UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF COLORADO

In re:	)	
	)	
BLAIR OIL INVESTMENTS, LLC,	)	Case No. 15-15009-TBM
Debtor.	)	Chapter 11

PLAN OF REORGANIZATION
AND DISCLOSURE STATEMENT

BLAIR OIL INVESTMENTS, LLC, Debtor in Possession, through its counsel, proposes the following Plan of Reorganization (the "Plan") pursuant to 11 U.S.C. §1121(a), and pursuant to 11 U.S.C. § 1125(a) submits this Disclosure Statement, and states as follows:

I. DEFINITIONS

Unless otherwise provided in this Plan, all terms used herein that are defined or used in the Bankruptcy Code are intended to be used in this Plan as defined or used in the Bankruptcy Code. The following capitalized terms shall have the respective meanings set forth below, and such meanings shall be equally applicable to the singular and plural forms of the terms.

"Administrative Claim" shall mean (i) a Claim for a cost or expense of administration of the Chapter 11 Case as contemplated in 11 U.S.C. § 503(b) and entitled to priority pursuant to 11 U.S.C. § 507(a)(2); and (ii) all fees due under 28 U.S.C. § 1930.

"Allowed" when used with respect to a Claim other than an Administrative Claim, shall mean a Claim (i) to the extent it is not a Contested Claim; or (ii) a Contested Claim, proof of which was filed with the Bankruptcy Court on or before any applicable Bar Date, and (x) as to which no objection has been filed by the Objection Date, unless such Claim is to be determined in a forum other than the Bankruptcy Court, in which case such Claim shall not become Allowed until determined by Final Order of such other forum and allowed by Final Order of the Bankruptcy Court; or (y) as to which an objection was filed by the Objection Date, to the extent allowed by a Final Order. "Allowed" when used with respect to a Claim that is an Administrative Claim, shall mean an Administrative Claim that has been allowed pursuant to Article V of the Plan.

"Bankruptcy Code" shall mean Title 11 of the United States Code.

"Bankruptcy Court" shall mean the Bankruptcy Court unit of the United States District Court for the District of Colorado.

"Bar Date" shall mean January 31, 2016, the last date set by the Bankruptcy Court for filing Claims that are not Administrative Claims.

"Mr. Blair" shall mean Peter H. Blair, Sr., the Debtor in Colorado Bankruptcy Case No. 15-15008 TBM.

"Chapter 11 Case" shall mean the case commenced under Chapter 11 of the Bankruptcy Code for the Debtor.

"Claim" shall mean a claim, as defined in 11 U.S.C. § 101(5), against the Debtor.

"Confirmation" shall mean the entry by the Bankruptcy Court of an order confirming the Plan in accordance with Chapter 11 of the Bankruptcy Code; "Confirmation Order" shall mean such order; and "Confirmation Date" shall mean the date on which such order is entered.

"Contested" when used with respect to a Claim as to which a proof of claim has been timely filed with the Bankruptcy Court, shall mean a Claim that has not been Allowed: (i) that is listed in any of Debtor's schedules of liabilities as disputed, unliquidated, or contingent; (ii) to the extent the proof of claim exceeds the scheduled amount; (iii) that is not listed in any such schedules; or, (iv) as to which an objection has been filed and as to which no Final Order allowing such Claim has been entered.

"Creditor Fund" shall mean a pool of funds held in a separate, interest bearing account that shall be established by the Debtor on or before the Effective Date for the purpose of distributing funds to Allowed Class 1 Claimants.

"Debtor" shall mean Blair Oil Investments, LLC.

"Disclosure Statement" shall mean the disclosure document describing the Plan as required to be filed by the Debtor, approved by the Court, and distributed to the various classes of Claims under the Plan as provided in 11 U.S.C. § 1125.

"Effective Date" shall mean the first business day after the passage of ten (10) days from the date the Confirmation Order becomes a Final Order.

"Equity Interest" shall mean the membership interest of the Debtor.

"Fee Claim" shall mean a Claim under 11 U.S.C. §§ 330 or 503 for allowance of compensation and reimbursement of expenses in the Chapter 11 Case.

"Final Order" shall mean an order or judgment of the Bankruptcy Court or other court of competent jurisdiction which has not been reversed, stayed, modified, or amended and as to which (i) the time to appeal or seek review, rehearing, or certiorari has expired (without regard to whether

the time to seek relief of a judgment under Rule 60(b) of the Federal Rules of Civil Procedure has expired); and (ii) no appeal or petition for review, rehearing, or certiorari is pending, or if pending as to which no bond or other stay has been issued, or as to which any right to appeal or seek review, rehearing, or certiorari has been waived.

"Impaired" A class of claims or interests is "impaired" in accordance with 11 U.S.C. § 1124 if the Plan alters the legal, equitable and/or contractual rights of the holders of such claims or interests.

"Insider" shall mean any Person defined in 11 U.S.C. § 101(31)(B).

"Late Filed Claims" shall mean any claim filed in the Chapter 11 Case after January 31, 2016.

"Litigation" shall mean any civil action pending on the Confirmation Date or commenced thereafter by the Reorganized Debtor, including any preference or avoidance actions under the Bankruptcy Code, any state and federal court proceedings, and any matters submitted to binding arbitration.

"Net Profits" shall mean the Reorganized Debtor's funds received from gross sales, reduced by cost of goods sold, operating and applicable administrative expenses, taxes, and payments to unclassified priority claims.

"Objection Date" shall mean, with respect to a Claim other than a Claim that is an Administrative Claim, the first business day following the passage of sixty (60) days from the Effective Date.

"Operating Account" shall mean that bank account established by the Debtor to hold funds for the Debtor's working capital needs such as administrative costs, ongoing management, costs of liquidating of assets, costs of plugging wells, etc., during the term of the Plan.

"Person" shall mean an individual, corporation, partnership, joint venture, trust, estate, unincorporated association, unincorporated organization, cooperative, limited liability company, governmental entity or political subdivision thereof, or any other legally recognized entity.

"Plan" shall mean the Debtor's Plan of Reorganization, as amended from time to time.

"Plan Proponent" shall mean the Debtor.

"Post-petition" shall mean anytime on or subsequent to May 7, 2015, and prior to the Confirmation Date.

"Pre-petition" shall mean anytime prior to May 7, 2015.

"Priority Claim" shall mean a Claim entitled to priority in payment pursuant to 11 U.S.C. §§ 507(a)(4) or 507(a)(5).

"Pro Rata" shall mean with respect to any Person entitled to distribution, the percentage which such Person's Allowed Claim bears to the sum of all Allowed Claims in the same class.

"Reorganized Debtor" shall mean the reorganized Debtor under the confirmed Plan.

