

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF LOUISIANA
LAFAYETTE DIVISION

IN RE:

WRIGHT'S WELL CONTROL
SERVICES, LLC

Debtor

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CASE NO. 17-50354

CHAPTER 11

JUDGE SUMERHAYS

DEBTOR'S SECOND AMENDED DISCLOSURE STATEMENT
DATED DECEMBER 18, 2017

THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE CHAPTER 11 PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT YET BEEN APPROVED BY THE BANKRUPTCY COURT. THERE WILL BE A HEARING ON THIS DISCLOSURE STATEMENT TO DETERMINE IF IT PROVIDES ADEQUATE INFORMATION. IF THE DISCLOSURE STATEMENT IS APPROVED BY THE BANKRUPTCY COURT, THERE WILL BE A SUBSEQUENT HEARING TO CONSIDER CONFIRMATION OF THE PLAN. ALL CREDITORS AND EQUITY INTEREST HOLDERS WILL BE NOTIFIED OF THE DATE OF SUCH CONFIRMATION HEARING. THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

I. EXHIBITS TO DISCLOSURE STATEMENT

EXHIBIT D-1 Chapter 11 Second Amended Plan of Reorganization

Reference is made to Exhibits D-2 (Financial Projections) and D-3 (Amended Plan Support Agreement) .

I. DEFINITIONS

1. Definitions and Rules of Construction. The definitions and rules of construction set forth in sections 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions:

2. Acquired Assets. All equipment and immovable property, if any (real and personal) acquired from the Debtor or Reorganized Debtor by any third party but not including equipment sold at any auction.
3. Allowed Claim. A claim that to which there has been no objection or which the Court has allowed after an objection has been filed.
4. Avoidance Actions. Claims, rights, or causes of action arising by virtue of §§547, 548, 550, or any other section of title 11 as well as Revocatory Actions under Louisiana law.
5. Bankruptcy Schedules. Schedules of assets, debts, etc. and the Statement of Financial Affairs filed in this case as required by the Bankruptcy Code and Bankruptcy Rules.
6. BSEE. The United States Bureau of Safety and Environmental Services.
7. BOEM. The United States Bureau of Ocean Energy Management.
8. Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.
- 8(A) Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.
9. Clarke. Thomas M. Clarke, a natural person of the full age of majority and citizen of the United States. Mr. Clarke is the primary person working with the Debtor and its management, David and Monique Wright, to put in place a business plan for the reorganization of Wright's. Mr. Clarke is principal owner of Northstar Offshore Ventures LLC.
10. Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Louisiana govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.
11. Court (also Bankruptcy Court). The United States Bankruptcy Court for the Western District of Louisiana unless some other state or federal court is designated.
12. D&O Claims. Claims, if any, held by the Debtor against the officers, directors, or members of the Debtor or any insurer providing coverage for such claims.
13. Debtor. Wright's Well Control Services, LLC ("Wright's" or "Debtor")
14. Disbursing Agent. The Disbursing Agent shall be Reorganized Wright's or its designee who shall disburse funds under the terms of the Plan.

15. Effective Date. The effective date of this Plan shall be the 15th day following the date that the order confirming this Plan is signed and docketed on the docket of the Bankruptcy Court and is not stayed. If, however, a stay of the confirmation order is in effect on that date or such order is appealed, the Effective Date will be the first business day after the date on which the stay of the confirmation order expires or is otherwise terminated or the confirmation order becomes final. 16. Internal Revenue Service. The United States Internal Revenue Service also referred to as “IRS”.

17. Leaseco. Orinoco Leasing, LLC, also referred to herein as “Orinoco”. This is a new entity formed by Clarke to purchase the Midsouth Loan.

18. Orinoco Loan Documents. Such documents, promissory notes, loan agreements, guaranties, security agreements, and loan papers that memorialize the assignment and amendment of the Midsouth Loan.

19. Midsouth Bank. Midsouth Bank which held an allowed senior security interests in the Debtor’s assets as stated in its loan documents, notes, and commercial security and mortgage documents as allowed by the Court.

19A. Midsouth Loans. All of the current existing Midsouth Bank loans to Debtor or the current owners of Debtor and related documentation, including, but not limited to: promissory notes, guaranties, bankruptcy claims and other rights of Midsouth which were acquired by Orinoco and as such loan and documentation may be amended between Orinoco and the Debtor.

19B. Northstar Offshore Ventures LLC (also “NOV”). An affiliate of Clarke that is indirectly owned by he and his wife. This is the entity with which the Debtor will contract to perform plugging and abandoning work.

20. Patent Litigation or Patent Case. The matter *Wright’s Well Control Services, LLC v. Oceanering International, Inc., and Christopher Mancini, Individually, Case No. 2:15-CV-1720¹* on the docket of the United States District Court, Eastern District of Louisiana.

21. P&A Agreement. The agreement or contract between Wright’s or the Reorganized Wright’s and NOV which will provide for the Reorganized Wright’s to perform plugging and abandoning services to NOV.

22. Plan Supplement. Any supplement to the Plan filed by the Debtor or at the Debtor’s request or with the Debtor’s agreement which supplements, amends, or clarifies the Plan.

23. Plan Support Agreement. The agreement under which Orinoco, NOV and Wright’s detail their future business relationship.

24. Post Confirmation Debtor. The Debtor as it exists after the order confirming the Plan, as amended, modified, or supplemented is signed by the Court and docketed.

¹ See ECF No. 19

25. Reorganized Debtor (also “Reorganized Wright’s”). Debtor as of and after the Effective Date.

26. Special Counsel. Attorneys at law whose responsibility is to represent the Debtor and Reorganized Debtor in the Patent Litigation and any other such matters as fall within their appointment as counsel to the Debtor pursuant to the Order of the Court. (ECF no. 94)

III. STATEMENT REGARDING PREVIOUS PLAN WITHDRAWAL AND INTRODUCTION

The Debtor previously filed a Combination Disclosure Statement and Plan of Reorganization (ECF 121) pursuant to Rule 3016(b) of the Federal Rules of Bankruptcy Procedure. That Combination Disclosure Statement and Plan of Reorganization has been withdrawn as the result of the Court’s ruling at the status conference held in this case on September 12, 2017.(ECF 122)

Wright’s Well Control Services, LLC (“Wright’s” or “Debtor”) is a Louisiana limited liability company established in 2006. Wright’s is the owner of certain immovable property (real estate) comprised of approximately 10 acres near Lake Charles, Calcasieu Parish, Louisiana on which an industrial site and Debtor’s operations are located (the “Property”). Wright’s also operates an office inSpring, Texas. There is a further description of the Debtor and its history is in section VIII.

IV. PURPOSE AND SUMMARY OF THE PLAN

This Second Amended Disclosure Statement was prepared by the Debtor for use in soliciting acceptances from all creditors of its plan of reorganization. Except as otherwise expressly indicated, the portions of this Disclosure Statement describing the background and financial condition of the Debtor have been prepared from information furnished by the Debtor, creditors, or other parties in interest in this bankruptcy proceeding. All exhibits to the Disclosure Statement and Plan are incorporated into and made a part of the Plan including any Plan Support Agreement. In the event of a conflict or difference between the definitions used and provisions contained in any exhibit and the Plan, the definitions and provisions contained in the Disclosure Statement and Plan shall control.

V. GENERAL DESCRIPTION OF THE PLAN, NOTICE OF SALE OF ASSETS, AND SUMMARY OF CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

A. GENERAL PREMISES OF THE PLAN, TERMS OF ASSETS SALE AND DESCRIPTION OF CERTAIN LITIGATION

1. Background and Patent Litigation

Wright's equipment, receivables, and immovable property, were encumbered by security interests in favor of Midsouth Bank and will continue to be encumbered by security interests in favor of Orinoco. The security interests are now held by Orinoco and will continue to be held by Orinoco until such time as the assets are transferred to Orinoco.

Wright's is prosecuting a civil action for patent infringement against Oceaneering International, Inc. entitled *Wright's Well Control Services, LLC v. Oceaneering International, Inc., and Christopher Mancini, Individually, Case No. 2:15-CV-1720*² on the docket of the United States District Court, Eastern District of Louisiana ("Patent Case"). While the final outcome of any matter in litigation is not certain, Wright's and its counsel handling the Patent Litigation are reasonably certain that some recovery from that litigation is likely either through settlement or the result of a judgment. Of course, the defendant in that litigation has a different view of the merits of Wright's claim.

In order to save costs attendant to the confirmation process, Wright's has not attached copies of the Patent Litigation pleadings. However, if a creditor or party in interest wants a copy of the Complaint as amended, answers, and counterclaims as amended those can be obtained from Special Counsel³ who represent Wright's in the Patent Litigation.

Oceaneering believes it has not violated any patents nor has it engaged in any patent infringement. Wright's disagrees. The Patent Litigation trial is set for May 7, 2018, in the United States District Court for the Eastern District of Louisiana.

Oceaneering filed a claim in Wright's chapter 11 in the amount of \$700,000.00 for equipment Wright's claims it did not finally agree to purchase. Oceaneering of course disagrees and holds the position that Wright's owes the \$700,000 in full. According to the Proposal that governs the transaction between Wright's and Oceaneering concerning the equipment, title does not pass to Wright's until the purchase price is paid. Given that, Oceaneering, arguably, still owns the equipment. Regardless, Wright's will propose to treat Oceaneering's claim separately from the other unsecured claims and propose to satisfy it in full as given in greater detail below to the extent it is an allowed claim.

In further explanation of the Patent Litigation, Wright's suggest as follows.

The following recitation is for purposes of the Disclosure Statement and Plan only and is not to be used in any way in the Patent Litigation now pending in the Eastern District of

² See ECF No. 19

³ Domegeaux, Wright, Roy, Edwards, & Colomb 556 Jefferson St., Suite 500, Lafayette, LA, 70501, attention Elwood Stevens, or Matthews, Lawson, McCutcheon, & Joseph, 2000 Bering Drive, Suite 700, Houston, TX 77057, attn. Terry Joseph.

Louisiana for any purpose including but not limited to prove or disprove any claim or positions taken by the Debtor, Oceaneering, or other parties to the Patent Litigation.

