approval of the holders of the majority of Allowed Claims, with the approval of the Bankruptcy Court; provided, however, that no change may be made to this VPR Liquidation Trust Agreement that would adversely affect the distributions to be made under this VPR Liquidation Trust Agreement to holders of Allowed Claims, or adversely affect the federal income tax status of the VPR Liquidation Trust as a “liquidating trust.”

Notwithstanding this Section 8.1, any amendments to this VPR Liquidation Trust Agreement shall not be inconsistent with the purpose and intention of the VPR Liquidation Trust.

## ARTICLE 9 MISCELLANEOUS PROVISIONS

### 9.1 Intention of Parties to Establish the VPR Liquidation Trust.

This VPR Liquidation Trust Agreement is intended to create a liquidating trust for federal income tax purposes and, to the extent provided by law, shall be governed and construed in all respects as such a trust and any ambiguity herein shall be construed consistent herewith and, if necessary, this VPR Liquidation Trust Agreement may be amended in accordance with Section 8.1 herein to comply with such federal income tax laws, which amendments may apply retroactively.

### 9.2 Reimbursement of Litigation Costs.

If the Plan Trustee or the VPR Liquidation Trust, as the case may be, is the prevailing party in a dispute regarding the provisions of this VPR Liquidation Trust Agreement or the enforcement thereof, the Plan Trustee or the VPR Liquidation Trust, as the case may be, shall be entitled to collect any and all costs, reasonable and documented out-of-pocket expenses and fees, including attorneys’ fees, from the non-prevailing party incurred in connection with such dispute or enforcement action. To the extent that the VPR Liquidation Trust has advanced such amounts, the VPR Liquidation Trust may recover such amounts from the non-prevailing party.

### 9.3 Laws as to Construction.

This VPR Liquidation Trust Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to whether any conflicts of law would require the application of the law of another jurisdiction.

#### 9.4 Jurisdiction.

Without limiting any Person or entity's right to appeal any order of the Bankruptcy Court or to seek withdrawal of the reference with regard to any matter, (i) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the terms of this VPR Liquidation Trust Agreement and to decide any Claims or disputes which may arise or result from, or be connected with, this VPR Liquidation Trust Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (ii) any and all actions related to the foregoing shall be filed and maintained only in the Bankruptcy Court, and the parties, including the holders of Allowed Claims, shall consent to and submit to the jurisdiction and venue of the Bankruptcy Court.

#### 9.5 Severability.

If any provision of this VPR Liquidation Trust Agreement or the application thereof to any Person or circumstance shall be finally determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this VPR Liquidation Trust Agreement, or the application of such provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and such provision of this VPR Liquidation Trust Agreement shall be valid and enforced to the fullest extent permitted by law.

#### 9.6 Notices.

All notices, requests or other communications to the parties hereto shall be in writing and shall be sufficiently given only if (i) delivered in person; (ii) sent by electronic mail or facsimile communication (as evidenced by a confirmed fax transmission report); (iii) sent by registered or certified mail, return receipt requested; or (iv) sent by commercial delivery service or courier. Until a change of address is communicated, as provided below, all notices, requests and other communications shall be sent to the parties at the following addresses or facsimile numbers:

To the Plan Trustee:

Gregory S. Milligan, Plan Trustee  
Frost Bank Tower  
401 Congress, Suite 1540  
Austin, Texas 78701

#### 9.7 Fiscal Year.

The fiscal year of the VPR Liquidation Trust will begin on the first day of January and end on the last day of December of each year.

#### 9.8 Headings.

The section headings contained in this VPR Liquidation Trust Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Litigation Trust Agreement or of any term or provision hereof.

9.9 Counterparts.

This VPR Liquidation Trust Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original instrument, but all together shall constitute one agreement.

9.10 Confidentiality.

The Plan Trustee and each successor trustee (each a “Covered Person”) shall, during the period that they serve in such capacity under this VPR Liquidation Trust Agreement and following either the termination of this VPR Liquidation Trust Agreement or such individual’s removal for cause, incapacity, or resignation hereunder, hold strictly confidential and not use for personal gain any material, non-public information of or pertaining to the VPR Liquidation Trust. In the event that any Covered Person is requested or required by oral questions, interrogatories, requests for information or documents, subpoena, civil investigation, demand or similar legal process to disclose any material, nonpublic information, such Covered Person will exercise all reasonable efforts to obtain reliable assurance that confidential treatment will be accorded the material, non-public information.

9.11 Entire Agreement.

This VPR Liquidation Trust Agreement (including the Recitals), the Plan, and the Confirmation Order constitute the entire agreement by and among the parties hereto with respect to the subject matter hereof, and there are no representations, warranties, covenants or obligations except as set forth herein or therein. This VPR Liquidation Trust Agreement, the Plan and the Confirmation Order supersede all prior and contemporaneous agreements, understandings, negotiations, discussions, written or oral, of the parties hereto, relating to any transaction contemplated hereunder. Except as otherwise specifically provided herein, in the Plan or in the Confirmation Order, nothing in this VPR Liquidation Trust Agreement is intended or shall be construed to confer upon or to give any person other than the parties thereto and their respective heirs, administrators, executors, successors, or assigns any right to remedies under or by reason of this VPR Liquidation Trust Agreement.

IN WITNESS WHEREOF, the parties hereto executed and acknowledged this VPR Liquidation Trust Agreement by their duly authorized officers.

[SIGNATURE PAGE TO FOLLOW]



VPR Operating, LLC

By: \_\_\_\_\_

Title: Chief Restructuring Officer

- and -

VPR Corp.