"Secured Claim" shall mean any Claim secured by a valid and enforceable lien against the property of the Debtor, but only to the extent of the value of the collateral securing such Claim.

"Tax Claim" shall mean any Claim of a governmental unit for taxes entitled to priority under 11 U.S.C. § 507(a)(8).

"Unsecured Claim" shall mean a Claim that is not secured by a valid and enforceable lien against the property of the Debtor, other than Administrative Claims, Priority Claims, and Equity Interests.

"Unimpaired" A class of claims or interests is "unimpaired" in accordance with 11 U.S.C. § 1124 if the legal, equitable and/or contractual rights of the holders of such claims or interests are not altered under the Plan.

II. NATURE AND HISTORY OF DEBTOR'S BUSINESS

The Debtor is owned by Mr. Blair. Mr. Blair filed his own voluntary petition for relief under Chapter 11 of the Bankruptcy Code also on May 7, 2015, Case Number 15-15008 TBM. On August 20, 2015, Mr. Blair's bankruptcy case was converted to a case under Chapter 7.

Jeffrey A. Weinman is the Chapter 7 Trustee (the "Trustee") for Mr. Blair's bankruptcy estate. Mr. Blair's bankruptcy estate is the holder of 100% of the membership of Blair Oil Investments, LLC ("BOI"). Mr. Weinman has therefore elected himself as the Manager of BOI for purposes of this Bankruptcy Case and removed all prior Managers.

On the Petition Date, the Debtor owned approximately 147 interests in various oil and gas wells throughout the United States, primarily in Colorado and Texas. The Debtor previously employed Todd A. Searles as its manager to oversee the Debtor's day to day operation of its oil and gas interests. The Debtor previously paid Mr. Searles a monthly fee of $15,000 to manage its affairs

The Debtor also owed real property in Denver County, Colorado, known as 33 North Pennsylvania Street, Unit B, Denver, Colorado 80203, including an adjacent parking garage space 33B (collectively the "Property"). The Debtor also owns certain personal property located at the Property, including appliances and miscellaneous household goods.

III. EVENTS LEADING TO FILING OF CHAPTER 11

Prior to the bankruptcy filing, Mr. Blair was a party to a long-running dispute in a probate case, Case No. 2012PR2227, captioned *In the Matter of The Audrey R. Blair Revocable Trust, GST-Exempt Marital Trust, and Non-Exempt Marital Trust* (the "Probate Case"). The Probate Case was pending in the Probate Court for the City and County of Denver (the "Probate Court") when the within bankruptcy case was filed.

The central dispute in the Probate Case involved a "petition for surcharge" wherein Mr. Blair's children Christopher Blair, Peter Blair Jr., and Audrey Black (collectively referred to hereinafter as the "Petitioners") alleged that Mr. Blair breached various duties in the administration of the Audrey R. Blair Revocable Trust and its sub-trusts, the GST-Exempt Marital Trust and the Non-Exempt Marital Trust (collectively referred to hereinafter as the "Trusts"). Mr. Blair vigorously disputed the Petitioner's allegations in the surcharge dispute.").

Audrey R. Blair was Mr. Blair's wife from 1950 until she passed away on October 27, 2007. Disputes regarding the Trusts arose after Mr. Blair's subsequent marriage to Suella Crowley in 2011.

On March 27, 2015, the Probate Court entered Findings of Fact and Conclusions of Law (the "Probate Order") in the Probate Case with respect to the petition for surcharge. In the Probate Order, the Probate Court granted the petition for surcharge, awarded damages in favor of Petitioners and against Mr. Blair in the amount of $2,372,688.00, and denied Mr. Blair's counterclaims.

On March 30, 2015, the Petitioners filed a Forthwith Motion to Freeze and Suspend All Assets Pursuant to C.R.S. § 15-10-503 *et seq.*, in the Probate Case. The Petitioners requested an order from the Probate Court freezing all assets of Peter H. Blair, Sr., "individually or tangentially related to Peter H. Blair, Sr." On March 31, 2015, the Probate Court entered an order freezing all assets of Mr. Blair.

This bankruptcy case and Mr. Blair's bankruptcy case were filed shortly thereafter. Both Mr. Blair and the Debtor sought relief under Chapter 11 of the Code.

On July 24, 2015, Mr. Blair died. On August 20, 2015, Mr. Blair's bankruptcy case was converted to a case under Chapter 7.

IV. OPERATIONS SINCE FILING OF CHAPTER 11

Following the Trustee's appointment, the Debtor removed Mr. Searles as Manager of the Debtor. The Debtor employed McCartney Engineering, LLC, to manage the Debtor's oil and gas interests. McCartney Engineering charges the Debtor an average hourly fee of $150 to manage such assets, depending upon the activity. The Debtor incurred monthly charges to McCartney Engineering of approximately $2,000.

The value of the Debtor's oil and gas interests are subject to the market for commodities. As such, they vary in value over time. Currently, the price of oil and gas is low. As of March 22, 2017, the current US price for a barrel of crude oil was $47.63. Natural gas was $3.05 MMBtu.

Given such prices, the amount of value produced by the Debtor's oil and gas interests was equal to or less than the cost of production. As such, the Debtor undertook a review of all of its oil and gas interests. The Debtor determined that it was not feasible to continue to operate its oil and gas interests given the declining value and associated costs. As a result, the Debtor began to sell its oil and gas interests during the Chapter 11 case.

McCartney Engineering assisted the Debtor with all of its sales of the oil and gas interests. Such services were outside the original scope of work for which McCartney Engineering was engaged. McCartney Engineering did not charge the Debtor a commission for brokering such sales. This saved the Debtor significant costs.

1. Sale of Working Interests to David Sell, LLC

The Debtor was the owner of a thirty-five percent (35.00%) working interest in certain oil and gas leases with wells and production equipment, oil and gas fixtures and personal property located thereon (collectively the "Osage Interests.") Such Osage Interests are located in Osage County, Oklahoma and are legally described as follows:

a. S.W. Herd Unit Lease: All of Section Six and the North Half of Section Seven, Township Twenty-seven North, Range Ten East, (All § 6 and N/2 § 7-T27N-R10E).

b. Ward Lease: The Southeast Quarter of Section Thirty-one, Township Twenty-eight North, Range Ten East, (SE/4 § 31-T28N-R10E).

The Debtor investigated the nature and extent of these Osage Interests. Presently, there are three properties with a total of two active and three inactive wells operated by the Debtor.

David Sell, LLC ("Sell") is the current operator of the Osage Interests as Sell owns an interest in the Osage Interests. As working oil and gas interests, the Debtor believes that these Osage Interests carry the potential for a significant risk to the bankruptcy estate, including potential liability under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA").