Wright's alleged thirteen counts against two defendants in the Patent Litigation which are Oceaneering and Christopher Mancini. Wright's claims focus on alleged infringement of two patents, known as the '725 Patent and the '185 Patent, misappropriation of trade secrets, and contract-related claims. Oceaneering has claims pending against Wright's for breach of contract, unfair competition, and for the statutorily allowed recovery of attorney's fees resulting from Wright's bad faith assertion of misappropriation of trade secrets in the Patent Litigation. Although Mancini has been dismissed as a defendant he continues to assert a claim against Wright's for the recovery of attorney's fees resulting from Mancini's allegation of Wright's bad faith assertion of misappropriation of trade secrets against Mancini in the Patent Litigation. The District Court dismissed all claims against Mancini with prejudice. Mancini did not file a proof of claim in Wright's chapter 11 case. A settlement conference with the magistrate was not successful, and the parties do not expect the case to settle before trial, which is currently set to begin on May 7, 2018. As of August 28, 2017, the Court has dismissed on summary judgment Wright's claims for infringement of the '185 Patent and eight of Wright's other causes of action, including the claims for misappropriation of trade secrets. Motions for summary judgment are pending against Wright's remaining four claims. Oceaneering and Mancini also have a pending summary-judgment motion for the recovery of attorney's fees resulting from Wright's alleged bad faith assertion of trade secret misappropriation. Oceaneering has also filed a proceeding known as an *Inter Partes* Review in the United States Patent and Trademark Office ("USPTO") regarding the validity of the '185 Patent. The *Inter Partes* Review remains in its initial stages, and a decision on the '185 Patent's invalidity may not be reached until February 2019.

Recently the district court in which is pending the Patent Litigation granted Wright's Motion for Summary Judgment which sought to deny Oceaneering's and Mancini's claims for attorney fees.

Suffice it to say Oceaneering takes issue with all of Wright's claims and defenses and Wright's takes issue with all of Oceaneering's claims and defenses.

Additionally, Wright's has contracted to perform plugging and abandoning services ("P&A Agreement") for an affiliate of Orinococo called Northstar Offshore Ventures LLC. The Plan Support Agreement provides greater detail concerning the P&A Agreement. In addition to the earnings from the P&A Agreement, Orinoco will make advance payments under the P&A Agreement to the Reorganized Wright's to meet overhead costs in seasons or periods when Wright's is not operating at maximum capacity, primarily during the months November- March. Priority non-tax unsecured claims will be paid either in a lump sum within sixty (60) days after Closing or in five (5) equal annual installments reckoning from April 1, 2017. General unsecured claims will be paid from the proceeds of any recovery from the Patent Litigation, after payment of costs of prosecution of that litigation including attorney fees and out-of-pocket expenses. In the event there is insufficient recovery from the Patent Litigation to pay unsecured creditors in full then the Reorganized Wright's will pay the unpaid portion of these claims, pro rata, in full in

twenty (20) equal quarterly installments commencing on the first day of the quarter following the date on which a judgment ending the Patent Litigation is final and unappealable or the matter is settled and all claims dismissed. Neither the Debtor nor Equity shall receive any distributions from the Patent Litigation, unless and until all allowed general unsecured claims and the Oceaneering claim are paid in full.

The Oceaneering claim will be satisfied in one or a combination of the following ways:

a) Should Wright's be successful and obtain a judgment against Oceaneering in the Patent Litigation then Oceaneering will be entitled to set off its claim of \$700,000 to the extent it is an allowed claim and any amount awarded regarding Oceaneering's counter claim filed in the Patent Litigation against any sums due to the Reorganized Wrights.

b) Should there be insufficient funds from the Patent Litigation to satisfy the Oceaneering claim in full then the Reorganized Wright's will pay the balance of Oceaneering's claim in full in twenty (20) equal quarterly installments commencing on the first day of the first quarter following the date on which any judgment or settlement terminating the Patent Litigation becomes final and unappealable.

The P&A Agreement with NOV is expected to gross \$6.7 million. The Reorganized Wright's will do the P&A work for NOV at an amount not greater than 10% above its reasonably incurred direct costs, including up to 10% for mutually agreed overhead. This rate is below market and was agreed to in order to entice Orinoco to acquire the secured claim of Midsouth Bank and provide work for Wright's and advances needed to satisfy allowed priority and secured claims of the Debtor.

Under this Plan Wright's will dedicate such amount from the proceeds recovered in the Patent Litigation as is necessary to pay all general unsecured claims and the allowed and final Oceaneering Claim in full which may be done by setoff should both Wright's and Oceaneering be successful in purveying their respective claims in the Patent Litigation.

Importantly, Wright's has begun mobilization and will be actively engaged in ongoing projects by the time of the hearing on the Second Amended Disclosure Statement.

B. TREATMENT OF CLAIMS AND INTERESTS AND THE PLAN SUPPORT AGREEMENT

The Plan proposes to make the following distributions from cash on hand, earnings, and advances received from NOV under the P&A Agreement. As soon as practicable following the occurrence of the Effective Date, the Debtor shall pay all Allowed Administrative Expense Claims, allowed Priority Tax Claims and other priority claims in accordance with section C.

below. The Holders of the Allowed Class 1 Claim shall be paid in full through the acquisition and subsequent amendment of the Midsouth Loan by Orinoco on terms and conditions agreeable to the Debtor and Orinococo

The Holders of Allowed Class 2 Claims will be paid in cash over time from and after the Effective Date by receiving an additional 5% of the amount of post-petition goods and services acquired by Wright's from such Holders. The Holders of Allowed Class 3 Claims shall be paid in full in cash within sixty (60) days after the Effective Date. The Holders of the Allowed Classes 4, 5, and possibly Class 2 Claims (if Class 2 has not been paid in full previously) shall receive distributions, up to the Allowed amount of each claim, from the proceeds of the Patent Litigation or over time as detailed later herein should recovery from the Patent Litigation not result in sufficient funds to satisfy allowed claims. If there are any proceeds remaining after payment of all Unclassified Claims and Classes 1-5 Claims have been paid in full as provided in this Plan, Class 6, the Holders of the Equity Interests may receive distributions of any remaining proceeds of the Patent Litigation from the Reorganized Debtor.

C. CLAIMS AND INTERESTS UNDER THE PLAN

The following is a summary of the classification and treatment of Claims and Interests under the Plan:

VI. CLASS TREATMENT

Unclassified: Allowed Administrative Expense Claims.

1. The Debtor estimates the professional fees due are approximately \$100,000.00 owed H. Kent Aguillard, Debtor counsel, for professional services rendered; U.S. trustee fees of \$15,000 to the Office of the U.S. Trustee for quarterly fees incurred through closure of the case, and \$10,000 owed to the accountants for the Debtor. The holders of Allowed Administrative Expense Claims against the Debtor, unless otherwise agreed or set forth in this Plan, are entitled to priority under Sections 507(a)(2) and (3) of the Bankruptcy Code and shall be paid in Cash from the proceeds of NOV advance payments under the P&A Agreement. Except as provided below with respect to payment of professional fees and expenses as set forth in Article 6.1 below, an Entity entitled to payment pursuant to Sections 546(c) or 553 of the Bankruptcy Code (11 U.S.C. §§ 546 or 553), and an Entity entitled to payment of administrative expenses pursuant to Sections 503 and 507(a) and 507 (a)(3) of the Bankruptcy Code (11 U.S.C. §§ 503 and 507(a)), shall receive from the Debtor, on account of such Allowed Claim, Cash in the amount of such Allowed Administrative Expense on the Effective Date unless otherwise agreed to between the parties. Notwithstanding the foregoing, *outstanding operating payables* incurred in the ordinary course of business of the Debtor *subsequent to the Petition Date* which are not disputed will be paid as Administrative Expense Claims without the requirement of filing requests for allowance. Claims arising under 11 U.S.C. §503(b)(9) shall be treated below as provided in part (3) of this section,

2. Any professional's fees and expenses for services rendered after the Confirmation Date will be paid by the Debtor in the ordinary course of business from the proceeds of the Reorganized Debtor's operations or from any cash infusion made by Orinoco without the necessity of notice, hearing, and approval of the Court. To the extent the Debtor incurs any post-

petition federal tax liabilities (including tax, interest, and penalties) which come due prior to the Effective Date, the Debtor will pay such tax liabilities in full within thirty (30) days of the Effective Date.

3. Applications for allowance and payment of Administrative Expense Claims under 11 U.S.C. 503(b)(9) or any alleged administrative claim other than those that were incurred post-petition in the ordinary course of the Debtor's business or professional fees, see paragraph C.1. above, must be filed on or within thirty (30) days after the date the Confirmation Order is signed or they will be forever barred, except for Professionals' Claims for fees and expenses as to which the deadline shall be forty-five (45) days from the Effective Date unless otherwise agreed to by the professional fee claimant and the Reorganized Wright's.

4. The Court shall not consider any applications for the allowance of an Administrative Expense Claim after dates provided in "2" above. All Administrative Expense Claims that become Allowed Administrative Expense after the Confirmation Date will be treated like any other Allowed Administrative Expense and will be paid on the later of the Effective Date or within thirty (30) days after becoming an Allowed Administrative Expense in Cash from the capital infusion or the Reorganized Debtor's operations as soon as practicable after the occurrence of the Effective Date unless otherwise ordered by the Bankruptcy Court or agreed to by the parties.

Estimated percentage recovery: 100%

Unimpaired. Not entitled to vote.

Unclassified: Allowed Priority Tax Claims.

The total estimate of Allowed Priority Tax Claims is \$432,000.00.

Impaired. Entitled to vote.

IRS- The holder of this Allowed Secured and Priority Tax Claim shall receive cash in the amount of such Allowed Tax Claims in the first installment of \$50,000.00 payable within sixty (60) days after the Effective Date. The remainder of the IRS claim will be paid in 4 equal annual installments thereafter but in no event later than April 2022.

Department of Revenue, State of Louisiana – The Debtor has objected to the claims of the State of Louisiana. Any portion of the claims that are allowed as shall be paid the amount of such Allowed Priority Tax Claim in 5 equal annual installments. The first installment will be made no later than sixty (60) days after the Effective Date. The remainder of this Claim will be paid in 4 equal annual installments thereafter but in no event later than April 2022. . Any amount determined to be an allowed general unsecured claim with be treated as a Class 4 Claim.

Sheriff, Calcasieu Parish, Louisiana –This claim was withdrawn therefore nothing will be paid to the claimant.