By: \_\_\_\_\_

Title: Chief Restructuring Officer

- and -

VPR (NM), LLC

By: \_\_\_\_\_

Title: Chief Restructuring Officer

- and -

VPR (OK), LLC

By: \_\_\_\_\_

- and -

Title: Chief Restructuring Officer

- and -

The Official Creditors' Committee

By: \_\_\_\_\_  
Pinpoint Drilling and Directional Services, LLC

By: \_\_\_\_\_  
Title:

Title: Chair of the Official Creditor's Committee

Plan Trustee of the VPR Liquidation Trust

By: \_\_\_\_\_  
Gregory S. Milligan,

**STATEMENT OF FINANCIAL AFFAIRS**  
**EXHIBIT S-3b**  
**PAYMENTS TO CREDITORS - NOT PRIMARILY CONSUMER DEBTS - WITHIN 90 DAYS**

NAME OF CREDITOR	ADDRESS	PAYMENT METHOD	CHECK NUMBER / PAYMENT IDENTIFIER	DATE	AMOUNT	AMOUNT STILL OWING (IF APPLICABLE)
1406 Investors Ltd	1406 Camp Craft Rd Suite 222, Austin, TX 78746		2691	01/04/13	\$ 2,526.57	\$0.00
1406 Investors Ltd	1406 Camp Craft Rd Suite 222, Austin, TX 78746		2829	02/01/13	\$ 2,526.57	\$0.00
1406 Investors Ltd	1406 Camp Craft Rd Suite 222, Austin, TX 78746		2849	02/01/13	\$ 2,526.57	\$0.00
1406 Investors Ltd	1406 Camp Craft Rd Suite 222, Austin, TX 78746		2869	02/01/13	\$ 2,526.57	\$0.00
1406 Investors Ltd	1406 Camp Craft Rd Suite 222, Austin, TX 78746		2889	02/01/13	\$ 2,526.57	\$0.00
1406 Investors Ltd	1406 Camp Craft Rd Suite 222, Austin, TX 78746		2908	02/01/13	\$ 2,526.57	\$0.00
1406 Investors Ltd	1406 Camp Craft Rd Suite 222, Austin, TX 78746		3073	02/28/13	\$ 2,526.57	\$0.00
ADL ENTERPRISES LLC	807 West 10th Street, Roswell, NM 88201		2918	02/05/13	\$ 13,038.99	\$0.00
ADL ENTERPRISES LLC	807 West 10th Street, Roswell, NM 88201		2955	02/15/13	\$ 19,633.33	\$0.00
ADL ENTERPRISES LLC	807 West 10th Street, Roswell, NM 88201		2985	02/15/13	\$ 19,633.33	\$0.00
ADL ENTERPRISES LLC	807 West 10th Street, Roswell, NM 88201		3012	02/15/13	\$ 19,633.33	\$0.00
ADL ENTERPRISES LLC	807 West 10th Street, Roswell, NM 88201		3043	02/21/13	\$ 6,277.53	\$0.00
ADL ENTERPRISES LLC	807 West 10th Street, Roswell, NM 88201		3094	03/07/13	\$ 4,526.03	\$0.00
ADL ENTERPRISES LLC	807 West 10th Street, Roswell, NM 88201		3160	03/26/13	\$ 8,387.89	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	3/8/2013	\$90.61	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	03/14/2013	\$10,168.04	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	03/14/2013	\$5,172.66	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	3/22/2013	\$90.61	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	3/28/2013	\$10,119.59	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	3/28/2013	\$5,060.61	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	2/8/2013	\$90.61	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	2/14/2013	\$10,123.47	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	2/14/2013	\$5,207.17	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	2/22/2013	\$90.61	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	2/27/2013	\$9,807.81	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	2/27/2013	\$5,027.27	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	1/14/2013	\$10,107.30	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	1/14/2013	\$5,576.10	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	1/22/2013	\$89.19	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	1/25/2013	\$90.61	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	1/30/2013	\$8,313.15	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	1/30/2013	\$5,388.01	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	1/31/2013	\$2,075.41	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	12/28/2012	\$10,543.42	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	12/28/2012	\$3,873.38	\$0.00
ADP	PO BOX 9001006, LOUISVILLE, KY 40290	Bank Draft	n/a	12/28/2012	\$90.61	\$0.00
AMERICAN PRODUCTION SERVICES	PO Box 12874, Odessa, TX 12874		2682	01/04/13	\$ 3,500.00	\$0.00
AMERICAN PRODUCTION SERVICES	PO Box 12874, Odessa, TX 12874		2728	01/11/13	\$ 3,500.00	\$0.00
AMERICAN PRODUCTION SERVICES	PO Box 12874, Odessa, TX 12874		2756	01/18/13	\$ 3,500.00	\$0.00
AMERICAN PRODUCTION SERVICES	PO Box 12874, Odessa, TX 12874		2776	01/24/13	\$ 3,500.00	\$0.00
AMERICAN PRODUCTION SERVICES	PO Box 12874, Odessa, TX 12874		2921	02/07/13	\$ 3,500.00	\$0.00
ANDY LORD	630 W. Sockwell Street, Hobbs, NM 88242		2794	01/24/13	\$ 5,580.00	\$0.00
ANDY LORD	630 W. Sockwell Street, Hobbs, NM 88242		2969	02/15/13	\$ 5,580.00	\$0.00
ANDY LORD	630 W. Sockwell Street, Hobbs, NM 88242		2999	02/15/13	\$ 5,580.00	\$0.00
ANDY LORD	630 W. Sockwell Street, Hobbs, NM 88242		3026	02/15/13	\$ 5,580.00	\$0.00