The Debtor evaluated the current ownership costs of the Osage Interests. Currently, the costs of ownership are exceeding the revenues generated by the Osage Interests. This results in a negative cash flow to the Estate. The Debtor continued to fund these ongoing losses. The Debtor determined that if it did not sell the Osage Interests, the creditors of the Debtor would be adversely impacted. As a result, the Debtor determined that it was in the Estate's and the creditors' best interest to sell the Osage Interests.

The Debtor and Sell entered into a Contract of Sale for the Osage Interests. Under the terms of the Contract of Sale, Sell purchased all of the Estates' right, title and interest in the Osage Interests (including all related equipment, fixtures, and personal property), for the price of $267,500.00. The sale was without any representations of warranty of title and was "AS IS" "WHERE IS". In addition, Sell, as buyer, assumed all liabilities and operating costs associated with the Osage Interests from and after December 1, 2015.

The Bankruptcy Court entered an Order approving the sale of the Osage Interests to Sell on March 25, 2016. The Debtor then closed on the sale and received the proceeds. The Debtor paid certain taxes of approximately $304.29 leaving a net of over $267,000 for the benefit of creditors.

2. Sale of Oil and Gas Interests to Wellco

The Debtor was the owner of a one hundred percent (100.00%) working interest in certain oil and gas leases with wells and production equipment, oil and gas fixtures and personal property located thereon (collectively the "Osage Interests.") Such Osage Interests are located in Osage County, Oklahoma and are legally described as follows: Hamrick Lease: The Southwest Quarter of Section Five, Township Twenty-five North, Range Three East (SW1/4 § 5-T25N-R3E).

The Debtor investigated the nature and extent of these Osage Interests. Presently, these are two working interests of the Debtor. Wellco Energy, Inc. ("Wellco") is the current operator of these Osage Interests. Similar to the prior Osage Interests, these interests carry the potential for a significant risk to the bankruptcy estate, including potential liability CERCLA. As a result, the Debtor determined that it is in the Estate's and the creditors' best interest to sell the Osage Interests.

The Debtor and Wellco entered into a Contract of Sale for the Osage Interests. The sale price of these Osage Interests (including all related equipment, fixtures, and personal property), was the price of $35,000. The sale was on the same terms and conditions as the sale of the other Osage Interests to David Sell, LLC, whereby Wellco assumed the future liabilities, including CERCLA.

On September 19, 2016, the Bankruptcy Court entered an Order approving the sale of these Osage Interests to Wellco. The Debtor will pay sales taxes of approximately $575, leaving over $34,000 of net proceeds available for creditors.

3. Sale of Oil and Gas Interests to Heartland Oil and Gas

The Debtor also owned certain oil and gas leases with wells and production equipment, oil and gas fixtures and personal property located thereon (the "KEJR-V Interests.") Such KEJR-V Interests are located in Washington County, Colorado.

Heartland Oil and Gas Company ("Heartland") is an operator of these and similar oil and gas interests. As working oil and gas interests, the Debtor believes that these KEJR-V Interests carry the potential for a significant risk to the bankruptcy estate, including potential liability under CERCLA.

The Debtor has evaluated the current ownership costs of the KEJR-V Interests. Currently, the costs of ownership are exceeding the revenues generated by the KEJR-V Interests. This results in a negative cash flow to the Estate. The Debtor continues to fund these ongoing losses. If the Debtor does not sell the KEJR-V Interests, the creditors of the Debtor will be adversely impacted. As a result, the Debtor has determined that it is in the Estate's and the creditors' best interest to sell the KEJR-V Interests.

The Debtor and Heartland entered into a Contract of Sale for the KEJR-V Interests. Under the terms of the Contract of Sale, Heartland purchased all of the Estates' right, title and interest in the KEJR-V Interests (including all related equipment, fixtures, and personal property), for the price of $1,000 at closing. The sale was on the same terms and conditions as the sale of the Osage Interests to David Sell, LLC.

On December 23, 2016, the Bankruptcy Court entered an Order approving the sale of the KEJR-V Interests to Heartland. The Debtor paid sales taxes of approximately $57.50, leaving net proceeds of over $900 for the benefit of Creditors.

4. Sale of Pennsylvania Condo

Post-petition, the Debtor determined that further ownership and management of the Pennsylvania Condo was not in the best interest of the Estate. Because of the active residential real estate market, the Debtor desired to sell the Pennsylvania Condo. Post-petition, the Debtor asserted that Mr. Searles breached the Lease for, among other things, temporarily renting out the Property in violation of the Lease, the Homeowner's Covenants against the Property, and the Rules and Regulations of the City and County of Denver, Colorado.

The Debtor filed a Motion to Reject the Lease along with Mr. Searles' Purchase Option, with the Bankruptcy Court. Mr. Searles opposed the Motion. The Court set a final evidentiary hearing on the Motion and Mr. Searles' Objection for September 29, 2016.

The Debtor also filed a motion to sell the Pennsylvania Condo in order to liquidate the asset for the benefit of the creditors in its bankruptcy case (the "Sale Motion"). The proposed purchase price for the Property was $262,500. After paying closing costs, title fees, any taxes and commissions (approximately $17,500), the Debtor estimated that the Estate would receive approximately $245,000 from the sale of the Property for the benefit of creditors.

To resolve the disputes between the Debtor and Mr. Searles, and to allow for the timely sale of the Property, the Debtor and Mr. Searles entered into a Settlement Agreement. Under their Agreement, the Debtor agreed to pay Mr. Searles the sum of $10,000 for his early vacating the Property, together with $1,900 for return of Mr. Searles' option funds and security deposit. The Debtor also sold certain of the Debtor's personal property to Mr. Searles for the credited sum of $1,400.00.

Following the Debtor's Settlement Agreement with Mr. Searles and the payments required thereunder, the Debtor estimated that the Estate would receive approximately $233,200 of net proceeds from the sale of the Property.

On November 16, 2016, the Bankruptcy Court entered an Order authorizing the Debtor to sell the Pennsylvania Condo to the prospective buyer for $262,500, and to pay the normal closing costs, including compensating the Debtor's real estate broker. Also on November 16, 2016, the Court entered an Order approving the Settlement Agreement between the Debtor and Mr. Searles.

On December 1, 2016, the Debtor closed on the sale of the Pennsylvania Condo to the buyer, received the net proceeds and satisfied the obligations under the Settlement Agreement with Mr. Searles.

5. Proceeds Available for Creditors.

The Debtor had various fixed assets, including miscellaneous office equipment, undeveloped acreage, working oil and gas interests, royalty interests, wells and equipment, and inventory. When the Debtor's Schedules were filed in this bankruptcy case, Mr. Blair gave a starting book value for these assets of $1,916,417.33. As discussed above and below, the value of these assets is volatile based upon current commodity market prices.