These payments to priority claimants shall be funded by the Reorganized Debtor's operations and the proceeds of any NOV advance payments under the P&A Agreement. At the option of Orinoco and the Debtor or Reorganized Debtor, any secured claim of a taxing authority may be paid in full or in part at the prior to the date the final payment is due. If a partial payment is made to the IRS on its secured claim then the unpaid balance will be paid in annual installments as set out immediately above. Any penalties due with respect to Allowed Priority Tax Claims are deemed non-pecuniary and subordinate to Class 4 as permitted under 11 U.S.C. § 727(b) and, accordingly, the holders of Allowed Tax Claims shall receive no distributions of any tax penalties and such tax penalties shall be deemed discharged.

The lien of the IRS and the State of Louisiana shall survive any conversion of this case to another chapter of the Bankruptcy Code or dismissal. Once the secured claim is paid as provided for herein, the Reorganized Debtor shall be entitled to immediate cancellation of the inscription of any and all liens securing the secured claim and the IRS and State of Louisiana will cause the appropriate state, parish, or other such government official to note on his records that the lien has been satisfied and cancelled. The priority and secured claims of tax authorities shall bear interest at the rate of 4% per annum until paid.

Estimated percentage recovery: 100% of amount of tax.

Unclassified: Wage claims.

One timely filed claim for wages was filed by Mike Trahan in the amount of \$22,950.00 (Claim no. 14). This claim was disputed but has now been resolved. The holder of this claim will have an allowed Class 4 Claim in the amount of \$10,000.00.

Class 1: Allowed Claim of Orinoco

The total amount of the Allowed Class 1 Claim is \$6,800,000.00, including interest and fees, costs or charges provided for under the agreements, and allowed under 11 U.S.C. §506(b).

Impaired. Entitled to vote.

The Allowed Class 1 Claim is now Orinoco which has acquired the Midsouth Loans.

The Midsouth Loans acquired by Orinoco will be restructured to amortize the loan in equal single monthly payments not to exceed \$110,000 per month for a period of up to 72 months. Payments will commence on the first day of the first full month following the Effective Date.

Estimated percentage recovery: less than 100%

Class 2: Critical Vendors.

This class consists of vendors whose services and goods are essential to the success of the Reorganized Debtor's operations. Critical Vendors are:

Airgas Southwest, Inc.
All Serv Industrial, LLC
Allendorph Specialties, Inc.
American Completion Tools, Inc.
American Express
Capital One Bank
Coastal Crew Change, LLC
CSI Technologies, LLC
Cummins Mid-South, LLC
Deep South Chemical, Inc.
DEMEX International, Inc.
Dishman & Bennett Specialty Co.
DNOW, LP
East Prien Lake Properties, LLC
Flowiron Services
Gulf Coast Manufacturing, LLC
Industrial Power & Rubber
Martin & Pellegrin, CPA
Petro-Pull
Southside Machine Works
SRC Engineers, Inc.
Stuckey's Specialty Tools
Texas-Lehigh Cement Co.
United Power Systems, LLC

Because of the Debtor's need for the goods and services provided by the members of this Class, the Reorganized Wright's will continue doing business with each creditor in this class. Each time a member of this class is paid for post-petition goods or services it will be paid an additional 5% of the amount of any allowed pre-petition claim until the pre-petition amount is paid in full. Once Class 4 is paid from the proceeds of the Patent Litigation and if after such payments there are proceeds remaining from the proceeds of the Patent Litigation, those proceeds shall be used to pay any remaining balance due to this class before any payments are made to David or Monique Wright notwithstanding their membership in Class 4. Any member of this class which rejects the Plan or and refuses to continue doing business with the reorganized Wright's under the terms set forth under the treatment of this Class shall be deemed a member of Class 4.

The total estimate of the Allowed Class 2 Claims is \$312,143.50.

Impaired. Entitled to vote.

Estimated percentage recovery: 100%

Class 3: Convenience Class

This class consists of all allowed unsecured claims less than \$1,500.00 in amount. These claims will be paid in full within 60 days after the Effective Date. Some of the members of this Class are also considered Critical Vendors however if the claim of such creditor is less than \$1,500.00 then that creditor which is otherwise a Critical Vendor will be treated as a member of this Class.

The total amount of Class 3 Claims is \$9,057.65.

Estimated percentage of recovery: 100%

Class 4: Allowed Unsecured Claims.

The Holders of the Allowed Class 4 Claims shall receive a distribution up to the Allowed amount of each Class 4 Claim, from the proceeds of the Patent Litigation. Any disputed claim for which a proof of claim was not timely filed will not be recognized or paid.

Should there be insufficient funds from the Patent Litigation to satisfy the claims of this Class in full then the Reorganized Wright's will pay the balance of any allowed claim in 20 equal quarterly installments commencing on the first day of the first quarter following the date on which any judgment or settlement terminating the Patent Litigation becomes final and unappealable.

Impaired: Entitled to vote.

Estimated percentage recovery: 100%

Class 5: Claim of Oceaneering International, Inc.

Impaired. Entitled to vote.

The Oceaneering claim will be satisfied in one or a combination of the following ways:

1) Should Wright's be successful and obtain a judgment against Oceaneering in the Patent Litigation then Oceaneering will be entitled to set off its claim of \$700,000 and any amount awarded on its counterclaim in the Patent Litigation against any sums due to the Reorganized Wrights.

2) Should there be insufficient funds from the Patent Litigation to satisfy the Oceaneering claim in full then the Reorganized Wright's will pay the balance of the \$700,000 claim and any amount awarded on its counterclaim in the Patent Litigation in full in twenty (20) equal quarterly installments commencing on the first day of the first quarter following the date on which any judgment or settlement terminating the Patent Litigation becomes final and unappealable.

Class 6. Equity Interests

Impaired. Entitled to vote.

Once all Unclassified Claims and Classes 1-5 Claims have been paid in full as provided in this Plan, the Holders of the Equity Interests may receive distributions of any remaining proceeds of the Patent Litigation from the Reorganized Wright's.

Estimated percentage recovery: 100%

VII. PLAN SUPPORT AGREEMENT

5. The Amended Plan Support Agreement ("PSA") is provided to afford more detail concerning the working relationship of Orinocco, NOV and the Debtor and Reorganized Debtor. If there is a conflict between the Plan and the PSA, the PSA will control.

VIII. GENERAL OVERVIEW AND BACKGROUND INFORMATION

A. BACKGROUND AND GENERAL INFORMATION

1. Overview and Background of the Debtor

Wright's was formed in 2006 and is 100% owned by David Wright who is also a managing member. David Wright's wife, Monique, is a as well manager and together they operate Wright's Well Control Services, LLC.

Wright's has been a successful company for the past 8 years constantly thinking ahead of the industry by developing new technologies. In the last two years WWCS has pursued both gulf coast and international work while maintaining relationships with its current deep water contacts. By securing a business development lead, this will extend Wright's client base going forward. Wright's does not sell inventory, it sells a service and rents equipment to perform projects. However, as part of its restructuring it will be necessary to transfer some or a substantial amount of its assets to Orinoco in exchange for a corresponding reduction in the Orinoco debt.

Wright's has been issued 10 patents and is currently awaiting the approval of 12 others. Wright's management team has accomplished multiple world first industry operations that are now common practice. Wright's currently has a design to develop a new hydrate remediation system that is smaller and more cost effective but requires a \$500,000.00 investment and 10-12 weeks to build and test. This system will open up a new segment in the remediation market vs. existing systems for jumper and manifold issues. The concept of a riser-less abandonment system proposed by Wright's, meets and exceeds all of the new requirements (other than a drilling rig), and is the only system at this time that complies with new federal regulations.

This will require an influx of new capital to accomplish and will open a whole new market beyond current industry capabilities. The following opportunities are presented.

Wright's may have an opportunity regarding the plugging and abandoning of approximately twenty (20) wells by performing rig-less surface plug and abandonment with well removal. The project requires Tier Four (4) equipment to meet California pollution laws. The Project's proposed start date will be by the fourth quarter of 2018. This work has potential to add 200 work days beyond the current project due to additional opportunities.

Wright's also has potential work in California doing temporary abandoned subsea well plugging that requires full abandonment. Wright's at the request of BSEE has submitted a budgetary proposal to complete the abandonment project. Currently the project is held up in litigation.

Wright's is also in discussion with a Nigerian service contractor to build a subsea riser-less system for live well intervention, plug and abandonment, and well stimulation work for Operator's in Nigeria and potentially surrounding countries. This potential work however is not predicted to come to fruition in the foreseeable future.

As mentioned earlier, Wright's is under contract to NOV to perform P&A services in the Gulf of Mexico. Work is expected to begin in late October or November, 2017.

Wright's business forecast is based on the opportunities that exist for the year 2017 and 2018 with the potential for more work. Future work is based on the opportunities that Wright's management believes will exist in 2019 and 2020 in the Gulf of Mexico. The principals of NOV have indicated that they are negotiating P&A contracts that will involve Wright's as the primary contractor for that work.

Wright's faces a shortage of personnel due to the latest industry downturn. This is the reason for the increase in personnel being funded by advance payments from NOV under the P&A Agreement, as shown in the Plan Support Agreement, sufficient to get Wright's back in full operational capacity. Wright's has begun gearing up for operations and projects it will begin operations on or before December 31, 2017.

Based on the project and work projections and cost control measures in place, Wright's is estimated to achieve profitability in the first year. These projections are primarily for the benefit of Orinoco since most other allowed claims will be paid in full under the Plan either in cash or through the proceeds of the Patent Litigation.

Wright's suffered an additional loss of \$1 million plus in revenue from contractors that failed to pay invoices. While in litigation, Wright's had to pay operating costs including personnel payroll and taxes which became an operational loss.

IX. NEW VALUE

One of the mechanisms supporting a plan is the "New Value" exception. This rule or exception allows confirmation of a plan that pays less than 100% of all allowed claims when

equity infuses “new value” into the debtor. Although this Plan proposes payment in full of all Allowed Claims, the New Value component is nevertheless part of this Plan. Here, David and Monique Wright infused approximately \$186,996.00 into the Debtor since the chapter 11 case was filed.

X. LITIGATION

The Patent Litigation has been discussed in more detail earlier herein. Wright’s is engaged in a suit arising from patent infringement and other business related claims or causes of action in the United States District Court, Eastern District Louisiana in the matter *Wright’s Well Control Services, LLC v. Oceaneering International, Inc., and Christopher Mancini, Individually*, case no. 2:15-CV-1720. Rather than rehearse the allegations and claims of Wright’s a copy of the “Plaintiff’s Fourth Amended Complaint” and exhibits were attached to Wright’s Original Plan which details Wright’s claims.