NAME OF CREDITOR	ADDRESS	PAYMENT MEHTOD	CHECK NUMBER / PAYMENT IDENTIFIER	DATE	AMOUNT	AMOUNT STILL OWING (IF APPLICABLE)
ANDY LORD	630 W. Sockwell Street, Hobbs, NM 88242		3152	03/20/13	\$ 5,580.00	\$0.00
AT&T	PO Box 5001, Carol Stream, IL	Debit Card	n/a	3/18/2013	\$25.19	\$0.00
AT&T	PO Box 5001, Carol Stream, IL	Debit Card	n/a	2/14/2013	\$25.19	\$0.00
AT&T	PO Box 5001, Carol Stream, IL	Debit Card	n/a	1/15/2013	\$25.19	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		2683	01/04/13	\$ 1,635.00	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		2729	01/11/13	\$ 1,635.00	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		2758	01/18/13	\$ 1,635.00	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		2778	01/24/13	\$ 1,635.00	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		2820	02/01/13	\$ 1,635.00	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		2840	02/01/13	\$ 1,635.00	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		2860	02/01/13	\$ 4,648.11	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		2880	02/01/13	\$ 1,635.00	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		2899	02/01/13	\$ 1,635.00	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		2923	02/07/13	\$ 1,635.00	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		2957	02/15/13	\$ 1,635.00	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		2987	02/15/13	\$ 2,326.39	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		3014	02/15/13	\$ 1,635.00	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		3044	02/21/13	\$ 1,635.00	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		3067	02/28/13	\$ 1,635.00	\$0.00
B&R Pump & Equipment, Inc.	4001 s High, Oklahoma City, OK 73129		3095	03/07/13	\$ 1,635.00	\$0.00
B&R Pump & Equipment, Inc.	4001 S High, Oklahoma City, OK 73129		3121	03/14/13	\$ 1,635.00	\$0.00
Blue Cross Blue Shield	901 S. Central Expressway, Richardson, TX 75080		2730	01/11/13	\$ 4,231.84	\$0.00
Blue Cross Blue Shield	901 S. Central Expressway, Richardson, TX 75080		2822	02/01/13	\$ 2,609.36	\$0.00
Blue Cross Blue Shield	901 S. Central Expressway, Richardson, TX 75080		2842	02/01/13	\$ 2,609.36	\$0.00
Blue Cross Blue Shield	901 S. Central Expressway, Richardson, TX 75080		2862	02/01/13	\$ 2,609.36	\$0.00
Blue Cross Blue Shield	901 S. Central Expressway, Richardson, TX 75080		2882	02/01/13	\$ 2,609.36	\$0.00
Blue Cross Blue Shield	901 S. Central Expressway, Richardson, TX 75080		2901	02/01/13	\$ 2,609.36	\$0.00
Blue Cross Blue Shield	901 S. Central Expressway, Richardson, TX 75080		3045	02/21/13	\$ 3,420.60	\$0.00
Blue Cross Blue Shield	901 S. Central Expressway, Richardson, TX 75080		3162	03/28/13	\$ 3,420.60	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		2685	01/04/13	\$ 960.00	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		2732	01/11/13	\$ 960.00	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		2760	01/18/13	\$ 960.00	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		2781	01/24/13	\$ 960.00	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		2824	02/01/13	\$ 960.00	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		2844	02/01/13	\$ 960.00	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		2864	02/01/13	\$ 3,816.11	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		2884	02/01/13	\$ 960.00	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		2903	02/01/13	\$ 960.00	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		2919	02/05/13	\$ 680.00	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		2925	02/07/13	\$ 960.00	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		2960	02/15/13	\$ 960.00	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		2990	02/15/13	\$ 1,896.11	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		3017	02/15/13	\$ 960.00	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		3047	02/21/13	\$ 960.00	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		3068	02/28/13	\$ 960.00	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		3096	03/07/13	\$ 960.00	\$0.00
Bruce Jones's Oilfield Service	PO Box 614, Lindsay, OK 73052		3123	03/14/13	\$ 960.00	\$0.00

