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ATTORNEYS FOR DEBTOR

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

IN RE	§	
	§	
ARUBA PETROLEUM, INC	§	
	§	Case no. 16-42121-11
	§	CHAPTER 11
DEBTOR	§	

DISCLOSURE STATEMENT OF ARUBA PETROLEUM, INC PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE DATED MAY 22, 2017

TO: ALL PARTIES-IN-INTEREST, THEIR ATTORNEYS OF RECORD AND TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

I
INTRODUCTION

Identity of the Debtors

Aruba Petroleum, Inc ("Aruba" or "Debtor") filed its voluntary Chapter 11 case in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division ("Court") on November 22, 2016. At the time of the filing the Debtor was an operator of oil & gas wells as well as an interest holder in oil & gas wells. The Debtor proposes to restructure its current indebtedness and continue some operations to provide a dividend to the creditors of Debtor.

Purpose of Disclosure Statement; Source of Information

Debtor submits this Disclosure Statement ("Disclosure Statement") pursuant to Section 1125 of the Code to all known Claimants of Debtor for the purpose of disclosing that information which the Court has determined is material, important, and necessary for Creditors of Debtor in order to arrive at an intelligent, reasonably informed decision in exercising the right to vote for acceptance or rejection of the Debtor's Plan of Reorganization dated May 22, 2017 ("Plan"). This Disclosure Statement describes the operations of the Debtor contemplated under the Plan. You are urged to study the Plan in full and to consult with your counsel about the Plan and its impact upon your legal rights. Any accounting information contained herein has been provided by the Debtor.

Explanation of Chapter 11

Chapter 11 is the principal reorganization chapter of the Code. Pursuant to Chapter 11, a debtor is authorized to reorganize its business for its own benefit and that of its creditors and equity interest holders. Formulation of a plan of reorganization is the principal purpose of a Chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against and interests in the debtor. After a plan of reorganization has been filed, it must be accepted by holders of claims against, or interests in, the debtor. Section 1125 of the Code requires full disclosure before solicitation of acceptances of a plan of reorganization. This Disclosure Statement is presented to Claimants to satisfy the requirements of Section 1125 of the Code.

Explanation of the Process of Confirmation

Even if all Classes of Claims accept the plan, its confirmation may be refused by the Court. Section 1129 of the Code sets forth the requirements for confirmation and, among other things, requires that a plan of reorganization be in the best interests of Claimants. It generally requires that the value to be distributed to Claimants may not be less than such parties would receive if the debtor were liquidated under Chapter 7 of the Code.

Acceptance of the plan by the Creditors and Equity Interest Holders is important. In order for the plan to be accepted by each class of claims, the creditors that hold at least two thirds (2/3) in amount and more than one-half (½) in number of the allowed claims actually voting on the plan in such class must vote for the plan and the equity interest holders that hold at least two-thirds (2/3) in amount of the allowed interests actually voting on the plan in such class must vote for the plan. Chapter 11 of the Code does not require that each holder of a claim against, or interest in, the debtor vote in favor of the plan in order for it to be confirmed by the Court. The plan, however, must be accepted by: (i) at least the holder of one (1) class of claims by a majority in number and two-thirds (2/3) in amount of those claims of such class actually voting; or (ii) at least the holders of one (1) class of allowed interests by two-thirds (2/3) in amount of the allowed interests of such class actually voting.

The Court may confirm the plan even though less than all of the classes of claims and interests accept it. The requirements for confirmation of a plan over the objection of one or more classes of claims or interests are set forth in Section 1129(b) of the Code.

Confirmation of the plan discharges the debtor from all of its pre-confirmation debts and liabilities except as expressly provided for in the plan and Section 1141(d) of the Code. Confirmation makes the plan binding upon the debtors and all claimants, equity interest holders and other parties-in-interest, regardless of whether or not they have accepted the plan.

Voting Procedures

Unimpaired Class. Claimants in Classes 1 and 9 are not impaired under the Plan. Such Classes are deemed to have accepted the Plan.