Any and all pending and contemplated litigation will be continued to finality through compromise or judgment. The Reorganized Wright’s will attempt to enforce any outstanding judgments in favor of Wright’s.

In addition to any litigation pending in any courts of general jurisdiction or federal courts, Wright’s has patent matters pending before the United States Patent and Trademark Office. All matters before that agency will be prosecuted to fruition.

XI. CASH COLLATERAL

There is a Cash Collateral Order in place which was negotiated with Midsouth Bank. At this time there is little cash collateral. There are potential proceeds from a judgment Wright’s holds against one of its former customers and the Patent Litigation.

XII. THE DEBTOR’S MANAGEMENT AND DEBT STRUCTURE

1. Debtor’s Structure and Management

Wright’s business structure is quite simple and straightforward. It is owned by David Wright and is a limited liability company.

Wright’s is managed by David Wright who receives compensation of \$5,833.34 per month in connection with his management duties. Mr. Wright’s compensation was approved by the Bankruptcy Court, after notice and hearing. Mrs. Wright also works in management and is also compensated. Her compensation is \$2500.00 per month. The Wrights will continue to manage the Reorganized Wright’s.

2. Director, Officer, and Insider Compensation

Mr. Wright’s compensation was approved by the Bankruptcy Court, after notice and hearing. Mrs. Wright also works in management and is also compensated. The Wrights will

continue to manage the Reorganized Wright's. The Wright's compensation may be adjusted upward as operations resume.

While no changes in equity are anticipated at this time, the Reorganized Wright's may issue one or more equity positions to Orinoco or Clarke as a part of Wright's overall restructuring.

3. Employee Compensation

The total payroll as of the filing of this Amended Disclosure Statement is approximately \$57,867.30 per month.

XIII. EVENTS LEADING TO THE CHAPTER 11 CASE

The down turn in the oil and gas exploration and production industry cause serious economic hardship for many oil and gas related businesses like Wright's. The drop in the price of oil is a major component of that economic downturn. Wright's simply got fewer and fewer contracts and the need for its services diminished as it has for many oil and gas service companies.⁴ Correspondingly, Wright's income stream dwindled and it defaulted on its obligations to Midsouth Bank and other creditors. Wright's sold some of its immovable property holdings in January, 2017, and paid the proceeds to Midsouth Bank which had the effect of reducing the debt to Midsouth Bank. Midsouth Bank thereafter commenced foreclosure proceedings in state court seeking to enforce its security interests in its remaining collateral. Wright's was left little commercial or business alternatives but to file a petition for relief and protection under chapter 11. The foreclosure proceeding has been dismissed.

Wright's filed this chapter 11 proceeding on March 22, 2017, to stop the loss of its assets.

Wright's sought investors to assist it in staying financially viable. It also worked feverishly to obtain contracts for its services none of which resulted in any immediate benefit.

1. Historical Financial Information

The Debtor's business operations since the Petition Date have been mainly an effort to get contracts or to engage an investor. The most recent Monthly Operating Report is attached which offers insight into Wright's financial situation.

XIV. SIGNIFICANT POST-PETITION EVENTS

⁴ Usually small companies that supply a wide range of goods and services to oil and gas well drilling and operating companies both on land and in the Gulf of Mexico.

1. Shortly after the commencement of the case, the Debtor entered an agreed order with Midsouth Bank whereupon it consented to the use of cash collateral. The Debtor also obtained the court's approval of special litigation counsel to continue the rather massive Patent Litigation. The Debtor is current on all post-petition payments owed to the various taxing authorities and has filed all required monthly operating reports.
2. The event that provoked the commencement of this chapter 11 was the filing of a foreclosure proceeding by Midsouth in state court. Significantly, Midsouth has dismissed that foreclosure proceeding.
3. The introduction of Clarke, NOV, and Orinoco into Wright's chapter 11 is the most significant post-petition event. As of the filing of the Second Amended Disclosure Statement and Second Amended Plan, significant capital infusions have taken place by Clarke through NOV which exceed \$300,000.00. Additionally, David and Monique Wright have invested New Value as stated elsewhere herein.
4. Orinoco has acquired the Midsouth Loan.

HILCO INDUSTRIAL LLC

The Debtor retained Hilco Industrial LLC, a marketer of industrial equipment, which was retained to liquidate certain equipment of the Debtor. Hilco did broker the sale of some equipment however that effort slowed as Clarke and NOV proposed an equipment financing plan through Orinoco. Under NOV's offer for P&A work, the Debtor would need its assets and in particular its equipment and immovable property with which to continue its operations. The type of financing model in which the Debtor was engaging with Clarke and Leaseco cannot support a sale of equipment as envisioned by the agreement with Hilco. In fact, such discussions have led to Orinoco acquiring the Midsouth Loans.

The Debtor and a representative of Leaseco negotiated a compromise with Hilco and an exit from the contract approved by the Bankruptcy Court since technically, Hilco asserts, it is entitled to a fee. However Wright's position is that the Asset Marketing Agreement between Hilco and Wright's does not apply to the wholesale transfer of all the equipment and immovable property to a single entity such as Leaseco under a plan of reorganization or a sale pursuant to 11 U.S.C. §363. Therefore, the Debtor is suspending the Hilco contract and, along with NOV, have negotiated a settlement whereby Hilco will receive reasonable compensation in full satisfaction for its services rendered through such suspension under the Hilco contract. The Hilco contract was suspended as opposed to terminated to allow for the possible sale or liquidation of any assets the Reorganized Wright's decides to sell.

At this time Hilco has agreed to accept \$300,000 cash plus an additional \$150,000 in the form of an unsecured note payable to Hilco JV due 18 months after the Effective Date. A hearing on the motion to approve the Hilco compromise was held on December 12, 2017, in the

Bankruptcy Court and reference to that motion can be made by referring to the Court's docket report. . The motion was approved and Hilco's contract is now in suspense as described in the Settlement Agreement filed with the compromise motion.

2. Continuation of Business; Automatic Stay.

The Bankruptcy Court has certain supervisory powers over the Debtor's operations during the pendency of the Chapter 11 Case, including the power to approve any transactions that are outside the ordinary course of the Debtor's business. An immediate effect of the filing of a bankruptcy case is the imposition of the automatic stay under the Bankruptcy Code which, with limited exceptions, enjoins any action to obtain possession of property of the estate or exercise control over property of the estate. This injunction will remain in effect until the Effective Date unless modified or lifted.

The Chapter 11 case has benefited the creditors of the Debtor as the automatic stay has given the Debtor a breathing spell, allowing the Debtor to ascertain available avenues for which it can obtain funding to satisfy all of its Allowed Claims, and to generally begin rehabilitation.

3. First Day Pleadings

Following the entry of the order for relief, Wright's filed, among other pleadings, the A variety of "first day pleadings" with the Bankruptcy Court including the application to employ counsel, a motion to pay insider compensation, a motion to continue utility services, and other typical first day motions.

4. Compliance with Bankruptcy Code, Bankruptcy Rules, Local Court Rules, and U.S. Trustee Deadlines.

On May 8, 2017, the Debtor filed its Statement of Financial Affairs, Schedules of Assets and Liabilities, and Schedules of Executory Contracts and Unexpired Leases [ECF No.67.] Pursuant to section 341 of the Bankruptcy Code, a meeting of creditors for the Debtor was held and concluded in July, 2017, and was continued to the final meeting on August 22, 2017. The Debtor has complied with the monthly reporting requirements of the Office of the United States Trustee and has paid all U.S. Trustee quarterly fees.

XV. THE PLAN

The Debtor has proposed the Plan based on the agreements made with Clarke and affiliated entities. The Debtor believes that the classification and treatment of Claims and Interests provided for in the Plan are consistent with the requirements of the Bankruptcy Code.

Under the Bankruptcy Code, holders of Allowed Claims against and Interests in the Debtor that are Impaired and that receive distributions under the Plan are entitled to vote on the Plan.

A. VALUATION OF THE DEBTOR

Wright's assets are both movable and immovable property (real estate). The immovable property is located at Calcasieu Parish, Lake Charles, Louisiana. The Property is subject to a first mortgage in favor of Midsouth Bank and a lien in favor of the IRS. Midsouth Bank also has a security interest in all of Wright's equipment and receivables. An appraisal done in January of 2017 put a forced liquidation value on Wright's equipment at \$7.7 million. The land or immovable property is likewise valued at \$1.6 million. However, the Debtor believes based on the current market conditions that the equipment's value is not sufficient to result in Midsouth Bank or its successor being fully repaid. Therefore, the Debtor does not anticipate any hearings concerning valuation of assets except as may be required under the treatment of Class 1.

Valuation as that concerns creditors other than Midsouth is not an issue since the Second Amended Plan proposes to satisfy all allowed claims in full.

B. TREATMENT OF UNCLASSIFIED CLAIMS UNDER THE PLAN

The Plan provides for the treatment of unclassified Claims. The principal Priority Tax Claim known to the Debtor is the tax owed to the IRS and to the State of Louisiana.

The unclassified claim of Mike Trahan is disputed and will not be paid unless agreement is reached between the claimant and Wright's or as otherwise ordered by the Court.

The principal Administrative Claims known to the Debtor include the fees and expenses of counsel to the Debtor, H. Kent Aguillard; the fees and expenses owed to the accountants of the Debtor; the fees and expenses owed to special counsel for the Debtor which fees are determined by a contingency fee agreement; and, the estimation of quarterly fees due to the Office of the U.S. Trustee through closure of the case.

C. MEANS FOR EXECUTION AND IMPLEMENTATION OF THE PLAN

1. Effective Date.

The "Effective Date" of the Plan is the date on which the Plan shall take effect upon:

- (1) the Confirmation Order has been entered by the Bankruptcy and has become a Final Order (this requirement may be waived by mutual agreement of the Debtor and Orinoco); and
- (2) the payment of \$300,000 to Hilco as provided in the Settlement Agreement with Hilco.

2. Means to Implement the Plan.

Orinococo as acquired and will amend the Midsouth Loan. The Plan includes a going-forward business relationship which will enable Wright's to survive as a going concern and pay its creditors. Wright's has no other similar prospects of continuing as a viable business without the direct assistance and involvement of Orinococo and Clarke.

Wright's has entered into at least one contract with NOV and has significant potential for other work as well which the Debtor expects will generate income sufficient to fund its rehabilitation.