**PLAN EXHIBIT 3**

NAME OF CREDITOR	ADDRESS	PAYMENT MEHTOD	CHECK NUMBER / PAYMENT IDENTIFIER	DATE	AMOUNT	AMOUNT STILL OWING (IF APPLICABLE)
Bruno & Marshall Investments	PO Box 590, Midland, TX 79702	Check	5460	01/04/13	\$ 1,891.48	\$0.00
Bruno & Marshall Investments	PO Box 590, Midland, TX 79702	Check	5521	02/04/13	\$ 3,607.79	\$0.00
Bruno & Marshall Investments	PO Box 590, Midland, TX 79702	Check	5689	03/05/13	\$ 1,306.23	\$0.00
Cawley, Gillespie & Associates	306 W. 7th Street Suite 302. Forth Worth, TX 76102		2686	01/04/13	\$ 1,750.00	\$0.00
Cawley, Gillespie & Associates	306 W. 7th Street Suite 302. Forth Worth, TX 76102		2733	01/11/13	\$ 1,750.00	\$0.00
Cawley, Gillespie & Associates	306 W. 7th Street Suite 302. Forth Worth, TX 76102		2782	01/24/13	\$ 1,750.00	\$0.00
Cawley, Gillespie & Associates	306 W. 7th Street Suite 302. Forth Worth, TX 76102		2825	02/01/13	\$ 1,750.00	\$0.00
Cawley, Gillespie & Associates	306 W. 7th Street Suite 302. Forth Worth, TX 76102		2845	02/01/13	\$ 1,750.00	\$0.00
Cawley, Gillespie & Associates	306 W. 7th Street Suite 302. Forth Worth, TX 76102		2865	02/01/13	\$ 14,420.71	\$0.00
Cawley, Gillespie & Associates	306 W. 7th Street Suite 302. Forth Worth, TX 76102		2885	02/01/13	\$ 1,750.00	\$0.00
Cawley, Gillespie & Associates	306 W. 7th Street Suite 302. Forth Worth, TX 76102		2904	02/01/13	\$ 1,750.00	\$0.00
Cawley, Gillespie & Associates	306 W. 7th Street Suite 302. Forth Worth, TX 76102		3159	03/25/13	\$ 14,045.71	\$0.00
CHEVRON GAS STATION, ELLINGER, TX	N/A	Debit Card	n/a	1/31/2013	\$25.48	\$0.00
C-N-M Electric	PO Box 903, Lovington, NM 88260		2687	01/04/13	\$ 4,964.33	\$0.00
C-N-M Electric	PO Box 903, Lovington, NM 88260		2734	01/11/13	\$ 1,450.00	\$0.00
C-N-M Electric	PO Box 903, Lovington, NM 88260		2761	01/18/13	\$ 1,450.00	\$0.00
C-N-M Electric	PO Box 903, Lovington, NM 88260		2783	01/24/13	\$ 1,450.00	\$0.00
C-N-M Electric	PO Box 903, Lovington, NM 88260		2926	02/07/13	\$ 1,450.00	\$0.00
Cogburn Pipe & Supply Inc	PO Box 707, Tatum, NM 88267		3120	03/12/13	\$ 10,966.73	\$0.00
CREDO ENERGY SERVICES, LLC	4008 N. Grimes Street PMB 269, Hobbs, NM 88240		3070	02/28/13	\$ 5,459.18	\$0.00
CREDO ENERGY SERVICES, LLC	4008 N. Grimes Street PMB 269, Hobbs, NM 88240		3097	03/07/13	\$ 13,868.79	\$0.00
Dale Hale	PO Box 894, Tatum, NM 88267		2789	01/24/13	\$ 7,156.44	\$0.00
Dale Hale	PO Box 894, Tatum, NM 88267		2965	02/15/13	\$ 7,156.44	\$0.00
Dale Hale	PO Box 894, Tatum, NM 88267		2995	02/15/13	\$ 7,156.44	\$0.00
Dale Hale	PO Box 894, Tatum, NM 88267		3022	02/15/13	\$ 7,156.44	\$0.00
Dale Hale	PO Box 894, Tatum, NM 88267		3130	03/14/13	\$ 7,156.44	\$0.00
Danny's Hot Oil Service Inc	PO Box 682, Tatum, NM 88267		3092	02/28/13	\$ 2,037.96	\$0.00
Danny's Hot Oil Service Inc	PO Box 682, Tatum, NM 88267		3126	03/14/13	\$ 2,487.65	\$0.00
Danny's Hot Oil Service Inc	PO Box 682, Tatum, NM 88267		3146	03/20/13	\$ 3,736.26	\$0.00
Department of the Interior Office of Natural Resources Revenue	620 W. Greene St., Carlsbad, NM 88220	Wire	130205089870	1/18/2013	\$4,761.95	\$0.00
Department of the Interior Office of Natural Resources Revenue	620 W. Greene St., Carlsbad, NM 88220	Wire	13013111244412	2/5/2013	\$5,340.65	\$0.00
F&F Tool Company	PO Box 1466, Seminole, OK 74818		2727	01/07/13	\$ 19,455.00	\$0.00
Floos, Inc.	PO Box 2769, Hobbs, NM 88241	Check	5473	01/04/13	\$ 3,095.79	\$0.00
Floos, Inc.		Check	5552	02/04/13	\$ 2,069.52	\$0.00
Floos, Inc.	PO Box 2769, Hobbs, NM 88241	Check	5677	02/20/13	\$ 2,069.52	\$0.00
Floos, Inc.	PO Box 2769, Hobbs, NM 88241	Check	5706	03/05/13	\$ 1,527.15	\$0.00
FLOWERS TO GO.COM	N/A	Debit Card	n/a	1/22/2013	\$85.30	\$0.00
FOX TANK COMPANY	PO Box 2260, Albany, TX 76430		2763	01/18/13	\$ 4,462.50	\$0.00
Gardere Wynne Sewell LLP	PO Box 660256, Dallas, TX 75266		2692	01/04/13	\$ 10,000.00	\$0.00
Gardere Wynne Sewell LLP	PO Box 660256, Dallas, TX 75266		2787	01/24/13	\$ 10,000.00	\$0.00
Gardere Wynne Sewell LLP	PO Box 660256, Dallas, TX 75266		2931	02/07/13	\$ 10,000.00	\$0.00
Haarmeyer Electric, Inc.	PO Box 478, Lovington, NM 88260		2737	01/11/13	\$ 3,171.00	\$0.00
Haarmeyer Electric, Inc.	PO Box 478, Lovington, NM 88260		2764	01/18/13	\$ 1,585.45	\$0.00
Haarmeyer Electric, Inc.	PO Box 478, Lovington, NM 88260		2788	01/24/13	\$ 1,585.45	\$0.00
Imperial Credit Corporation	PO Box 200455, Dallas, TX 75320		2793	01/24/13	\$ 3,941.16	\$0.00
Imperial Credit Corporation	PO Box 200455, Dallas, TX 75320		2968	02/15/13	\$ 3,941.16	\$0.00
Imperial Credit Corporation	PO Box 200455, Dallas, TX 75320		2998	02/15/13	\$ 3,941.16	\$0.00
Imperial Credit Corporation	PO Box 200455, Dallas, TX 75320		3025	02/15/13	\$ 3,941.16	\$0.00
JIM SOUTHERLAND	PO Box 686, Lone Grove, OK 73443		3083	02/28/13	\$ 3,300.00	\$0.00
JIM SOUTHERLAND	PO Box 686, Lone Grove, OK 73443		3136	03/14/13	\$ 3,300.00	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		2716	01/04/13	\$ 500.00	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		2748	01/11/13	\$ 500.00	\$0.00

