

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

_____)	
IN RE:)	CHAPTER 11 CASES
)	
FRAC SPECIALISTS, LLC,)	CASE NO. 15-41974-mxm-11
CEMENT SPECIALISTS, LLC,)	CASE NO. 15-41975-mxm-11
ACID SPECIALISTS, LLC,)	CASE NO. 15-41976-mxm-11
)	
DEBTORS.)	Jointly Administered Under
_____)	Case No. 15-41974-mxm-11

DISCLOSURE STATEMENT

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DATED: December 21, 2016
Fort Worth, Texas

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Dennis Faulkner, as Chapter 11 Trustee, (the "Chapter 11 Trustee") on behalf of Frac Specialists, LLC; Cement Specialists, LLC; and Acid Specialists, LLC, (collectively, the "Debtors"), the Debtors in the chapter 11 cases captioned above, submits this Disclosure Statement (the "Disclosure Statement"), which is to be used in connection with the solicitation of votes on the Plan of Reorganization proposed by the Chapter 11 Trustee on behalf of the Debtors dated December 21, 2016 (the "Plan"). A copy of the Plan is attached hereto as **Exhibit "A"**. Unless otherwise defined herein, terms used herein have the meanings ascribed thereto in the Plan (see Article I of the Plan entitled "Definitions").

On July 20, 2016, the Court entered its Order Approving Appointment of Chapter 11 Trustee [Docket No. 599]. Dennis Faulkner, acting as the Chapter 11 Trustee designated by the United States Trustee as of July 20, 2016, provides a general summary of the proposed treatment of your Claim or Interest under the Plan. See the "Summary of Treatment Under the Plan" below.

I. NOTICE TO HOLDERS OF CLAIMS

A. Generally

The purpose of this Disclosure Statement is to enable Creditors whose Claims are impaired to make an informed decision in exercising their right to vote to accept or reject the Plan.

THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PLAN. PLEASE READ THIS DOCUMENT WITH CARE.

On _____, 2016, the Bankruptcy Court entered an order pursuant to section 1125 of the Bankruptcy Code (the "Disclosure Statement Order") approving this Disclosure Statement as containing information of a kind, and in sufficient detail, adequate to enable a hypothetical, reasonable investor, typical of the solicited holders of Claims against and Interests in the Debtors, to make an informed judgment with respect to the acceptance or rejection of the Plan. A copy of the Disclosure Statement Order is included in the materials accompanying this Disclosure Statement. APPROVAL OF THIS DISCLOSURE STATEMENT BY THE BANKRUPTCY COURT DOES NOT CONSTITUTE A DETERMINATION BY THE BANKRUPTCY COURT REGARDING THE FAIRNESS OR MERITS OF THE PLAN.

Each holder of a Claim or Interest entitled to vote to accept or reject the Plan should read this Disclosure Statement and the Plan in their entirety before voting. No solicitation of votes to accept or reject the Plan may be made except pursuant to this Disclosure Statement and section 1125 of the Bankruptcy Code. Except for the Debtors and their professionals, no person has been authorized to use or promulgate any information concerning the Debtors, their business, or the Plan, other than the information contained herein, in connection with the solicitation of votes to accept or reject the Plan. No holder of a Claim entitled to vote on the Plan should rely upon any information relating to the Debtors, their business, or the Plan other than that contained in the Disclosure Statement and the exhibits hereto. Unless otherwise indicated, the source of all information set forth herein is the Debtors.

After carefully reviewing this Disclosure Statement, including the attached exhibits, please indicate your acceptance or rejection of the Plan by voting in favor of or against the Plan on the enclosed ballot and returning the same to the address set forth on the ballot, in the enclosed return envelope so that it will be received by the counsel for the Chapter 11 Trustee, no later than 5:00 p.m., Central Time, on _____, **2016**.

If you do not vote to accept the Plan, or if you are the holder of an unimpaired Claim or Interest, you may be bound by the Plan if it is accepted by the requisite holders of Claims or Interests. See "Confirmation of the Plan – Solicitation of Votes; Vote Required for Class Acceptance" beginning on page 38 below and "Cramdown" beginning on page 42 below.

TO BE SURE YOUR BALLOT IS COUNTED, YOUR BALLOT MUST BE RECEIVED NO LATER THAN 5:00 P.M., CENTRAL TIME, ON _____, 2016. For detailed voting instructions and the name, address, and phone number of the person you may contact if you have questions regarding the voting procedures, see "Confirmation of the Plan – Solicitation of Votes; Voting Procedures – Parties In Interest Entitled to Vote" beginning on page 37 below.

Pursuant to section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan (the "Confirmation Hearing"), on _____, **2016**, at _____ .m., Central Time, in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division. The Bankruptcy Court has directed that objections, if any, to confirmation of the Plan be filed and served on or before 5:00 p.m., Central Time, _____, **2016**, in the manner described under the caption, "Confirmation of the Plan – Confirmation Hearing" beginning on page 38 below.

THE DEBTORS SUPPORT CONFIRMATION OF THE PLAN AND URGE ALL HOLDERS OF IMPAIRED CLAIMS AND INTERESTS TO VOTE TO ACCEPT THE PLAN.

B. Liquidation

The Chapter 11 Trustee presumed that the greatest return for creditors resulted from the sale of the Debtors' assets that will be transferred to a trust and liquidated by a trustee, and that the net proceeds would be distributed to the holders of Allowed Claims as described beginning on page 15 of the Disclosure Statement. Although this Plan anticipated liquidation of assets and distribution, the purchaser employed substantially all of the employees of the Debtors and is continuing to do business with some vendors.

C. Summary of Treatment Under the Plan

The following is a summary of the proposed treatment of Claims and Interests. You should not rely on the summary alone. Under the terms of this Plan, the Estates of the three Debtors shall be substantively consolidated as described in Section VII, below. The Assets of the Debtors shall be transferred to a Liquidating Trust for distribution to Creditors. The bar date for filing proofs of claim was September 24, 2015. The table below is drawn from the Debtors' Schedules and filed Proofs of Claim. The final universe of claims, as actually Allowed, may differ from this table.

Class	Class Treatment
<p>Class 1 Secured Tax Claims</p>	<p>Impaired</p> <p>Holder shall receive, at the Liquidating Trustee's option, (a) the amount of such Allowed Secured Tax Claim in one Cash payment on the Initial Distribution Date; (b) substantially equal annual Cash payments, beginning on the Initial Distribution Date, sufficient to amortize the full amount of such Allowed Secured Tax Claim over five (5) years, with interest thereon at the non-default statutory rate applicable to the tax in question, without penalties, accruing from and after the Effective Date on the unpaid principal balance of such Allowed Secured Tax Claim; or (c) such other treatment as may be agreed to in writing by the holder of such Secured Tax Claim and the Liquidating Trustee.</p> <p>Estimated Recovery: 100% of Allowed Claim</p>
<p>Class 2 CNB Secured Claim</p>	<p>Impaired</p> <p>If not paid prior to Confirmation of this Plan, Holder shall receive, on or as soon as practicable after the Initial Distribution Date, at the Liquidating Trustee's option, either (a) return of the Collateral securing such Claim in full satisfaction of such Claim; (b) payment in Cash in an amount equivalent to the lesser of (i) the value of such Collateral or (ii) the full amount of such Claim; (c) treatment of such Claim in accordance with sections 1124(2) or 1129(b)(2) of the Bankruptcy Code; or (d) such other treatment as may be agreed to in writing by the holder of such Claim and the Liquidating Trustee.</p> <p>Estimated Recovery: 100% of Allowed Claim</p>
<p>Class 3 Equipment Lessor Secured Claims¹</p>	<p>Impaired</p> <p>Holder shall receive, on or as soon as practicable after the Initial Distribution Date, at the Liquidating Trustee's option, either (a) return of the Collateral securing such Claim in full satisfaction of such Claim; (b) payment in Cash in an amount equivalent to the lesser of (i) the value of such Collateral or (ii) the full amount of such Claim; (c) treatment of such Claim in accordance with sections 1124(2) or 1129(b)(2) of the Bankruptcy Code; or (d) such other treatment as may be agreed to in writing by the holder of such Claim and the Liquidating Trustee.</p> <p>Estimated Recovery: 100% of Allowed Claim</p>
<p>Class 4 Other Secured Claims</p>	<p>Impaired</p> <p>Holder shall receive, on or as soon as practicable after the Initial Distribution Date, at the Liquidating Trustee's option, either (a) return of the Collateral securing such Claim in full satisfaction of such Claim; (b) payment in Cash in an amount equivalent to the lesser of (i) the value of such Collateral or (ii) the full amount of such Claim; (c) treatment of such Claim in accordance with sections 1124(2) or 1129(b)(2) of the Bankruptcy Code; or (d) such other treatment as may be agreed to in writing by the holder of such Claim and the Liquidating Trustee.</p> <p>Estimated Recovery: 100% of Allowed Claim</p>
<p>Class 5 Priority Non-Tax Claims</p>	<p>Impaired</p> <p>Holder shall receive, at the Liquidating Trustee's option, (a) the amount of such holder's Allowed Claim in one Cash payment on or before the Initial Distribution Date; (b) a series of substantially equal monthly payments, beginning on or before the Initial</p>

¹ The Debtors have indicated that as of the date of this Plan, all Equipment Lessor Secured Claims have been satisfied by return of the Creditors' Collateral. If there are any remaining unsatisfied Equipment Lessor Secured Claims, such Claims will be dealt with in accordance with the Plan.

Class	Class Treatment
	<p>Distribution Date, sufficient to amortize the amount of such Allowed Priority Non-Tax Claim, plus interest accruing at the rate of five percent (5%) per annum, over a period of five (5) years after the Initial Distribution Date; or (b) such other treatment as may be agreed upon in writing by the holder of such Priority Non-Tax Claim and the Liquidating Trustee.</p> <p>Estimated Recovery: 100% of Allowed Claim</p>
<p><u>Class 6</u> General Unsecured Claims</p>	<p>Impaired</p> <p>Holder shall receive a Pro Rata Share of the Net Liquidating Trust Assets, if any, after all Allowed Claims in Classes 1 through 5 are satisfied in accordance with the Plan. For purposes of calculating each such Pro Rata Share, all Allowed Claims in Class 6 and Class 7 shall be considered classified into one Class. The timing of such distribution(s) of Net Liquidating Trust Assets shall be at the discretion of the Liquidating Trustee except to the extent limited by the express terms of the Plan, the Liquidating Trust Agreement, or applicable law.</p> <p>Estimated Recovery: unknown Approximate return 8-13% of Allowed Claim</p>
<p><u>Class 7</u> Equipment Lessor Deficiency Claims</p>	<p>Impaired</p> <p>Holder shall receive a Pro Rata Share of the Net Liquidating Trust Assets, if any, after all Allowed Claims in Classes 1 through 5 are satisfied in accordance with the Plan. Solely for purposes of calculating each such Pro Rata Share, all Allowed Claims in Class 6 and Class 7 shall be considered classified into a single Class. The timing of such distribution(s) of Net Liquidating Trust Assets shall be at the discretion of the Liquidating Trustee except to the extent limited by the express terms of the Plan, the Liquidating Trust Agreement, or applicable law.</p> <p>Estimated Recovery: unknown Approximate return 8-13% of Allowed Claim</p>
<p><u>Class 8</u> Interests in the Debtors</p>	<p>Impaired</p> <p>All Interests shall be extinguished and shall cease to exist as of the Effective Date. Holders shall not receive or retain any property on account of such Interests under the Plan.</p> <p>Estimated Recovery: 0%</p>

The total universe of Claims and holders of Interests, as ultimately Allowed, may be greater or smaller than as reflected in the above analysis.

II. EXPLANATION OF CHAPTER 11

A. Overview of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Pursuant to chapter 11, the debtor-in-possession attempts to reorganize its business for the benefit of the debtor, its creditors, and other parties in interest. The present cases commenced with the filing of voluntary chapter 11 petitions by the Debtors on May 17,

2015.

The commencement of a chapter 11 case creates an estate comprising all the legal and equitable interests of the debtor in property as of the date the petition is filed. Sections 1101, 1107, and 1108 of the Bankruptcy Code provide that a debtor may continue to operate its business and remain in possession of its property as a “debtor in possession” unless the bankruptcy court orders the appointment of a trustee.

The filing of a chapter 11 petition also triggers the automatic stay provisions of the Bankruptcy Code. Section 362 of the Bankruptcy Code provides, *inter alia*, for an automatic stay of all attempts to collect pre-petition claims from the debtor or otherwise interfere with its property or business. Except as otherwise ordered by the bankruptcy court, the automatic stay remains in full force and effect until the effective date of a confirmed plan of reorganization.

The formulation of a plan of reorganization is the principal purpose of a chapter 11 case. The plan sets forth the means for satisfying the claims against and interests in the debtor. Generally, unless a trustee is appointed, only the debtor may file a plan during the first 120 days of a chapter 11 case (the “Exclusive Period”). However, section 1121(d) of the Bankruptcy Code permits the court to extend or reduce the Exclusive Period upon a showing of “cause.” After the Exclusive Period has expired, a creditor or any other party in interest may file a plan, unless the debtor has filed a plan within the Exclusive Period, in which case, the debtor is generally given sixty additional days (the “Solicitation Period”) during which it may solicit acceptances of its plan. The Solicitation Period may also be extended or reduced by the court upon a showing of “cause.”