The transfer of assets from Wright's to Orinococo as outline in the Amended Plan Support Agreement will significantly reduce the amount of the Midsouth Loans acquired by Orinococo making debt service going forward much less burdensome to the Reorganized Wright's. At this time the amount of the credit Wright's will receive is unknown how any credit will be a minimum of \$2,000,000.00.

A projection is attached as an exhibit to the Second Amended Disclosure Statement which projection supports feasibility.

The going-forward business relationship between Clarke, Leaseco, NOV, and Wright's is a critical component to the success of Wright's.

D. OBJECTIONS TO CLAIMS/ADMINISTRATIVE CLAIMS/INTERESTS

1. Objections to Claims or Interests; Prosecution of Disputed Claims or Disputed Interests.

The Debtor and, after Confirmation, the Reorganized Debtor shall have the responsibility and authority for administering, disputing, objecting to, compromising and settling or otherwise resolving and finalizing Distributions with respect to all Claims.

2. Estimation of Disputed Claims.

The Debtor or its Agent, after Confirmation, may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtor has previously objected to such Claim.

3. No Distribution on Account of Disputed Claims.

If a Claim or any portion of a Claim is disputed, no payment or Distribution shall be made on account of the disputed portion of such Claim (or the entire Claim, if the entire Claim is disputed), unless such Disputed Claim or portion thereof becomes an Allowed Claim. The Debtor has identified the following Claims, all or a portion of which are objectionable: Mike Trahan (Proof of Claim Number 14). The Debtor will object to the Disputed Claims of Mike Trahan unless the claimant withdraws the claim or an agreement is reached. The claim of Oceaneering International, Inc. has been treated in Class 5. Oceaneering's claim based on its

counterclaim filed in the Patent Litigation will not receive any payment unless that counterclaim is successful in the Patent Litigation and Oceaneering is awarded a judgment against Wright's.

E. CLAIMS AGAINST OTHERS

Except as provided in the Plan, or in any contract, instrument, release or other agreement entered into or delivered in connection with the Plan, in accordance with section 1123(b) of the Bankruptcy Code and to the fullest extent possible under applicable law, the Debtor shall retain and may enforce, and shall have the sole right to enforce, any claims, demands, rights and Causes of Action that the Debtor or its Estate may hold against any Entity including but not limited to the Patent Litigation, matters pending before the United States Patent and Copyright Office, and any judgments obtained by Wright's prepetition. The Debtor may pursue such retained claims, demands, rights or Causes of Action, as appropriate, in accordance with the best interests of the Debtor. Further, the Debtor, as the case may be, retains its rights to file and pursue any adversary proceedings against any account related to debit balances or deposits owed to the Debtor. Notwithstanding the above, the Debtor does not intend to bring any Avoidance Actions after entry of the Confirmation Order as the Debtor has not identified any transfers made to insiders within the year before the Petition Date or to creditors within the 90 days before the Petition Date which may be avoided which the Debtor believes would justify the related expense. The Debtor knows of no avoidance actions. The particular claims and causes of action currently known to the Debtor that are being retained are against Oceaneering. There is one other filed disputed claim filed by Mike Trahan. There has been no objection to the Trahan claim at this time however the dispute over the claim has been resolved as stated earlier in the section treating Unclassified Wage Claims. The Debtor objected to the claim of Oceaneering which objection has been withdrawn at this time. The Oceaneering claim has been treated in Class 5 and Wright's believes that such treatment will resolve that claim. Except as otherwise expressly provided in the Plan, on the Effective Date, and in consideration for the obligations of the Debtor under the Plan and acceptance and/or treatment of each creditors' and equity interest holder's claims under the Plan, the Debtor shall be deemed to have released and discharged unconditionally and forever each of (a) the Class 1, 2, 3, 4, 5, and 6 creditors (except the holders of disputed claims), and all of their predecessors, successors, and assigns and their officers, directors, employees, staff, members, attorneys, financial advisors, accountants, agents, and other representatives, and (b) any Committee, its attorneys, and its members, from and any and all claims, demands, rights, and causes of action that arise from or relate to, in any manner, in whole or in part, the operation of the business of the Debtor, the subject matter of or the transaction or event giving rise to the Claim of such holder, the business or contractual arrangements between any Debtor and such holder, any restructuring of such Claim prior to the Chapter 11 Case, or any act, omission, occurrence, or event in any manner related to such subject matter, transaction or obligation, or arising out of the Chapter 11 Case (including, but not limited to, the pursuit of confirmation of the Plan, the consummation thereof, the administration thereof, or the property to be distributed thereunder); provided, however, that the foregoing shall not operate as a waiver of or release from any causes of action arising out breach of warranty by a creditor who has provided goods or services after the Petition Date to the Debtor which such breach of warranty was not known nor should have been known to the Debtor as of the Confirmation Date. Notwithstanding anything to the contrary contained hereinabove, the foregoing shall not operate as a waiver of or a release of any causes of action held by a Governmental Unit against any non-

Debtor existing as of the Effective Date based on any tax laws of the United States or any domestic state.

To be perfectly clear, any claim or cause of action of any kind is RESERVED to the Debtor and once the Confirmation Order is final to the Reorganized Debtor. All claims of any kind held by the Debtor are being transferred to the Reorganized Debtor. The mentioning of claims is illustrative and possibly partial and is not intended to be all inclusive. Any claims or suits listed in the schedules are included under Reserved Claims as are any claims or suits mentioned in any applications or motions to employ professionals filed in this case and in this Plan but there may be more.

F. EXECUTION OF DOCUMENTS AND CORPORATE ACTION

Except to the extent that the Agent has been given such authority by Order of the Court, the Manager of the Debtor is authorized to execute, deliver, file, or record such contracts, instruments, releases, indentures and other agreements or documents, and to take such actions as may be necessary or appropriate, to effectuate and further evidence the terms and conditions of this Plan.

G. POST-CONFIRMATION MANAGEMENT

Post-confirmation, the Debtor shall be managed by its CEO David Wright and his wife, Monique Wright, who shall have the powers of the Manager of the Debtor, including, but limited to, full power and authority to continue to operate the Reorganized Debtor, market the Debtor's immovable or movable property, intellectual property, and/or its business, to accept, on behalf of the Reorganized Debtor and if pre-confirmation subject to approval of the Bankruptcy Court, any offer or offers to purchase the Debtor's immovable property and improvements and/or its business, or any assets and to execute such documents as may be necessary or desirable to consummate any sale or sales approved by the Bankruptcy Court if pre-confirmation. In sum, David and Monique Wright will manage the Reorganized Wright's to the fullest extent allowed by law. Initially, David and Monique Wright shall be compensated for their management services as the same level as they were during the chapter 11 case. However the Wright's compensation may be adjusted upward as operations resume.

XVI. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. ASSUMPTION

Except as otherwise provided herein or pursuant to the Confirmation Order, as of the Effective Date, all executory contracts and unexpired leases between the Debtor and any Person, shall be assumed pursuant to section 365(a) of the Bankruptcy Code, except for any executory contract or unexpired lease that has otherwise been assigned or rejected or renegotiated and either assumed or rejected on renegotiated terms, pursuant to an order of the Bankruptcy Court entered prior to the Effective Date. Entry of the Confirmation Order shall constitute approval, pursuant to section 365(a) of the Bankruptcy Code, of the assumption and assignment of executory contracts and unexpired leases and for the rejection provided for herein.

B. REJECTION

On the Effective Date, unless the counter-party to such assumed lease or executory contract agrees to a less favorable treatment, the Debtor (a) shall cure or provide adequate assurance that it shall cure any and all undisputed defaults under any Assumed Contract, and (b) compensate or provide adequate assurance that it shall promptly compensate the other parties to such executory Party resulting from such undisputed default in accordance with section 365(b)(1) of the Bankruptcy Code. In the event that the Debtor disputes the existence of a default, or the nature, extent or amount of any required cure, adequate assurance or compensation, the obligations of the Debtor, under section 365(b) of the Bankruptcy Code, shall be determined at the Confirmation Hearing or at any other hearing ordered by the Bankruptcy Court, and any such obligations shall be performed by the Debtor within thirty (30) days after the Effective Date unless otherwise provided in the Confirmation Order or by other order of the Bankruptcy Court; provided, however, the Debtor shall have the right after such determination by the Court to reject any executory contract or unexpired lease that in its sole discretion is determined to be uneconomic or infeasible for its future operations.

THE DEBTOR ALLEGES THAT THERE ARE NO “CURE” REQUIREMENTS DUE TO ANY OTHER PARTY TO AN ASSUMED CONTRACT.

If the rejection of an executory contract or unexpired lease by the Debtor (pursuant to this Plan or otherwise) results in a Claim, then such Claim shall be forever barred and shall not be enforceable against the Debtor unless a Proof of Claim is filed and served upon counsel for the Debtor no later than (i) the date on which an order previously rejecting the claim provided, or (ii) thirty (30) days after the earlier of (a) entry of the Confirmation Order, or (b) entry of an order approving such rejection and providing for a date in which the Proof of Claim must be filed. Unless otherwise ordered by the Bankruptcy Court, all Claims arising from the rejection of executory contracts and unexpired leases shall be treated, to the extent they are Allowed Claims, as an Allowed Class 4 Claim.

C. CURE PAYMENTS, COMPENSATION FOR PECUNIARY LOSS, AND ADEQUATE ASSURANCE

On the Effective Date, the Debtor shall cure or provide adequate assurance that it shall cure any and all undisputed defaults under any Assumed Contract, and (b) compensate or provide adequate assurance that it shall promptly compensate the other parties to such executory contract or unexpired lease for the agreed amount of any actual pecuniary loss to such party resulting from such undisputed default in accordance with section 365(b)(1) of the Bankruptcy Code. In the event that the Debtor disputes the existence of a default, or the nature, extent or amount of any required cure, adequate assurance or compensation, the obligations of the Debtor under section 365(b) of the Bankruptcy Code shall be determined at the Confirmation Hearing or at any other hearing ordered by the Bankruptcy Court, and any such obligations shall be performed by the Debtor within thirty (30) days after the Effective Date unless otherwise provided in the Confirmation Order or by other order of the Bankruptcy Court. **The Debtor is**

not aware of any cure payments or adequate assurance payments it will owe on the Effective Date as it remains current on its executory contract obligations.