Impaired Classes. The Class 2 through 8 Claimants are impaired as defined by Section 1124 of the Code. The Debtor is seeking the acceptance of the Plan by Claimants in Classes 2 through 8 Each holder of an Allowed Claim in Classes 2 through 8 may vote on the Plan by completing, dating and signing the ballot sent to each holder and filing the ballot as set forth below.

For all Classes, the ballot must be returned to Eric A. Liepins, 12770 Coit Road, Suite 1100, Dallas, Texas 75251. In order to be counted, ballots must be **RECEIVED** no later than at the time and on the date stated on the ballot.

Best Interests of Creditors Test

Section 1129(a)(7) of the Code requires that each impaired class of claims or interests accept the Plan or receive or retain under the Plan on account of such claim or interest, property of a value as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code. If Section 1111(b)(2) of the Bankruptcy Code applies to the claims of such class, each holder of a claim of such class will receive or retain under the Plan, on account of such claim, property of a value, as of the Effective Date of the Plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims. In order for the Plan to be confirmed, the Bankruptcy Court must determine that the Plan is in the best interests of the Debtor's creditors. Accordingly, the proposed Plan must provide the Debtor's creditors with more than they would receive in a Chapter 7 liquidation. It is anticipated that in a Chapter 7 liquidation, the Debtor's creditors, other than the secured creditors, would receive nothing. Accordingly, since the Plan proposes a substantial dividend to all creditors, such creditors are receiving more than they would receive in a Chapter 7 liquidation. Accordingly, the Plan satisfies the requirements of Section 1129(a)(7).

Cramdown

The Court may confirm the Plan even though less than all of the classes of claims and interests accept it. The requirements for confirmation of a plan over the objection of one or more classes of claims or interests are set forth in Section 1129(b) of the Code.

II
REPRESENTATIONS

[Note: Paragraphs in brackets to be included after the Bankruptcy Court approves this Disclosure Statement.]

[This Disclosure Statement is provided pursuant to Section 1125 of the Code to all of the Debtor's known Creditors and other parties in interest in connection with the solicitation of acceptance of its Plan of Reorganization, as amended or modified. The purpose of this Disclosure Statement is to provide such information as will enable a hypothetical, reasonable investor, typical of the holders of Claims, to make an informed judgment in exercising its rights either to accept or reject the Plan. A copy of the Plan is attached hereto as **Exhibit "A"**.]

[After a hearing on notice, the Court approved this Disclosure Statement as containing information of the kind and in sufficient detail adequate to enable a hypothetical, reasonable investor typical of the classes being solicited to make an informed judgment about the Plan.]

The information contained in this Disclosure Statement has been derived from the Debtor, unless specifically stated to be from other sources.

NO REPRESENTATIONS CONCERNING THE DEBTORS IS AUTHORIZED BY THE DEBTOR OTHER THAN THOSE SET FORTH IN THIS DISCLOSURE STATEMENT. THE DEBTOR RECOMMENDS THAT ANY REPRESENTATION OR INDUCEMENT MADE TO SECURE YOUR ACCEPTANCE OR REJECTION OF THE PLAN WHICH IS NOT CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN REACHING YOUR DECISION ON HOW TO VOTE ON THE PLAN. ANY REPRESENTATION OR INDUCEMENT MADE TO YOU NOT CONTAINED HEREIN SHOULD BE REPORTED TO THE ATTORNEYS FOR DEBTOR WHO SHALL DELIVER SUCH INFORMATION TO THE COURT FOR SUCH ACTION AS MAY BE APPROPRIATE.

ANY BENEFITS OFFERED TO THE CREDITORS ACCORDING TO THE PLAN WHICH MAY CONSTITUTE "SECURITIES" HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE FEDERAL SECURITIES AND EXCHANGE COMMISSION ("SEC"), THE TEXAS SECURITIES BOARD, OR ANY OTHER RELEVANT