B. Plan of Reorganization

Although referred to as a plan of reorganization, a plan may provide anything from a complex restructuring of a debtor’s business and its related obligations to a simple liquidation of the debtor’s assets. In this case, the Plan, as proposed on behalf of the Debtors, provides for full payment, over time, of all secured and priority claims. The Plan also provides for a partial Cash payment, on or shortly after the Effective Date, to holders of unsecured non-priority Allowed Claims. Interests in the Debtors shall be extinguished.

After a plan of reorganization has been filed, the holders of impaired claims against or interests in a debtor are permitted to vote to accept or reject the plan. Before soliciting acceptances of the proposed plan, section 1125 of the Bankruptcy Code requires the debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment about the plan. This Disclosure Statement is presented to holders of Claims against and Interests in the Debtors to satisfy the requirements of section 1125 of the Bankruptcy Code.

If all classes of claims and interests accept a plan of reorganization, the bankruptcy court may nonetheless still not confirm the plan unless the court independently determines that the requirements of section 1129 of the Bankruptcy Code have been satisfied. Section 1129 sets forth the requirements for confirmation of a plan and, among other things, requires that a plan meet the “best interests of creditors” test and be “feasible.” The “best interests of creditors” test generally requires that the value of the consideration to be

distributed to the holders of claims and Interests under a plan may not be less than those parties would receive if the debtor were liquidated pursuant to a hypothetical liquidation occurring under chapter 7 of the Bankruptcy Code. Under the “feasibility” requirement, the court generally must find that there is a reasonable probability that the debtor will be able to meet its obligations under its plan without the need for further financial reorganization.

The Debtors believe that the Plan satisfies all the applicable requirements of section 1129(a) of the Bankruptcy Code, including, in particular, the “best interests of creditors” test and the “feasibility” requirement. The Debtors support confirmation of the Plan and urge all holders of impaired Claims to accept the Plan.

Chapter 11 does not require that each holder of a claim against or interest in a debtor vote in favor of a plan of reorganization in order for the bankruptcy court to confirm the plan. At a minimum, however, the plan must be accepted by a majority in number and two-thirds in amount of those claims actually voting in at least one class of impaired claims under the plan. The Bankruptcy Code also defines acceptance of the plan by a class of interests (equity securities) as acceptance by holders of two-thirds of the number of shares actually voting. In the present case, only the holders of Claims or Interests who actually vote will be counted as either accepting or rejecting the Plan.

In addition, classes of claims or interests that are not “impaired” under a plan of reorganization are conclusively presumed to have accepted the plan and thus are not entitled to vote. Accordingly, acceptances of a plan will generally be solicited only from those persons who hold claims or Interests in an impaired class. A class is “impaired” if the legal, equitable, or contractual rights attaching to the claims or interests of that class are modified in any way under the plan. However, if holders of the claims or interests in a class do not receive or retain any property on account of such claims or Interests, then each such holder is deemed to have voted to reject the plan and does not actually cast a vote to accept or reject the plan.

In this case, all Classes are impaired under the Plan. Therefore, each holder of a Claim or Interest in any Class is entitled to vote on the Plan.

The bankruptcy court may also confirm a plan of reorganization even though fewer than all the classes of impaired claims and interests accept it. For a plan of reorganization to be confirmed despite its rejection by a class of impaired claims or interests, the proponents of the plan must show, among other things, that the plan does not “discriminate unfairly” and that the plan is “fair and equitable” with respect to each impaired class of claims or interests that has not accepted the plan.

Under section 1129(b) of the Bankruptcy Code, a plan is “fair and equitable” as to a class of rejecting claims if, among other things, the plan provides: (a) with respect to secured claims, that each such holder will receive or retain on account of its claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim; and (b) with respect to unsecured claims and interests, that the holder of any claim or Interest that is junior to the claims or Interests of such class will not receive or retain on account of such junior claim or Interest any property at all unless the senior class is paid in full.

A plan does not “discriminate unfairly” against a rejecting class of claims if (a) the

relative value of the recovery of such class under the plan does not differ materially from that of any class (or classes) of similarly situated claims, and (b) no senior class of claims is to receive more than 100% of the amount of the claims in such class.

The Debtors believe that the Plan has been structured so that it will satisfy these requirements as to any rejecting Class of Claims, and can therefore be confirmed, if necessary, over the objection of any Class of Claims. The Debtors, however, reserve the right to request confirmation of the Plan under the “cramdown” provisions of section 1129 of the Bankruptcy Code.

III. THE DEBTORS AND THEIR BUSINESS

A. The Debtors

As part of this Disclosure Statement, the Chapter 11 Trustee is required to describe a history of the Debtors and projections. All of the statements made by the Chapter 11 Trustee in this Disclosure Statement are based on information provided to the Chapter 11 Trustee by the Debtors or other third parties. The majority of the representations concerning the history of the Debtors are not within the personal knowledge of the Chapter 11 Trustee and should be verified by an independent third party source if to be relied upon by anyone intending to rely on that information for the purpose of acting on the information.

The Debtors operated as a leading oilfield service provider serving the exploration and production industry within the Permian Basin. The Debtors’ management team was made up of well-seasoned oil and gas veterans who have capitalized on an opportunity to bundle an array of mission-critical services to better serve their customers. The Debtors successfully built a diversified platform that provides the highest quality of services at competitive pricing.

Acid Specialists, LLC was founded in 2008 and, prior to the sale approved in this bankruptcy case, provided acid and related chemical pressure pumping services to enhance and maintain production, typically in older, existing oil and gas wells. Acid Specialists had nine pumps, sixteen acid transports and a highly loyal and skilled team of operators. Acid Specialists owned the original 11.59-acre yard and office/shop facilities in Midland, Texas. The facility included substantial office and shop space along with a 46,000 gallon HCL acid dock. This yard and shop were the base of operations for the combined approximately 100 employees of all three Debtor entities.

Cement Specialists, LLC was founded in late 2010 and, prior to the sale approved in this bankruptcy case, provided a complete range of cementing services including remedial work, squeeze jobs, production, intermediate and surface casing, liners and plug and abandonment services. Cement Specialists, LLC had four single pump cementers and three double pump cementers, along with ten bulk trailers, two field bins, and other support equipment. In April 2013, Cement Specialists, LLC completed the construction of its state-of-the-art cement plant located towards the rear of Acid Specialist’s yard.

Frac Specialists, LLC was founded in late 2011 and, prior to the sale approved in this bankruptcy case, provided energized-fluid fracs, slick-water fracs, cross-linked fracs, and gelled-water fracs. Frac Specialists expanded steadily throughout 2012, 2013, and 2014 and was capable of pumping any frac design currently used in the Permian Basin.

Frac Specialists owned a 28-acre yard across the street from Acid Specialist's yard that has 4,000,000 tons of sand storage, along with 130,000 gallons of HCL acid storage, and a second facility in Snyder, Texas that consists of 22 acres in an industrial area that has rail access.

The Debtors operated exclusively in the Permian Basin, which was considered one of the most prolific oil plays in the United States and became attractive for large oil and gas drillers. As of April 2015, the Permian Basin was the largest oil-producing basin and the fourth largest gas-producing basin in the United States at 1,981 Mbbls/day and 6,437 MMcf/day, respectively. The Permian Basin is reported to contain an estimated 30 Bbbl of remaining recoverable oil. The current market conditions in the Permian Basin did not support a viable restructuring of the operations of the Debtors.

B. Debtors' Management

Prior to the appointment of the Chapter 11 Trustee, Larry Noble served as Manager of all of the Debtors. Javier Urias was Vice President of Operations of Frac Specialists, LLC and Acid Specialists, LLC. Alex Hinojos was Vice President of Operations of Cement Specialists, LLC. In March 2016, Cary Grossman was appointed as Chief Restructuring Officer of all of the Debtors. After the appointment of Cary Grossman, the officer positions ceased with respect to Larry Noble and Javier Urias. David Sparkman was Chief Financial Officer of the Debtors. After to the appointment of the Chapter 11 Trustee, Grossman no longer acted in his prior position.

C. Pre-Petition Financing Structure

As of the commencement of these Chapter 11 Cases, the Debtors and Capital One, N.A. ("Capital One") were parties to a Loan and Security Agreement dated as of September 19, 2014 (the "Loan Agreement"), which provided the Debtors with revolving borrowing capacity of up to \$25 million. Borrowing under the Loan Agreement was further evidenced by a Revolving Loan Promissory Note (as renewed, amended or modified, the "Note"), also dated September 19, 2014. As provided in the Loan Agreement, the Note is secured by the Debtors' Accounts, Deposit Accounts, and Proceeds, all as defined therein. As of the Petition Date, the outstanding balance under the Note was approximately \$7 million.

D. Continued Use of Cash Collateral

By agreement with Capital One, and with the approval of the Bankruptcy Court in a series of interim orders and a final order entered July 30, 2015, the Debtors have used cash collateral since the Petition Date in the operation of the Debtors' business.

E. Debtor-in-Possession Financing

Neither the Chapter 11 Trustee nor the Debtors have required, sought, or received any debtor-in-possession or other post-bankruptcy filing financing apart from the continued use of Capital One's cash collateral.

IV. THE CHAPTER 11 CASES

A. Factors Leading to Chapter 11 Filing

From 2011 to 2014, the Debtors grew from \$17.1 million and \$6.6 million in revenue and EBITDA, respectively, to \$196.7 million and \$36.8 million in revenue and EBITDA, respectively. The dramatic decrease in U.S. oilfield service intensity starting in December 2014 caused profit margins and net cash flow to drop dramatically in the first quarter of 2015.

Beginning in January 2015, the Debtors reduced their collective secured debt to Capital One from about \$22 million to \$7 million. Capital One refused the Debtors' request to increase the percentage of certain receivables that were used in calculating the Debtors' borrowing base. The Debtors became concerned that the borrowing base would be insufficient to meet their capital needs and that Capital One would offset funds in the Debtors' operating accounts. These bankruptcy cases were filed in part as a preventive measure to preserve all assets, including working capital, for the benefit of all creditors and to provide the Debtors with sufficient cash reserves to successfully reorganize.

Due to heavy investments in capital assets and a subsequent decline in drilling operations in the Permian Basin, the Debtors sought the benefit of a Chapter 11 reorganization to create efficiencies, reorganize their debt and capital leases, and leverage their existing relationships and infrastructure to grow revenue and profits as the market improved.

B. Commencement of the Chapter 11 Cases

The Debtors filed for bankruptcy protection on May 17, 2015. The bankruptcy cases are pending before the United States Bankruptcy Court for the Northern District of Texas. The case number for the lead bankruptcy case is 15-41974-mxm-11. The bankruptcy cases are currently assigned to United States Bankruptcy Judge Mark X. Mullin.

C. The Debtors' Professionals

With the authorization of the Bankruptcy Court, the Debtors engaged the following professionals in the Chapter 11 Cases:

- Interim Vice President of Finance: William L. Roberts, CPA, 10551 West Rocky Creek Road, Crowley, TX 76036; and
- Bankruptcy counsel: Forshey & Prostok, LLP, 777 Main Street, Suite 1290, Fort Worth, TX 76102;
- Accountants: Montgomery Coscia Greilich LLP, 2500 Dallas Parkway, Suite 300, Plano, TX 75093; and
- Investment bankers: SSG Advisors, LLC, Five Tower Bridge, Suite 420, 300 Barr Harbor Drive, West Conshohocken, PA 19428; and Chiron Financial Group, Inc., 1001 Fannin Street, Suite 4775, Houston, TX 77002.

- Cary Grossman was appointed as the Chief Restructuring Officer.

With the authorization of the Bankruptcy Court, the Chapter 11 Trustee has engaged the following professionals in the Chapter 11 Cases:

- Bankruptcy counsel: Mark J. Petrocchi and Griffith, Jay & Michel, LLP, 2200 Forest Park Blvd., Fort Worth, TX 76110;
- Accountants: Lain, Faulkner & Co., P.C., 400 N. Saint Paul, Suite 600, Dallas, TX 75201; and
- Special Counsel: Forshey & Prostok, LLP, 777 Main Street, Suite 1290, Fort Worth, TX 76102.

D. Post-Petition Operations and Events

Following the entry of the Order for Relief, the Debtors filed a number of First Day Motions that enabled operations to continue uninterrupted. Notably, on the Petition Date, the Debtors were engaged in a significant project for their largest customer. The billed and unbilled amounts due from that customer represented the Debtors' largest liquid asset. A number of vendors had provided goods and services to the project and subsequently filed liens against assets of the customer to protect their claims. With the continuance of operations, the Debtors were able to successfully complete the project. Working closely with the customer and its vendors, the Debtors collected over \$6 million from the customer and significantly reduced its secured and unsecured claims.

Further progress on behalf of the Estates of the Debtors includes:

- Substantial head count and compensation reductions both in the field and administration,
- Sale of excess of transportation equipment of approximately \$800,000,
- Reductions in Secured Debt of over \$7 million,
- Reductions in Unsecured Debt of approximately \$1.7 million,
- A Section 363 Sale of the majority of the Assets of the Debtors described below, and
- The purchaser of Assets employed substantially all of the workforce of the Debtors.