These assets have been substantially liquidated during the bankruptcy case and realized proceeds. As of January 31, 2017, after normal costs and expenses incurred by the Debtor, the Debtor had $520,826.30 in funds from its sales of assets. The Debtor also has accounts receivable in the amount of $3,167.23. The Debtor also owns certain remaining personal property from the Pennsylvania Condo with a book value of $15,699.22.

6. Further Sales of Oil and Gas Interests.

The Debtor has negotiated the sale of additional oil and gas interests with wells and production equipment, oil and gas fixtures and personal property located thereon (collectively the "Bleecher Island Interests.") Such Bleecher Island Interests are located in Yuma County, Colorado. The buyer is Duke Gas Company, LLC. The purchase price will be $2,500. The terms of the sale of the Bleecher Island Interests will be the same as the prior sales of other oil and gas interests. As of the filing of this Plan and Disclosure Statement, the Debtor has not yet consummated such sale.

The Debtor has investigated the value of its remaining oil and gas interests, including the Bleecher Island Interests, including their long term value, as well as the production value of the interests should the price of oil and/or natural gas rise over time. The remaining interests are also subject to a Right of Purchase under the agreements between the other owners of such interests. Moreover, the current operating costs of the remaining interests currently exceed the revenues received by the Debtor.

Moreover, there are ongoing liabilities associated with the Debtor's interests, including the costs of plugging various wells and the attendant clean up costs. The Debtor estimates that the cost of plugging necessary wells is approximately $3,000 per well. While some of the cost may be born by the operators of the wells, the Debtor is primarily liable for such costs. As such, the Debtor intends to continue to sell such interests as soon as possible to minimize the risks to the Bankruptcy Estate.

The Debtor estimates that the sales of its remaining oil and gas interests will bring approximately $10,000 of gross sale proceeds over the course of 12 months. The costs associated with the sale of these interests, including the Debtor's contract manager, are estimated to be $18,000, together with certain sales taxes of approximately $1,000. There will be additional costs to plug some of the Debtor's wells, which the Debtor estimates are $25,000.

V. PENDING OR POTENTIAL LITIGATION CLAIMS

A. Avoidance Claims.

The Debtor is reviewing payments made to creditors and insiders prior to the Petition Date to determine if any of those transfers are avoidable either as preferences or as fraudulent transfers.

If you received a payment or other transfer within 90 days of the bankruptcy, or within one year of the bankruptcy if you were an insider, or other transfer avoidable under the Code, the Debtor may seek to avoid such transfer.

Similarly, if the Debtor made fraudulent transfers within four (4) years prior to the Petition Date, whether by actual fraud or for less than reasonably equivalent value, the Debtor may seek to avoid such transfers. Affected persons are therefore strongly advised to consult with their legal counsel.

B. Claims Objections

Except to the extent that a claim is already allowed pursuant to a final non-appealable order or was scheduled by the Debtor as undisputed, not contingent, or liquidated, the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld.

VI. FINANCIAL DISCLOSURES

Attached hereto as **Exhibit 1** is the Debtor's Schedules of Assets and Liabilities. Attached hereto as **Exhibit 2** is the Debtor's most recent Monthly Operating Report. Attached hereto as **Exhibit 3** are the Debtor's Liquidation Analysis, Claims Analysis and projected Income and Distributions to Creditors during the life of the Plan. The Debtor utilizes the cash basis accounting method. The Debtor's internal financial statements are available upon request. The Debtor has not

conducted any audit of its financial condition.

VII. CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

The following is a designation of all classes of Claims and Equity Interests other than those Claims of a kind specified in 11 U.S.C. §§ 507(a)(2), 507(a)(3), or 507(a)(8).

Class 1 — Allowed Impaired Claims of Unsecured Creditors of the Debtor, including Allowed Impaired Claims of any taxing authority for penalties not related to actual pecuniary loss.

Class 2 — Equity Interests.

Class 3 — Late Filed Claims.

VIII. TREATMENT OF UNCLASSIFIED PRIORITY CLAIMS

As provided in 11 U.S.C. § 1123(a)(1), the Claims against the Debtor covered in this Article VIII are not classified. The holders of such Claims are not entitled to vote on the Plan.

A. *Allowed Administrative Claims*.

The holders of Allowed Administrative Claims of the type specified in 11 U.S.C. § 507(a)(2) shall receive cash equal to the allowed amount of such Claim or a lesser amount or different treatment as may be acceptable and agreed to by particular holders of such Claims. The only anticipated Allowed Administrative Claims are fee claims of professionals retained by the Debtor.

Unless otherwise agreed by the Debtor and the claimant, Allowed Administrative Claims shall be paid in full in twelve equal monthly installment payments, beginning on the Effective Date. Any holders of Allowed Administrative Claims who do not agree to such treatment or other treatment shall be paid in full on the Effective Date.

The Debtor employed Buechler Law Office, LLC, and Kenneth J. Buechler to represent it in these proceedings. On June 1, 2016, Buechler Law Office, LLC changed its name to Buechler & Garber, LLC ("Firm"). The Firm applied to this Court for an Order approving its First Interim Application for Allowance of Fees and Expenses as Counsel for the Debtor in January of 2017. The Firm sought approval of attorneys fees in the amount of $26,308.00 and reimbursement of expenses in the amount of $979.40, for the period from September 24, 2015, through November 30, 2016. The Court has not yet entered an order approving these fees or expenses.

The Debtor estimates that it will incur an additional $20,000 in fees and costs of its bankruptcy counsel through confirmation of this Plan and post-confirmation administration. As set forth in **Exhibit 3,** the Debtor has sufficient funds to compensate its counsel. Fees incurred after the

anticipated additional fee applications and before the Effective Date will be paid from the Debtor's operating revenue through subsequent fee applications.

As to post-petition trade debt, the Debtor's accounts payable as of January 2, 2017, are approximately $31,500. All of this accounts payable is current and will be paid in the Debtor's ordinary course of business. The Debtor anticipates that no past-due accounts payable shall be treatable and paid as an administrative expense on the Effective Date. All Pre-petition accounts payable are treated under Class 1.

B. *Fees Due Under 28 U.S.C. § 1930(a)(6).*

The Reorganized Debtor shall make all payments required to be made to the U.S. Trustee program pursuant to 28 U.S.C. § 1930(a)(6) until the Chapter 11 Case is closed, converted, or dismissed. All payments due to the U.S. Trustee program prior to confirmation of the Plan pursuant to 28 U.S.C. § 1930(a)(6) shall be paid on the Effective Date, and the U.S. Trustee shall thereafter be paid fees due on a quarterly basis until the Chapter 11 Case is closed, converted, or dismissed.