GOVERNMENTAL AUTHORITY IN ANY STATE OF THE UNITED STATES. IN ADDITION, NEITHER THE SEC, NOR ANY OTHER GOVERNMENTAL AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE STATEMENT OR UPON THE MERITS OF THE PLAN. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. FOR THE FOREGOING REASON, AS WELL AS BECAUSE OF THE IMPOSSIBILITY OF MAKING ASSUMPTIONS, ESTIMATES AND PROJECTIONS INTO THE FUTURE WITH ACCURACY, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS COMPLETELY ACCURATE, ALTHOUGH EVERY REASONABLE EFFORT HAS BEEN MADE TO ENSURE THAT SUCH INFORMATION IS ACCURATE. THE APPROVAL BY THE COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE COURT OF THE PLAN OR GUARANTEE THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

THE DEBTOR BELIEVES THAT THE PLAN WILL PROVIDE CLAIMANTS WITH AN OPPORTUNITY ULTIMATELY TO RECEIVE MORE THAN THEY WOULD RECEIVE IN A LIQUIDATION OF THE DEBTOR'S ASSETS, AND SHOULD BE ACCEPTED. CONSEQUENTLY, THE DEBTOR URGES THAT CLAIMANTS VOTE FOR THE PLAN.

DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS CORRECT, ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN. THIS DISCLOSURE STATEMENT CONTAINS ONLY A SUMMARY OF THE PLAN. THE PLAN WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT IS AN INTEGRAL PART OF THIS DISCLOSURE STATEMENT, AND EACH CREDITOR AND INTEREST HOLDER IS URGED TO CAREFULLY REVIEW THE PLAN PRIOR TO VOTING ON IT.

III

FINANCIAL PICTURE OF THE DEBTORS

Financial History and Background of the Debtor

About Aruba Petroleum: Aruba Petroleum, Inc is a full service operating company founded by James L. Poston in 1988. The Company was originally incorporated offshore due to a large project that was being worked for development in Queensland of Australia located in the Surat Basin approximately 200 miles West of Brisbane. Due to unstable oil prices and the lack of

infrastructure in the Surat Basin, it made exploration almost impossible. Aruba Petroleum LTD, was later changed to Aruba Petroleum, Inc. in 1994 by forming a Texas Corporation.

Company History: With the collapse of the Savings & Loans, banking, and Real Estate in the late eighties and early nineties, Aruba began to purchase used equipment and foreclosed and abandoned oil and gas properties from banks and other sources. Abandoned leases with equipment listed at orphan wells by the Texas Railroad Commission were picked up, reworked and placed by into production.

1994-2000: US Expansion: by the end of 1998 Aruba owned and operated approximately 375 wells in Jack, Young, Archer, Parker, & Palo Pinto Counties of Texas. In 1995 as production grew we purchased a well service rig and began to rework, pull, and repair our own wells, by late 1998 Aruba had 2 shallow wells service rigs and 2 deep rigs as more and more operators were calling us for well service work, due to the fact so many had gone out of business up to this point.

2001 to 2006: Beginning of the Shale Revolution: By 2001 we had sold most of our holdings in other counties in order to prepare for the leasing, drilling, and exploration in the Barnett Shale which was attracting national and international attention. In late 2002 Aruba drilled and completed its first Barnett Shale Well known as the Homer Riley Number 1 which was a vertical well, from that point vertical drilling continued through 2006. After 2006 just about all of the drilling in the Barnett Shale was horizontal drilling only as vertical well has steep declines.

2007-2017: 2007 Natural Gas Prices were extremely high and utility companies with Natural Gas Fired Plants were having a problem satisfying their thirst for enough natural gas. In early February of 2007 Aruba's attorney sent letters to several utilities, regarding exploration of gas and taking gas at the wellhead price. In late March of 2007, Aruba was contacted by a utility out of Houston, Texas. Over the next 7 months there was a total of approximately 5 meetings and the decision was made by the utility to commence a drilling program with Aruba. By the time paper work was processed it was after Thanksgiving of 2007 when the location work begin on a lease in Wise County, Texas with drilling of the first of five wells to commence around the 3th of January 2008. From that period of time we drilled and completed approximately 120 wells with the utility and we made four acquisitions with the utility over the years.