E. Bidding Procedures and Sale of the Debtors' Assets

Before the commencement of these Chapter 11 Cases, and throughout their pendency prior to the appointment of the Chapter 11 Trustee, the Debtors' management considered and analyzed all likely scenarios in an effort to choose the course of action that would result in the highest return for Creditors. The Debtors, in consultation with the Committee, determined that the most likely path to obtaining the largest and quickest distribution to Creditors is for the Debtors to sell their assets to an investor and distribute the proceeds of the sale to Creditors through a plan of reorganization. To that end, on May 16, 2016, the Debtors filed a motion (the "Old Bidding Procedures Motion") [Docket No. 530], jointly with the Committee, to approve bidding and auction procedures for the Debtors' assets, as well as procedures for resolving certain cure claims. The Court

approved the Bidding Procedures Motion by order entered May 25, 2016 (the "Old Bidding Procedures Order") [Docket No. 541].

Prior to the appointment of the Chapter 11 Trustee, the Court approved the Order Authorizing Employment of SSG Advisors, LLC and Chiron Financial Group, Inc. as Investment Bankers for the Debtors [Docket No. 133]. SSG Advisors, LLC and Chiron Financial Group, Inc. may be referred to herein as "SSG/Chiron".

Pursuant to the previously approved bid procedures adopted in the Old Bidding Procedures Order, potentially interested buyers were to submit stalking horse bids. The Old Bidding Procedures Order approved a process for an auction to be conducted on July 20, 2016. The Old Bidding Procedures Order required non-Debtor parties to object to the proposed cure amounts that had previously been proposed.

As a result of the process adopted by this Court, a virtual due diligence room was established and potentially interested buyers were given an opportunity to perform due diligence. However, the efforts of SSG/Chiron before the appointment of the Chapter 11 Trustee did not result in a qualified bid.

As part of the process of pursuing a sale of assets, Cary Grossman recognized the bundle of assets owned by the Debtors as an opportunity to operate as a viable entity. Cary Grossman created Acquisition, LLC, a Texas limited liability company for the purpose of purchasing the assets of the Debtors and funding a return to the Creditors. The interest of Grossman on behalf of the potential buyer and potential seller created a conflict resulting in the appointment of the Chapter 11 Trustee as referenced above.

Subsequent to his appointment, the Chapter 11 Trustee, Dennis Faulkner, caused SSG/Chiron to restart the process. In conjunction therewith, the virtual due diligence room was updated and efforts to obtain proposals for the purchase of all or portions of the assets were renewed. Potentially interested buyers were provided the opportunity to make proposals. As a result, the Chapter 11 Trustee received numerous inquiries from parties regarding an interest in the purchase of some or all of the assets of the Debtors.

The Chapter 11 Trustee communicated with several potential bidders and identified what the Chapter 11 Trustee believed would likely be the highest bid without conducting a formal auction. In support of the process, the Chapter 11 Trustee filed Chapter 11 Trustee's Motion for Orders (A)(i) Approving Bid Procedures in Connection with the Proposed Sale of Substantially All of the Assets of the Debtors and (ii) Scheduling A Hearing to Consider Approval of Such Sale and Prescribing the Form and Manner of Notice with Respect Thereto and (B)(i) Authorizing and Approving the Sale of Substantially all of the Assets of the Debtors Free and Clear of All Liens, Claims and Encumbrances (ii) Authorizing the Assumption and Assignment of Certain Executory Contracts and Unexpired Leases; and (iii) Granting Related Relief, docket item 634 (the "Sale and Procedures Motion"). The reason for filing the Sale and Procedures Motion was to establish bid procedures and to pursue the approval of a sale. The Chapter 11 Trustee requested an expedited hearing and caused bid procedures to be approved pursuant to that Order (i) Approving Bid Procedures in Connection with the Proposed Sale of Substantially All of the Debtors' Assets and (ii) Scheduling a Hearing to Consider Approval of Such Sale and Prescribing the Form and Manner of Notice with Respect Thereto, docket item No. 639, (the "Bid Procedures Order").

The Chapter 11 Trustee concluded in his sound business judgment that the sale of the assets of the Debtors pursuant to the Bid Procedures was in the best interest of the Estates and Creditors of the Debtors. The Bid Procedures provided a mechanism for the Chapter 11 Trustee to sell the Assets of the Debtors in any combination and form that resulted in the highest and best recovery for the bankruptcy Estates.

Pursuant to the authority granted in the Order of the Bankruptcy Court approving the sale of the assets of the Debtors, the Chapter 11 Trustee sold the majority of the operating and tangible assets of the Debtors to Encore Energy Investments LLC, a Nevada Limited Liability Company, and an assignee of a portion of the assets, RTS Energy Services LLC (collectively the "Buyer") for \$7,250,000, together with an adjustment of the working capital base. As further described in a related sale motion and order, those assets included: (1) all real estate interests in Midland, TX, and Snyder, Texas, (2) all Accounts Receivable, (3) all Cement Specialists, LLC, and Acid Specialists, LLC related business equipment, inventory and parts, (4) all Frac Specialists, LLC related business equipment, inventory and parts, (5) contract rights in all master service agreements (including purchase orders) which are not terminated and are identified by Encore and approved by the Court for assumption and assignment, (6) the tank unloader located in the Snyder Texas yard, (7) all office furniture, equipment and supplies, (8) all licenses for office and operations software, and (9) release of all estate claims and Causes of Action against Alex Hinojos. In connection with the referenced adjustment mentioned above, the working capital base was considered to be \$650,000 (the Working Capital Adjustment Base). The Buyer assumed current payroll and normal operating accounts payable, excluding bankruptcy related expenses. The Buyer continues to be responsible for those assumed expenses. An adjustment of working capital will be applied by starting with the Working Capital Adjustment Base and applying the closing date values of the accounts receivable of 90 days or less, inventory, accounts payable and payroll (the "Working Capital Adjustment"). Since the sale occurred, the Chapter 11 Trustee has sought and received authority to pay Capital One and that lender has been paid in full. The Chapter 11 Trustee has sought and received authority to pay certain ad valorem tax claims and many such claims have been funded.

V. LITIGATION INVOLVING THE DEBTORS

Except as expressly set forth in the Plan, all Causes of Action, claims, counterclaims, defenses and rights of offset or recoupment (including but not limited to all Estate Claims, Estate Defenses and Avoidance Actions) belonging to the Debtors shall, upon the occurrence of the Effective Date, be retained by, received by and vested in the respective Liquidating Trust created in Section VI(a) below. Except as expressly set forth in the Plan, the rights of the Liquidating Trust to commence, prosecute or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. **No Person may rely on the absence of a specific reference in the Plan or the Disclosure Statement to any cause of action against them as any indication that the Debtors or the Liquidating Trust will not pursue any and all available Causes of Action (including all Estate Claims, Estate Defenses and Avoidance Actions) against them. The Liquidating Trust expressly reserve all rights to prosecute any and all Causes of Action (including all Estate Claims, Estate Defenses and Avoidance Actions) against any Person, except as otherwise provided in the Plan.** Unless any Causes of Action against a Person are expressly waived, relinquished, exculpated, released, compromised or settled in the Plan or a Final

Order, all Causes of Action are reserved (including all Estate Claims, Estate Defenses and Avoidance Actions) for later adjudication, and, therefore, no preclusion doctrine, including without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches, shall apply to such Causes of Action upon or after the confirmation or consummation of the Plan. The Liquidating Trust may also assert Estate Defenses as a defense to the allowance of any Claim not otherwise Allowed. It is difficult to value any of the litigation claims specifically identified due to the limited personal knowledge of the Chapter 11 Trustee. The Chapter 11 Trustee anticipates that at least some transfers prior to the Petition Date constitute preferential payments or fraudulent conveyances. The preference and fraudulent conveyance Causes of Action may be subject to numerous defenses. The recovery net of expense could range from an expense to the Estates if the Debtors do not prevail to material affirmative recoveries. As part of the Sale of Assets, the Purchaser of the Assets employed Alex Hinojos and negotiated a release of that individual. The Estates of the Debtors have identified potential Causes of Action related to prepetition transfers of assets and actions of individuals. The Chapter 11 Trustee is continuing to investigate those potential Causes of Action including potential Causes of Actions related to the Defendants and transactions identified in Exhibit "B" attached hereto and incorporated herein. The Plan reserves for the benefit of Creditors any cause of action that may be brought under Title 11 U.S.C. chapter 5, including causes of action for recovery of transfers. This notice should be considered broadly to include the potential recovery for legal and equitable actions that may be pursued under sections 544 and 550, including but not limited to actions for breach of fiduciary duty or other malfeasance. The Plan also intends to include a reservation of the ability to pursue mediate or immediate recipients of transfers with individuals or entities that benefited from transactions with persons identified on the attached Exhibit "B".

VI. THE PLAN – CLASSIFICATION AND TREATMENT SUMMARY

THE FOLLOWING IS A SUMMARY OF THE MATTERS CONTEMPLATED TO OCCUR EITHER PURSUANT TO OR IN CONNECTION WITH THE CONSUMMATION OF THE PLAN. THIS SUMMARY HIGHLIGHTS THE SUBSTANTIVE PROVISIONS OF THE PLAN AND IS NOT, NOR IS IT INTENDED TO BE, A COMPLETE DESCRIPTION OR A SUBSTITUTE FOR A FULL AND COMPLETE REVIEW OF THE PLAN. THE FOLLOWING SUMMARY IS COMPLETELY QUALIFIED BY THE TERMS OF THE PLAN. IN THE EVENT OF ANY CONFLICT BETWEEN THE FOLLOWING SUMMARY AND THE PLAN, THE PLAN WILL CONTROL.

The Plan classifies the various Claims against and Interests in the Debtors. These Classes take into account the different nature and priority of Claims against and Interests in the Debtors. In addition, in accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expenses and certain Priority Claims (other than Priority Tax Claims) are not classified for purposes of voting or receiving distributions under the Plan. Rather, all such Claims are treated separately as unclassified Claims.

A. Treatment of Unclassified Claims

Unclassified Claims against the Debtors consist of Administrative Expenses, Priority Tax Claims, and certain fees payable to the United States Trustee. This includes both ordinary post-petition business expenses and Claims attributable to the Debtors'

Professionals.

Trade debt that is incurred after the Petition Date will be paid in the ordinary course of business. Fees and expenses owed to the Debtors' Professionals are payable upon the allowance of an appropriate fee application.

An Administrative Expense is any cost or expense of administration of the Chapter 11 Cases allowed under subsections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the estates of the Debtors, any actual and necessary expenses of operating the business of the Debtors, all compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under section 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the estates of the Debtors under section 1930, chapter 123 of title 28 of the United States Code.

1. Administrative Expenses

All Administrative Expenses against the Debtors shall be treated as follows:

Treatment. Each holder of an Allowed Administrative Expense shall receive, at the Liquidating Trustee's option, (i) the amount of such holder's Allowed Administrative Expense in one Cash payment on the later of (A) one hundred twenty (120) days after the Effective Date or (B) the tenth (10th) Business Day after such Administrative Expense becomes an Allowed Administrative Expense, (ii) the amount of such holder's Allowed Administrative Expense in accordance with the ordinary business terms of such expense or cost, or (iii) such other treatment as may be agreed to in writing by such Administrative Expense Claimant and the Liquidating Trustee, or as ordered by the Bankruptcy Court.

Filing and Notice. Unless the Bankruptcy Court orders to the contrary or the Liquidating Trustee agrees to the contrary in writing, the holder of a Claim for an Administrative Expense, other than such a Claim by a Professional, a liability incurred and paid in the ordinary course of business by the Debtors, or an Allowed Administrative Expense, shall file with the Bankruptcy Court and serve upon the Liquidating Trustee and his counsel a written notice of such Claim for an Administrative Expense within thirty (30) days after the Effective Date. Such notice shall include at a minimum: (i) the name, address, telephone number and fax number (if applicable) of the holder of such Claim, (ii) the amount of such Claim, and (iii) the basis of such Claim (including any documentation evidencing or supporting such Claim). **FAILURE TO TIMELY AND PROPERLY FILE AND SERVE SUCH NOTICE SHALL RESULT IN SUCH CLAIM FOR AN ADMINISTRATIVE EXPENSE BEING FOREVER BARRED, DISALLOWED AND DISCHARGED WITHOUT FURTHER ORDER OF THE BANKRUPTCY COURT.**

Allowance. An Administrative Expense, for which a proper notice was filed and served under of the Plan, shall become Allowed if no Objection is filed within thirty (30) days of the filing and service of such notice. If a timely Objection is filed, the Administrative Expense shall become Allowed only to the extent Allowed by a Final Order.

Professionals. The procedures set forth in above shall not apply to Professionals, who shall each file and submit a final fee application to the Bankruptcy Court no later than sixty (60) days after the Effective Date. A Claim for Administrative Expense by a

Professional in respect of which a final fee application has been properly filed and served shall become an Allowed Administrative Expense Claim only to the extent allowed by Final Order and, if so Allowed, shall be paid in accordance with the Plan. Professional fees and expenses to any Professional incurred on or after the Effective Date may be paid without necessity of application to or order by the Bankruptcy Court but would be subject to terms set forth under the Liquidating Trust Agreement.

Ordinary Course of Business. There are no known unpaid ordinary course of business expenses. To the extent the Chapter 11 Trustee incurs any ordinary course expense prior to the Effective Date, then the Chapter 11 Trustee may pay such expense prior to the Effective Date and the Liquidating Trustee may pay such expense without an order of this Court. However, the bar date for asserting an administrative Claim is set forth in this Section VI.(A).(1.).