C. *Priority Tax Claims*

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a 11 U.S.C. § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief. Any general unsecured claim of any entity asserting a priority tax claim under this section, including any claim for penalties not related to actual pecuniary loss, shall be paid as provided for pursuant to Class 1 of the Plan, unless subordinated by separate order of the Court.

1. **Priority Tax Claim of Colorado Department of Revenue.** To the extent the Debtor has any pre-petition liability to the Colorado Department of Revenue for any unpaid and/or accrued taxes owing as of the Petition Date, such claim shall be treated under 11 U.S.C. § 507(a)(8). The Debtor does not believe that it owes any taxes to the Colorado Department of Revenue as of the Petition Date. To the extent such claims are allowed, they shall bear interest at the Wall Street Journal prime rate on the Effective Date and shall be paid in full within one (1) year of the Effective Date.

2. **Priority Tax Claim of Internal Revenue Service.** To the extent the Debtor has any pre-petition liability to the Internal Revenue Service for any unpaid and/or accrued taxes owing as of the Petition Date, such claim shall be treated under 11 U.S.C. § 507(a)(8). The Debtor does not believe that it owes any taxes to the IRS as of the Petition Date. The IRS has not filed a proof of claim in this Bankruptcy Case. To the extent the IRS has an allowed claim, the claim shall bear interest at the Wall Street Journal prime rate on the Effective Date and shall be paid in full within one (1) year of the Effective Date.

3. **Priority Tax Claim of City and County of Denver, Colorado.** To the extent the Debtor has any pre-petition liability to the City and County of Denver, Colorado for any unpaid and/or accrued taxes owing as of the Petition Date such claim shall be treated under 11 U.S.C. § 507(a)(8). The City and County of Denver filed a proof of claim asserting a claim for unpaid real estate taxes for the calendar year 2015 in the amount of $1,216.74. The Debtor shall pay the claim in full on the Effective Date.

IX. IDENTIFICATION OF UNIMPAIRED AND IMPAIRED CLASSES

All Classes are impaired under the Plan.

X. TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. Class 1. (*Unsecured Claims*). Class 1 shall be comprised of creditors holding Allowed Unsecured Claims against the Debtor, including any allowed penalty Claims held by any taxing authority which are not related to actual pecuniary loss. Class 1 is impaired under the Plan.

Class 1 Claimants will receive a pro-rata share of the Creditor Fund. The Allowed Class 1 Creditors shall receive distributions from the Debtor's Creditor Fund on a pro-rata basis as follows:

1. An initial distribution within thirty (30) days of the Effective Date; and,

2. A final distribution upon the liquidation of all assets of the Debtor or one year from the Effective Date, whichever is sooner.

B. Class 2 *(Equity Interests).* Class 2 shall be comprised of the equity interest holders are parties who hold an ownership interest (i.e., equity interest) in the Debtor. As the Debtor is a limited liability company ("LLC"), the equity interest holders are the members. The current holder of the Class 2 equity interests is Mr. Blair. The Class 2 Equity Interests are impaired. On the Effective Date, the Class 2 equity interests shall be cancelled. The Equity Interest Holders shall receive nothing under the Plan.

C. Class 3. (*Late Filed Claims*). Class 3 is comprised of all Late Filed Claims against Debtor. As of the date of the filing of this Disclosure Statement, there were no Late Filed Claims.

XI. DEFAULT AND PLAN MODIFICATION

A. *Default and Right to Cure.*

In the event of any default by the Reorganized Debtor of any payment to any class of claimants arising under the terms of the Plan, the Reorganized Debtor shall have thirty (30) days within which to cure any default in payments due under this Plan after the date of issuance of written

notice from any claim holder. Written notice shall be provided to the Reorganized Debtor and to Debtor's counsel as set forth below, unless written notice of substitution of legal counsel is served upon the claim holder at least fifteen (15) days prior to the date notice is sent.

B. *Failure to Cure Default.*

In the event that the Reorganized Debtor fails to cure any default in the requirements to make payment under the Plan, within 30 days from the date that written notice is sent in compliance with the above paragraph, the Reorganized Debtor shall be in default under the terms of the Plan.

C. *Plan Modification*.

At any time after Confirmation of the Plan but before the completion of payments under the Plan, the Plan may be modified upon the request of the Reorganized Debtor, after notice and a hearing, only to the extent allowed by 11 U.S.C. § 1127.

XII. MEANS FOR IMPLEMENTATION AND EXECUTION OF THE PLAN

A. *Asset Transfer to Reorganized Debtor*.

On the Effective Date, all assets of the Debtor shall be transferred to the Reorganized Debtor free and clear of all liens, claims, and interests of creditors, equity holders, and other parties in interest, except as otherwise provided herein. The Reorganized Debtor shall not, except as otherwise provided in this Plan, be liable to repay any debts which accrued prior to the Confirmation Date.

B. *Means for Implementation.*

The Debtor shall fund its Plan obligations with cash from the sale of its remaining assets. operations.

1. *Establishment and funding of bank accounts held by the Debtor.*

On the Effective Date, the Debtor shall establish two separate bank accounts for funds to be held by the Debtor in order to insure performance of its obligations under the Plan. All funds held by the Reorganized Debtor for distribution under the Plan shall be held in accounts which are insured or guaranteed by the United States or by a department, agency or instrumentality of the United States or backed by the full faith and credit of the United States. The fund to be established is as follows:

a. **Creditor Fund:** Upon confirmation of the Debtor's Plan, and prior to the Effective Date, the Debtor will open a separate "Creditor Fund" in a separate, interest bearing account. Within 30 days of the Effective Date, the Debtor shall deposit 80% of its Cash on Hand into the Creditor Fund. At the conclusion of each calendar quarter after the Effective Date, the Debtor shall

calculate its Net Profit, plus depreciation if previously deducted, less payments to any Allowed Priority Creditors and shall deposit eighty percent (80%) of its Net Income into the Creditor Fund.

b. **Operating Account**: After confirmation of the Debtor's Plan, the Debtor shall open and maintain an Operating Account to meet its working capital needs such as ongoing management of the Debtor, costs of liquidation of assets, costs of plugging wells, etc. The Debtor shall retain 20% of its Cash on Hand and 25% of future Net Profit to meet such expenses. On the First Anniversary of the Effective Date, or the conclusion of all liquidation of assets, administration and litigation (whichever is sooner), the Debtor shall deposit all remaining funds held in its Operating Account into the Creditor Fund.

c. The Debtor shall properly maintain the records of its Creditor Fund and Operating Working Capital Account, including any disbursements out of such account for its capital needs, which shall be available to be reviewed by any creditor at any time in accordance with the Disclosure Statement and the Plan.