Also in 2007, Aruba entered into an agreement with a hedge fund whereby a new subsidiary of Aruba was created which received funding from the hedge fund to acquire oil & gas leases and to drill wells. Approximately 12 wells were drilled under the agreement with the hedge fund. In 2010 the hedge fund foreclosed un the assets of the subsidiary and transferred operations to another operator.

Litigation issues: A number of litigation issues have taken a toll on the resources of the Debtor. The first was a suit filed by a landowner who claimed that Aruba's drilling of 2 wells on his property caused his property to be worthless. The suit was filed in the Wise County District Court in 2010 and late in 2011 it was settled for $600,000 of which Aruba paid $150,000 in addition to legal fees of approx. $90K.

The next suit is one filed by Aruba in early 2011 in District Count in Collin County against a hedge fund that was demanding that Aruba reimburse them for legal fees they had incurred in defending a lawsuit filed against them by an investment bank. The hedge fund claimed that because of indemnity language contained in a letter agreement we signed with the fund in 2007, we were responsible for their legal fees. That suit was settled in 2014 with the payment by Aruba of $1,400,000 in addition to legal fees of approx. 385K.

The next suit involves one brought against Aruba and several other oil companies in Dallas County Court in 2012 by a landowner who claimed oil & gas operations were making his family sick. The other defendants settled and Aruba went to trial in 2014. The jury awarded the landowner $3.2 million and Aruba was required to put up $2.2 million (our insurance company put up $1 million) for a bond while we appealed the jury verdict. The 5th District Court of Appeals in Dallas overturned the jury verdict in February of 2017. In addition to the bond, Aruba's legal fees in connection with this case were approx. $930K. While the reversal allowed Aruba to receive its $2.2 million back, we could not recover legal fees.

Operational issues: In August of 2016, the utility decided that it wanted to change operators although it had no right to do so under the joint operating agreement. Aruba notified the utility of the terms under which it was willing to resign as operator which included selling it interest in the jointly developed wells to the utility. In mid-November of 2016 those negotiations were terminated by the utility due to the fact Aruba would not sign the PSA the way it was written. Aruba filed for a Chapter 11 Bankruptcy fearing the utility would file suit to force us to resign as operator. While in bankruptcy, Aruba has successfully sold its interest to the utility and been paid for our past due invoices, and resigned as operator effective May 1, 2017.

Aruba today still has an excellent name and reputation in the industry and it is our intention to continue to purchase, drill, acquire, and operate wells as we have done during our entire existence. Aruba has drilled wells in North, South, East, & West Texas over its existence. Also has property in the Marcellus Shale in Pennsylvania, sold to Atlas at a very nice profit and still has a piece of the wells today.

Post Petition Operations

Since the filing of the bankruptcy, the Debtor has sold all its interest in wells that Aruba was operating for a purchase price of approximately $2,000,000. Additionally, the appeal of the

State Court Judgment was successful and the State Court Judgment was reversed. This has enabled Aruba to a return of its bond in the amount of approximately $2,200,000.

Prior to the filing of the case, the Debtor had been sued by Melissa and Jay Gribble ("Gribble"). The Debtor removed the Gribble lawsuit to the Bankruptcy Court. The Gribble's have filed a claim in the bankruptcy which will need to be litigated to determine if the Debtor has any liability to the Gribbles. The Debtor has filed a motion for summary judgment on the Gribble claims.

Additionally, after the filing, a lawsuit was filed by B. J. Waters, Bill Waters, Jerry Pohlmann, Brack Rhodes and Kim Rhodes (collectively "Waters") asserting claims that the Debtor collected improper fees from the Waters Defendants. The Debtor has filed a Motion to Dismiss this action, since the Debtor was not the party collecting any of the disputed fees. The Motion to Dismiss has not been ruled on as of yet.

Future Income and Expenses Under the Plan

The Debtor's current business operations consist of the income derived from serving as operation on wells and remaining interest of the Debtor in wells. The Debtor currently monthly income is approximately $20,000. The Debtor is currently involved in negotiating new projects, however as of the filing of this Plan no new projects have become operational.

Post-Confirmation Management

Upon Confirmation of the Debtors' Plan, current ownership will maintain its status. At the present time, Larry Poston receives a salary of $ 135,000. James Lovett receives a salary of $112,500.