XVII. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

A. INTRODUCTION

THE FOLLOWING DISCUSSION IS A SUMMARY OF CERTAIN OF THE SIGNIFICANT FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO THE DEBTOR AND TO HOLDERS OF CLAIMS AND EQUITY INTERESTS AND IS BASED ON THE INTERNAL REVENUE CODE OF 1986 (TITLE 26, UNITED STATES CODE), AS AMENDED TO THE DATE HEREOF (THE "TAX CODE"), TREASURY REGULATIONS PROMULGATED AND PROPOSED THEREUNDER, JUDICIAL DECISIONS AND PUBLISHED ADMINISTRATIVE RULES AND PRONOUNCEMENTS OF THE IRS AS IN EFFECT ON THE DATE HEREOF. CHANGES IN SUCH RULES OR NEW INTERPRETATIONS THEREOF COULD SIGNIFICANTLY AFFECT THE TAX CONSEQUENCES DESCRIBED BELOW. NO RULINGS HAVE BEEN REQUESTED FROM THE IRS. MOREOVER, NO LEGAL OPINIONS HAVE BEEN REQUESTED FROM COUNSEL WITH RESPECT TO ANY OF THE TAX ASPECTS OF THE PLAN. THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES OF THE PLAN TO THE HOLDERS OF CLAIMS AND EQUITY INTERESTS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER. IN ADDITION, THIS DISCUSSION DOES NOT COVER ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO THE DEBTOR OR THE HOLDERS OF ALLOWED CLAIMS OR EQUITY INTERESTS (SUCH AS HOLDERS WHO DO NOT ACQUIRE THEIR CLAIM ON ORIGINAL ISSUE), NOR DOES THE DISCUSSION DEAL WITH TAX ISSUES PECULIAR TO CERTAIN TYPES OF TAXPAYERS (SUCH AS DEALERS IN SECURITIES, S CORPORATIONS, LIFE INSURANCE COMPANIES, FINANCIAL INSTITUTIONS, TAX EXEMPT ORGANIZATIONS AND FOREIGN TAXPAYERS). NO ASPECT OF FOREIGN STATE, LOCAL OR ESTATE AND GIFT TAXATION IS ADDRESSED. THE FOLLOWING SUMMARY IS, THEREFORE, NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER OF A CLAIM OR EQUITY INTEREST. HOLDERS OF CLAIMS OR EQUITY INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL AND OTHER TAX CONSEQUENCES PECULIAR TO THEM UNDER THE PLAN. THE DEBTOR ASSUME NO RESPONSIBILITY FOR THE TAX EFFECT THAT CONFIRMATION AND RECEIPT OF ANY DISTRIBUTION UNDER THE PLAN MAY HAVE ON ANY GIVEN CREDITOR OR OTHER PARTY IN INTEREST.

B. CONSEQUENCES TO HOLDERS OF CLAIMS

1. Realization and Recognition of Gain or Loss in General

The federal income tax consequences of the implementation of the Plan to a holder of a Claim will depend, among other things, upon the origin of the holder's Claim, when the holder's

Claim becomes an Allowed Claim, when the holder receives payment in respect of such Claim, whether the holder reports income using the accrual or cash method of accounting, whether the holder has taken a bad debt deduction or worthless security deduction with respect to such Claim, and whether the holder's Claim constitutes a "security" for federal income tax purposes. Generally, a holder of an Allowed Claim will realize gain or loss on the exchange under the Plan of its Allowed Claim for stock and other property (such as Cash and new debt instruments), in an amount equal to the difference between (i) the sum of the amount of any Cash and the issue price of any debt instrument, (other than any consideration attributable to a Claim for accrued but unpaid interest), and (ii) the adjusted basis of the Allowed Claim exchanged therefor (other than basis attributable to accrued but unpaid interest previously included in the holder's taxable income). The treatment of accrued but unpaid interest and amounts allocable thereto varies depending on the nature of the holder's Claim and is discussed below. Whether or not such realized gain or loss will be recognized (i.e., taken into account) for federal income tax purposes will depend in part upon whether such exchange qualifies as a recapitalization or other "reorganization" as defined in the Tax Code, which may in turn depend upon whether the Claim exchanged is classified as a "security" for federal income tax purposes. The term "security" is not defined in the Tax Code or in the Treasury Regulations. One of the most significant factors considered in determining whether a particular debt instrument is a security is the original term thereof. In general, the longer the term of an instrument, the greater the likelihood that it will be considered a security. As a general rule, a debt instrument having an original term of 10 years or more will be classified as a security, and a debt instrument having an original term of fewer than five years will not. Debt instruments having a term of at least five years but less than 10 years are likely to be treated as securities, but may not be, depending upon their resemblance to ordinary promissory notes, whether they are publicly traded, whether the instruments are secured, the financial condition of the debtor at the time the debt instruments are issued, and other factors. Each holder of an Allowed Claim should consult his or her own tax advisor to determine whether his or her Allowed Claim constitutes a security for federal income tax purposes.

C. CONSEQUENCES TO DEBTOR

1. Discharge-of-Indebtedness Income Generally

The Debtor does not pay income tax based on its revenues and expenses and other taxable transactions and events and taxable income generated thereby, if any, which are reported on its return. Because the Debtor is a limited liability company its tax attributes flow through to its member who is David Wright. David and Monique Wright consult with the certified public accounting firm of Martin and Pellegriin, Certified Public Accountants (PC) concerning tax issues.

XVIII. LIQUIDATION ANALYSIS UNDER CHAPTER 7

A. LIQUIDATION UNDER CHAPTER 7.

1. Generally

The Local Rules of this Court require that the Disclosure Statement contain an analysis of the projected effect of liquidation of the Debtor under Chapter 7 of the bankruptcy code so that creditors can analyze the Plan treatment against recovery that might occur upon liquidation. In a Chapter 7 case, a trustee would be elected or appointed to liquidate the Debtor's assets. The proceeds of the liquidation, augmented by the Debtor's cash and any recoveries from third parties, would be distributed to the respective holders of Claims in accordance with the priorities established by the Bankruptcy Code. The Trustee also would be entitled to compensation representing a statutorily fixed portion of the distributions made to Creditors. As discussed above and in the following paragraphs, the Debtor believes that the proceeds received by the Estate pursuant to a bankruptcy trustee's liquidation sale of the Debtor's assets will result in significantly less recovery to creditors than provided for in the Plan. Further, as an ongoing business, the Reorganized Wright's will continue to provide jobs to its employees, which may not otherwise occur under liquidation.

2. LIQUIDATION ANALYSIS

The Plan proposes to pay 100% of all Allowed Claims therefore a liquidation analysis for the purposes of comparison between the return to creditors under the Plan and in the case of liquidation under chapter 7 is not necessary. The following is nonetheless offered.

The Debtor has considered liquidation in the context of a chapter 7 proceeding. In chapter 7 liquidation, the Debtor would also have to pay the Trustee Fees and commission as well as the Professionals hired in the chapter 7 Proceeding. At the time of the filing of this case the Debtor's management believed that the assets had a higher value than they have shown. There has been an ongoing effort to market and sell assets however that effort has met with limited success.

As the exact value of the Property is speculative and unknown at this time, the Debtor believes that a Chapter 7 liquidation would result in more fees and commissions being paid and less money would be available for distribution to general unsecured claimants than would be available in a Chapter 11 case. The Debtor believes that the creditors of the Debtor's bankruptcy estate will receive more on account of their claims under the terms of the Plan than they would in a Chapter 7 case.

XIX. CONFIRMATION PROCEDURE

Under the Bankruptcy Code, the following steps must be taken to confirm the Plan:

VOTING AND OTHER PROCEDURES

- 1) A Ballot for the acceptance or rejection of the Plan is enclosed with the Disclosure Statement.
- 2) A Statement submitted to the holders of Claims that are entitled to vote to accept or reject the Plan. This document is that Statement.
- 3) Each holder of a Claim or Interest in Classes 1, 2, 4 and 5 shall be entitled to vote to accept or reject the Plan.

4) Pursuant to the provisions of the Bankruptcy Code, only holders of claims or Interests in classes that are impaired under the terms and provisions of a Chapter 11 plan and are to receive distributions thereunder are entitled to vote to accept or reject the plan. Classes of claims or interests in which the holders of claims and interests will not receive or retain any property under a Chapter 11 plan are deemed to have rejected the plan and are not entitled to vote to accept or reject the plan. Classes of claims or interests in which the holders of claims or interests are unimpaired under a Chapter 11 plan are deemed to have accepted the plan and also are not entitled to vote to accept or reject the plan. The Bankruptcy Code defines “acceptance” of a plan by a class of: (i) Claims, as acceptance by creditors actually voting in that class that hold at least two-thirds in dollar amount and more than one-half in number of the claims; and (ii) Interests, as acceptance by interest holders in that class actually voting that hold at least two-thirds in number of ownership shares of the common stock of a debtor. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not solicited or procured in good faith or otherwise in accordance with the provisions of the Bankruptcy Code. With respect to the Plan, any holder of a Claim in an Impaired Class (i) whose Claim has been listed by either Debtor in the Schedules filed with the Bankruptcy Court (provided that such Claim has not been scheduled as disputed, contingent or unliquidated), or (ii) who filed a proof of claim on or before the applicable bar date (or, if not filed by such date, any proof of claim filed within any other applicable period of limitations or with leave of the Bankruptcy Court), which Claim has not been disallowed and is not the subject of an objection, is entitled to vote.

5) Holders of claims that are disputed, contingent and/or unliquidated are entitled to vote their Claims only to the extent that such Claims are allowed for the purpose of voting pursuant to an order of the Bankruptcy Court. The Debtor may seek a determination that any class of claims that is entitled to vote to accept or reject the Debtor’s Plan that does not vote to accept or reject the Debtor’s Plan be deemed to accept the Plan, as applicable.

After carefully reviewing the Disclosure Statement and this Plan, including any exhibits, each holder of an Allowed Claim or Equity Interest entitled to vote may vote whether to accept or reject the Debtor’s Plan. A Ballot for voting on the Plan accompanies the Plan. If you hold a Claim or Equity Interest in more than one Class and you are entitled to vote Claims in more than one Class, you may receive a Ballot or Ballots, which will permit you to vote in all appropriate Classes of Claims. Please vote and return your Ballot to H. Kent Aguillard as follows, whether by U.S. Mail, or by hand delivery or courier service:

H. Kent Aguillard
P. O. Box 391
Eunice, LA 70535

Physical address: 141 S. 6th St., Eunice, LA 70535

ANY EXECUTED BALLOT THAT FAILS TO INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN WILL NOT BE COUNTED. BALLOTS RETURNED TO H. KENT AGUILLARD BY FACSIMILE TRANSMISSION OR ANY

OTHER ELECTRONIC MEANS WILL NOT BE COUNTED. **THE VOTING DEADLINE IS NOON 12:00 P.M., CENTRAL TIME ZONE, ON _____, 2017.** APPROVAL OF THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT AS TO THE FAIRNESS OR MERITS OF THE PLAN. ALL CREDITORS THAT ARE ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN SHOULD READ THE DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING ON THE PLAN.

