

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF KANSAS

IN RE:)
PRATT WELL SERVICE, INC.,) Case No. 16-11224
) Chapter 11
Debtor.)
_____)

DEBTOR'S FIRST AMENDED DISCLOSURE STATEMENT
DATED JULY 5, 2017

I. INTRODUCTION

This is the Amended Disclosure Statement (“Disclosure Statement”) in the Chapter 11 case of Pratt Well Service, Inc. (“Debtor,” “Pratt Well,” or the “Company”). This Disclosure Statement contains information about the Debtor and describes the First Amended Plan of Reorganization (“Plan”) filed by the Debtor on July 5, 2017. A copy of the Plan accompanies this Disclosure Statement.

The Court has conditionally approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court has approved this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted.

II. BACKGROUND

A. The Debtor and the Events Leading to the Chapter 11 Case. The Debtor, Pratt Well Service, Inc. (“Pratt Well”, the “Debtor”, or the “Company”) was formed in 1960. It is a well known and established oil/gas servicing company, providing service and repair work to leases and wells owned by third parties. It has also owned (and continues to own) a number of oil and gas interests. The company has further owned subsidiary entities, or percentage

ownership in other entities. As of the Filing Date, the only such entity with value was Greenwood Resources, LLC, which also owns oil and gas interests.

With the decline in the oil and gas market, many operators for whom Pratt Well worked could not continue to operate, particularly as to marginal wells. This led to a significant drop in business. The Company was unable to make scheduled payments to its primary secured creditors, Intrust Bank (“Intrust”), and First National Bank in Pratt (“FNB”). As its financial condition worsened, the Company also could not pay other debts. The Banks called their loans, and this Chapter 11 case followed.

B. The Chapter 11 Case. The Chapter 11 case was filed June 30, 2016. The Debtor entered into an agreed cash collateral order with Intrust and FNB, which has been extended through the case. The Debtor has also employed various professionals, including attorneys, accountants, realtors, auctioneers and appraisers.

Early in the case, the Debtor decided to close its well servicing business and concentrate on production from its own oil and gas interests. Most of the service employees were let go, and the Debtor scheduled an auction of its service business equipment. The sale was held August 25, 2016 with proceeds of \$2,135,089.26, which was disappointing. After paying the costs of the sale, net proceeds of \$2,063,997.38 were disbursed to U.S. Trustee fees, secured tax claims, and to the Banks for application to their secured claims.

The Debtor also sold most of its real estate, some by contract, and some by auction. These sales produced a total of \$669,800.00. After paying the costs of the sales, \$574,802.83 was paid to the Banks for application to their secured claims, and \$22,246.79 (as to unsecured properties) paid to the Debtor-in-Possession account. The Debtor also sold a number of smaller working interests as to oil and gas interests which it did not operate. Closing is still pending,

although the sale produced gross proceeds of \$23,695.00. Net proceeds will be negligible. The Debtor further liquidated two (2) life insurance policies producing proceeds of \$114,984.11.

C. Insiders and Management. The Debtor is owned 57.9% by Kenneth C. Gates, 10.4% by Carla M. Walker, and .5% by Kevin C. Gates. 31.2% of the Debtor's stock is treasury stock. All three of the owners are directors. Kenneth C. Gates is president, and Kevin C. Gates is vice-president. Shareholders, directors, and officers have remained the same during the Chapter 11 case.

D. Remaining Assets. The Debtor's remaining assets and their value are listed in **Exhibit A**, attached hereto.

III. SUMMARY OF THE PLAN

A. What is the Purpose of the Plan of Reorganization? As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, creditors' recovery will be limited to the amount provided by the Plan.

B. Unclassified Claims Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Debtor has *not* placed the following claims in any class:

1. **Administrative Expenses.** Administrative expenses are costs or expenses of administering the Debtor's chapter 11 case which are allowed under §507(a)(2) of the Code.

This includes professional fees and U.S. Trustee fees. The Code requires that all administrative expenses be paid on the Effective Date of the Plan, unless a particular claimant agrees to a different treatment.

2. 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 §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. The following lists the Debtor’s estimated §507(a)(8) priority tax claims and their proposed treatment under the Plan:

Description	Estimated Amount	Treatment
Internal Revenue Service (“IRS”)	\$206,164.83	Pre-petition interest of \$143.84 will be paid on the Effective Date. The balance of the IRS clam, \$206,164.83, will be paid at 4% interest from the Effective Date in monthly installments beginning with the first day of the month following the Effective Date, and ending 6/30/21.
Kansas Department of Revenue (“KDR”)	\$62,481.63	Paid at 4% interest from the Effective Date in monthly installments beginning with the first day of the month following the Effective Date, and ending 6/30/21.
Illinois Department of Revenue/ Department of Income Security	\$256.31	Paid on the Effective Date.
Various Kansas Counties – Property Taxes	\$129,898.00* *Estimate does not include real estate taxes for 2015 and 2016 for property already sold. <u>And</u> , amount will likely	All 2016 tax year and prior property taxes will be determined by objection and/or Motion to Determine. Also, the Debtor may file adversary action(s) to avoid

	<p>be reduced under possible avoidance under Code §545. See Treatment.</p>	<p>any such tax liens as may arise under K.S.A. 79-2020. Any allowed and un-avoided taxes for tax year 2016 and prior will be paid at 4% interest from the Effective Date in monthly installments beginning with the first day of the month following the Effective Date (or from the date determined) and ending 6/30/21. Any allowed 2015 tax will also be paid interest from 12/20/15 to 6/30/16.</p>
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C. Classified Claims.