2. *Payments to Creditors from Creditor Fund.*

a. Initial Distribution. By the 30th day after the Effective Date, the Reorganized Debtor shall distribute the amount in the Creditor Fund to the Allowed Class 1 Creditors on a pro-rata basis. Such amounts shall be mailed to each Allowed Claimant. Upon request, the Debtor shall provide Allowed Class 1 Creditors with a summary calculation of the Creditor Fund at the time the distribution is mailed.

b. Interim Accumulation of Cash in Creditor Fund. During the term of the Plan, the Debtor shall accumulate cash in the Creditor Fund from operations, sales of assets, and recoveries of avoidable transfers. The Debtor believes that it will complete such matters within one (1) year after the Effective Date. On the First Anniversary of the Effective Date, or the conclusion of all liquidation of assets, administration and litigation (whichever is sooner), the Debtor shall deposit all remaining funds from the Operating Account into the Creditor Fund.

c. Final Distribution. Within 60 days following the First Anniversary of the Effective Date or the conclusion of all liquidation of assets, administration and litigation (whichever is sooner), the Debtor shall make a final distribution of all remaining cash in the Creditor Fund to the Allowed Class 1 Claimants. Should the funds in the Creditor Fund satisfy the balance due to each

Allowed Class 1 Creditor, including their full principal obligation with interest at the Federal mid-term interest rate on one year United States Treasury Bonds as of the Effective Date, the Debtor's payment obligations to Allowed Class 1 Creditors under the Plan shall be deemed satisfied.

4. Post-confirmation Management.

After confirmation of the Debtor's Plan, the Debtor will continue to employ Jeffrey Weinman as its Manager, and McCartney Engineering, LLC.

Mr. Weinman shall be entitled receive a compensation for his services to the Debtor, pre and post-confirmation. Such compensation shall be calculated in accordance with 11 U.S.C. §326, such that Mr. Weinman shall receive a commission upon all moneys disbursed or turned over in the case to parties in interest, including all creditors. The Debtor estimates that Mr. Weinman's total compensation under such formula will be approximately $55,000.

The Debtor shall continue to employ McCartney Engineering, LLC at the hourly rates of $250 for management, $175 for compliance and $65 for accounting. McCartney Engineering will assist the Debtor in liquidating its remaining oil and gas interests, and minimizing the risks to the estate. The Debtor estimates that the total cost of McCartney Engineering during the life of the Plan will be approximately $18,000.

Post-confirmation, the Debtor shall have the authority to hire additional contractors and employees as necessary in the ordinary course of business without notice to or authority from any creditor or other party-in-interest herein.

C. *Execution of Plan*.

On the Effective Date, the Reorganized Debtor shall implement its Plan of Reorganization pursuant to the terms for each class of claimants set forth above. Payments under the Plan shall come from the cash flow of the Reorganized Debtor generated by the Reorganized Debtor's liquidation of assets. On the due date for payments as set forth in Article V above, the Reorganized Debtor shall immediately distribute the required pro rata amount to each claimant holding an Allowed Unsecured Claim and escrow the same pro rata amount to creditors holding Contested Claims as provided in Article X herein.

D. *Financial Records*.

The Reorganized Debtor's financial records shall be available for review by creditors upon reasonable notice during normal business hours subject to execution of an appropriate confidentiality agreement.

E. *Avoidance and Recovery Actions*.

The Reorganized Debtor may pursue any claims or recovery actions held by the Debtor, including but not limited to recovery under 11 U.S.C. §§ 544, 547, 548 and 549. The Reorganized Debtor may abandon any claim it has against any third party if it determines that the claim is burdensome or of inconsequential value and benefit. The Reorganized Debtor is authorized to employ counsel to represent it in litigation or any cause of action or claims held by the Debtor.

F. *Deposit Accounts*.

All funds held by the Reorganized Debtor for distribution under the Plan shall be held in accounts which meet the insurance and guaranty requirements 11 U.S.C. § 345(b).

G. *Claims Objections*.

Following the Effective Date, the Reorganized Debtor may compromise objections to Claims or causes of action referred to in this Plan without notice and hearing for claims or causes of action asserted in the original amount of $50,000 or less. Settlements or compromises of any claims or causes of action asserted in the amount of $50,000 or more shall be subject to notice and an opportunity for hearing under the provisions after notice in compliance with the Federal Rules of Bankruptcy Procedure and the Local Rules of Bankruptcy Procedure, if the Bankruptcy Case remains open and on notice and consultation with the three largest unsecured creditors if the case is closed.

H. *Continued Operations*.

After the Effective Date, the Reorganized Debtor exercising its business judgment may sell, operate or abandon any of its assets.

XIII. EFFECT OF CONFIRMATION

A. Discharge of Debtor

Pursuant to 11 U.S.C. §1145(d)(1)(A), confirmation of the Debtor's Plan shall discharge the Debtor from any debt that arose before the date of such confirmation and any debt of a kind specified in 11 U.S.C. §502(g), 502(h), or 502(i), whether or not: (a) a proof of claim is filed or deemed filed; (b) such claim is allowed under 11 U.S.C. §502; or, (c) the holder of such claim has accepted the plan. Confirmation of the Plan also terminates all rights and interests of equity security holders as provided for by the Plan. The Reorganized Debtor shall be entitled to seek injunctive relief from the Court, if necessary, to enforce any and all provisions of the Plan.

B. Tax Consequences of Plan

Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, And/Or Advisors.

The following are anticipated tax consequences of the Plan:

1. *Tax Consequences to the Debtor of the Plan.*

The Debtor does not believe that the Plan will have any material affect upon the Debtor. The Debtor has no meaningful pre-petition tax liability. To the extent that the Debtor incurs unexpected tax obligations post-petition, and/or make distributions to its owners to pay such tax obligations as the case may be, the Debtor expects to have sufficient income to pay both the tax obligations and make payments under the Plan.

2. *General tax consequences on creditors of any discharge.*

Confirmation of the Plan discharges the Debtor from any debt that arose before the date of such confirmation and any debt of a kind specified in 11 U.S.C. § 502(g), 502(h), or 502(i), whether or not: (i) a proof of claim is filed or deemed filed; (ii) such claim is allowed under 11 U.S.C. § 502; or (iii) the holder of such claim has accepted the Plan.

The consequences on creditors of any discharge will result in a realized loss, if applicable, to the creditor. After the Plan is confirmed, any plan consideration will be considered a gain to be offset by the realized loss, if applicable.

C. Final Decree

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on it own motion.

XIV. PROVISION FOR ASSUMPTION OR REJECTION OF EXECUTORY CONTRACTS

All unexpired leases and executory contracts between the Debtor and any other Person (if any) which have not prior to the Effective Date of the Plan been affirmatively assumed by the Debtor, are hereby rejected.