2. Priority Tax Claims

Each Holder of an allowed priority tax claim, at the Liquidating Trustee's option, shall receive (a) the amount of such holder's Allowed Claim in one Cash payment on or before the Initial Distribution Date; (b) the amount of such holder's Allowed Claim, in equal annual Cash payments on each anniversary of the Initial Distribution Date with interest thereon at the non-default statutory rate applicable to the tax in question, without penalties, until the last anniversary of the Initial Distribution Date that precedes the fifth (5th) anniversary of the Petition Date; or (c) such other treatment as may be agreed to in writing by the holder of the Priority Tax Claim and the Liquidating Trustee.

3. Trustee's Fees

The Liquidating Trustee shall pay the U.S. Trustee's quarterly fees incurred pursuant to 28 U.S.C. § 1930(a)(6). Any fees due as of the Confirmation Date shall be paid in full on the Effective Date. After the Confirmation Date, the Liquidating Trustee shall pay quarterly fees as they accrue until a final decree is entered and the Chapter 11 Cases are closed. The Liquidating Trustee shall file with the Bankruptcy Court and serve on the U.S. Trustee quarterly financial reports for each quarter, or portion thereof, that the Chapter 11 Cases remain open.

B. Treatment of Classified Claims

Classified Claims and Interests shall receive treatment as follows.

4. Class 1 – Secured Tax Claims

Each holder of an Allowed Secured Tax Claim shall receive, at the Liquidating Trustee's option, (a) the amount of such Allowed Secured Tax Claim in one Cash payment on the Initial Distribution Date; (b) substantially equal annual Cash payments, beginning on the Initial Distribution Date, sufficient to amortize the full amount of such Allowed Secured Tax Claim over five (5) years, with interest thereon at the non-default statutory rate applicable to the tax in question, without penalties, accruing from and after the Effective Date on the unpaid principal balance of such Allowed Secured Tax Claim; or (c) such other treatment as may be agreed to in writing by the holder of such Secured Tax Claim and the Liquidating Trustee.

5. Class 2 – CNB Secured Claim

The holder of the Allowed CNB Secured Claim shall receive, on or as soon as practicable after the Initial Distribution Date, at the Liquidating Trustee's option, either (a) payment in Cash in an amount equivalent to the lesser of (i) the value of such Collateral or (ii) the full amount of such Claim; (b) treatment of such Claim in accordance with sections 1124(2) or 1129(b)(2) of the Bankruptcy Code; or (c) such other treatment as may be agreed to in writing by the holder of such Claim and the Liquidating Trustee. The Claim of CNB against Frac Specialists, LLC is disputed.

6. Class 3– Equipment Lessor Secured Claims

The holder of each Allowed Equipment Lessor Secured Claim shall receive, on or as soon as practicable after the Initial Distribution Date, at the Liquidating Trustee's option, either (a) return of the Collateral securing such Claim in full satisfaction of such Claim; (b) payment in Cash in an amount equivalent to the lesser of (i) the value of such Collateral or (ii) the full amount of such Claim; (c) treatment of such Claim in accordance with sections 1124(2) or 1129(b)(2) of the Bankruptcy Code; or (d) such other treatment as may be agreed to in writing by the holder of such Claim and the Liquidating Trustee.

7. Class 4 – Other Secured Claims

The holder of each Allowed Other Secured Claim shall receive, on or as soon as practicable after the Initial Distribution Date, at the Liquidating Trustee's option, either (a) return of the Collateral securing such Claim in full satisfaction of such Claim; (b) payment in Cash in an amount equivalent to the lesser of (i) the value of such Collateral or (ii) the full amount of such Claim; (c) treatment of such Claim in accordance with sections 1124(2) or 1129(b)(2) of the Bankruptcy Code; or (d) such other treatment as may be agreed to in writing by the holder of such Claim and the Liquidating Trustee.

8. Class 5 – Priority Non-Tax Claims

Each holder of an Allowed Priority Non-Tax Claim shall receive, at the Liquidating Trustee's option, (a) the amount of such holder's Allowed Claim in one Cash payment on or before the Initial Distribution Date; (b) a series of substantially equal monthly payments, beginning on or before the Initial Distribution Date, sufficient to amortize the amount of such Allowed Priority Non-Tax Claim, plus interest accruing at the rate of five percent (5%) per annum as of the Effective Date of the Plan, over a period of five (5) years after the Initial Distribution Date; or (b) such other treatment as may be agreed upon in writing by the holder of such Priority Non-Tax Claim and the Liquidating Trustee.

9. Class 6 – General Unsecured Claims

Each holder of an Allowed General Unsecured Claim shall receive a Pro Rata Share of the Net Liquidating Trust Assets, if any, after all Allowed Claims in Classes 1 through 5 are satisfied in accordance with the Plan. Solely for purposes of calculating each such Pro Rata Share, all Allowed Claims in Class 6 and Class 7 shall be considered classified into a single Class. The timing of such distribution(s) of Net Liquidating Trust Assets shall be at the discretion of the Liquidating Trustee except to the extent limited by the express terms of the Plan, the Liquidating Trust Agreement, or applicable law.

10. Class 7 – Equipment Lessor Deficiency Claims

Each holder of an Allowed Equipment Lessor Deficiency Claim shall receive a Pro Rata Share of the Net Liquidating Trust Assets, if any, after all Allowed Claims in Classes 1 through 5 are satisfied in accordance with the Plan. Solely for purposes of calculating each such Pro Rata Share, all Allowed Claims in Class 6 and Class 7 shall be considered classified into a single Class. The timing of such distribution(s) of Net Liquidating Trust Assets shall be at the discretion of the Liquidating Trustee except to the extent limited by the express terms of the Plan, the Liquidating Trust Agreement, or applicable law.

11. Class 8 – Interests

All Interests shall be extinguished and shall cease to exist as of the Effective Date. The holders of such Interests shall not receive or retain any property on account of such Interests under the Plan.

VII. IMPLEMENTATION OF THE PLAN

A. Estimation of Amounts of Claims

Any projected return or calculated amount is an estimate only, based upon court filings and assessments made by the Debtors. The bar date for filing claims has passed. The Debtors began but did not complete the process of verifying proofs of Claim and reconciling the amounts sought therein with the Debtors' books and records. The Debtors indicated adjustments in the amounts of the Claims set forth herein may be necessary after the claim verification process is completed. Pursuant to the Plan, the Liquidating Trustee will retain the exclusive right to object to Claims.

B. Means for Implementation of the Plan

The Plan shall be implemented as follows:

1. The Liquidating Trust

The Liquidating Trust is established under the Plan to administer the Claims against and Assets (including Causes of Action) of the Debtors' Estates. There shall be one Liquidating Trust to administer the Claims against and Assets of all three Debtors, but management of the Liquidating Trust Assets and Distributions from the Liquidating Trust shall be consistent with the terms of the Liquidating Trust Agreement. The Liquidating Trust shall exist from and after the Effective Date, with all the powers of a trust under applicable Texas law. Within the limits of applicable law, the Liquidating Trust may be a qualified settlement fund or a grantor trust for tax purposes, as the Liquidating Trustee determines to be in the best interest of Creditors and the Estates. The Liquidating Trustee shall serve as the successor in interest to the Debtors' Estates pursuant to section 1123(b)(3) of the Bankruptcy Code and, as such, shall have all rights and authority to administer Claims and liquidate and distribute the Liquidating Trust Assets for the benefit of Creditors.

2. Effect of Substantive Consolidation

On the Effective Date, all assets and liabilities of Frac Specialists, LLC, Cement Specialists, LLC, and Acid Specialists, LLC, shall be merged into or treated as if they were merged with the assets and liabilities of Frac Specialists, LLC, and the Debtors shall be substantively consolidated into Frac Specialists, LLC. Due to the condition of the records of the Debtors, the Estates of the Debtors are subject to intercompany Claims that will be difficult and expensive, if not impossible, to resolve. The burden of reconciling these claims will likely outweigh the potential benefit to some, if not all, of the Creditors of the Debtors. The Plan will act as a substantive consolidation of the Estates of the Debtors. In connection with, and as a result of the substantive consolidation of the Debtors' Estates and the Chapter 11 Cases, on the Effective Date: (1) All Intercompany Claims (including such Claims arising from the rejection of any Executory contract or Unexpired Lease) will either be eliminated or shall remain in place but shall not be entitled to any Distributions under the Plan, (2) any obligation of any of the Debtors and all guarantees thereof executed by any of the Debtors will be deemed to be an obligation of each of the Debtors, (3) any Claim filed or asserted against any of the Debtors will be deemed a Claim against each of the Debtors, (4) for purposes of determining the availability of any right of setoff under Bankruptcy Code §553, when initiated by the Debtors, the Debtors will be treated as one Entity so that the (subject to the other provisions of Bankruptcy Code §553) debts due to any of the Debtors may be offset against the debts owed by any of the Debtors, provided however, when initiated by a creditor setoff rights under §553 shall be treated as though any setoff right is valid only against that original Debtor without the effect of collapsing the transactions into a single entity, and (5) the chapter 11 cases of Cement Specialists, LLC, and Acid Specialists, LLC may be closed, and any and all proceedings that were or could have been brought or otherwise commenced in the Chapter 11 cases of Cement Specialists, LLC, and Acid Specialists, LLC, whether or not actually brought or commenced, may be continued, brought or otherwise commenced in the Frac Specialists, LLC Chapter 11 case.

3. Appointment and Powers of the Liquidating Trustee

Unless otherwise ordered by the Bankruptcy Court, there shall be one Liquidating Trustee, who shall be appointed on the Effective Date in the Confirmation Order or as established by the Liquidating Trust Agreement.

The Chapter 11 Trustee, Dennis Faulkner, shall act as the Liquidating Trustee.

The Liquidating Trustee will serve from and after the Effective Date for as long as the Liquidating Trust remains in existence, or until a successor is appointed.

Unless expressly required in the Plan, the Liquidating Trustee shall have the authority to take such actions as necessary to implement the Plan without further order or approval from the Bankruptcy Court.

In implementing the Plan, the Liquidating Trustee shall have the authority to exercise the following powers and perform the following acts:

- Perfect and secure all rights, titles and interests in and to any and all Liquidating Trust Assets;

- Conserve, protect, collect and liquidate or otherwise convert all Liquidating Trust Assets into Cash;
- Make Distributions to the appropriate beneficiaries as specified in the Plan and the Liquidating Trust Agreement;
- Release, convey, subordinate or assign any right, title or interest in or to the Liquidating Trust Assets, to the extent provided for in the Plan;
- Establish and maintain any reserves required under the Plan and the Liquidating Trust Agreement, or such other reserves as the Liquidating Trustee deems necessary or appropriate;
- Consistent with the allocations provided in the Plan, pay and discharge any costs, expenses, fees or obligations deemed necessary to preserve and maximize the value of the Liquidating Trust Assets, and to protect the Liquidating Trust and the Liquidating Trustee from liability;
- Deposit Liquidating Trust funds and draw checks and make Distributions thereof;
- Employ such attorneys, accountants, engineers, agents, tax specialists, other professionals, and clerical assistance as the Liquidating Trustee may deem necessary;
- Pay reasonable fees and expenses of all such professionals of the Liquidating Trust on a monthly basis;
- Exercise any and all powers granted the Liquidating Trustee by any agreements or by Texas common law or any statute that serves to increase the extent of the powers granted to the Liquidating Trustee hereunder;
- Take any action required or permitted by the Plan or the Liquidating Trust Agreement;
- Assert claims or Causes of Action in federal or state court or any other tribunal with competent jurisdiction and authority to adjudicate such actions;
- Settle, compromise or adjust by arbitration, or otherwise, any disputes or controversies in favor or against the Liquidating Trust;
- Waive or release rights of any kind;
- Appoint, remove and act through agents, managers and employees and confer upon them such power and authority as may be necessary or advisable;
- Negotiate, renegotiate or enter into any contract or agreements binding the

Liquidating Trust, and to execute, acknowledge and deliver any and all investments that are necessary, required or deemed by the Liquidating Trustee to be advisable in connection with the performance of his/her duties;

- Commence, prosecute, and settle objections to Claims against the Debtors or their Estates; and
- In general, without in any manner limiting any of the foregoing, deal with the Liquidating Trust Assets or any part or parts thereof in all other ways as would be lawful for any Person owing the same to deal therewith, whether similar to or different from the ways above specified, at any time or times hereafter. In connection with the handling of Liquidating Trust Assets, the Liquidating Trustee shall comply with all provisions of the Internal Revenue Code by, among other things, filing Liquidating Trust tax returns as required by applicable law and by paying any and all taxes incurred by the Liquidating Trust as such taxes come due.

4. Future Trust Expenses and Fees

The Liquidating Trustee shall be compensated for services rendered as provided for in the Liquidating Trust Agreement. Professionals retained by the Liquidating Trustee shall be entitled to reasonable compensation for services rendered and reimbursement of expenses incurred. No Bankruptcy Court approval shall be required for the employment, compensation, or reimbursement of the Liquidating Trustee, or any employees or professionals retained by the Liquidating Trustee.