1. Classes of Secured Claims.

Allowed Secured Claims are claims secured by property of the Debtor’s bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under §506 of the Code. If the value of the collateral or setoffs securing the creditor’s claim is less than the amount of the creditor’s allowed claim, the deficiency will be classified as a general unsecured claim. The following lists all classes containing Debtor’s secured prepetition claims and their proposed treatment under the Plan:

Class #	Creditor	Impairment	Treatment
1	Intrust	Impaired	Pursuant to a Stipulation for Plan Treatment (Dkt. #268), <u>inter alia</u> the principal balance at Confirmation (estimated at \$543,000-\$553,000) will be determined and then paid over five (5) years from the Effective Date at 5.5% interest. The balance of the claim (accrued interest and costs) will be due, without

			additional interest, five (5) years from the Effective Date. Such balance will also be paid by paying Intrust and FNB (See Class 2) the amount otherwise paid priority tax claim, when such payments end as of 6/30/21. Intrust will retain its lien(s).
2	First National Bank	Impaired	First National Bank ("FNB") has an inter-creditor agreement with Intrust (Class 1) under which both hold the same collateral, and divide payments. The Stipulation for Plan Treatment (Dkt. #268) referenced above applies to FNB, and FNB's treatment will be the same as Intrust. The principal balance at Confirmation is estimated at \$249,000. FNB will retain its lien(s).

2. Class of General Unsecured Claims.

General unsecured claims are not secured by property of the estate and are not entitled to priority under §507(a) of the Code. The following identifies the Plan's proposed treatment of Class 4, which contains the general unsecured claims against the Debtor:

Class #	Creditor	Impairment	Treatment
3	All unsecured creditors	Impaired	Will not be paid.

3. Class of Interest Holders

Equity interest holders are parties who hold an ownership interest (*i.e.*, equity interest) in the Debtor. In a corporation, entities holding common stock are equity interest holders. The following sets forth the Plan's proposed treatment of the class of equity interest holders:

Class #	Creditors	Impairment	Treatment
4	Current shareholders	Impaired	Will not retain stock.

D. Means of Implementing the Plan

Source of Payments. Payments and distributions under the Plan will be made from the on-going net income from the Debtor's oil and gas interests and the net income of Greenwood Resources, LLC.

Transfer of Assets and Post-Confirmation Management. Upon Confirmation, all assets of the Debtor will be transferred to 3G Production, L.L.C. ("3GP"), a limited liability company to be created. The owners/members will be Kenneth C. Gates, Kevin C. Gates, and Carla M. Walker, See Code §1123(a)(5)(B). Kenneth C. Gates will be the managing member of 3GP. Such transfer will be in consideration of 3GP assuming all liabilities of the Debtor, to the extent, and as provided for in the Plan. 3GP will have no liability on any claim against the Debtor (including, if applicable, any non-dischargeable debt) other than those specifically provided for in the Plan, and 3GP's liability for such will be only to the extent and under the terms of the Plan. The transfer will otherwise be free and clear of all claims and interest.

E. Risk Factors

The Debtor's remaining income producing assets are oil and gas interests. The price of oil will, therefore, have a significant effect on the ability to make the payments provided for in the Plan. In addition, depletion of the oil and gas in place may affect continued income.

Maintenance of equipment is also a continuing issue, with any significant repair or replacement expense affecting any given month's net income.

F. Executory Contracts and Unexpired Leases

The Plan, Article VI, lists the executory contracts and unexpired leases that the Debtor will assume under the Plan. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases. If another party to the contract or lease objects to the assumption of the unexpired lease or executory contract, or the adequacy of assurance of performance, such party must file and serve an objection to the Plan within the deadline for objecting to the Confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases not listed in the Plan as accepted, will be rejected under the Plan. Parties should consult their advisor or attorney for more specific information about particular contracts or leases. Any objection to the rejection of a contract or lease, must be filed and served within the deadline for objecting to the Confirmation of Plan.

G. 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 the anticipated tax consequences of the Plan:

The Debtor. Generally, a Debtor, does not have to recognize cancellation of debt income ("codi"). However, under §108 of the Tax Code, tax attributes must be reduced to the extent of the amount of codi. Such attributes are reduced in the order set out in the Tax Code. Such reduction does not occur until the end of the taxable year after the attributes have been applied to determine the tax in the year of discharge. Here, it is likely the Debtor will have attribute

reduction.