XV. PROVISION AS TO DISPUTED CLAIMS

A. *Objections*.

The Reorganized Debtor may, at any time within thirty (30) days after the Effective Date, file an objection to any claim which in its opinion should be objected to as improper, in whole or in part. The Reorganized Debtor may further designate claims held by creditors against whom the Reorganized Debtor believes actions may be brought under 11 U.S.C. § 544, 547, 548 or 549 of the Bankruptcy Code as Contested Claims by sending notice in writing to the Claimant within sixty (60) days after the Effective Date.

Upon the filing of such objection or service of said written notice, such claim shall be considered a Contested Claim, and any cash or other instruments or property otherwise distributable to such creditor under this Plan shall be held by the Reorganized Debtor in escrow until final disposition of the objection to the claim either by settlement or entry of a Final Order. If the claim is only contested in part, payment shall be made to the claimant on the uncontested portion under the provisions of Article V and the balance shall be treated as a Contested Claim under the provisions of Article X. If the objection is overruled or denied, in whole or in part, or the claim is allowed by stipulation of the Reorganized Debtor and the claimant, such claimant shall receive the amount of cash provided in this Plan to the extent of the amount of the claim finally allowed, including back installments.

B. *Contested Claims Escrow*.

From and after the Effective Date, the Reorganized Debtor shall reserve and hold for the benefit of each holder of a Contested Claim cash in an amount equal to the pro rata payments which would have been made to the holder of such contested claim if it were an Allowed Claim in an amount equal to the lesser of: (i) the amount of the Contested Claim or (ii) the amount in which the Contested Claim shall be estimated by the Bankruptcy Court pursuant to 11 U.S.C. § 502 for purposes of allowance, which amount shall constitute and represent the maximum amount in which such claim may ultimately become an Allowed Claim. No payments or distributions shall be made with respect to all or any portion of any Contested Claim pending the entire resolution thereof by Final Order.

XVI. AMENDMENT OF ARTICLES OF ORGANIZATION AND OPERATING AGREEMENT DEBTOR

As may be required, the Articles of Organization and Operating Agreement of the Debtor shall be amended on or before the Effective Date to the extent necessary to effectuate the provisions of the Plan.

XVII. LIQUIDATION ANALYSIS

In a liquidation, the Debtor's estate would be a limited asset estate because the Debtor's assets would be liquidated to satisfy the claims of the unsecured creditors. Given the risks to the Debtor and the Estate under CERCLA of the Debtor's remaining oil and gas interest, couple with

current market prices, the Debtor estimates that there would not be sufficient assets to pay unsecured claims in full. Rather, the Debtor estimates that its remaining oil and gas interests would be abandoned leaving only the cash on hand for distribution to creditors after payment of administrative claims.

Attached hereto as **Exhibit 3** is the Debtor's Liquidation Analysis, as well as its Claims Analysis and estimated recoveries and distributions to creditors. The Debtor believes that confirmation of the Plan is in the best interests of creditors as it provides more to them than they would receive in a forced liquidation. The Debtor projects that the distributions to unsecured creditors will be 33.35% of the allowed claims.

Another alternative to conversion is dismissal of the bankruptcy case. Again, the Debtor does not believe that dismissal is in the best interests of creditors. If the reorganization is dismissed, the Debtor would be unable to pay its pre-petition obligations in full and may be subject to a receivership. Without the protection of Chapter 11 and the ability to reorganize, the Debtor believes it would have ceased operations leaving creditors to fend for themselves.

XVIII. RISK FACTORS

There is no assurance that the creditors will be repaid in full. The following are some of the risk factors which should be considered in evaluating this Plan and Disclosure Statement. The following should not be considered as an exhaustive list of the risk factors to be considered in evaluating the Plan.

A. General Economic Risk

The Reorganized Debtor's business may be affected by the general conditions in the economy, including the commodity prices for oil and gas.

B. No Guaranteed Payments

There are no guaranteed minimum payments to the unsecured claimants, since the Plan provides for distributions based upon sales of assets whose value is volatile. Further, administrative claims and priority tax claims will receive distributions before payment to unsecured creditors. However, the Debtor believes that it will have proceeds for distributions as there are sufficient funds on hand to provide for payment of all administrative and priority claims.

C. Insufficient Funds to Pay Claims Due After the Effective Date

There is no guarantee that the Debtor will have sufficient funds to meet its payment obligations to all claimants. The Debtor believes that it will generate proceeds for distributions from the sale of assets. However, in the event that expenses greatly exceed the gross revenues, the Debtor may not generate sufficient funds for distribution to administrative claimants and Class 1 claimants

under the Plan until the Debtor is able to sell all remaining assets.

XIX. CONSIDERATIONS IN VOTING ON THE CHAPTER 11 PLAN

A. Operations in Chapter 11.

Chapter 11 of the Bankruptcy Code permits the adjustment of secured debts, unsecured debts and equity interests. A Chapter 11 plan may provide less than full satisfaction of senior indebtedness and payment of junior indebtedness or may provide for return to equity owners absent full satisfaction of indebtedness so long as no impaired class votes against the Plan.

If an impaired class votes against the Plan, this does not necessarily make implementation of the Plan impossible so long as the Plan is fair and equitable, that class is afforded certain treatment defined by the Bankruptcy Code, and at least one impaired class of creditors votes to accept the Plan by a two-thirds majority in the dollar amount of claims voting and a majority in number of claims voting. In order to be fair and equitable with respect to the unsecured creditors, the Plan must either provide the creditor the full value of his claim or if he does not receive the full value of the claim, no junior class of creditor or interest holder may receive or retain anything on account of their claim or interest.

In the event a class is unimpaired, it is automatically deemed to accept the Plan. A class is unimpaired, in essence, if: (1) its rights after confirmation are the same as what existed (or would have existed absent defaults) before the commencement of the Chapter 11 case and any existing defaults are cured or provided for and the class is reimbursed actual damages; or (2) the allowed claims of the class are paid in full in cash as though matured.

If there is no dissenting class, the test for approval by a court of a Chapter 11 Plan (i.e. confirmation) is whether the Plan is in the best interests of creditors and is feasible. In simple terms, a Plan is considered by the Court to be in the best interest of creditors if the Plan will provide a recovery to the creditors of not less than they would obtain if the Debtor were liquidated and the proceeds of liquidation were distributed in accordance with the bankruptcy liquidation (Chapter 7 priorities). In this case, the unsecured creditors will receive more under the Plan than what they would receive in a liquidation and all senior classes of creditors are either unimpaired or have agreed to different treatment under the Plan.