5. Exculpation; Indemnification

The Liquidating Trustee and his or her officers, employees, agents, partners, shareholders, members and representatives, and professionals shall not be personally liable to the Liquidating Trust or any beneficiary except for such of his, her or its own acts as shall constitute fraudulent or willful misconduct or gross negligence. The Liquidating Trustee and his or her officers, employees, agents, partners, shareholders, members, representatives, and professionals shall be and hereby are exculpated by all persons and entities, including, without limitation, beneficiaries and other parties-in-interest, from any and all claims, Causes of Action and other assertions of liability arising out of any act or omission of the Liquidating Trustee, except for claims of fraudulent or willful misconduct or gross negligence. No beneficiary or other party-in-interest will have or be permitted to pursue any claim or cause of action against the Liquidating Trustee or his or her officers, employees, agents, partners, shareholders, members, representatives, and professionals for making payments in accordance with the Plan or the Confirmation Order. Any act taken or not taken by the Liquidating Trustee or his or her officers, employees, agents, partners, shareholders, members, representatives and professionals with the approval of the Bankruptcy Court will be conclusively deemed not to constitute fraudulent or willful misconduct or gross negligence; provided, however, that such approval of the Bankruptcy Court is not subsequently deemed void. Except as aforesaid, the Liquidating Trustee shall be defended, held harmless and indemnified from time to time from the Liquidating Trust Assets against any and all losses, claims, costs, expenses and liabilities (including legal costs and expenses), and any costs of defending any action to which the Liquidating

Trustee may be subject by reason of the Liquidating Trustee's execution in good faith of his or her duties under the Liquidating Trust Agreement. The officers, employees, attorneys, agents, and professionals of the Liquidating Trustee may be likewise defended, held harmless and indemnified. The Liquidating Trustee may obtain for his or her benefit and the benefit of his or her officers, agents, attorneys and employees and the benefit of the Liquidating Trust, at the expense of the Liquidating Trust, insurance against claims of liability, damage awards and settlement.

6. Retention of Funds Prior to Distribution

The Liquidating Trustee shall collect all funds constituting Liquidating Trust Assets and, pending distribution, shall deposit funds with a federally insured financial institution that has banking services. The Liquidating Trustee will deposit funds so that they are adequately insured. Notwithstanding the foregoing, the Liquidating Trustee may (but is not obligated to) invest all Cash funds received into the Liquidating Trust (including any earnings thereon or proceeds therefrom) in the same manner as chapter 7 trustees are required to invest funds pursuant to the guidelines of the United States Trustee's Office, provided that the Liquidating Trustee shall invest funds held in only demand and time deposits, such as Treasury bills, short-term certificates of deposit in banks or savings institutions, or other temporary, liquid and low-risk investments. The Liquidating Trustee shall hold all such funds until they are distributed pursuant to the Plan to Creditors with Allowed Claims.

7. Quarterly Operating Reports

The Liquidating Trustee shall continue to file quarterly operating reports with the Bankruptcy Court as may be required by the United States Trustee after confirmation of the Plan until the Chapter 11 Cases are closed.

8. Registry of Beneficial Interests

The Liquidating Trustee shall establish and retain registries of all beneficial interests in the Liquidating Trust, as issued to the holders of Allowed Claims against each Estate. The Liquidating Trustee shall be responsible to maintain and update such registry; *provided, however*, the Liquidating Trustee shall not be obligated to change any Liquidating Trust beneficiary's name or address until receiving written correspondence from the party seeking to change the address for receipt of notices and Distributions, together with the written consent of the party previously owning the Claim or interest, if applicable. The Liquidating Trustee retains the right to request additional information to confirm the name and address of such party before making any modification to the registry.

9. Termination of the Liquidating Trust

The Liquidating Trust shall remain and continue in full force and effect until all of the Liquidating Trust Assets have been wholly converted to Cash, abandoned, or assigned, and all costs, expenses, and obligations incurred in administering the Liquidating Trust have been fully paid, and all remaining income and proceeds of the Liquidating Trust Assets have been distributed in payment of Allowed Claims pursuant to the provisions of the Plan; *provided, however*, that upon complete liquidation of the Liquidating Trust Assets and satisfaction as far as possible of all remaining obligations,

liabilities and expenses of the Liquidating Trust pursuant to the Plan prior to such date, the Liquidating Trustee may, with approval of the Bankruptcy Court, sooner terminate the Liquidating Trust. On the termination date of the Liquidating Trust, the Liquidating Trustee will execute and deliver any and all documents and instruments reasonably requested to evidence such termination. Upon termination and complete satisfaction of its duties under the Liquidating Trust Agreements, the Liquidating Trustee will be forever discharged and released from all power, duties, responsibilities and liabilities pursuant to the Liquidating Trust other than those attributable to fraud, gross negligence or willful misconduct of the Liquidating Trustee, or the failure of the Liquidating Trustee to pay any taxes.

10. Replacement of the Liquidating Trustee

The Liquidating Trustee may resign at any time by giving written notice to the Bankruptcy Court (unless the Chapter 11 Cases have been closed). Upon resignation, the Bankruptcy Court may appoint a successor Liquidating Trustee. After notice to all Creditors and a hearing, the Bankruptcy Court may remove the Liquidating Trustee with or without cause. If the office of the Liquidating Trustee becomes vacant for any reason, any Liquidating Trust interest holder or the Bankruptcy Court *sua sponte* may move for the appointment of a successor Liquidating Trustee. Upon the entry of an order appointing a successor Liquidating Trustee, the resigning Liquidating Trustee shall convey, transfer and set over to such successor Liquidating Trustee by appropriate instrument or instruments all of the Liquidating Trust Assets then unconveyed or otherwise undisposed of and all other assets then in his or her possession under the Liquidating Trust Agreement. Without further act, deed or conveyance, a successor Liquidating Trustee shall be vested with all the rights, privileges, powers and duties of the Liquidating Trustee, except that the successor Liquidating Trustee shall not be liable for the acts or omissions of his or her predecessor(s). Each succeeding Liquidating Trustee may in like manner resign and another may in like manner be appointed in his or her place.

11. Liquidating Trust Transactions

On the Effective Date, or as soon as reasonably practicable thereafter, the Liquidating Trustee may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, or contemplated by the Plan, including: (i) the execution and delivery of appropriate agreements, bylaws, resolutions or other documents of liquidation containing terms that are consistent with the terms of the Plan and that satisfy the requirements of applicable law; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan; and (iii) any other action that the Liquidating Trustee determines is necessary and appropriate.

Each of the matters provided for by the Plan involving the corporate structure of the Debtors or corporate or related actions to be taken by or required of the Liquidating Trustee shall, as of the Effective Date, be deemed to have occurred and be effective as provided in the Plan (except to the extent otherwise indicated), and shall be authorized, approved, and, to the extent taken prior to the Effective Date, ratified in all respects without any requirement of further action by holders of Claims or Interests, members of the Debtors or beneficiaries of the Liquidating Trust, as the case may be, or any other entity.

From and after the Effective Date, the Liquidating Trustee may operate (or liquidate

and wind up) 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. Without limiting the generality of the foregoing, the Liquidating Trustee may, without application to or approval by the Bankruptcy Court, pay fees that they incur after the Effective Date for professional fees and expenses. Nothing in this provision shall be deemed to prevent the Liquidating Trustee from seeking the Approval of the Bankruptcy Court.

C. Provisions Governing Distributions

Distributions shall occur as follows.

1. Initial Distributions

With respect to each Allowed Claim, the Liquidating Trustee shall make the initial Distribution on account of such Claim on or before the Initial Distribution Date for such Claim. All Distributions shall be made in accordance with the Plan.

2. Means of Payments

Payments made pursuant to the Plan shall be in Cash unless stated otherwise.

3. Delivery of Distributions and Time Bar to Payments

Subject to Bankruptcy Rule 9010, Distributions under the Plan shall be made at the address of each holder of an Allowed Claim, as set forth on the proofs of Claim filed by such holders (or at the last known address of such holder as of the Confirmation Date if the Debtor has not been notified in writing of a change of address). If any Distribution on an Allowed Claim is returned as undeliverable, no further Distributions on account of such Claim shall be made unless and until the Liquidating Trustee is notified in writing of the holder of such Claim's then current address, at which time all missed Distributions shall be made to such holder on account of such Claim without interest. Any holder of an Allowed Claim whose Distribution is undeliverable must make demand for such Distribution to the Liquidating Trustee in writing on or before 90 days after the date such undeliverable Distribution was initially made. After such date, the Claim of any holder with respect to such Distribution shall be forever barred. All such unclaimed Distributions shall be deemed "Unclaimed Property" and shall be redistributed by the Liquidating Trustee to holders of Allowed Claims whose Distributions have been deliverable in amounts to which such holders would have been entitled had the barred claim never been Allowed. The Liquidating Trustee and its agents and professionals are under no duty to take any action to either attempt to locate any holder of a Claim, or obtain an executed Internal Revenue Service Form W-9 from any holder of a Claim.

4. Withholding and Reporting Requirements

Any federal, state or local withholding taxes or other amounts required to be withheld under applicable law in relation to a Distribution under the Plan shall be deducted from the Distribution and remitted by the Liquidating Trustee to the applicable Taxing Authority(ies). To the extent that this provision affects the holder of a particular Allowed

Claim, such holder shall provide to the Liquidating Trustee all such information as the Liquidating Trustee requires in order to comply with such law(s), and no Distribution shall be made to such holder unless and until such information is provided.

5. *De Minimis* Distributions

Notwithstanding any provision of the Plan to the contrary, no distribution of less than twenty-five dollars (\$25.00) shall be made from the Liquidating Trust on account of an Allowed Claim.

6. Unclaimed Property

Any Distribution that becomes Unclaimed Property shall be retained by the Liquidating Trust free and clear of any claims or restrictions thereon, and any entitlement of any holder of any Claim to such Distributions shall be extinguished and forever barred. Unclaimed Property shall be deposited into a pool for redistribution to other holders of Allowed Claims in the same Class as the intended recipient of the Unclaimed Property.

7. Uncashed Checks

Checks issued in respect of Allowed Claims will be **null and void if not negotiated within ninety (90) days** after the date of issuance thereof. In no event shall any funds escheat to a Governmental Unit. Any entitlement of any holder of any Claim to such uncashed Distributions shall be extinguished and forever barred. Uncashed checks shall become Unclaimed Property and uncashed Distributions shall be deposited into a pool for redistribution to other holders of Allowed Claims in the same Class as the intended recipient of the uncashed Distribution.

8. Tax Treatment

The Liquidating Trust is created for the primary purpose of collecting, liquidating and distributing the assets transferred to it with no objective to continue or engage in the conduct of a trade or business. The Liquidating Trust is intended to be classified as a "Liquidating Trust" for federal income tax purposes within the meaning of Treasury Regulation § 301.7701-4(d). The Liquidating Trustee shall ascribe valuations to the Liquidating Trust Assets on the date of transfer of such assets to the Liquidating Trust, and such valuations shall be used by the Debtors, the Chapter 11 Trustee and the Liquidating Trustee for all federal income tax reporting purposes.

The transfer of the Liquidating Trust Assets to the Liquidating Trust shall be treated for all purposes of the Internal Revenue Code of 1986, as amended, as a deemed transfer to the Creditors by the Debtors and their Estates of any rights that they may have to the Liquidating Trust Assets, followed by a deemed transfer by the Creditors to the Liquidating Trust, thereby establishing their beneficial ownership in the Liquidating Trust and making them beneficiaries of the Liquidating Trust.

The beneficiaries shall be treated as the grantors and deemed owners of the Liquidating Trust. The Liquidating Trustee shall allocate the Liquidating Trust income for each taxable year among the beneficiaries in accordance with their respective interests in the Liquidating Trust, as determined from time to time by the Liquidating Trustee, and the

beneficiaries shall be responsible for any tax liability that results from said income. The Liquidating Trustee shall execute and file tax returns on behalf of the Liquidating Trust as a grantor trust pursuant to Treasury Regulation § 1.671.4(a).

Each beneficiary shall be required, before any distribution of Liquidating Trust Assets is made to such holder, to provide the Liquidating Trustee with an executed IRS Form W-9 or such other appropriate taxpayer identification information as will allow the Liquidating Trustee to file the appropriate tax return on behalf of the Liquidating Trust. If a beneficiary shall fail to provide the Liquidating Trustee with any requested taxpayer identification information within 90 days after a request for this information, this failure shall be deemed a waiver of all claims against the Liquidating Trust, including the right to Distributions, and the funds that would otherwise have been distributed to such holder shall revert to the Liquidating Trust as Unclaimed Property to be redistributed to other beneficiaries who have provided the requested taxpayer identification information, or as otherwise provided under the Plan.

D. Procedures for Resolving and Treating Contested and Contingent Claims

1. Objection Deadline

All Objections to Claims shall be served and filed by the Objection Deadline; *provided, however*, the Objection Deadline shall not apply to any Claim that is not reflected in the claims register, including any alleged informal proofs of Claim. The Liquidating Trustee may seek to extend the Objection Deadline pursuant to a motion filed on or before the then applicable Objection Deadline with respect to any Claim. Any such motion may be granted without notice or a hearing. In the event that the Liquidating Trustee files such a motion and the Bankruptcy Court denies such motion, the Objection Deadline shall nevertheless be automatically extended to that date which is ten (10) Business Days after the date of entry of the Bankruptcy Court's order denying such motion. Any proof of Claim filed more than sixty (60) days after the Effective Date shall be of no force and effect and need not be objected to by the Liquidating Trustee. Nothing contained herein shall limit the rights of the Liquidating Trustee to object to any Claim filed or amended after the Objection Deadline. Nothing in the Plan shall be construed as extending the existing bar date requiring the filing of a claim or extending a previously ordered time period for asserting an a Claim.