Creditors. Generally, a creditor will recognize gain or loss and/or income or bad-debt expense to the extent a creditor receives, or does not receive, payment under a Plan. Here, it is likely that most, if not all, unsecured creditors will have a loss, or bad debt expense.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in Code §§ 1129(a) or (b). These include: the Plan be proposed in good faith; at least one impaired class of claims accept the Plan, without counting votes of insiders; the Plan distributes to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

A. Voting

Who may vote or object. Any party in interest may object to confirmation if the party believes the requirements for confirmation have not been met. Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor has a right to vote for or against the Plan only if that creditor has a claim that is both (1) allowed and (2) impaired. In this case, the Debtor believes that the classes 1-4 are impaired and that holders of allowed claims in each of these classes are therefore entitled to vote to accept or reject the Plan.

What is an “allowed claim”? Only a creditor or equity holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor’s schedules, unless the

claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure. The deadline for filing claims was September 16, 2016. A list of unsecured claims, deemed allowed, or filed and allowed is attached hereto as **Exhibit B**.

What is an “impaired” claim? As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is *impaired* under the Plan. As provided in Code § 1124, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

Who is not entitled to vote? Holders of claims that have been disallowed by court order; holders of claims in an unimpaired class; holders of claims entitled to priority under Code § 507(a)(2), (a)(3), and (a)(8); administrative expenses.

Votes necessary to confirm the Plan. If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by “cram down” on non-accepting class, as discussed below.

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the

Plan, and (2) the holders of at least two-third (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the nonaccepting classes are treated in the manner prescribed by Code § 1129(b) of the Code. A plan that binds nonaccepting classes is commonly referred to as a “cram down” plan. The Code allows the Plan to bind nonaccepting classes of claims if it meets all the requirements for consensual confirmation except the voting requirements of Code § 1129(a)(8), does not “discriminate unfairly,” and is “fair and equitable” toward each impaired class that has not voted to accept the Plan.

B. Liquidation Analysis

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7 liquidation. A Liquidation Analysis is attached to this Disclosure Statement as **Exhibit C**. As set out in the attached, in such a liquidation unsecured creditors would receive \$0, and it is likely that priority tax claims would not be paid in full.

C. Feasibility

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan. The Debtor believes it will have enough funds on hand on the Effective Date to pay claims entitled to be paid on that date and funds available over the life of the Plan to make the required Plan payments.

Projections showing an ability to make the required payments are attached to this Disclosure Statement as **Exhibit D**.

V. EFFECT OF CONFIRMATION OF THE PLAN

A. Discharge. On the Effective Date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, to the extent specified in Code § 1141(d)(1)(A), except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in Code § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind specified in Code § 1141(d)(6)(B).

B. Code §1141. The Plan will otherwise have the effect as provided by Code §1141, including: §1141(a) (“bind the debtor, ...any entity acquiring property under the Plan, and any creditor, equity security holder, ... whether or not the claim or interest of such creditor ... is impaired under the plan and whether or not such creditors ...has accepted the plan”); §1141(b) (“Except as provided [otherwise], after confirmation of a plan, the property dealt with by the plan is free and clear of all claims and interests of creditors ...”).

VI. OTHER PROVISIONS

A. Modification of Plan. The Debtor may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan. The Debtor may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated *and* (2) the Court authorizes the proposed modifications after notice and a hearing.

B. Final Decree. Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Debtor, 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 its own motion.

Pratt Well Service, Inc.

/s/ Kenneth C. Gates
Kenneth C. Gates, President

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/s/ J. Michael Morris
J. Michael Morris
Attorney for the Debtor

EXHIBIT A
TO DEBTOR'S DISCLOSURE STATEMENT DATED JULY 5, 2017

REMAINING ASSETS

<u>ASSETS</u>	<u>Value</u>
1. Cash ¹	\$27,246.79
2. Vehicles ²	\$122,850.00
3. Equipment ³	\$36,795.00
4. Inventory ⁴	\$35,033.00
5. Oil and Gas Interests ⁵	\$367,515.00
6. Real Estate ⁶	\$353,000.00
7. Other ⁷	\$473,799.99
TOTAL	<u>\$1,416,236.78</u>

¹ Net proceeds of 2 unsecured tracts of real estate \$22,246.79 (\$15,456.66 + \$6,790.13), plus estimated \$5,000.00

² Debtor's estimated value, plus Hamm Auction and Real Estate appraisal for: '11 Ford F-550, '11 Ford Explorer, '12 Chevy 2500, '07 Ford F-550, '12 Ford F-150, '14 IMS Crew Trailer, '90 Blair Box Trailer, Neville Drop Deck Trailer, Lowboy Trailer, PJ Gooseneck, '85 GMC DD Pole, '81 International Gin Truck, '99 Mack Water Truck.

³ Debtor's estimated value.

⁴ Items remaining in debtor's yard and previously held for sale in well service business. Will be incorporated into debtor's on-going oil and gas operations as needed.

⁵ Evenson Auctioneers appraisal of 3/30/17. And, see attached for the list of the Debtor's owned and operated interests.

⁶ Yard, 10387 NE SR 61, Pratt (\$245,000.00); 134 acres – surface rights only – SE/4 7-27-12, 5 miles NE of Pratt on SR 61 (\$108,000.00). Hamm Real Estate Appraisal of 3/14/17.