If you are entitled to vote on the Plan and you did not receive a Ballot, received a damaged Ballot or lost your Ballot, or if you have any questions concerning the procedures for voting on the Plan, please contact H. Kent Aguillard at the following telephone number: (337) 457- 9331 or at P.O. Box 391, Eunice, La., 70535.

DISCLAIMERS AND ENDORSEMENTS

The Disclosure Statement contains information about the Debtor's Plan. Holders of Claims and Interests are urged to study the text of the Plan carefully to determine the impact of the Plan on their Claims or Interests and to consult with their financial, tax and legal advisors. Nothing contained in the Disclosure Statement or the Plan will be deemed an admission or statement against interest(s) that can be used against the Debtor in any pending or future litigation. Any reference to creditors or Claims or Interests in the Disclosure Statement is not an admission with respect to the existence, ownership, validity, priority, or extent of any alleged Lien, Claim, Equity Interest or encumbrance. Certain statements and assertions in the Disclosure Statement may be subject to dispute by parties in interest.

C. THE CONFIRMATION HEARING

The Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a Confirmation Hearing with respect to the Plan. The Confirmation Hearing in respect to the Plan has been scheduled for the date and time set forth in the accompanying notice before the Honorable Robert Summerhays, United States Bankruptcy Judge, at the United States Bankruptcy Court for the Western District of Louisiana, on _____, 2017, at ____ CST. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice other than an announcement of the adjourned date made at the Confirmation Hearing or posted at the courthouse at the Confirmation Hearing or at an adjournment thereof. Any objection to confirmation (i) must be made in writing, (ii) must specify in detail the name and address of the objector, all grounds for the objection and the amount of the Claim or a description of the interest in the Debtor held by the objector, and (iii) must be timely made. Any such objections must be filed with the Bankruptcy Court and served so that they are received by the Bankruptcy Court, and the following counsel, on or before the date and time set forth in the accompanying notice:

Counsel to the Debtor:

H. Kent Aguillard
P. O. Box 391
Eunice, LA 70535

Physical address: 141 S. 6th St., Eunice, LA 70535

D. CONFIRMATION

At the Confirmation Hearing, the Bankruptcy Court will confirm the Plan if the requirements of Section 1129 of the Bankruptcy Code are met. Among the requirements for confirmation of a plan are that the plan is (i) accepted by all Impaired Classes of Claims or, if rejected by an Impaired Class, that the plan “does not discriminate unfairly” and is “fair and equitable” as to such Class, (ii) feasible, and (iii) in the “best interests” of creditors that are impaired under the Plan.

E. UNFAIR DISCRIMINATION AND FAIR AND EQUITABLE TESTS

Under the Bankruptcy Code, a plan does not have to be accepted by every class of creditors or interest holders to be confirmed. If a class of claims or interests rejects a plan or is deemed to reject a plan, the plan proponent has the right to request confirmation of the plan pursuant to Section 1129(b) of the Bankruptcy Code, the so-called “cram down” provision of the Bankruptcy Code. Section 1129(b) permits the confirmation of a plan notwithstanding the non-acceptance of such plan by one or more impaired classes of claims and interests. Under that section, a plan may be confirmed by a bankruptcy court if it does not “discriminate unfairly” and is “fair and equitable” with respect to each non-accepting class, and meets the other legal criteria for confirmation. In the event that any Class of Claims or Interests fails to accept the Plan in accordance with section 1129(a)(8) of the Bankruptcy Code, the Debtor request that the Bankruptcy Court confirm the Plan in accordance with section 1129(b) of the Bankruptcy Code. Accordingly, to obtain nonconsensual confirmation of the Plan, it must be demonstrated to the Bankruptcy Court that the Plan does not “discriminate unfairly” and is “fair and equitable” with respect to each Impaired, non-accepting Class. The Bankruptcy Code provides a nonexclusive definition of the phrase “fair and equitable.” The Bankruptcy Code establishes “cram down” tests for classes of Secured Claims, Unsecured Claims and Interests that do not accept the plan, as follows:

1. Secured Creditors

Either (a) each Impaired class of secured creditor(s) retains the Liens securing its Secured Claim and receives on account of its Secured Claim deferred cash payments (x) totaling at least the Allowed Amount of the Secured Claim and (y) having a present value at least equal to the value of the secured creditor’s collateral, (b) each Impaired secured creditor realizes the “indubitable equivalent” of its Allowed Secured Claim, or (c) the property securing the Claim is sold free and clear of Liens with the secured creditor’s Lien to attach to the proceeds of the sale and such Lien is treated in accordance with clause (a) or (b) of this subparagraph. As to the two secured Claims, formerly Midsouth Bank now Orinoco in Class 1, the IRS and State of Louisiana in the unclassified class, the Plan meets the requirement under 11 U.S.C. §1129(a)(7) and (b)(2).

2. Unsecured Creditors

Either (a) each Class of Impaired unsecured creditors receives or retains under the plan property of a value equal to the amount of its Allowed Claim, or (b) the holders of Claims and Interests that are junior to the Claims of the dissenting Class will not receive any property under the plan, and the “best interest” test is met so that each Impaired unsecured creditor recovers at least what that creditor would receive if the case was converted to a chapter 7 case. The Plan proposes to pay this Class in full.

3. Holders of Interests

Either (a) a holder of Impaired Interests receives or retains under the Plan property of a value equal to the greatest of the Allowed Amount of any fixed liquidation preference to which such holder is entitled, any fixed redemption price to which such holder is entitled, or the value of such interest, or (b) no holder of junior interests receives or retains any property, and the “best interest” test is met, so that each Impaired Equity Interest holder recovers at least what that Equity Interest holder would receive if the case was converted to a chapter 7 case.

4. No Unfair Discrimination

In addition, the “cram down” standards of the Bankruptcy Code prohibit “unfair discrimination” with respect to the claims of any impaired, non-accepting class. While the “unfair discrimination” determination depends upon the particular facts of a case and the nature of the claims at issue, in general, courts have interpreted the standard to mean that the impaired, nonaccepting class must receive treatment under a plan of reorganization which allocates value to such class in a manner that is consistent with the treatment given to other classes with claims against the debtor of equal or junior status. All Classes of creditors may receive distributions under the Plan; thus, no Class of creditors is conclusively presumed to have rejected the Plan. The Debtor believes that the treatment of all Classes of Claims and Interests under the Plan satisfies the “no unfair discrimination” requirement for nonconsensual confirmation of the Plan under section 1129(b) of the Bankruptcy Code. With respect to any Impaired, non-accepting Class, if any, there is no Class of equal priority receiving more favorable treatment under the Plan, and no Class that is junior to such Impaired, non-accepting Class that will receive or retain any property under the Plan on account of the Claims or Interests in such Class.

F. FEASIBILITY

The Bankruptcy Code requires that confirmation of a plan is not likely to be followed by liquidation or the need for further financial reorganization unless the liquidation of the Debtor is provided for in the plan. Here, the Debtor is proposing a plan that clearly provides the mechanism to continue in business and generate future income sufficient to satisfy the claims of all creditors. Additionally, the Patent Litigation has the potential to return to the Reorganized Debtor sufficient funds not only to satisfy all Allowed Classes 4 and 5 claims but to satisfy the claims of other classes as well.

Wright’s attaches hereto a projection which projects income for the period 2017-2022.

G. BEST INTEREST TEST

In order to confirm a plan of reorganization, the Bankruptcy Court must determine that the plan is in the best interests of all classes of creditors and equity security holders impaired under that plan. The "best interest" test requires that the Bankruptcy Court find that the plan provides to each member of each impaired class of claims and interests (unless each such member has accepted the plan) a recovery which has a value at least equal to the value of the distribution that each creditor or interest holder would receive if the debtor was liquidated under chapter 7 of the Bankruptcy Code. As reflected in the discussion above, and as discussed in the liquidation analysis contained in the Disclosure Statement and Plan, the Debtor believes that the Plan provides to each holder of a Claim and Interest holder a value at least equal to the value of the distribution that each holder would receive if the Debtor was liquidated under chapter 7 of the Bankruptcy Code. Importantly, this Plan proposes to pay creditors 100% of their Allowed Claims.

Conversion to chapter 7 would result in the loss of almost all of Wright's assets since most are encumbered by a security interest in favor of Midsouth which is in excess of \$7,000,000 if one were to include accrued interest, fees, and costs. That would leave Wright's without any potential of operating. The obvious truth is conversion would leave Wright's unable to operate. An outright dismissal of the chapter 11 would be more beneficial to creditors than would conversion.

H. CERTAIN RISK FACTORS TO BE CONSIDERED

HOLDERS OF CLAIMS AGAINST THE DEBTOR SHOULD READ AND CONSIDER CAREFULLY THE INFORMATION SET FORTH IN THE DISCLOSURE STATEMENT, THE PLAN (AND ANY DOCUMENTS DELIVERED TOGETHER HERewith AND/OR INCORPORATED BY REFERENCE), BEFORE VOTING TO ACCEPT OR REJECT THE PLAN. THESE RISK FACTORS SHOULD NOT BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND THE IMPLEMENTATION OF THE PLAN.

I. CERTAIN BANKRUPTCY CONSIDERATIONS

1. Risk of Liquidation of the Debtor's Estate

The Second Amended Plan proposes to pay Allowed Claims in full. Therefore, a liquidation analysis is not relevant. However, creditors should be aware that the major risk in any liquidation is that the Acquired Assets would have to be sold at auction at a later date and it is the position of the Debtor that such a liquidation would not achieve proceeds sufficient to provide payments to unsecured creditors after all administrative, secured and priority claims are paid.

2. Risk of Non-Occurrence of the Effective Date

The occurrence of the Effective Date in the Plan is conditioned upon the happening of

certain events. There can be no assurance that all of these events will occur or that those that do not occur will be waived. Accordingly, even if the Plan is confirmed, there can be no assurance that the Effective Date will occur.