IV.

ANALYSIS AND VALUATION OF PROPERTY

The Debtor owns cash, real estate and undeveloped leasehold interests. The value of the assets of the Debtor, if liquidated, would cover the secured creditor debt and provide a dividend to the unsecured creditors. The Debtor would show that the continued operations of the Debtor as proposed in this plan will provide the unsecured creditors with at least as such as they would recover if the Debtor were liquidated.

A liquidation analysis of the Debtors assets is attached hereto as **Exhibit "B".**

V.
SUMMARY OF PLAN OF REORGANIZATION

The Debtors will continue in business. The Debtors' Plan will break the existing claims into 9 categories of Claimants. These claimants will receive cash payments over a period of time beginning

on the Effective Date.

Satisfaction of Claims and Debts: The treatment of and consideration to be received by holders of Allowed Claims or interests pursuant to this Articles 5 and 6 of this Plan shall be the sole an exclusive means for full settlement, release and discharge of their respective Claims, Debts, or interests. On the Confirmation Date, the Reorganized Debtors shall assume all duties, responsibilities and obligations for the implementation of this Plan. Any class of Claimants failing to vote on this Plan shall be deemed to have accepted this Plan in its present form or as modified or amended as permitted herein.

Class 1 Claimants (Allowed Administrative Claims of Professionals and US Trustee) are unimpaired and will be paid in cash and in full on the Effective Date of this Plan. Professional fees are subject to approval by the Court as reasonable. This case will not be closed until all allowed Administrative Claims are paid in full. Class 1 Creditor Allowed Claims are estimated as of the date of the filing of this Plan to not exceed the amount of $100,000 including Section 1930 fees. Section 1930 fees shall be paid in full prior to the Effective Date. The Debtor is required to continue to make quarterly payments to the U.S. Trustee and shall be required to file post-confirmation operating reports until this case is closed. The Class 1 Claimants are not impaired under this Plan.

Class 2 Claimants (Allowed Priority Tax Claims) are impaired and shall be satisfied as follows: The Allowed Priority Amount of all Tax Creditor Claims shall be paid out of the revenue from the continued operations of the business. Era ISD, Montague County, Tarrant County, Hood CAD, Wise CAD, Parker CAD, Bowie ISD, Collin County, Wise County, Cherokee County, Cooke County and Cherokee County has filed Proofs of Claim. (collectively hereinafter "Ad Valorem Taxes") for unpaid business or real property taxes shall be treated as secured claims. The filed Proof of Claim are as follows:

Cherokee County	$26.25
Cooke County	$4,554.82
Cherokee CAD	$50.83
Wise County	$9,867.21
Collin County	$3,678.12
Bowie ISD	$14.51
Parker CAD	$11,916.51
Wise CAD	$27,741.32
Hood CAD	$1,618.71
Tarrant County	$364.51
Montague County	$6.06
Era ISD	$6,227.39

The Debtor believes most of the tax liability for unpaid Ad Valorem taxes has been paid, however to the extent any Ad Valorem taxes remain due and owing they will receive post-petition pre-confirmation interest at the state statutory rate of 12% per annum and post-confirmation interest at

the rate of 12% per annum. The Debtors will pay the Ad Valorem Taxes less than $5,000 on the Effective Date. The Debtor will pay any Allowed Class 2 claimant over $5,000 over a period of 12 months from the Effective Date, commencing on the Effective Date. The Debtor may pre-pay these taxes at any time without penalty. The Taxing Authorities shall retain their statutory senior lien position regardless of other Plan provisions, if any, to secure their Tax Claims until paid in full as called for by this Plan.

Class 2 Claimants are impaired under this Plan

Class 3 Claimants (Allowed Tax Claim of the Internal Revenue Service) are impaired and shall be satisfied as follows: The Allowed Amount of Tax Creditor Claims of the Internal Revenue Service ("IRS")shall be paid out of the continued operations of the business. The IRS has filed a Proof of Claim in the amount of $3,477.47 in Priority Taxes . The Debtor believes these taxes have been paid. In the event the IRS has an Allow Claim it will be paid in full on the Effective Date.