⁷ 100% of Greenwood Resources, LLC ("Greenwood") which owns various oil and gas properties, appraised by Evenson Auctioneers 3/30/17 at \$452,500.00. 75% of Iuka Carmi Development, LLC ("Iuka"). Iuka owns various interests in oil and gas properties, with no net value: \$0. 40% of Eagle Vision Well Inspection, LLC; no value (company is out of business). Co-Op patronage, believed to be \$55,000.00 plus, subject to set-offs, valued for liquidation at 10%: \$5,414.00. Judgment vs. Northwest Natural Gas Co.: \$136,846.21 with interest, judgment is on appeal, 1/16 of any recovery will be paid to landowner; debtor's attorney – Johnson, Eisenhauer – will have a lien on any recovery for fees, valued for liquidation at 10%: \$13,885.00. Water rights, reserved in prior sale of real estate, value estimated for liquidation: \$2,000.00.

Exhibit A-1

Well Inventory						
Pratt Well Service, Inc.						
6/26/2017						
Operated						
Lease Name	Well No.	API Number	County	Percentage	Well Type	Well ST
ANDERSON	1-A	15-155-20494-0001	Reno	WI 0.85500000	OG	PR
BAILEY C	1	15-151-20647-0000	Pratt	WI 0.87500000	OIL	PR
BAILEY C	2	15-151-01006-0001	Pratt	WI 0.87500000	OIL	IN
CACTUS-SWANDER	1	15-095-20864-0001	Kingman	WI 0.76000000	GAS	PR
CAMPBELL 1-A	1-A	15-155-20467-0000	Reno	WI 0.85500000	OG	PR
CLARK OWWO	1-J	15-007-20962-0001	Barber	WI 0.84765630	OIL	PR
CLARKE 1-34	1	15-007-20691-0000	Barber	WI 0.76562500	OIL	PR
CONRAD	1	15-095-21264-0000	Kingman	WI 0.83000000	GAS	PR
CONRAD	31-9	15-095-10068-0002	Kingman	WI 0.802887	SWD	AI
CROOKED L RANCH A	1	15-119-20367-0000	Meade	WI 0.82031250	GAS	PR
DARLINGTON OWWO	1	15-095-01179-0001	Kingman	WI 0.8125	OIL	PR
DAYLIGHT	1	15-097-21085-0000	Kiowa	WI 0.80000000	OIL	PR
DAYLIGHT	2	15-097-21209-0000	Kiowa	WI 0.80000000	GAS	IN
DECATUR - WITT	2	15-039-30057-0000	Decatur	WI 0.8284932	OIL	PR
DECATUR CENTER - BETTS	1-21	15-039-21204-0000	Decatur	WI 0.8284932	OIL	DR
DECATUR CENTER - HARMON	3	15-039-19035-0001	Decatur	WI 0.8284932	EOR	AI
DECATUR CENTER -RUZICKA	1	15-039-00409-0000	Decatur	WI 0.8284932	OIL	PR
DENNIS	2	15-155-20602-0001	Reno	WI 0.6946874	SWD	AI
DIETZ	1	15-151-21251-0002	Pratt	WI 0.8203125	OIL	PR
DORZWEILER	1-19	15-051-25100-0000	Ellis	WI 0.82031250	OIL	PR
DYCHE	1	15-151-20856-0000	Pratt	WI 0.87500000	OIL	PR
ENGLISH	A-2	15-047-21088-0000	Edwards	WI 0.80000000	OIL	IN
FOUSE RG	3	15-047-21171-0000	Edwards	WI 0.80000000	OG	IN
GIBBONS-HUGHES	1	15-097-21024-0000	Kiowa	WI 0.80000000	OIL	PR
GIBBONS-HUGHES	2	15-097-21270-0000	Kiowa	WI 0.80000000	OIL	PR
GIBSON	A1	15-047-21074-0000	Edwards	WI 0.87500000	OIL	IN
GREENSTREET	1	15-151-20857-0000	Pratt	WI 0.87500000	OIL	IN
HENDRICKS	1	15-007-22829-0000	BARBER	WI 0.37500000	GAS	PR
HENDRICKS	3	15-007-23139-0000	BARBER	WI 0.37500000	GAS	PR
HENNING	1	15-145-20729-0000	Pawnee	WI 0.8203125	OIL	PR
HENNING	2	15-145-20827-0000	Pawnee	WI 0.8203125	GAS	PR
HUCK	1	15-195-00383-0000	Trego	WI 0.84765630	OIL	PR
HUCK	3	15-195-00758-0000	Trego	WI 0.84765630	OIL	PR
HUCK A	2W	15-195-01462-0001	Trego	WI 0.84765630	EOR	AI
ICHU - FIELD	Unitized	16 Wells	Pratt	WI 0.819940580	OIL	
J HAMM	1 15	15-151-22259-0000	Pratt	WI 0.80000000	OIL	PR
J HAMM	3 15	15-151-22324-0000	Pratt	WI 0.75000000	OIL	PR
KENDALL	2	15-097-21133-0000	Kiowa	WI 0.7895835	OG	IN
KENDALL ETAL OWWO	1	15-097-20608-0001	Kiowa	WI 0.7895835	OG	PR
KLM VANCE	1	15-151-20377-0000	ELLIS	WI 0.82031250	OIL	PR

