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

**IN RE:** §  
§  
**ARUBA PETROLEUM, INC.** § **CASE NO: 16-42121-11**  
**Debtor** §

**GILBOW TANK TRUCK SERVICES, INC.’S OBJECTION TO ARUBA PETROLEUM,  
INC.’S DISCLOSURE STATEMENT**  
**(Related Document # 132)**

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Gilbow Tank Truck Services, Inc. (“Gilbow”), a secured creditor of Debtor, files its objection to Debtor’s Disclosure Statement and respectfully shows the Court as follows:

I.

**BACKGROUND**

1. Gilbow provided oilfield related services to Debtor prepetition. Gilbow had a direct contract with Debtor. At the time Debtor filed its bankruptcy petition, Debtor owed Gilbow \$554,230.25.

2. In order to protect its interests Gilbow filed Mechanics and Materialmens Liens on the mineral leases to which Gilbow had provided services. These liens were filed pursuant to the provisions of 11 USC §546. (In re Boots Builders, Inc., 11 BR 635, 638 (B.C. N.D. TX 1981) (“Although as a general rule, the Bankruptcy Code permits the trustee (or debtor-in-possession)

to avoid liens which are unperfected on the date the debtor's petition is filed, such avoidance power is subject to any generally applicable law that permits perfection of a lien to be effective against an entity that acquires rights in the property before the date of perfection, 11 U.S.C. s 546(b). In Texas, bona fide purchasers have constructive notice of a mechanic's or materialman's right to file a lien affidavit within the period provided by statute. See Wood v. Barnes, 420 S.W.2d 425 (Tex.Civ.App. Dallas, 1967), writ refd., NRE. The liens, if properly filed, relate back to the inception of the contract, and if the contract precedes the transfer to the bona fide purchaser, such lien is enforceable against the purchaser. Oriental Hotel Co. v. Griffeths, 88 Tex. 574, 33 S.W. 652 (1895); Wood, supra.”)

3. Gilbow properly perfected its liens pursuant to the requirements of V.T.C.A., Property Code § 56.001 et. seq. by filing its lien affidavits in each county in which it had provided goods and services to Debtor. Each affidavit contained Gilbow’s name and mailing address, the dates the services were performed or the goods provided, Debtor’s name and address, a description of the lease and well to which the services were performed or goods provided. And a description of the services performed or goods provided.

4. Gilbow filed its proof of claim as a secured creditor on December 22, 2016. Attached to the proof of claim (“Claim”) were copies of the filed affidavits without the accompanying documents due to size. As part of its Claim Gilbow attached a Summary of Exhibits informing any one interested in obtaining the exhibits to the affidavits that the documents would be made available upon request. No one has requested copies of the exhibits.

5. On March 6, 2017, Debtor filed its Motion to Sell Property of the Estate (“Sale Motion”) (Doc. #66). Gilbow and other creditors filed objections to the sale. (Doc. #87) Gilbow’s objection was based on the fact that the Sale Motion did not contain any language that liens

against the property being sold would attach to the proceeds of the sale. In fact the Sale Motion contained the following language “There are currently no liens claims (sic) asserted against the assets being sold.” As set forth above Gilbow had filed its secured proof of claim December 22, 2016. At the hearing, Debtor agreed to include language that the liens would attach to the proceeds The Court approved the Motion (“Order”) after changes were made at the hearing due to objections that had been filed. (Doc. # 101) The Order provided that the liens would attach to the proceeds.

6. Gilbow’s Claim has not been paid though Debtor has in excess of \$4,000,000.00 in cash in its possession as a result of the sale and return of a \$2,000,000.00 bond.

11.

#### DISCLOSURE DEFICIENCIES

7. The disclosure statement must provide adequate information concerning the treatment of claims in the plan. Debtor’s Disclosure Statement does not address Gilbow’s Claim. The debtor’s proposed plan of reorganization does not address Gilbow’s claim. Without information concerning the proposed treatment of Gilbow’s claim, Gilbow has not been provided with adequate information.

8. The Debtor has hired special litigation counsel, Haynes and Boone, (Doc. # 137-1) to represent it in a suit entitled Lisa Parr, et al vs. Aruba Petroleum, Inc. et al., pending in County Court-at-Law No. 5 Dallas County, Texas (“Parr Suit”). Debtor’s disclosure statement does not provide any information on this suit especially the effect an adverse ruling would have on the Debtor and entities involved with the reorganized debtor. The disclosure does contain minimal information concerning other litigation, but it does not address the possible consequences if the litigation outcome is adverse to the reorganized debtor.

9. The disclosure statement does not provide adequate information concerning the Debtor's future operations. The disclosure statement contains the following information concerning future operations: "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." This paragraph does not provide adequate information to allow "an investor typical of holders of claims or interests of the relevant class" to make an informed decision on the feasibility of future operations.

III.

REQUESTED RELIEF

WHEREFORE Gilbow Tank Truck Services, Inc. request the Court to enter an order denying approval of the Debtor's disclosure statement and it requests general relief.

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the above and foregoing document has been mailed this 3<sup>rd</sup> day of July 2017 to the following:

Eric A. Liepins ECF  
Attorney for Debtor

United States Trustee ECF

All persons filing a Notice of Appearance ECF

/s/ John A. Leonard  
John A. Leonard