The Class 3 Creditor is impaired under this Plan.

Class 4 Claimants (Allowed Secured Claim of EDG Capital AS ("EDG") are impaired and shall be satisfied as follows: the Debtor executed that certain Loan Agreement dates February 20, 2015 in the original principal amount of $300,000 in favor of EDG ("Note "). Debtor executed that Deed of Trust in connection with the above described Note. EDG has properly perfected its security interest pursuant to the Deed of Trust in certain real property of the Debtor commonly known as 15075 FM 455, Decatur, Texas ("Property") as more fully described in the Deed of Trust. As of the Petition Date the balances on the Note was asserted to be $75,496. The Debtor believes the Property value exceeds the amount due under the Note. The Debtor shall repay the Note as follows: EDG shall have a secured claim in the amount of $75,496. The Debtor shall repay the Class 4 claim in 2 equal monthly payments commencing of the Effective Date. The Debtor may pre-pay the EDG Claim at any time without penalty.

The Class 4 Claimant is impaired under this Plan.

Class 5 Claimant (Allowed Claims of Employee Wage Creditors) are impaired and shall be satisfied as follows: The Debtor was unable to pay wages to employees prior to the bankruptcy filing. Pursuant to the Bankruptcy Code, employees who were owed wages for the time period of 180 days prior to the Petition Date are entitled to received those wages as a priority claim up to a maximum of $12,850 per employee. The Debtor owes a total of $25,700 to Class 5 Claimants. The Debtor shall pay the Class 5 claimants in full in two equal monthly payments commencing on the Effective Date. Any amount owed Class 5 claimants in excess of $12,850 will be treated as either a Class 7 claim.

The Class 5 creditors are impaired under this Plan.

Class 6 Claimant (Allowed Claim of Ox Lease Bank.) are impaired and shall be satisfied as follows:

6.1 Ox Lease Bank V, LP. : On or about July 1, 2014, the Debtor entered into a Definitive Agreement with Ox Lease Bank V, LP. ("Ox V"). The Agreement provided that the Ox V would provide the Debtor funds for the Debtor to purchase certain oil & gas leases which would be assigned to Ox V and which the Debtor would re-obtain upon payment of the funds lent plus 12%. As of the Petition Date the amount owed Ox V is $2,834,832. Debtor shall repay OX V as follows: $600,000 in the Effective Date and the Debtor will execute a Promissory Note in the amount of $2,000,000 payable in five (5) equal annual payments commencing one year from the Effective Date. Pursuant to the agreement with Ox V, Ox V shall retain its 1% overriding royalty interest on all the leasehold interest subject to the Definitive Agreement.

6.1 Ox Lease Bank IV, LP.: On or about April 12, 2012, the Debtor entered into a Definitive Agreement with Ox Lease Bank IV, LP. ("Ox IV"). The Agreement provided that the Ox IV would provide the Debtor funds for the Debtor to purchase certain oil & gas leases which would be assigned to Ox IV and which the Debtor would re-obtain upon payment of the funds lent plus 12%. As of the Petition Date the amount owed Ox IV is $423,775. Debtor shall repay OX IV aa one time payment on the Effective Date of $400,000 in full satisfaction of the Ox IV claim. Pursuant to the agreement with Ox IV , Ox IV has retain its 1% overriding royalty interest on all the leasehold interest subject to the Definitive Agreement.

The Class 6 Claimants are impaired under this Plan.

Class 7 Claimants (Allowed Unsecured Claims of Non-Litigation s) are impaired and shall be satisfied as follows: All Allowed claims of unsecured creditors which are not currently in litigation with the Debtor will be paid in full in two equal monthly installments commencing on the Effective Date.

The Class 7 Creditor are impaired under this Plan.

Class 8 Claimants (Allowed Unsecured Claims of Litigation Creditors) are not impaired and shall be satisfied as follows: The Debtor is presently involved in two litigation matters: Melissa and Jay Gribble ("Gribble") v. Aruba; and B. J. Waters, Bill Waters, Jerry Pohlmann, Brack Rhodes and Kim Rhodes (collectively "Waters") v Aruba. If the Gribble and Waters claimants obtain Allowed Claims they will be paid in full their Allowed Claims within 30 days.