2. Responsibility for Objecting to Claims and Settlement of Claims

From and after the Effective Date, the Liquidating Trustee shall have the exclusive right to (i) file, settle, or litigate to Final Order any Objection to any Claim; and (ii) seek to subordinate any Claim. Any Contested Claim may be litigated to Final Order.

From and after the Effective Date, the Liquidating Trustee shall have the exclusive right to settle, compromise, or otherwise resolve any Contested Claim without the necessity of any further notice or approval of the Bankruptcy Court. Bankruptcy Rule 9019 shall not apply to any settlement or compromise of a Contested Claim after the Effective Date. Nothing in this provision shall be deemed to prevent the Liquidating Trustee from seeking the Approval of the Bankruptcy Court.

3. Distributions on Account of Contested Claims

No Distribution shall be made on account of a Contested Claim until Allowed. Until such time as a contingent Claim becomes fixed and absolute by a Final Order allowing such Claim, such Claim shall be treated as a Contested Claim for purposes of estimates, allocations, and Distributions under the Plan; provided however, a Final Order shall not be required in connection with any Claim that is not a contingent Claim, or a Claim compromised and settled by the Liquidating Trustee. Any contingent right to contribution or reimbursement shall continue to be subject to section 502(e) of the Bankruptcy Code.

4. No Waiver of Rights to Object

Except as expressly provided in the Plan, nothing contained in the Disclosure Statement, the Plan, or the Confirmation Order shall waive, relinquish, release, or impair the Liquidating Trustee's rights to object to any Claim.

5. Rights Under Section 505

The Liquidating Trustee shall retain all rights pursuant to section 505 of the Bankruptcy Code.

6. Liquidating and Allowance of Contested or Disputed Claims

Nothing contained in the Plan, the Disclosure Statement, or the Confirmation Order shall change, waive, or alter any requirement under applicable law that the holder of a Contested Claim must file a timely proof of Claim, and the Claim of any such Creditor who is required to file a proof of Claim and fails to do so shall be discharged and shall receive no Distribution through the Plan. The adjudication and liquidation of Contested Claims is a determination and adjustment of the debtor/creditor relationship, and is, therefore, an exercise of the Bankruptcy Court's equitable power to which the legal right of trial by jury is inapplicable. The holder of any Contested Claim shall not have a right to trial by jury before the Bankruptcy Court in respect of any such Claim. Exclusive venue for any Contested Claim proceeding shall be in the Bankruptcy Court or a court of competent jurisdiction located in Tarrant County, Texas. Contested Claims shall each be determined separately, except as otherwise ordered by the Bankruptcy Court. Texas Rule of Civil Procedure 42 and Federal Rule of Civil Procedure 23 shall not apply to any Contested Claim proceeding. The Liquidating Trustee shall retain all rights of removal to federal court as to any Contested Claim proceeding.

All Contested Claims shall be liquidated and determined as follows:

a. Application of Adversary Proceeding Rules

Unless otherwise ordered by the Bankruptcy Court or provided by the Bankruptcy Rules, any Objection to a Contested Claim shall be treated as a contested matter subject to Bankruptcy Rule 9014. However, any party may move the Bankruptcy Court to apply the rules applicable to adversary proceedings to any Claim Objection. The Liquidating Trustee may, however, at its election, make and pursue any Objection to a Claim in the form of an adversary proceeding.

b. Scheduling Order

With respect to an Objection to a Claim treated as a contested matter subject to Bankruptcy Rule 9014, the Liquidating Trustee may request entry of a scheduling order as to each Objection to a Claim. The Liquidating Trustee may tender a proposed scheduling order with each Objection and/or include a request for a scheduling conference for the entry of a scheduling order. Any such scheduling order may include (i) discovery cut-off, (ii) deadlines to amend pleadings, (iii) deadlines for designation of and objections to experts, (iv) deadlines to exchange exhibit and witness lists and for objections to the same, and (v) such other matters as may be appropriate.

c. Mediation

The Bankruptcy Court may order the parties to mediate in connection with any Objection to a Claim. The Liquidating Trustee may include a request for mediation in an Objection to a Claim and may request that the Bankruptcy Court require mediation as a part of any scheduling order.

7. Offsets and Defenses

The Liquidating Trustee shall be vested with and retain all Estate Claims and Estate Defenses, including without limitation all rights of offset or recoupment and all counterclaims against any Claimant. Assertion of any counterclaim by the Liquidating Trustee against a Claimant shall constitute a “core” proceeding.

8. Claims Paid or Reduced Prior to Effective Date

Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated, and not contingent shall be reduced by the amount, if any, which was paid by the Debtors prior to the Effective Date, including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in the Plan shall preclude the Liquidating Trustee from paying any Claim that the Debtors were authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Confirmation Date.

E. Executory Contracts and Unexpired Leases

1. Assumption and Rejection of Executory Contracts

All Executory Contracts of the Debtors shall be deemed rejected by the Debtors upon the Effective Date unless an Executory Contract (i) has been previously assumed or rejected pursuant to an order of the Bankruptcy Court, (ii) is identified in the Plan or the Confirmation Order to be assumed, or (iii) is the subject of a motion to assume filed on or before the Confirmation Date. The Plan shall constitute a motion to reject the Executory Contracts except as stated in this paragraph. However, the Debtors may file a separate motion for the assumption or rejection of any Executory Contract at any time through the Confirmation Date.

2. Cure Payments and Release of Liability

All payments that may be required by section 365(b)(1) of the Bankruptcy Code to satisfy any Cure Claim shall be made by the Liquidating Trustee on the Initial Distribution Date unless other treatment is provided for such Cure Claim hereunder; *provided, however*, in the event of a dispute regarding the amount of any Cure Claim, the cure of any other defaults, the ability of the Liquidating Trustee to provide adequate assurance of future performance, or any other matter pertaining to assumption or assignment of an Executory Contract, the Liquidating Trustee shall make such cure payments and cure such other defaults and provide adequate assurance of future performance, all as may be required by section 365(b)(1) of the Bankruptcy Code, following the entry of a Final Order by the Bankruptcy Court resolving such dispute.

3. Bar to Rejection Claims

Except as otherwise ordered by the Bankruptcy Court, any Rejection Claim based on the rejection of an Executory Contract shall be forever barred and shall not be enforceable against the Liquidating Trustee or the Liquidating Trust Assets unless a proof of Claim is filed with the Bankruptcy Court and served upon the Liquidating Trustee and his counsel by the earlier of thirty (30) days after the Effective Date or thirty (30) days after entry of the Final Order approving rejection of such Executory Contract.

4. Rejection Claims

Any Rejection Claim not barred by the Plan shall be classified as a Class 6 General Unsecured Claim subject to the provisions of section 502(g) of the Bankruptcy Code; *provided, however*, that any Rejection Claim based upon the rejection of an unexpired lease of real property, either prior to the Confirmation Date, upon the entry of the Confirmation Order, or upon the Effective Date, shall be limited in accordance with section 502(b)(6) of the Bankruptcy Code and state law mitigation requirements. Nothing contained herein shall be deemed an admission by the Debtors or the Liquidating Trustee that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Liquidating Trustee of any objections to such Claim if asserted.

5. Reservation of Rights

Nothing contained in the Plan shall constitute an admission by the Liquidating Trustee that any contract or lease is in fact an Executory Contract or that the Debtors or the Liquidating Trustee have any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Liquidating Trustee shall have thirty (30) days following entry of a Final Order resolving such dispute to alter the treatment of such contract or lease.

F. Conditions Precedent to Confirmation and Effectiveness of Plan

The Plan shall not become effective until the following conditions shall have been satisfied or waived by the Debtors, as determined in their exclusive discretion: (a) the Confirmation Order shall have been entered, in form and substance acceptable to the Debtors; (b) all other conditions precedent have been satisfied to the satisfaction of the Debtors; (c) the Bar Date has passed, and no additional Claims have been filed that, in

the sole discretion of the Debtors' management, adversely impact the Plan; and (d) a notice of the Effective Date has been filed by the Debtors and thereafter served upon all Creditors and parties in interest. Any or all of the above conditions may be waived at any time by the Debtors.

G. Effect of the Plan on Claims and Interests

1. Compromise and Settlement

Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration of the classification, potential Distributions and other benefits provided under the Plan, the provisions of the Plan shall constitute a good faith compromise and settlement of all Claims, Interests, and controversies resolved pursuant to the Plan, including, without limitation, all Claims arising prior to the Petition Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, arising out of, relating to, or in connection with the businesses or affairs of, or transactions with, the Debtors. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements, and all other compromises and settlements provided for in the Plan, and the Bankruptcy Court's findings shall constitute a determination that such compromises and settlements are in the best interests of the Debtors, the Debtors' bankruptcy Estates, Creditors, and other parties in interest, and are fair, equitable, and within the range of reasonableness.

It is not the intent of the Trustee that confirmation of the Plan shall in any manner alter or amend any settlement and compromise between the Debtors or the Chapter 11 Trustee and any Person that has been previously approved by the Bankruptcy Court (each, a "Prior Settlement"). To the extent of any conflict between the terms of the Plan and the terms of any Prior Settlement, the terms of the Prior Settlement shall control and such Prior Settlement shall be enforceable according to its terms.

2. Satisfaction of Claims

The rights afforded in the Plan and the treatment of all Claims and Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever against the Debtors, the Debtors' bankruptcy Estates, and the Assets. Except as otherwise provided in the Plan, on the Effective Date, all Claims against the Debtors shall be satisfied, discharged, and released in full. Except as otherwise provided in the Plan, all Persons shall be precluded and forever barred from asserting against the Debtors and their affiliates, successors, assigns, the Debtors' bankruptcy Estates, and the Assets any event, occurrence, condition, thing, or other or further Claims or Causes of Action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefor were known or existed prior to the Effective Date.

3. Discharge

The discharge of the Estates of the Debtors is waived under the terms of this Plan.

4. Injunction

On the Effective Date and except as otherwise provided in the Plan, all Persons who have been, are, or may be holders of Claims against or Interests in the Debtors shall be permanently restrained and enjoined from taking any of the following actions against or affecting the Debtors, the Chapter 11 Trustee, the Liquidating Trustee, the Debtors' bankruptcy Estates, the Assets, or their respective assets and property, with respect to such Claims or Interests (other than actions brought to enforce any rights or obligations under the Plan): (a) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind with respect to any such Claim or Interest; (b) enforcing, levying, attaching, collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order; (c) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any Lien or encumbrance of any kind; (d) asserting any control over, interest, rights or title in or to any of the Assets except as expressly provided in the Plan; (e) asserting any setoff, right of subrogation or recoupment of any kind against any obligation due the Liquidating Trustee as assignee, except upon order of the Bankruptcy Court; and (f) performing any act, by any manner or means, whether directly or indirectly, in any place whatsoever, that does not conform to or comply with the provisions of the Plan; *provided, however*, that this injunction shall not bar any Creditor from asserting any right granted pursuant to the Plan; and *provided, further*, that each holder of a Contested Claim shall be entitled to enforce its rights under the Plan, including seeking allowance of such Contested Claim pursuant to the Plan.

5. Setoffs

Except as otherwise expressly provided in the Plan, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable nonbankruptcy law, or as may be agreed to by the holder of a Claim, the Liquidating Trustee may set off against any Allowed Claim and the Distributions to be made pursuant to the Plan on account of such Allowed Claim (before such Distribution is made), any claim, right, Estate Claim, or Estate Defense of any nature that the Debtors may hold against the holder of such Allowed Claim, to the extent such claim, right, Estate Claims, or Estate Defense has not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to the Plan or otherwise); *provided, however*, that neither the failure to effect such a setoff nor the allowance of any Claim or Interest pursuant to the Plan shall constitute a waiver or release by the Debtors of any such claim, right, Estate Claim, or Estate Defense that the Debtors may possess against such Claimant. In no event shall any Creditor or Interest holder be entitled to set off any Claim or Interest against any claim, right, or Estate Claim of the Debtors without the consent of the Liquidating Trustee unless such holder files a motion with the Bankruptcy Court requesting the authority to perform such setoff notwithstanding any indication in any proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

6. Recoupment

Except as otherwise expressly provided in the Plan, in no event shall any holder of a Claim or Interest be entitled to recoup any Claim or Interest against any claim, right, account receivable, or Estate Claim of the Debtors or the Liquidating Trustee unless

(a) such holder actually provides notice thereof in writing to the Debtors or the Liquidating Trustee of its intent to perform a recoupment; (b) such notice includes the amount to be recouped by the holder of the Claim or Interest and a specific description of the basis for the recoupment; and (c) the Debtors or the Liquidating Trustee have provided a written response to such Claim or Interest holder, stating unequivocally that the Debtors or the Liquidating Trustee consent to the requested recoupment. The Liquidating Trustee shall have the right, but not the obligation, to seek an order of the Bankruptcy Court allowing any or all of the proposed recoupment. In the absence of a written response from the Liquidating Trustee consenting to a recoupment or an order of the Bankruptcy Court authorizing a recoupment, no recoupment by the holder of a Claim or Interest shall be allowed.