XX. REVOCATION OR WITHDRAWAL OF THE PLAN AND PLAN SUPPLEMENT

(a) The Debtor may revoke or withdraw the Second Amended Plan prior to the Effective Date.

(b) If the Plan is revoked or withdrawn prior to the Effective Date, or the Effective Date does not occur because the conditions precedent thereto have not been satisfied, then the Plan shall be deemed null and void. In such event, (i) the Debtor and all holders of Claims and Equity Interests shall be restored to the *status quo ante* as of the day immediately preceding the confirmation of the Plan, and (ii) all the Debtor's respective obligations with respect to the Claims and Equity Interests shall remain unchanged, all of the Debtor's rights against all Persons shall be fully preserved and nothing contained herein or in the Disclosure Statement shall be deemed an admission or statement against interest or to constitute a waiver or release of any claims by or against the Debtor or any other Person or to prejudice in any manner the rights of the Debtor or any Person in any further proceedings involving the Debtor or Person.

(c) The Debtor may at any time file a Plan Supplement that explains, enhances, or modifies any provision of this Plan and any Supplement shall be considered part of the Plan as confirmed by the Court provided such Plan Supplement is agreed to by any party affected thereby, is an immaterial modification, improves the treatment of any class of claims, or otherwise does not change the specific treatment of any creditor.

Severability. If any provision in this 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 this Plan.

XXI. REVESTING OF ASSETS AND OPERATIONS OF PROPERTY.

Except as otherwise set forth herein, the Leaseco Loan Documents, or in the Confirmation Order, as of the Effective Date, all property of the Estate (including debtor in possession bank accounts, Cash held by any receiver, custodian or similar person or entity, insurance policies, including title insurance, and all rights of the Debtor thereunder, and the retained claims and Causes of Action) shall revert in the Reorganized Debtor free and clear of all claims, liens, encumbrances and other interests of creditors and holders of interests. From and after the Effective Date, the Reorganized Debtor may operate its business and use, acquire, and dispose of property and settle and compromise claims or interests without supervision by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and the Confirmation Order. On the Effective Date, pursuant to the Plan and the Confirmation Order, any receiver, custodian or similar person or entity appointed prior to the Effective Date for the Debtor or any of its property shall be terminated and discharged from its responsibilities and duties and all property, including Cash, of the Debtor held by such receiver, custodian or similar person or entity shall be

immediately turned over to the Reorganized Debtor, without setoff or offset.

XXII. DISCHARGE OF DEBTOR AND INJUNCTION.

Except as otherwise provided herein, the rights afforded in the Plan and the treatment of all Claims shall be in exchange for and in complete satisfaction, discharge, and release of all Claims of any nature, whatsoever, including, any interest accrued on such claims from and after the Petition Date against the Debtor, the Debtor in Possession, or any of their assets or properties. Except as otherwise provided in the Plan or the Confirmation Order, on or after the Effective Date: (i) the Debtor shall be deemed discharged and released to the fullest extent permitted by section 1141 of the Bankruptcy Code from all claims and interests, including claims and interests that arose before the Effective Date and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code whether or not: (a) a proof of claim or proof of interest based on such debt or interest is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code, (b) a claim or interest based on such debt or interest is allowed pursuant to section 502 of the Bankruptcy Code, or (c) the holder of a claim or interest based on such debt or interest has accepted the Plan; and (ii) all Persons shall be precluded from asserting against the Debtor, the Reorganized Debtor, their successors, or their respective assets or properties any other or future claims or interests based upon any act or omission, transaction, or other activity of any kind or nature relating to the Debtor or the Debtor-in-Possession that occurred before the Effective Date. Except as otherwise provided in the Plan or the Confirmation Order, and in addition to the injunction provided under sections 524(a) and 1141 of the Bankruptcy Code on and after the Effective Date, all Persons who have held, currently hold or may hold a debt, claim, or interest discharged under this Plan are permanently enjoined from taking any of the following actions on account of any such discharge, debt, claim, or interest: (1) commencing or continuing in any manner any action or other proceeding against the Debtor, the Reorganized Debtor, their successors, or their respective properties; (2) enforcing, attaching, collecting, or recovering in any manner any judgment, award, decree or order against the Debtor, Reorganized Debtor their successors, or their respective properties; (3) creating, perfecting, or enforcing any lien or against the Debtor, Reorganized Debtor, their successors, or their respective properties; (4) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due the Debtor, Reorganized Debtor, their successors, or their respective properties; and (5) commencing or continuing any action in any manner, in any place that does not comply with or is inconsistent with the provisions of this Plan or the Confirmation Order. Any Person injured by any willful violation of such injunction may recover actual damages, including costs and attorneys' fees and, in appropriate circumstances, may recover punitive damages from the willful violator.

Further, as long as payments are being made as provided by the Plan all creditors holding claims jointly owned by the Debtor, Reorganized Debtor, David and Monique Wright, including claims of secured creditors, are temporarily enjoined from taking any actions against David and Monique Wright to collect any debt treated under this Plan. Should the Reorganized Debtor default on any obligation on which guarantors are David and Monique Wright, then the creditor holding an allowed claim under the Plan guaranteed by David and Monique Wright may pursue collection of the balance due by any legal means. Prior to taking any such collection action the creditor must give written notice of default by certified mail, return receipt requested, 30 days

prior to commencing any collection action within which the Reorganized Debtor or David and Monique Wright may cure the default. Should the default not be cured within such 30 day period then the creditor may pursue such remedies available under non-bankruptcy law.

XXIII. EXCULPATION AND LIMITATION OF LIABILITY

On or after the Effective Date, none of the Debtor, the Debtor in Possession, the Reorganized Debtor or any of their respective employees, officers, directors, partners, members, managers, agents, or representatives, or any professional persons employed by them shall not have or incur any liability to any Person, and are hereby released from any such liability or any claims or causes of action related thereto, for any act taken or omission made in connection with, relating to, or arising out of (i) the Reorganization Case, (ii) the negotiation, formulation and filing of the Plan, and any contract, instrument, release, or other agreement or document created in connection with the Plan, including the Membership Agreement, (iii) the negotiation, preparing, filing and dissemination of the Disclosure Statement and Plan, the solicitation of votes on, or funds for, the Plan, (iv) confirmation of the Plan, and (v) the consummation and administration of the Plan, or distribution of any property under the Plan that does not arise from intentional misconduct or gross negligence as determined under applicable law. This Court shall be the exclusive venue and forum for the determination of any claims arising under the matters addressed in this section.

XXIV. EXECUTION OF DOCUMENTS AND LLC ACTION.

The Debtor and Debtor in Possession, on behalf of themselves, and the Reorganized Debtor, shall execute such documents and take such other action as is necessary to effect the transactions provided for in the Second Amended Plan.

XXV. RETENTION OF JURISDICTION

After Confirmation of the Second Amended Plan and occurrence of the Effective Date, in addition to jurisdiction that exists in any other court, the Bankruptcy Court will retain such jurisdiction, as is legally permissible including for the following purposes:

1. To resolve any and all disputes regarding the operation and interpretation of the Plan and the Confirmation Order;
2. To determine the allowed or disallowed status, classification, or priority of claims and interests upon objection by the Debtor, Reorganized Debtor, or by other parties in interest with standing to bring such objection or proceeding;
3. To determine the extent, validity, and priority of any lien asserted against property of the Reorganized Debtor or property of the Estate;
4. To construe and to take any action to enforce the Plan, the Confirmation Order, and any other order of the Bankruptcy Court, issue such orders as may be necessary for the

implementation, execution, performance, and consummation of the Plan, and the Confirmation Order and all matters referred to in the Plan and the Confirmation Order, and to determine all matters that may be pending before the Bankruptcy Court in this Reorganization Case on or before the Effective Date with respect to any Person;

5. To determine (to the extent necessary) any and all applications for allowance of compensation and reimbursement of expenses of professionals for the period on or before the Effective Date;

6. To determine any other request for payment of administrative expenses;

7. To resolve any dispute regarding the implementation, execution, performance, consummation, or interpretation of the Plan and the Confirmation Order;

8. To determine motions for the rejection, assumption, or assignment of executory contracts or unexpired leases Filed before the Effective Date and the allowance of any claims resulting therefrom;

9. To determine all applications, motions, adversary proceedings, contested matters, and any other litigated matters instituted during the Reorganization Case whether before, on, or after the Effective Date;

10. To determine such other matters and for such other purposes as may be provided in the Confirmation Order;

11. To modify the Plan under section 1127 of the Bankruptcy Code in order to remedy any apparent defect or omission in the Plan or to reconcile any inconsistency in the Plan so as to carry out its intent and purpose;

12. Except as otherwise provided in the Plan or the Confirmation Order, to issue injunctions or take such other actions or make such other orders as may be necessary or appropriate to restrain interference with the Plan and the Confirmation Order or the execution or implementation by any Person;

13. To hear and determine matters concerning state, local and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code;

14. To enter a final decree closing the Reorganization Case; and

15. To issue such orders in aid of consummation of the Plan and the Confirmation Order, notwithstanding any otherwise applicable non-bankruptcy law, with respect to any Person, to the fullest extent authorized by the Bankruptcy Code or Bankruptcy Rules.

Filing a claim in or participating in any way in this chapter 11 case without affirmatively objecting to the jurisdiction of this Court shall be considered a tacit and actual consent and agreement to the authority and jurisdiction of this Court over any and all proceedings, claims, causes of action, disputes, or matters arising in, arising under, or in related to this case even

though such proceedings, claims, causes of action, disputes or matters arise under state or other non-bankruptcy law.

XXVI. SUCCESSORS AND ASSIGNS.

The rights, benefits, and obligations of any entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, the heirs, executors, administrators, successors, or assigns of such entity.

XXVII. PREPAYMENT OF CLAIMS, CONCLUSION AND RECOMMENDATION

The Reorganized Wright's may pay any class of claims in full at any time earlier than what is called for under the Plan as amended. There shall be no penalty for the prepayment of any class of claims.

The Debtor believes that confirmation and implementation of the Second Amended Plan is preferable to any alternative. In addition, any other alternative would involve significant delay and substantial additional administrative costs. The Debtor urges holders of Impaired Claims to vote in favor of the Second Amended Plan.

Dated: December 18, 2017

Respectfully submitted:
Wright's Well Control Services, LLC
By: /s/ David Wright
David Wright, Manager

Counsel to the Debtor:
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