The Class 8 creditors are not impaired.

Class 9 (Current Shareholders) are not impaired under the Plan and shall be satisfied as follows: The current shareholder shall retain their existing interests.

The Class 9 shareholders are not impaired under this Plan.

ARTICLE VI
MECHANICS/IMPLEMENTATION OF PLAN

Debtor anticipates the use of the cash on hand and the continued operations of the business to fund the Plan.

As specified in Section 1125(e) of the Bankruptcy Code, persons that solicit acceptances or rejections of this Plan and/or that participate in the offer, issuance, sale or purchase of securities offered or sold under this Plan, in good faith and in compliance with the applicable provisions of the Bankruptcy Code, are not liable on account of such solicitation or participation for violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejection of this Plan or the offer, issuance, sale or purchase of securities.

VII.
FEASIBILITY OF PLAN

The Debtor currently has approximately $5,000,000 on hand to maintain operations and to make payments under the Plan. The Debtor anticipates new projections will provide additional income for operations.

VIII.
RETENTION OF JURISDICTION

The Bankruptcy Court's jurisdiction shall be retained under the Plan as set forth in Article 14 of the Plan.

IX.
ALTERNATIVES TO DEBTOR'S PLAN

If the Debtor's Plan is not confirmed, the Debtor's bankruptcy case may be converted to a case under Chapter 7 of the Code, in which case a trustee would be appointed to liquidate the assets of the Debtor for distribution to its Creditors in accordance with the priorities of the Code. Generally, a liquidation or forced sale yields a substantially lower amount. As set forth above, the Debtor owes approximately $75,000 in secured claims to the EGO. Claims to the secured creditors must be paid prior to the unsecured creditors receiving any payment. The Debtor believes the value of the assets if liquidated would exceed the secured creditors debts however as a result of the pending litigation the Debtor believes that unless the Debtor remains in business to defend the pending litigation, the amount of unsecured claims would result in a smaller distribution to the unsecured creditors.

A liquidation analysis is attached hereto as Exhibit "C".

X
RISKS TO CREDITORS UNDER THE DEBTOR'S PLAN

Claimants and Equity Interest Holders should be aware that there are a number of substantial risks involved in consummation of the Plan. The Plan contemplates that there will be excess funds to pay Creditor Claims. The Plan assumes that the Debtors will be able to keep the operations at their current income levels throughout the term of the Plan.

XI.
TAX CONSEQUENCES TO THE DEBTOR

Implementation of the Plan may result in federal income tax consequences to holders of Claims, Equity Interest Holders, and to the Debtor. Tax consequences to a particular Creditor or Equity Interest Holder may depend on the particular circumstances or facts regarding the Claim of the Creditor or the interests of the Equity Interest Holder. In this case, the Plan anticipates that all creditors will not be paid in full. **CLAIMANTS ARE URGED TO CONSULT THEIR OWN TAX ADVISOR AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE AND LOCAL TAX LAWS**.

XII.
PENDING OR ANTICIPATED LITIGATION

The Debtor has evaluated potential claims which may be brought. The Debtor is unaware of any litigation which could be brought for the benefit of the creditors of the estate.

Dated: May 22, 2017.

Respectfully submitted,

Aruba Petroleum, Inc.

_/s/ James L. Poston_____
By: James L. Poston
Its: President

CURRENT ASSET OF DEBTOR

ASSETS

CASH	$5,232,686
RECEIVABLES	24,805
INVENTORY	54,325
PARTS	210,325
VEHICLES	100,000
LAND	550,000
UNDEVELOPED PROPERTIES	1,270,00
TOTAL	7,442,068

LIABILITIES

ADMINISTRATIVE	100,000
TAXES	50,000
OX CAPITAL	3,200,000
SECURED	75,000
UNSECURED CREDITORS	1,000,000
LITIGATION CLAIMS	UNK
TOTAL	4,425,000