Exhibit A-1

LENKNER	1	15-007-21781-0000	Barber	WI 0.75000000	GAS	PR
LITTLECHILD - DEINES	26-34	15-195-21262-0000	Trego	WI 0.81000000	OIL	PR
LITTLECHILD - SCHAUS	1	15-195-20282-0001	Trego	WI 0.81000000	EOR	AI
LITTLECHILD - SCHAUS	3	15-195-21207-0000	Trego	WI 0.81000000	OIL	PR
LITTLECHILD -STRUSS	23-144	15-195-21143-0000	Trego	WI 0.81000000	OIL	PR
LONKER-HARRELL	1	15-007-21681-0000	Barber	WI 0.82031260	OG	PR
LUDERS	6	15-151-22155-0000	Pratt	WI 0.80593750	GAS	IN
LUDERS	7	15-151-22163-0000	Pratt	WI 0.80593750	GAS	IN
LUDERS	8	15-151-22164-0000	Pratt	WI 0.80593800	GAS	IN
MARGARET HOPPER	1	15-097-20497-0000	Kiowa	WI 0.78906250	OG	PR
MARTIN	3	15-051-02353-0000	Ellis	WI 0.7890625	OIL	PR
MCDANIEL	1	15-007-20677-0000	Barber	WI 0.5878125	GAS	PR
MESSER IRVIN H	1	15-151-20975-0000	Pratt	WI 0.8250000	OIL	PR
MEYER BERNARD A	1	15-047-50009-0000	Edwards	WI.0 .87500000	GAS	PR
MEYER BERNARD A	2	15-047-20715-0000	Edwards	WI.0 .87500000	OG	IN
MEYER BERNARD A	3	15-047-20794-0000	Edwards	WI.0 .87500000	OIL	PR
MEYER BERNARD A	6	15-047-20892-0000	Edwards	WI.0 .87500000	OIL	PR
MEYER BERNARD A	7	15-047-20893-0000	Edwards	WI.0 .87500000	OIL	PR
MEYER PAUL	4	15-047-20793-0000	Edwards	WI.0 .87500000	OIL	PR
MEYER PAUL	5	15-047-20898-0002	Edwards	WI.0 .87500000	EOR	AI
MEYER PAUL	6	15-047-20899-0000	Edwards	WI.0 .87500000	OIL	IN
MEYER PAUL	7	15-047-20900-0000	Edwards	WI.0 .87500000	OIL	PR
NEWSOM	1	15-047-00227-0000	Edwards	WI 0.79387000	OG	PR
PACKARD	1	15-007-21316-0001	Barber	WI 0.81250000	SWD	AI
PACKARD	2	15-007-21366-0000	Barber	WI 0.81250000	OIL	PR
PARKER	1	15-047-00119-0000	Edwards	WI 0.769043	OIL	PR
PEOPLES BANK	2-19	15-151-22066-0000	Pratt	WI 0.3069606	OIL	PR
PEOPLES BANK-HUGHES	1	15-151-21463-0000	Pratt	WI 0.3069606	OIL	PR
PIKE/UPDEGRAFF	2	15-007-23688-0000	Barber	WI 0.80000000	GAS	PR
PIKE/UPDEGRAFF	1 OWWO	15-007-00581-0002	Barber	WI 0.80000000	GAS	PR
PWSI	17	15-151-22445-0000	PRATT	WI 0.819940580	SWD	PR
RICKE	1	15-007-23056-0000	Barber	WI 0.3333333	GAS	PR
RICKE	1 OWWO	15-007-22095-0001	Barber	WI. 0.32500000	GAS	PR
ROBBINS	1	15-151-22096-0100	Pratt	WI 0.87500000	OIL	PR
Roessler 'A' (Packard)	1	15-007-01567-0001	Barber	WI 0.81250000	OIL	DR
SCHIFF	1	15-007-20777-0000	Barber	WI 0.5878125	GAS	IN
SICU - FIELD	UNITIZED	11 WELLS	Pratt	WI 0.814452490	OIL	PR
SMITH	1-B	15-185-01883-0000	Stafford	WI 0.82031250	OIL	PR
SMITH	2-B	15-185-19117-0001	Stafford	WI 0.82031250	SWD	AI
SMITH	5-B	15-185-01886-0000	Stafford	WI 0.82031250	OIL	PR
SMITH	A-2	15-151-22009-0000	Pratt	WI 0.78125000	OG	PR
SWANDER	2	15-095-01533-0001	Kingman	WI 0.8125	SWD	AI
SWANDER	2	15-095-21031-0000	Kingman	WI 0.8125	GAS	PR
THORPE	2	15-097-21292-0000	Kiowa	WI 0.69870000	OIL	IN
THORPE OWWO	1	15-097-20513-0002	Kiowa	WI 0.69870000	SWD	AI
WAGNER	5	15-151-10216-0000	Pratt	WI 0.81250000	OIL	PR
WAGNER	6	15-151-10190-0000	Pratt	WI 0.81250000	OIL	PR