These determinations by the Court will occur at the hearing on confirmation after a Plan has been accepted by the creditors. The Court's judgment on these matters does not constitute an expression of the Court's opinion as to whether the Plan is a good one.

B. Allowed Claims.

While the Plan provides for certain payments on the Effective Date, such payments will only apply to allowed claims. Under the Bankruptcy Code, a claim may not be paid until it is allowed.

A claim will be allowed in the absence of objection. Once an objection to a claim has been filed, the claim and objection thereto will be heard by the Court at a regular evidentiary hearing and allowed in full or in part or disallowed. While the Debtor bears the principal responsibility for claims objections, any interested party, including creditors, may file claim objections. Accordingly, payment of some claims may be delayed until objections to such claims are ultimately settled.

C. Disclosure Required by the Bankruptcy Code.

The Bankruptcy Code requires disclosure of certain facts:

(a) There are no payments made or promises of the kind specified in Section 1129(a)(4)(A) of the Bankruptcy Code which have not been disclosed to the Court.

(b) The Reorganized Debtor will remain in control of the assets after confirmation of the Plan for the purpose of operating the business of the Reorganized Debtor. The current management of the Debtor will remain in control of the Reorganized Debtor. The Debtor believes that their continued control is in the best interest of all creditors as described in Section 1129(a)(5) of the Bankruptcy Code.

XX. MISCELLANEOUS PROVISIONS

A. *Retention of Jurisdiction*.

The Reorganized Debtor reserves the right to reopen the Chapter 11 Case after Confirmation and dismissal for the purposes set forth in this paragraph. The Bankruptcy Court shall retain jurisdiction over the Chapter 11 Case for the following purposes:

(1) To hear and determine any and all objections to the allowance of Claims or Interests.

(2) To determine any and all applications for allowances of compensation and reimbursement of expenses and any other fees and expenses authorized to be paid or reimbursed under the Bankruptcy Code or the Plan, to the extent such claim was incurred prior to the Effective Date.

(3) To hear and determine any and all pending applications for the rejection or assumption, or for the assumption and assignment, as the case may be, of executory contracts or unexpired leases to which the Debtor is a party, and to hear and determine any and all Claims arising therefrom.

(4) To hear and determine any and all applications, adversary proceedings, and contested or litigated matters that may be pending on the Effective Date or instituted by the Reorganized Debtor thereafter.

(5) To consider any modifications of the Plan, to remedy any defect or omission, or reconcile any inconsistency in the Plan or in any order of the Bankruptcy Court, including the Confirmation Order.

(6) To hear and determine any application to sell the Debtor's property free and clear of liens.

(7) To hear and determine all controversies, suits, and disputes that may arise in connection with the interpretation, enforcement, or consummation of the Plan.

(8) To consider and act on the compromise and settlement of any claim or cause of action by or against the Debtor where the original claim or cause of action is in excess of $50,000.00.

(9) To issue orders in aid of execution of the Plan as contemplated by 11 U.S.C. § 1142.

(10) To determine such other matters as may be set forth in the Confirmation Order or which may arise in connection with the Plan or the Confirmation Order.

B. *Vesting of Property*.

The Reorganized Debtor shall be vested with ownership to all property of the estate upon the Effective Date.

C. *Satisfaction of Claims*.

The payment of Allowed Claims, Allowed Administrative Claims and Allowed Secured Claims shall be in exchange for all claims against the Debtor and shall constitute full settlement, release, discharge, and satisfaction of all such claims against the Debtor. Confirmation of the Plan shall constitute a modification of any note or obligation for which specification and treatment is provided under the Plan as set forth in the Plan. Any obligation or note, previously in default, so modified, shall be cured as modified as of the Confirmation Date. This provision shall be operable regardless of whether the Plan provides for any obligation to be evidenced by a rewritten loan or security document following confirmation of the Plan.

D. *Pre-Existing Causes of Action*.

Nothing herein contained shall prevent the Reorganized Debtor from taking any action as may be necessary to the enforcement of any cause of action which may exist on behalf of the Reorganized Debtor and which may not have been enforced or prosecuted by the Debtor prior to the Effective Date.

E. *Reservation of Rights*.

The Reorganized Debtor reserves the right to modify the Plan prior to the Confirmation, and thereafter to modify the Plan in accordance with 11 U.S.C. § 1127(b) and as set forth above.

F. *Headings*.

The headings used in the Plan are for convenience of reference only and shall not limit or in any manner affect the meaning or interpretation of the Plan.

G. *Notices*.

All notices, requests, demands, or other communications required or permitted in this Plan must be given in writing to the party(ies) to be notified. All communications will be deemed delivered when received at the following addresses:

(1) To Debtor:

Blair Oil Investments, LLC
c/o Jeffrey A. Weinman
730 17th Street, Ste. 240
Denver, CO 80202

(2) With a copy to:

Kenneth J. Buechler, Esq.
Buechler & Garber, LLC
999 18th Street, Suite 1230S
Denver, CO 80202
Fax: 720-381-0382
email: ken@BandGlawoffice.com

(3) To an allowed claimant, at the addresses set forth in the allowed Proof of Claim, if filed, or, if no Proof of Claim is filed, at the address set forth for the claimant in the Debtor's Schedules filed with the Bankruptcy Court.

H. *Successors and Assigns*.

The Plan will be binding upon the Reorganized Debtor, any creditor affected by the Plan and their heirs, successors, assigns and legal representatives.

I. *Unclaimed Payments*.

If a Person entitled to receive a payment or distribution pursuant to this Plan fails to negotiate a check, accept a distribution, or provide a forwarding address in the event notice cannot be provided as set forth above within one (1) year of the Effective Date, the person or entity is deemed to have released and abandoned any right to payment or distribution under the Plan. Such funds shall thereafter revert to the Debtor.

J. *Liability*.

Except as set forth in this Plan, neither the Reorganized Debtor, nor any of its agents, managers, representatives, attorneys, accountants or advisors shall have or incur any liability for any past, present or future actions taken or omitted to be taken under, in connection with, related to, affecting or arising out of the Chapter 11 Case or this Plan except for claims based on gross negligence or willful misconduct.

K. *Severability.*

If any provision in the Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of the Plan.

L. *Controlling Effect.*

Unless a rule of law or procedure is supplied by federal law including the Code or the Federal Rules of Bankruptcy Procedure, the laws of the State of Colorado govern the Plan and any agreements, documents, and instruments executed in connection with the Plan, except as otherwise provided in the Plan.

DATED March 31, 2017.

Blair Oil Investments, LLC

/s/ Jeffrey A. Weinman

By: _____

Jeffrey A. Weinman, Member/Manager

/s/ Kenneth J. Buechler

By: _____

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