PLAN EXHIBIT 3

NAME OF CREDITOR	ADDRESS	PAYMENT MEHTOD	CHECK NUMBER / PAYMENT IDENTIFIER	DATE	AMOUNT	AMOUNT STILL OWING (IF APPLICABLE)
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		2771	01/18/13	\$ 500.00	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		2807	01/24/13	\$ 500.00	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		2835	02/01/13	\$ 1,500.00	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		2855	02/01/13	\$ 1,500.00	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		2875	02/01/13	\$ 3,656.25	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		2895	02/01/13	\$ 1,500.00	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		2913	02/01/13	\$ 1,500.00	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		2943	02/07/13	\$ 500.00	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		2976	02/15/13	\$ 500.00	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		3006	02/15/13	\$ 1,656.25	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		3033	02/15/13	\$ 500.00	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		3060	02/21/13	\$ 500.00	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		3087	02/28/13	\$ 500.00	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		3107	03/07/13	\$ 500.00	\$0.00
JOHN L. THOMA	PO Box 17656, Golden, CO 80402		3139	03/14/13	\$ 500.00	\$0.00
KELLY, MORGAN, DENNIS, CORZINE & HANSEN, P.C.	4001 East 42nd Street, Suite 200, Odessa, TX 79762		2815	01/29/13	\$ 2,500.00	\$0.00
KELLY, MORGAN, DENNIS, CORZINE & HANSEN, P.C.	4001 East 42nd Street, Suite 200, Odessa, TX 79762		2819	01/29/13	\$ 2,500.00	\$0.00
KELLY, MORGAN, DENNIS, CORZINE & HANSEN, P.C.	4001 East 42nd Street, Suite 200, Odessa, TX 79762		3099	03/07/13	\$ 14,855.40	\$0.00
KELLY, MORGAN, DENNIS, CORZINE & HANSEN, P.C.	4001 East 42nd Street, Suite 200, Odessa, TX 79762		990318	03/18/13	\$ 2,035.00	\$0.00
Lea County Electric Coop.	1300 W Ave D, Lovington, NM 88260		2739	01/11/13	\$ 8,063.56	\$0.00
Lea County Electric Coop.	1300 W Ave D, Lovington, NM 88260		2934	02/07/13	\$ 7,555.36	\$0.00
Lea County Electric Coop.	1300 W Ave D, Lovington, NM 88260		3100	03/07/13	\$ 6,745.59	\$0.00
Liberty Maintenance	PO Box 846, Tatum, NM 88267		2696	01/04/13	\$ 5,520.46	\$0.00
Liberty Maintenance	PO Box 846, Tatum, NM 88267		3133	03/14/13	\$ 5,335.82	\$0.00
Magma Resources, LLC	PO Box 237, Paoli, OK 73074		2697	01/04/13	\$ 1,000.00	\$0.00
Magma Resources, LLC	PO Box 237, Paoli, OK 73074		2740	01/11/13	\$ 1,000.00	\$0.00
Magma Resources, LLC	PO Box 237, Paoli, OK 73074		2765	01/18/13	\$ 1,000.00	\$0.00
Magma Resources, LLC	PO Box 237, Paoli, OK 73074		2795	01/24/13	\$ 1,000.00	\$0.00
Magma Resources, LLC	PO Box 237, Paoli, OK 73074		2830	02/01/13	\$ 1,000.00	\$0.00
Magma Resources, LLC	PO Box 237, Paoli, OK 73074		2850	02/01/13	\$ 1,000.00	\$0.00
Magma Resources, LLC	PO Box 237, Paoli, OK 73074		2870	02/01/13	\$ 2,000.00	\$0.00
Magma Resources, LLC	PO Box 237, Paoli, OK 73074		2890	02/01/13	\$ 1,000.00	\$0.00
Magma Resources, LLC	PO Box 237, Paoli, OK 73074		2909	02/01/13	\$ 1,000.00	\$0.00
Magma Resources, LLC	PO Box 237, Paoli, OK 73074		2935	02/07/13	\$ 1,000.00	\$0.00
Magma Resources, LLC	PO Box 237, Paoli, OK 73074		2970	02/15/13	\$ 1,000.00	\$0.00
Magma Resources, LLC	PO Box 237, Paoli, OK 73074		3000	02/15/13	\$ 1,675.00	\$0.00
Magma Resources, LLC	PO Box 237, Paoli, OK 73074		3027	02/15/13	\$ 1,000.00	\$0.00
Magma Resources, LLC	PO Box 237, Paoli, OK 73074		3052	02/21/13	\$ 675.00	\$0.00
Mary Wiley Faxel		Check	5547	02/04/13	\$ 4,105.48	\$0.00
Mary Wiley Faxel	777 Taylor Street #1030, Fort Worth, TX 76102	Check	5676	02/20/13	\$ 4,105.48	\$0.00
Mary Wiley Faxel	777 Taylor Street #1030, Fort Worth, TX 76102	Check	5701	03/05/13	\$ 2,229.85	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		2698	01/04/13	\$ 1,090.00	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		2741	01/11/13	\$ 1,090.00	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		2766	01/18/13	\$ 1,090.00	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		2796	01/24/13	\$ 1,090.00	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		2831	02/01/13	\$ 1,090.00	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		2851	02/01/13	\$ 1,090.00	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		2871	02/01/13	\$ 6,383.80	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		2891	02/01/13	\$ 1,090.00	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		2910	02/01/13	\$ 1,090.00	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		2936	02/07/13	\$ 1,090.00	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		2971	02/15/13	\$ 1,090.00	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		3001	02/15/13	\$ 4,203.80	\$0.00