Exhibit A-1

WAGNER	31	15-151-30005-0001	Pratt	WI 0.81250000	OIL	PR
WAGNER	33	15-151-22165-0000	Pratt	WI 0.8003125	OIL	PR
WELLER UNIT	1	15-119-30010-0000	Meade	WI 0.84252500	GAS	PR
WESTERMAN	1	15-095-20744-0000	Kingman	WI 0.66303109	GAS	PR

EXHIBIT B
TO DEBTOR'S DISCLOSURE STATEMENT DATED JULY 5, 2017

Unsecured Creditors

Scheduled (Deemed Allowed) Does not include those superceded by filed claims – see below.

Creditor	Listed Amount	Allowed/Disallowed
1. 54 Pickup, Inc.	\$13.12	Allowed
2. Aaron's Repair & Supply	\$3,076.85	Allowed
3. Abe's Oilfield Service	\$3,317.17	Allowed
4. Ace First Extinguisher Co.	\$1,707.41	Allowed
5. Adam Rife	\$0	Disallowed
6. AESC	\$1,660.00	Allowed
7. Aflac	\$1,993.00	Allowed
11. Bear Petroleum	\$9,631.90	Allowed
12. Blue Cross/Blue Shield	\$28,743.97	Allowed
13. Bradford Supply Co.	\$1,935.28	Allowed
14. Central Power Systems	\$4,008.90	Allowed
15. Central Publishing Co.	\$290.00	Allowed
17. Certified Laboratories	\$688.88	Allowed
18. Cintas Corporation #451	\$11,509.92	Allowed
19. Cintas First Aid & Safety	\$1,380.74	Allowed
20. Clarkson Power Flow	\$1,191.38	Allowed
21. Continental Batteries	\$693.80	Allowed
22. Cooper Tire of Pratt	\$39.15	Allowed
28. DR Lauck Oil Co.	\$900.00	Allowed
29. DuPress Testing Services	\$1,120.00	Allowed
30. Ecowater Systems	\$7.99	Allowed
31. Enterprise Communications	\$5,500.00	Allowed
32. Equitable Payment Center	\$4,472.50	Allowed
34. Fuller Petroleum Service	\$2,120.74	Allowed
35. G&G Supply	\$3,450.00	Allowed
37. GeoCore Inc.	\$3,152.89	Allowed
38. Good Ole Boy's Hot Oil Treat	\$1,485.90	Allowed
39. Green Oilfield Services, LLC	\$11,628.94	Allowed
40. Greensburg Oilfield Services	\$886.87	Allowed
41. H&K Equipment	\$2,699.48	Allowed
42. Herman L Loeb	\$3.38	Allowed
43. hibu Inc. - West	\$991.91	Allowed
45. Hoidale Co. Inc.	\$1,181.58	Allowed

46. Huber Sand	\$1,405.47	Allowed
47. Hurrigan Service Inc.	\$1,703.87	Allowed
48. IMA Inc.	\$114,029.00	Allowed
49. Information Network of KS	\$89.61	Allowed
50. Iuka/Carmi Development	\$1,723.72	Allowed
78. Pioneer Tank & Steel	\$623.22	Allowed
79. Pipe Elite Testing	\$15.31	Allowed
86. Public Works & Utilities	\$602.34	Allowed
87. Purchase Power	\$1,729.86	Allowed
91. SykBitz Inc.	\$55.00	Allowed
92. South Central Wireless	\$3,231.81	Allowed
95. Steve's Well Service	\$5,921.28	Allowed
96. Stevens Construction	\$3,130.35	Allowed
97. Strategic Value Media	\$990.00	Allowed
98. Taylor Printing	\$445.81	Allowed
99. The Independent Oil & Gas	\$651.90	Allowed
100. Tifco Industries	\$316.19	Allowed
102. Troy Chapman	\$0	Disallowed
104. UniFirst	\$1,936.72	Allowed
106. Veriforce Proven	\$900.00	Allowed
107. Vermeer Great Plains	\$1,940.29	Allowed
110. Well Servicing Publication	\$1,040.00	Allowed
112. Western Hydro Corp.	\$5,748.44	Allowed
114. York Risk Services Group	\$2,000.00	Allowed

Filed Claims

Creditor	Amount	Allowed/Disputed
1.Eric McQuade d/b/a Lonewolf	\$2,027.10	Allowed
2.Jacobs Sales & Service Co.	\$1,546.69	Allowed
3.Petrochoice Dynamo d/b/a Universal Lubricants	\$2,616.11	Allowed
4.Pratt Pump and Supply Inc.	\$11,774.98	Allowed
5.Weller Tractor Salvage	\$1,116.14	Allowed
7.DNOW LP	\$10,289.41	Allowed
9.AIRGAS USA, LLC	\$1,750.33	Allowed
10.Oil Producers Inc.	\$1,220.15	Allowed
13.Moeder Oil Co.	\$994.87	Allowed
14.Midcon Oil Tools	\$1,058.51	Allowed
15.MidCon Supply Inc.	\$2,456.43	Allowed