7. Turnover

On the Effective Date, any rights of the Debtors' bankruptcy Estates to compel turnover of Assets under applicable nonbankruptcy law and pursuant to section 542 or 543 of the Bankruptcy Code shall be deemed transferred to and vested in the Liquidating Trustee.

8. Automatic Stay

The automatic stay pursuant to section 362 of the Bankruptcy Code, except as previously modified by the Bankruptcy Court, shall remain in effect until the Effective Date of the Plan as to the Debtors and all Assets. As of the Effective Date, the automatic stay shall be replaced by the injunction described above.

H. Modification and Revocation of the Plan

1. Nonmaterial Modifications

The Chapter 11 Trustee may, with the approval of the Bankruptcy Court and without notice to all holders of Claims and Interests, correct any defect, omission, or inconsistency in the Plan in such manner and to such extent as may be necessary or desirable. The Chapter 11 Trustee may undertake such nonmaterial modification pursuant to this section insofar as it does not adversely change the treatment of the Claim of any Creditor or the Interest of any Interest holder who has not accepted in writing the modification.

2. Material Modifications

Modifications of the Plan may be proposed in writing by the Chapter 11 Trustee at any time before the Confirmation Date, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with section 1125 of the Bankruptcy Code. The Plan may be modified at any time after the Confirmation Date and before Substantial Consummation, provided that the Plan, as modified, meets the requirements of sections 1122 and 1123 of the Bankruptcy Code, and the Bankruptcy Court, after notice and a hearing, confirms the Plan, as modified, under section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. A holder of a Claim or Interest that has accepted or rejected the Plan shall be deemed to have accepted or rejected, as the case may be, the Plan as modified,

unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

3. Revocation

The Chapter 11 Trustee reserves the right to revoke or withdraw the Plan prior to the Confirmation Date in accordance with the provisions of the Bankruptcy Code. If the Plan is revoked or withdrawn, or for any other reason not confirmed, nothing contained in the Plan shall be deemed to constitute a waiver or release of any Claim by or against the Debtors or any other Person or to prejudice in any manner the right of the Debtors or any other Person in any further proceedings involving the Debtors.

4. Effect of Withdrawal or Revocation

If the Chapter 11 Trustee revokes or withdraws the Plan, or if the conditions to the Effective Date do not occur within sixty (60) days after the Confirmation Date, then the Plan shall be deemed null and void and shall not be binding on the Debtors or any other Person.

I. Miscellaneous Provisions

1. Severability

Should the Bankruptcy Court determine that any provision of the Plan is unenforceable either on its face or as applied to any Claim or Interest or transaction, the Liquidating Trustee may modify the Plan so that such provision shall not be applicable to the holder of any Claim or Interest. Such a determination of unenforceability shall not (a) limit or affect the enforceability and operative effect of any other provision of the Plan or (b) require the resolicitation of any acceptance or rejection of the Plan.

2. Oral Agreements; Modification of Plan; Oral Representations or Inducements

The terms of the Plan, the Disclosure Statement, and the Confirmation Order may not be changed, contradicted, or varied by any oral statement, agreement, warranty, or representation. The Plan may only be modified, amended, or supplemented in writing signed by the Chapter 11 Trustee or Liquidating Trustee with appropriate authority. Neither the Debtors nor their attorneys have made any representation, warranty, promise, or inducement relating to the Plan or its confirmation except as expressly set forth in the Plan, the Disclosure Statement, or the Confirmation Order or other order of the Bankruptcy Court.

3. Waiver

Neither the Chapter 11 Trustee or the Liquidating Trustee shall be deemed to have waived any right, power, or privilege pursuant to the Plan unless the waiver is in writing and signed by the Chapter 11 Trustee or the Liquidating Trustee. There shall be no waiver by implication, course of conduct or dealing, or through any delay or inaction by the Chapter 11 Trustee or the Liquidating Trustee, of any right pursuant to the Plan, including the provisions of this anti-waiver section. The waiver of any right under the Plan shall not

act as a waiver of any other or subsequent right, power, or privilege.

4. Construction

The Plan shall control over any inconsistent term of the Disclosure Statement or the Plan Documents. The Confirmation Order shall control over any inconsistent provision of the Plan, the Disclosure Statement, or the Plan Documents.

5. Notice

Any notice or communication required or permitted by the Plan shall be given, made, or sent as follows:

If to a Creditor, notice may be given as follows: (i) if the Creditor has filed no proof of Claim, then to the address reflected in the Schedules, or (ii) if the Creditor has filed a proof of Claim, then to address reflected in the proof of claim.

If to the Chapter 11 Trustee or the Liquidating Trustee, notice shall be sent to the following address:

Dennis Faulkner
400 N. Saint Paul, Suite 600
Dallas, TX 75201

Concurrently with service of such notice on the Chapter 11 Trustee and/or the Liquidating Trustee, a copy thereof shall be served in the same manner on the following legal counsel:

Mark J. Petrocchi
State Bar No. 15851750
GRIFFITH, JAY & MICHEL, LLP
2200 Forest Park Blvd.
Fort Worth, TX 76110

Any Creditor desiring to change its address for the purpose of notice may do so by giving notice to the Liquidating Trustee of its new address in accordance with the terms of this section.

Any notice given, made, or sent as set forth above shall be effective upon being (i) deposited in the United States Mail, postage prepaid, addressed to the addressee at the address as set forth above; (ii) delivered by hand or messenger to the addressee at the address set forth above; (iii) telecopied to the addressee as set forth above, with a hard confirmation copy being immediately sent through the United States Mail; or (iv) delivered for transmission to an expedited or overnight delivery service such as FedEx.

6. Compliance with All Applicable Laws

If notified by any governmental authority that it is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to its business, the

Liquidating Trustee shall comply with such law, rule, regulation, or order; *provided, however*, that nothing contained herein shall require such compliance if the legality or applicability of any such requirement is being contested in good faith in appropriate proceedings and, if appropriate, an adequate reserve has been set aside on the books of the Liquidating Trust.

7. Duties to Creditors

No agent, representative, accountant, financial advisor, attorney, shareholder, officer, affiliate, member or employee of the Debtors, Chapter 11 Trustee or Liquidating Trustee shall ever owe any duty to any Person (including any Creditor) other than the duties owed to the Debtors' bankruptcy Estates, for any act, omission, or event in connection with, or arising out of, or relating to, any of the following: (a) the Chapter 11 Cases, including all matters or actions in connection with or relating to the administration of the Estates, (b) the Plan, including the proposal, negotiation, confirmation, and consummation of the Plan, or (c) any act or omission relating to the administration of the Plan after the Effective Date.

8. Binding Effect

The Plan shall be binding upon, and shall inure to the benefit of, the Liquidating Trustee, the holders of the Claims or Liens, the holders of Interests, and their respective successors in interest and assigns.

9. Governing Law, Interpretation

Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any Plan Documents without regard to conflicts of law.

10. Payment of Statutory Fees

All fees payable pursuant to section 1930 of title 28 of the United States Code shall be paid on or before the Effective Date, and thereafter shall be paid by the Liquidating Trustee as such statutory fees become due.

11. Filing of Additional Documents

On or before Substantial Consummation of the Plan, the Chapter 11 Trustee may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

12. Computation of Time

If the final day for any Distribution, performance, act, or event under the Plan is not a Business Day, then the time for making or performing such Distribution, performance, act or event shall be extended to the next Business Day. Any payment or Distribution required to be made hereunder on a day other than a Business Day shall be due and

payable on the next succeeding Business Day.

13. Elections by the Liquidating Trustee

Any right of election or choice granted to the Liquidating Trustee under the Plan may be exercised, at the Liquidating Trustee's election, separately as to each Claim, Creditor, or Person.

14. Release of Liens

Except as otherwise provided in the Plan or the Confirmation Order, all Liens against any of the Assets shall be deemed to be released, terminated, and nullified.

15. Rates

The Plan does not provide for the change of any rate that is within the jurisdiction of any governmental regulatory commission after the occurrence of the Effective Date.

16. Retiree Benefits

To the extent that the Debtors provide any retiree benefits that are subject to section 1129(a)(13) of the Bankruptcy Code, such retiree benefits shall continue to be provided by the Liquidating Trustee from and after the Effective Date for the period the Debtors are obligated to provide such benefits. No such benefits have been identified at this time.

17. Compliance with Tax Requirements

In connection with the Plan, the Liquidating Trustee shall comply with all withholding and reporting requirements imposed by federal, state, and local Taxing Authorities, and all Distributions under the Plan shall be subject to such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim or Interest that is to receive a Distribution under the Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of such Distribution under the Plan.

18. Notice of Entry of Confirmation Order

Promptly after entry of the Confirmation Order, the Chapter 11 Trustee or, as applicable, the Liquidating Trustee, as directed by the Bankruptcy Court, shall serve on all known parties in interest and holders of Claims and Interests, notice of entry of the Confirmation Order.

19. Notice of Occurrence of the Effective Date

Promptly after occurrence of the Effective Date, the Liquidating Trustee, as directed by the Bankruptcy Court, shall serve on all known parties in interest and holders of Claims and Interests, notice of the occurrence of the Effective Date.

20. Interest and Attorney's Fees

Interest accrued after the Petition Date will accrue and be paid on Allowed Claims only to the extent specifically provided for in the Plan, the Confirmation Order, or as otherwise required by the Bankruptcy Court or by applicable law. Except as set forth in the Plan or as ordered by the Bankruptcy Court, no award or reimbursement of attorney's fees or related expenses or disbursements shall be allowed on, or in connection with, any Claim.

21. No Admissions

As to contested matters, adversary proceedings, and other Causes of Action or threatened Causes of Action, the Plan shall not constitute or be construed as an admission by the Chapter 11 Trustee, the Debtors or the Liquidating Trustee of any fact or liability, stipulation, or waiver, but shall constitute and be construed as a statement made in settlement negotiations. The Plan shall not be construed to be conclusive advice on the tax, securities, and other legal effects of the Plan as to holders of Claims against, or Interests in, the Debtors or their affiliates, as debtors and in the Chapter 11 Cases.

VIII. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

THE PLAN AND ITS RELATED TAX CONSEQUENCES ARE COMPLEX. MOREOVER, MANY OF THE INTERNAL REVENUE CODE PROVISIONS DEALING WITH THE FEDERAL INCOME TAX ISSUES ARISING FROM THE PLAN HAVE BEEN THE SUBJECT OF RECENT LEGISLATION AND, AS A RESULT, MAY BE SUBJECT TO AS YET UNKNOWN ADMINISTRATIVE OR JUDICIAL INTERPRETATIONS. THE DEBTORS HAS NOT REQUESTED A RULING FROM THE INTERNAL REVENUE SERVICE (THE "IRS") OR AN OPINION OF COUNSEL WITH RESPECT TO THESE MATTERS. ACCORDINGLY, NO ASSURANCE CAN BE GIVEN AS TO THE INTERPRETATION THAT THE IRS WILL ADOPT. THERE ALSO MAY BE STATE, LOCAL OR OTHER TAX CONSIDERATIONS APPLICABLE TO EACH CREDITOR. CREDITORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE, LOCAL AND OTHER TAX LAWS.

IX. LIQUIDATION

A. Because it is anticipated that a liquidation will occur whether the Plan is confirmed or this case is converted to a Chapter 7, no separate calculation of liquidation has been made. Based upon the estimated administrative expenses in this Plan, and the schedules on file with this Court, creditors could make a calculation of liquidation. In the event of a conversion to Chapter 7, it is reasonable to anticipate that expenses of administration will be at least as high as expenses in this case and that some duplication of expenses are likely to occur in the transition from Chapter 11 to Chapter 7. Any conversion to chapter 7 will likely means no substantive consolidation of the three Debtor estates. If there is no consolidation there will potentially be the appointment of a trustee in the case of each of the Debtors. In the event there are three cases, then it is probable there will be resulting increased expenses to reconcile duplicative claims and

intercompany claims. The increase in administration is not likely to result in a material net benefit to Creditors.

X. CONFIRMATION OF THE PLAN

A. Solicitation of Votes; Voting Procedures

1. Ballots and Voting Deadlines

A ballot to be used for voting to accept or reject the Plan, together with a postage-paid return envelope, is enclosed with all copies of this Disclosure Statement mailed to all holders of Claims and Interests entitled to vote. BEFORE COMPLETING YOUR BALLOT, PLEASE READ CAREFULLY THE INSTRUCTION SHEET THAT ACCOMPANIES THE BALLOT.

The Bankruptcy Court has directed that, in order to be counted for voting purposes, ballots for the acceptance or rejection of the Plan must be received no later than 5:00 p.m., Central Time, on _____, 2016, at the following address:

Mark J. Petrocchi
State Bar No. 15851750
GRIFFITH, JAY & MICHEL, LLP
2200 Forest Park Blvd.
Fort Worth, TX 76110

YOUR BALLOT MAY NOT BE COUNTED IF IT IS RECEIVED AT THE ABOVE ADDRESS AFTER 5:00 P.M., CENTRAL TIME, ON _____, 2016.

2. Parties in Interest Entitled to Vote

The holder of a Claim or Interest may vote to accept or reject the Plan only if the Plan impairs the Class in which such Claim or Interest is classified. Under the Plan, all Classes are impaired. Therefore, all holders of Claims in these Classes may vote to accept or reject the Plan.