NAME OF CREDITOR	ADDRESS	PAYMENT MEHTOD	CHECK NUMBER / PAYMENT IDENTIFIER	DATE	AMOUNT	AMOUNT STILL OWING (IF APPLICABLE)
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		3028	02/15/13	\$ 1,090.00	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		3053	02/21/13	\$ 1,090.00	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		3074	02/28/13	\$ 1,090.00	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		3101	03/07/13	\$ 1,090.00	\$0.00
Maxey Engineering, LLC	PO Box 1361, Roswell, NM 88202		3134	03/14/13	\$ 1,090.00	\$0.00
MGM Oil & Gas Company	PO BOX 891, Midland, TX 79702	Check	5486	01/04/13	\$ 4,823.90	\$0.00
MGM Oil & Gas Company	PO BOX 891, Midland, TX 79702	Check	5600	02/04/13	\$ 694.74	\$0.00
MGM Oil & Gas Company	PO BOX 891, Midland, TX 79702	Check	5732	03/05/13	\$ 440.34	\$0.00
Michael Harton	PO Box 415, Tatum, NM 88267		2790	01/24/13	\$ 2,656.76	\$0.00
Michael Harton	PO Box 415, Tatum, NM 88267		2966	02/15/13	\$ 2,632.70	\$0.00
Michael Harton	PO Box 415, Tatum, NM 88267		2996	02/15/13	\$ 2,632.70	\$0.00
Michael Harton	PO Box 415, Tatum, NM 88267		3023	02/15/13	\$ 2,632.70	\$0.00
Michael Harton	PO Box 415, Tatum, NM 88267		3131	03/14/13	\$ 1,500.00	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		2703	01/04/13	\$ 1,200.00	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		2742	01/11/13	\$ 1,200.00	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		2767	01/18/13	\$ 1,200.00	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		2798	01/24/13	\$ 1,200.00	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		2832	02/01/13	\$ 1,200.00	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		2852	02/01/13	\$ 1,200.00	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		2872	02/01/13	\$ 1,362.23	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		2892	02/01/13	\$ 1,200.00	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		2911	02/01/13	\$ 1,200.00	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		2938	02/07/13	\$ 1,200.00	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		2972	02/15/13	\$ 1,200.00	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		3002	02/15/13	\$ 1,224.80	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		3029	02/15/13	\$ 1,200.00	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		3054	02/21/13	\$ 1,200.00	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		3076	02/28/13	\$ 1,200.00	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		3102	03/07/13	\$ 1,200.00	\$0.00
Natl Petrochem	PO Box 1602, Ada, OK 74821		3135	03/14/13	\$ 1,200.00	\$0.00
New Mexico Revenue & Taxation and Revenue Department	PO Box 2308, Santa Fe, NM 87504	Wire	4679844	1/7/2013	\$3,043.00	\$0.00
Oklahoma Tax Commission	PO Box 26860, Oklahoma City, OK 73126	ACH Check	11793940	1/8/2013	\$509.11	\$0.00
Permian Tank & Manufacturing	PO Box 4456, Odessa, TX 79760		2920	02/07/13	\$ 3,900.00	\$0.00
Permian Tank & Manufacturing	PO Box 4456, Odessa, TX 79760		2953	02/11/13	\$ 2,075.00	\$0.00
Permian Tank & Manufacturing	PO Box 4456, Odessa, TX 79760		2954	02/11/13	\$ 2,075.00	\$0.00
Piracle	556 Confluence Ave, Murray, UT 84123	Debit Card	n/a	2/8/2013	\$87.79	\$0.00
Piracle	556 Confluence Ave, Murray, UT 84123	Debit Card	n/a	02/20/2013	\$155.94	\$0.00
Piracle	556 Confluence Ave, Murray, UT 84123	Debit Card	n/a	1/9/2013	\$164.19	\$0.00
Piracle	556 Confluence Ave, Murray, UT 84123	Debit Card	n/a	1/31/2013	\$415.95	\$0.00
Prestige Equipment Rentals LLC	PO Box 1745, Artesia, NM 88210		2708	01/04/13	\$ 3,500.00	\$0.00
Prestige Equipment Rentals LLC	PO Box 1745, Artesia, NM 88210		2745	01/11/13	\$ 3,500.00	\$0.00
Prestige Equipment Rentals LLC	PO Box 1745, Artesia, NM 88210		2768	01/18/13	\$ 3,500.00	\$0.00
Prestige Equipment Rentals LLC	PO Box 1745, Artesia, NM 88210		2800	01/24/13	\$ 3,500.00	\$0.00
Prestige Equipment Rentals LLC	PO Box 1745, Artesia, NM 88210		2940	02/07/13	\$ 3,500.00	\$0.00
Production Specialty Services, Inc.	PO Box 3176, Midland, TX 79702		3057	02/21/13	\$ 8,094.87	\$0.00
Providence Minerals	14860 Montfort Drive Suite 115, Dallas, TX 75254	Check	5491	01/04/13	\$ 12,921.64	\$0.00
Providence Minerals	14860 Montfort Drive Suite 115, Dallas, TX 75254	Check	5618	02/04/13	\$ 20,605.26	\$0.00
Providence Minerals	14860 Montfort Drive Suite 115, Dallas, TX 75254	Check	5741	03/05/13	\$ 7,336.23	\$0.00
RODNEY CASH TAYLOR	PO Box 687, Hobbs, NM 88240		2806	01/24/13	\$ 2,044.22	\$0.00
RODNEY CASH TAYLOR	PO Box 687, Hobbs, NM 88240		2975	02/15/13	\$ 2,044.22	\$0.00
RODNEY CASH TAYLOR	PO Box 687, Hobbs, NM 88240		3005	02/15/13	\$ 2,044.22	\$0.00
RODNEY CASH TAYLOR	PO Box 687, Hobbs, NM 88240		3032	02/15/13	\$ 2,044.22	\$0.00
RODNEY CASH TAYLOR	PO Box 687, Hobbs, NM 88240		3138	03/14/13	\$ 2,044.22	\$0.00
SHANKS MUDLOGGING			2710	01/04/13	\$ 10,000.00	\$0.00
Standard Energy Services	PO Box 2724, Lubbock, TX 79408		2713	01/04/13	\$ 2,500.00	\$0.00
Standard Energy Services	PO Box 2724, Lubbock, TX 79408		2746	01/11/13	\$ 2,500.00	\$0.00
Standard Energy Services	PO Box 2724, Lubbock, TX 79408		2769	01/18/13	\$ 2,500.00	\$0.00
Standard Energy Services	PO Box 2724, Lubbock, TX 79408		2803	01/24/13	\$ 2,500.00	\$0.00
Standard Energy Services	PO Box 2724, Lubbock, TX 79408		2941	02/07/13	\$ 2,500.00	\$0.00

**PLAN EXHIBIT 3**

NAME OF CREDITOR	ADDRESS	PAYMENT MEHTOD	CHECK NUMBER / PAYMENT IDENTIFIER	DATE	AMOUNT	AMOUNT STILL OWING (IF APPLICABLE)
Standard Energy Services	PO Box 2724, Lubbock, TX 79408		3084	02/28/13	\$ 1,000.00	\$0.00
T&S PETROLEUM CONSULTANTS	600 Fisk Ave Suite 124, Brownwood, TX 76801		2714	01/04/13	\$ 18,128.00	\$0.00
T&S PETROLEUM CONSULTANTS	600 Fisk Ave Suite 124, Brownwood, TX 76801		2747	01/11/13	\$ 25,189.00	\$0.00
T&S PETROLEUM CONSULTANTS	600 Fisk Ave Suite 124, Brownwood, TX 76801		2770	01/18/13	\$ 12,265.00	\$0.00
T&S PETROLEUM CONSULTANTS	600 Fisk Ave Suite 124, Brownwood, TX 76801		2805	01/24/13	\$ 31,537.00	\$0.00
T&S PETROLEUM CONSULTANTS	600 Fisk Ave Suite 124, Brownwood, TX 76801		2974	02/15/13	\$ 21,101.00	\$0.00
T&S PETROLEUM CONSULTANTS	600 Fisk Ave Suite 124, Brownwood, TX 76801		3004	02/15/13	\$ 21,101.00	\$0.00
T&S PETROLEUM CONSULTANTS	600 Fisk Ave Suite 124, Brownwood, TX 76801		3031	02/15/13	\$ 21,101.00	\$0.00
T&S PETROLEUM CONSULTANTS	600 Fisk Ave Suite 124, Brownwood, TX 76801		3106	03/07/13	\$ 27,584.50	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		2721	01/04/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		2751	01/11/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		2774	01/18/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		2810	01/24/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		2838	02/01/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		2858	02/01/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		2878	02/01/13	\$ 6,614.40	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		2896	02/01/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		2916	02/01/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		2946	02/07/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		2951	02/08/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		2952	02/08/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		2979	02/15/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		3007	02/15/13	\$ 6,499.40	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		3036	02/15/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		3062	02/21/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		3090	02/28/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		3111	03/07/13	\$ 6,390.00	\$0.00
THT Trucking LLC	PO Box 519, Lindsay, OK 73052		3142	03/14/13	\$ 6,390.00	\$0.00
TOTAL SAFETY U.S., INC.	PO Box 974686, Dallas, TX 75397		2722	01/04/13	\$ 9,872.29	\$0.00
Triple "H" Engine Service Inc	PO Box 565, Lovington, NM 88260		2947	02/07/13	\$ 2,575.52	\$0.00
Triple "H" Engine Service Inc	PO Box 565, Lovington, NM 88260		2981	02/15/13	\$ 6,006.33	\$0.00
Triple "H" Engine Service Inc	PO Box 565, Lovington, NM 88260		3008	02/15/13	\$ 6,006.33	\$0.00
Triple "H" Engine Service Inc	PO Box 565, Lovington, NM 88260		3038	02/15/13	\$ 6,006.33	\$0.00
TRIPLE J TRUCKING	PO Box 3198, Hobbs, NM 882413198		3161	03/26/13	\$ 14,136.60	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		2723	01/04/13	\$ 2,953.35	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		2752	01/11/13	\$ 2,953.35	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		2775	01/18/13	\$ 2,953.35	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		2812	01/24/13	\$ 2,953.35	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		2839	02/01/13	\$ 2,953.35	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		2859	02/01/13	\$ 2,953.35	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		2879	02/01/13	\$ 12,803.42	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		2897	02/01/13	\$ 2,953.35	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		2917	02/01/13	\$ 2,953.35	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		2948	02/07/13	\$ 2,953.35	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		2983	02/15/13	\$ 2,953.35	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		3010	02/15/13	\$ 6,896.72	\$0.00