16.UMB Bank NA	\$97.04	Allowed
17.Ameripump MFG, LLC	\$1,309.91	Allowed
18.DISA Global Solutions	\$647.90	Allowed
20.Roberts Pump & Supply Co.	\$22,287.28	Allowed
21.CRH Coffee, Inc.	\$812.60	Allowed
22.Steve's Electric & Roustabout	\$4,360.73	Allowed
23.Pipeline Testing Consortium	\$1,170.00	Allowed
24.Hinkle Law Firm, LLC	\$1,008.50	Allowed
25.Double F Pump & Supply	\$5,937.68	Allowed
26.Crawford Supply Co.	\$8,349.35	Allowed
28.PB Hoidale Co.	\$1,128.15	Allowed
29.MidCon Supply Inc.	\$2,111.30	Allowed
30.Pratt Regional Medical Center	\$1,202.70	Allowed
31.CPI Qualified Plan Consultants	\$1,884.09	Allowed
32.Vulcan Machine & Repair	\$883.89	Allowed
33.Beaver Express Service	\$176.78	Allowed
34.The Peoples Bank	\$35,918.24	Allowed
35.Log-Tech of Kansas, Inc.	\$3,289.00	Allowed
36.Kasselmann Industrial Inc.	\$7,149.75	Allowed
37.GEFCO Inc.	\$3,630.33	Allowed
38.Natividad Ibarra	\$0	Disallowed
40.Sewer Equipment Co.	\$1,176.11	Allowed
41.Sasco Machine Shop	\$1,322.73	Allowed
42.Central Pump & Supply	\$2,103.08	Allowed
43.Nalco Company	\$2,652.64	Allowed
44.JAS Equipment Rental	\$108,616.61	Allowed
45.American Express Bank	\$29,638.83	Allowed
46.Underground Cavern Stab.	\$5,312.75	Allowed
47.Preferred Pump & Equipment	\$7,203.80	Allowed
48.Mid-West Oilfield Service	\$1,079.40	Allowed
49.MRC Global US	\$5,678.50	Allowed
50.Southwest Truck Parts	\$34,793.30	Allowed
51.Jacam Chemicals 2013, LLC	\$16,118.63	Allowed
52.Wabash Valley Service Co.	\$1,986.18	Allowed
53.The Travelers Indemnity Co.	\$-0-	Allowed
54.Travelers	\$-0-	Allowed
55.Mid Continent Safety	\$1,344.26	Allowed
56.White Exploration	\$7,319.79	Allowed
57.FG Holl Company	\$4,357.93	Allowed
58.Lease Finance Partners	\$329,339.23	Allowed
59.Jayhawk Oilfield Supply	\$19,503.30	Allowed
61.American Tank Service	\$1,160.00	Allowed
66. Pitney Bowes	\$1,784.26	Allowed

EXHIBIT C
TO DEBTOR'S DISCLOSURE STATEMENT DATED JULY 5, 2017

LIQUIDATION ANALYSIS

ASSETS

Value

The Debtor's remaining assets are set out in Exhibit A attached hereto. This Liquidation Analysis values the assets as the same fair market value as Exhibit A.

\$1,416,236.78

DISBURSEMENTS ON LIQUIDATION

1. Costs of Liquidation ¹	\$97,230.00
2. Chapter 7 administrative expenses ²	\$88,731.00
3. Secured claims ³	\$884,000.00
4. Chapter 11 administrative expenses ⁴	\$115,235.87
5. Priority claims ⁵	\$398,944.60
Total	<u>\$1,584,232.57*</u>

Balance for Unsecured Claims \$-0-

*Priority claims would not be paid in full as liquidation would leave a balance of approximately \$167,995.00 unpaid.

¹ Estimated at 7% of non-cash assets (\$1,388,990.00) = \$97,230.00

² §1126(a)(7) requires that each holder of a claim in any impaired class either accept the Plan or receive property of a value that is not less than such holder would receive if the debtor were liquidated under Chapter 7. This Liquidation Analysis therefore assumes liquidation in Chapter 7. In addition to the costs of liquidation (#1), a Chapter 7 liquidation would include costs for the Chapter 7 trustee's attorney (est. \$10,000), trustee fees (est. \$65,737.10 based on disbursements of \$1,416,236.78 non-cash assets) expenses est. \$3,000, trustee's accountant est. \$10,000.00.

³ Intrust Bank and First National Bank in Pratt (\$884,000.00).

⁴ Est. balances of DIP attorney fees (\$20,000), accountant fees (\$10,000), unpaid post-petition obligations (\$20,000), including 2017 property taxes (\$54,630.00 est. based on 2016); 401(k) expense (\$10,605.87).

⁵ IRS \$206,308.67; KDR \$62,481.62; Illinois \$256.31; various counties for 2016 and prior property taxes (estimated at \$129,898.00).

EXHIBIT D TO DEBTOR'S DISCLOSURE STATEMENT DATED JULY 5, 2017

FINANCIAL PROJECTIONS

	17-Jul	17-Aug	17-Sep	17-Oct	17-Nov	17-Dec	18-Jan	18-Feb	18-Mar	18-Apr	18-May	18-Jun
INCOME												
Oil/Gas	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00	\$ 90,000.00
Rent	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
Greenwood	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Total:	\$106,200.00	\$106,200.00	\$106,200.00	\$106,200.00	\$106,200.00	\$106,200.00	\$106,200.00	\$106,200.00	\$106,200.00	\$106,200.00	\$106,200.00	\$106,200.00
OPERATING EXPENSES												
Pumping	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
Electric	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00	\$ 4,500.00
Chemical	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Oil/Grease	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Well Rep/Main/Supplies	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00	\$ 18,000.00
Company Ins/Gen Liab	\$ 2,325.00	\$ 2,325.00	\$ 2,325.00	\$ 2,325.00	\$ 2,325.00	\$ 2,325.00	\$ 2,325.00	\$ 2,325.00	\$ 2,325.00	\$ 2,325.00	\$ 2,325.00	\$ 2,325.00
CPA - Service	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Repairs/Main-Equip	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Fuel	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Oil/Gas Tax	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Royalty PO	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00	\$ 1,400.00
Payroll	\$ 17,742.00	\$ 17,742.00	\$ 26,130.00	\$ 17,742.00	\$ 17,742.00	\$ 17,742.00	\$ 17,742.00	\$ 17,742.00	\$ 26,130.00	\$ 17,742.00	\$ 17,742.00	\$ 17,742.00
Employee Ins	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00	\$ 2,750.00
Payroll Taxes	\$ 1,713.00	\$ 1,713.00	\$ 2,569.50	\$ 1,713.00	\$ 1,713.00	\$ 1,713.00	\$ 1,713.00	\$ 1,713.00	\$ 2,569.50	\$ 1,713.00	\$ 1,713.00	\$ 1,713.00
Telephone	\$ 940.00	\$ 940.00	\$ 940.00	\$ 940.00	\$ 940.00	\$ 940.00	\$ 940.00	\$ 940.00	\$ 940.00	\$ 940.00	\$ 940.00	\$ 940.00
Office Supplies	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
Bank Fees	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Uniforms	\$ 433.00	\$ 433.00	\$ 433.00	\$ 433.00	\$ 433.00	\$ 433.00	\$ 433.00	\$ 433.00	\$ 433.00	\$ 433.00	\$ 433.00	\$ 433.00
Utilities	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00
Property Tax	\$ -	\$ -	\$ -	\$ -	\$ 27,315.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,315.00	\$ -
Total:	\$ 73,003.00	\$ 73,003.00	\$ 82,247.50	\$ 73,003.00	\$ 73,003.00	\$ 100,318.00	\$ 73,003.00	\$ 73,003.00	\$ 82,247.50	\$ 73,003.00	\$ 100,318.00	\$ 73,003.00
DEBIT SERVICE												
Banks	\$ 10,467.00	\$ 10,467.00	\$ 10,467.00	\$ 10,467.00	\$ 10,467.00	\$ 10,467.00	\$ 10,467.00	\$ 10,467.00	\$ 10,467.00	\$ 10,467.00	\$ 10,467.00	\$ 10,467.00
IRS	\$ 4,642.00	\$ 4,642.00	\$ 4,642.00	\$ 4,642.00	\$ 4,642.00	\$ 4,642.00	\$ 4,642.00	\$ 4,642.00	\$ 4,642.00	\$ 4,642.00	\$ 4,642.00	\$ 4,642.00
KDR	\$ 1,406.00	\$ 1,406.00	\$ 1,406.00	\$ 1,406.00	\$ 1,406.00	\$ 1,406.00	\$ 1,406.00	\$ 1,406.00	\$ 1,406.00	\$ 1,406.00	\$ 1,406.00	\$ 1,406.00
Property Tax	\$ 2,925.00	\$ 2,925.00	\$ 2,925.00	\$ 2,925.00	\$ 2,925.00	\$ 2,925.00	\$ 2,925.00	\$ 2,925.00	\$ 2,925.00	\$ 2,925.00	\$ 2,925.00	\$ 2,925.00
Total:	\$ 19,440.00	\$ 19,440.00	\$ 19,440.00	\$ 19,440.00	\$ 19,440.00	\$ 19,440.00	\$ 19,440.00	\$ 19,440.00	\$ 19,440.00	\$ 19,440.00	\$ 19,440.00	\$ 19,440.00
Miscellaneous fees/expenses	\$ 13,757.00	\$ 13,757.00	\$ 4,512.50	\$ 13,757.00	\$ 13,757.00	\$ 13,558.00	\$ 13,757.00	\$ 13,757.00	\$ 4,512.50	\$ 13,757.00	\$ 13,558.00	\$ 13,757.00
Net	\$ 13,757.00	\$ 13,757.00	\$ 4,512.50	\$ 13,757.00	\$ 13,757.00	\$ 13,558.00	\$ 13,757.00	\$ 13,757.00	\$ 4,512.50	\$ 13,757.00	\$ 13,558.00	\$ 13,757.00