**PLAN EXHIBIT 3**



NAME OF CREDITOR	ADDRESS	PAYMENT MEHTOD	CHECK NUMBER / PAYMENT IDENTIFIER	DATE	AMOUNT	AMOUNT STILL OWING (IF APPLICABLE)
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		3040	02/15/13	\$ 2,953.35	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		3063	02/21/13	\$ 2,953.35	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		3091	02/28/13	\$ 2,953.35	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		3112	03/07/13	\$ 2,953.35	\$0.00
VASQUEZ TRUCKING INC.	1215 W Ave K, Lovington, NM 88260		3144	03/14/13	\$ 2,953.35	\$0.00
Wall Street Journal	200 Burnett Rd., Chicopee, MA 01020	Debit Card	n/a	3/4/2013	\$93.60	\$0.00
Wildcat Measurement Service	PO Box 1836, Artesia, NM 88211		2726	01/04/13	\$ 982.42	\$0.00
Wildcat Measurement Service	PO Box 1836, Artesia, NM 88211		2813	01/24/13	\$ 2,679.10	\$0.00
Wildcat Measurement Service	PO Box 1836, Artesia, NM 88211		3065	02/21/13	\$ 2,679.09	\$0.00
WINDMILL TRUCKING	21 W Crockett Rd, Lovington, NM 88260		2755	01/11/13	\$ 5,650.32	\$0.00
WINDMILL TRUCKING	21 W Crockett Rd, Lovington, NM 88260		2814	01/24/13	\$ 4,456.32	\$0.00
WINDMILL TRUCKING	21 W Crockett Rd, Lovington, NM 88260		2984	02/15/13	\$ 2,755.66	\$0.00
WINDMILL TRUCKING	21 W Crockett Rd, Lovington, NM 88260		3011	02/15/13	\$ 2,755.66	\$0.00
WINDMILL TRUCKING	21 W Crockett Rd, Lovington, NM 88260		3041	02/15/13	\$ 2,755.66	\$0.00
WINDMILL TRUCKING	21 W Crockett Rd, Lovington, NM 88260		3114	03/07/13	\$ 5,876.09	\$0.00
Xcel Energy	816 Congress Ave Austin, TX 78701	Debit Card	n/a	03/11/2013	\$634.09	\$0.00
Xcel Energy	816 Congress Ave Austin, TX 78701	Debit Card	n/a	2/11/2013	\$576.18	\$0.00
Xcel Energy	816 Congress Ave Austin, TX 78701	Debit Card	n/a	1/7/2013	\$516.26	\$0.00

**VPR Operating LLC, et al, Debtors in Possession**

**Status Report**

**Prepared by William R. Patterson, CRO**

**As of: February 10, 2014**

**Cash Held by Debtors**

	As of <u>12/18/13</u>	As of <u>1/3/14</u>	As of <u>2/10/14</u>
Operating Cash – Forecast to pay Administrative Claims and operating expenses	\$494,509	\$199,696	\$102,358
Operating Cash – Cash on hand in excess of current forecast	\$498,111	\$448,196	\$461,116
Cash Received from Purchasers (should have been pd to Concho/Stanolind, remaining funds will be pd to Concho)	\$363,855	\$373,919	\$253,850
Victory Park Credit Opportunity Fund proceeds from Sale	<u>\$2,689,031</u>	<u>\$2,689,031</u>	<u>\$2,689,031</u>
Total Cash on Hand	<u>\$4,045,506</u>	<u>\$3,710,842</u>	<u>\$ 3,506,355</u>
Operator Bonds (OK and NM)	\$282,964	\$282,964	\$257,964

**Administrative Claims Payable (estimates) as of 2/10/14:**

	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Total	
Holland & Knight	\$ 4,751.00	\$ 5,315.50	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 25,066.50	Invoiced Nov and Dec; Estimate Jan-Mar
Husch Blackwell	\$ 3,216.30	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 23,216.30	Invoiced Nov; Estimate Dec-Mar
Cozen	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 25,000.00	Estimate Nov-Mar
Bridgepoint Consulting		\$ 1,678.42	\$ 9,721.46	\$ 5,000.00	\$ 5,000.00	\$ 21,399.88	Invoiced Dec and Jan; Estimate for Feb-Mar
Office Expenses				\$ 2,000.00	\$ 4,700.00	\$ 6,700.00	Estimate; rent already pd for Feb.
UST Fees					\$ 975.00	\$ 975.00	Estimate
Estimated Total Administrative Claims						<u>\$ 102,357.68</u>	

**Activities in Process**

1. Collect remaining bond funds (multiple bonds equaling \$257,964)
2. Pay proceeds from Holdback amounts to secured lender
3. Pay administrative claimants
4. Pay UST Fees
5. Obtain agreement with Concho on Post Closing Adjustments
6. Reimburse Concho/Stanolind for oil/gas proceeds received by VPR (should have been pd to Concho/Stanolind)
7. File Monthly Operating Reports
8. Dispose of all personal property

**GREGORY S. MILLIGAN**  
**EXECUTIVE VICE PRESIDENT**



Greg Milligan is currently the practice leader of both the *Insolvency Advisory* and the *Asset Recovery and Divestiture* sections at Harney Management Partners, in addition to his work with all other areas of the firm's corporate advisory practice. For 20 years, Greg has maintained a practice exclusively serving companies in crisis and other troubled situations. Greg joined HMP in 1998 and opened the second HMP office in Austin in 2001. During that time, he has both led and collaborated on engagements with highly successful outcomes, including multiple peer review awards such as from the Turnaround Management Association and the M&A Advisor.

The common thread which runs throughout Greg's career is his ability to enter a new and troubled situation and quickly develop an understanding of the situation, the key resources needed to achieve the best possible outcome, develop multiple strategic alternatives and manage the personnel and other resources required to execute the selected plan of attack – while developing and maintaining a good working relationship with all stakeholder constituencies. Greg has served both inside and outside of court proceedings in the following capacities:

- Chapter 11 Post-Confirmation Trustee
  - Chapter 11 Operating Trustee
  - State Court Receiver
  - Court-Appointed Manager
  - Chapter 11 Liquidating Trustee
  - Financial Advisor
  - Litigation Trustee
  - Court-Appointed Director
- In November, 2011 Greg was approved to the pool of eligible Special Deputy Receivers by the Texas Department of Insurance with respect to the rehabilitation and/or liquidation of Texas insurance entities.

Representative engagements include:

- State Court Receiver for two money service businesses sued by the Texas Attorney General and the Texas Department of Banking for failing to account for millions of dollars of consumer trust funds and/or operating a money service business without a license. Greg is charged with the orderly wind down of both companies, as well as investigating the identity of defrauded consumers, the source and use of consumer trust funds, the location and liquidation of all recoverable assets, and the development of an equitable claims and distribution process.
- State Court Receiver for a number of entities sued by the Texas Attorney General and State Securities Board for selling unregistered securities, by unlicensed dealers and through various means of fraud. Greg is charged with investigating the identity of investors, the source and use of investor funds, the location and liquidation of all recoverable assets, and the development of an equitable claims and distribution process.
- Chapter 11 Post-Confirmation Trustee representing the interests of 64,000 policy holders of a failed automotive extended warranty company. This engagement involved the direction of complex litigation against multiple third-party defendants both in the United States and internationally, as well as the claims adjudication process with total creditor claims exceeding \$50 million.
- Advisor to a Chapter 11 debtor involving the closure of two unprofitable divisions and the operation and sale of a third, profitable division after an extensive \$363 sale process which has the possibility of returning 100% to unsecured creditors. Greg also served as Post-Confirmation Trustee in this matter.

The efforts in this case were recognized by industry peers by receipt of the 2011 Community Impact Deal of the Year by the M&A Advisor.



**GREGORY S. MILLIGAN**  
**EXECUTIVE VICE PRESIDENT**



- Chapter 11 Trustee in a high-profile and highly contentious bankruptcy case involving real property valued in excess of \$30 million. After litigation and negotiation to clear several clouds on the title, a plan was developed that provided sufficient funding to pay all creditors 100%, plus interest, and left ownership of the property with the Debtor.
- Advisor to a Chapter 11 debtor in Galveston, Texas directing the successful \$363 sale process of a biodiesel refinery and assisting in the formulation of the Disclosure Statement and Plan. Greg also serves as Post-Confirmation Trustee in this matter.
- Out-of-court wind down of the 6<sup>th</sup> largest drug wholesaler in the United States with sales of \$2.5 billion in the year the engagement began. HMP represented a ten-member bank syndicate related to its \$350 million credit facility. Greg oversaw the orderly liquidation of approximately \$250 million in assets located in four states. These efforts also lead to the discovery of undisclosed inventory fraud approaching \$10 million.
- State Court Receiver for a high tech service company which involved the operation and sale of the company (which retained all 140 local jobs) and the subsequent administration of the sale proceeds for the benefit of unsecured creditors.
- Advisor to \$70 million contract manufacturer of luggage, sports bags and backpacks for private label brands at Target, Kohl's, JCPenny, Wal-Mart and K-Mart. The company also held licenses to manufacture the same product lines for Champion, Spalding, Coleman, Hummer, Rubbermaid and Laura Ashley. This engagement involved the orderly wind down of activities in both the U.S. and Asia, a \$363 asset sale in Chapter 11, as well as the identification of financial and collateral reporting irregularities by the debtor's management.
- Advisor to \$50 million custom manufacturer of integrated components with operations in the U.S. and Mexico. The company was highly concentrated in the automotive industry with customers such as General Motors, Chrysler, Honda, Delphi, TRW and Visteon. After the collapse of the automotive sector, Greg lead an orderly, out-of-court wind down of the operations and liquidation of assets, including the dismissal of an involuntary bankruptcy proceeding filed against the company.
- Advisor to \$20 million wire drawing operation concentrated in the fiber optics and telecom markets. After the decline in those sectors and technological advances in fiber optics delayed the need for new cable, HMP conducted a \$363 sale process to a Fortune 500 company which continued operations at that location and retained and ultimately increased employment at that site.
- Served as Sole Director of a Cayman entity, appointed by a Chapter 7 Trustee, to investigate the conduct of the entities business and ownership of assets in Grand Cayman and elsewhere. These efforts recovered for liquidation an apartment complex, cars, boats and pursued litigation claims.

Prior to joining HMP, Greg spent 10 years as a Portfolio Manager for Court-Appointed Trustees, Receivers, and Examiners, and has participated in the administration of thousands of Chapter 7, Chapter 11, and State Court Receivership cases.

Greg is currently a Member of the *Turnaround Management Association* (TMA - National); Founding Member of the TMA (Austin/San Antonio Chapter); Member of the TMA Board of Directors (Austin/San Antonio Chapter); Member of the *National Association of Bankruptcy Trustees*; and Member of the *American Bankruptcy Institute*, as well as a guest lecturer at various colleges, universities and State Bar CLE events, as well as to the *National Association of Attorneys General* on Receivership matters. He has also been appointed to serve on the *Non-Lawyer Committee to the State Bar of Texas Bankruptcy Law Section*. Greg received a B. A. in Economics from The University of Texas at Austin and holds a Texas Real Estate License.

Greg is also active in his church, including service as Chair of the Budget and Finance Committee, **PLAN EXHIBIT 5** *Appointed Special Advocate* (CASA) and Guardian Ad Litem for abused and neglected children.