Any Claim or Interest as to which an objection has been filed is not entitled to vote unless the Bankruptcy Court, upon application of the holder to whose Claim or Interest an objection has been made, temporarily allows such Claim or Interest in an amount that it deems proper for the purpose of accepting or rejecting the Plan. Any such application must be heard and determined by the Bankruptcy Court on or before commencement of the Confirmation Hearing. A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such vote was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

IF YOU HAVE ANY QUESTIONS REGARDING THE PROCEDURES FOR VOTING ON THE PLAN, PLEASE CONTACT THE CHAPTER 11 TRUSTEE'S COUNSEL AT THE FOLLOWING ADDRESS:

Mark J. Petrocchi
State Bar No. 15851750
GRIFFITH, JAY & MICHEL, LLP
2200 Forest Park Blvd.
Fort Worth, TX 76110

3. Vote Required for Class Acceptance

The Bankruptcy Code defines acceptance of a plan by a class of claims as acceptance by holders of at least two-thirds in dollar amount, and more than one-half in number, of the claims of that class which actually cast ballots for acceptance or rejection of the Plan. Thus, class acceptance takes place only if at least two-thirds in amount and a majority in number of the holders of claims voting cast their ballots in favor of acceptance.

The Bankruptcy Code defines acceptance of a plan by a class of Interests as acceptance by holders of at least two-thirds in amount of the Interests of that class that actually cast ballots for acceptance or rejection of the plan. Thus, class acceptance takes place only if at least two-thirds in amount of the holders of Interests voting cast their ballots in favor of acceptance.

B. Confirmation Hearing

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a hearing on confirmation of a plan. By order of the Bankruptcy Court, the Confirmation Hearing has been scheduled for _____, 2016, at _____ .m. Central Time, in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division. The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement made at the confirmation hearing or any adjournment thereof.

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan. Any objection to confirmation of the Plan must be made in writing and filed with the Bankruptcy Court on or before 5:00 p.m. Central Time, on _____, 2016, at the following address:

Office of the Clerk
U.S. Bankruptcy Court
Eldon B. Mahon U.S. Courthouse
501 W. Tenth Street
Fort Worth, Texas 76102-3643

In addition, any such objection must be served upon the following parties, together with proof of service, on or before _____, 2016:

Mark J. Petrocchi
State Bar No. 15851750
Griffith, Jay & Michel, LLP
2200 Forest Park Blvd.
Fort Worth, TX 76110

William T. Neary
Attention: Elizabeth Zeigler
United States Trustee
1100 Commerce Street, Room 976
Dallas, Texas 75242

Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014. UNLESS AN OBJECTION TO CONFIRMATION IS TIMELY SERVED AND FILED, IT WILL NOT BE CONSIDERED BY THE BANKRUPTCY COURT.

C. Requirements for Confirmation of the Plan

At the confirmation hearing, the Bankruptcy Court must determine whether the Bankruptcy Code's requirements for confirmation of the Plan have been satisfied, in which event the Bankruptcy Court will enter an order confirming the Plan. As set forth in section 1129 of the Bankruptcy Code, these requirements are as follows:

1. The plan complies with the applicable provisions of the Bankruptcy Code.

2. The proponent of the plan complied with the applicable provisions of the Bankruptcy Code.

3. The plan has been proposed in good faith and not by any means forbidden by law.

4. Any payment made or promised by the debtor, by the plan proponent, or by a person issuing securities or acquiring property under the plan, for services or for costs and expenses in, or in connection with, the case, or in connection with the plan and incident to the case, has been approved by, or is subject to the approval of the Bankruptcy Court as reasonable.

5. (a) (i) The proponent of the plan has disclosed the identity and affiliations of any individual proposed to serve, after confirmation of the plan, as a director, officer, or voting trustee of the debtor, an affiliate of the debtor participating in a joint plan with the debtor, or a successor to the debtor under the plan; and

(ii) the appointment to, or continuance in, such office of such individual, is consistent with the interests of creditors and equity security holders and with public policy; and

(b) the proponent of the plan has disclosed the identity of any insider that will be employed or retained by the debtor, and the nature of any compensation for such insider.

6. Any governmental regulatory commission with jurisdiction, after confirmation of the plan, over the rates of the debtor has approved any rate change provided for in the plan, or such rate change is expressly conditioned on such

approval.

7. With respect to each impaired class of claims or interests:

(a) each holder of a claim or interest of such class has accepted the plan or will 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 were liquidated on such date under chapter 7 of the Bankruptcy Code on such date; or

(b) if section 1111(b)(2) of the Bankruptcy Code applies to the claims of such class, the 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 Estates' interest in the property that secures such claims.

8. With respect to each class of claims or interests:

(a) such class has accepted the plan; or

(b) such class is not impaired under the plan.

9. Except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that:

(a) with respect to a claim of a kind specified in section 507(a)(2) or 507(a)(3) of the Bankruptcy Code, on the effective date of the plan, the holder of such claim will receive on account of such claim cash equal to the allowed amount of such claim;

(b) with respect to a class of claims of a kind specified in section 507(a)(1), 507(a)(4), 507(a)(5), 507(a)(6) or 507(a)(7) of the Bankruptcy Code, each holder of a claim of such class will receive:

(i) if such class has accepted the plan, deferred cash payments of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or

(ii) if such class has not accepted the plan, cash on the effective date of the plan equal to the allowed amount of such claim; and

(c) with respect to a claim of a kind specified in section 507(a)(8) of the Bankruptcy Code, the holder of such claim will receive on account of such claim regular installment payments in cash:

(i) of a total value, as of the effective date of the plan, equal to the allowed amount of such claim;

(ii) over a period ending not later than 5 years after the date of the order for relief under section 301, 302, or 303; and

(iii) in a manner not less favorable than the most favored nonpriority unsecured claim provided for by the plan (other than cash payments made to a class of creditors under section 1122(b) of the Bankruptcy Code); and

(d) with respect to a secured claim which would otherwise meet the description of an unsecured claim of a governmental unit under section 507(a)(8) of the Bankruptcy Code, but for the secured status of that claim, the holder of that claim will receive on account of that claim, cash payments, in the same manner and over the same period, as prescribed in 9(c) above.

10. If a class of claims is impaired under the plan, at least one class of claims that is impaired has accepted the plan, determined without including any acceptance of the plan by any insider holding a claim of such class.

11. Confirmation of the plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtors or any successor to the debtors under the plan, unless such liquidation or reorganization is proposed in the plan.

12. All fees payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the hearing on confirmation of the plan, have been paid or the plan provides for the payments of all such fees on the effective date of the plan.

13. The plan provides for the continuation after its effective date of payment of all retiree benefits, as that term is defined in section 1114 of the Bankruptcy Code, at the level established pursuant to subsection (e)(1)(B) or (g) of section 1114, at any time prior to confirmation of the plan, for the duration of the period the debtor has obligated itself to provide such benefits.

14. If the debtor is required by a judicial or administrative order, or by statute, to pay a domestic support obligation, the debtor has paid all amounts payable under such order or such statute for such obligation that first become payable after the date of the filing of the petition.

15. In a case in which the debtor is an individual and in which the holder of an allowed unsecured claim objects to the confirmation of the plan:

(a) the value, as of the effective date of the plan, of the property to be distributed under the plan on account of such claim is not less than the amount of such claim; or

(b) the value of the property to be distributed under the plan is not less than the projected disposable income of the debtor (as defined in section 1325(b)(2) of the Bankruptcy Code) to be received during the five year period beginning on the date that the first payment is due under the plan, or during the period for which the plan provides payments, whichever is longer.

16. All transfers of property of the plan shall be made in accordance with any applicable provisions of nonbankruptcy law that govern the transfer of property by a corporation or trust that is not a moneyed, business, or commercial

corporation or trust.

The Plan satisfies all the statutory requirements of chapter 11 of the Bankruptcy Code, that the Estates of the Debtors have complied or will have complied with all the requirements of chapter 11, and that the Plan is proposed in good faith.

The holders of all Allowed Claims and Interests impaired under the Plan will receive payments under the Plan having a present value, as of the Effective Date, not less than the amounts likely to be received if the Debtors were liquidated in a case under chapter 7 of the Bankruptcy Code. At the Confirmation Hearing, the Bankruptcy Court will determine whether holders of Allowed Claims or Allowed Interests would receive greater distributions under the Plan than they would receive in a liquidation under chapter 7.

The feasibility requirement for confirmation of the Plan is satisfied by the availability of liquid assets through sales. These facts and others demonstrating the confirmability of the Plan will be shown at the Confirmation Hearing.

D. Cramdown

In the event that any impaired Class of Claims or Interests does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Chapter 11 Trustee if, as to each impaired Class which has not accepted the Plan, the Bankruptcy Court determines that the Plan “does not discriminate unfairly” and is “fair and equitable” with respect to that Class. A plan of reorganization “does not discriminate unfairly” within the meaning of the Bankruptcy Code if no Class receives more than it is legally entitled to receive for its claims or Interests.

“Fair and equitable” has different meanings with respect to the treatment of secured and unsecured claims. As set forth in section 1129(b)(2) of the Bankruptcy Code, those meanings are as follows:

1. With respect to a class of secured claims, the plan provides:

(a) (i) that the holders of such claims retain the liens securing such claims, whether the property subject to such liens is retained by the debtor or transferred to another entity, to the extent of the allowed amount of such claims; and

(ii) that each holder of a claim of such class receive on account of such claim deferred cash payments totaling at least the allowed amount of such claim, of a value, as of the effective date of the plan, of at least the value of such holder’s interest in the estate’s interest in such property;

(b) for the sale, subject to section 363(k) of the Bankruptcy Code, of any property that is subject to the liens securing such claims, free and clear of such liens, with such liens to attach to the proceeds of such sale, and the treatment of such liens on proceeds under clause (a) and (b) of this subparagraph; or

(c) the realization by such holders of the “indubitable equivalent” of such claims.

2. With respect to a class of unsecured claims, the plan provides:

(a) that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or

(b) the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property, except that in a case in which the debtor is an individual, the debtor may retain property included in the estate under section 1115 of the Bankruptcy Code, subject to the requirements of section 1129(a)(14) of the Bankruptcy Code.

3. With respect to a class of interests, the plan provides:

(a) that each holder of an interest of such class receive or retain on account of such interest property of a value, as of the effective date of the plan, 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) that the holder of any interest that is junior to the interests of such class will not receive or retain under the plan on account of such junior interest any property.

In the event that one or more Classes of impaired Claims or Interests reject the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable with respect to, and does not discriminate unfairly against, any rejecting impaired Class of Claims or Interests. For the reasons set forth above, the Debtors believe the Plan does not discriminate unfairly against, and is fair and equitable with respect to, each impaired Class of Claims or Interests.

XI. RISK FACTORS

The following is intended as a summary of certain risks associated with the Plan, but it is not exhaustive and must be supplemented by the analysis and evaluation made by each holder of a Claim or Interest of the Plan and this Disclosure Statement as a whole with such holder's own advisors. If the Plan is not confirmed, liquidation will likely occur in the form of Chapter 7 liquidation, or a new plan would be necessary. There are certain agreements that have been reached in the Chapter 11 case that may be affected by the conversion to 7, such as reductions of Claims being negotiated at the time of the preparation of this document, and the proposal to consolidate all three Debtors into a single Liquidating Trust for efficiency of claims administration and distributions. As a result, Unsecured Creditors may not be entitled to the benefit of agreements negotiated by the Chapter 11 Trustee, which may include reductions of obligations to secured or Unsecured Creditors. It is also possible that if the case is converted to a Chapter 7, additional time and expense may be incurred. In the context of a Chapter 7, there is even a possibility that the Chapter 7 Trustee or the professionals employed by the Chapter 11 Trustee will

change. If the Chapter 7 Trustee or the professionals employed by the Chapter 11 Trustee were to change, that could add significantly to the expenses of the administration of the Estates of the Debtors.

A. Bankruptcy Risks

1. Insufficient Acceptances

For the Plan to be confirmed, each impaired Class of Claims is given the opportunity to vote to accept or reject the Plan. With regard to such impaired voting Classes, the Plan will be deemed accepted by a Class of impaired Claims if the Plan is accepted by claimants of such Class actually voting on the Plan who hold at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the total Allowed Claims of the Class voted. Only those members of a Class who vote to accept or reject the Plan will be counted for voting purposes. The Chapter 11 Trustee reserves the right to request confirmation pursuant to the cramdown provisions in section 1129(b) of the Bankruptcy Code, which will allow confirmation of the Plan regardless of the fact that a particular Class of Claims or Interests has not accepted the Plan. However, there can be no assurance that any impaired Class of Claims under the Plan will accept the Plan or that the Debtors would be able to use the cramdown provisions of the Bankruptcy Code for confirmation of the Plan.

2. Confirmation Risks

The following specific risks exist with respect to confirmation of the Plan:

(a) Any objection to confirmation of the Plan can either prevent confirmation of the Plan, or delay such confirmation for a significant period of time.

(b) Since the Chapter 11 Trustee may be seeking to obtain approval of the Plan over the rejection of one or more impaired Classes of Claims, the cramdown process could delay confirmation.

3. Conditions Precedent

Confirmation of the Plan and occurrence of the Effective Date are subject to certain conditions precedent that may not occur. The Chapter 11 Trustee is working diligently to ensure that all conditions precedent are satisfied.

XII. ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

The Debtors evaluated several reorganization alternatives to the Plan, including the continued operation of the Debtors under the current debt structures and the liquidation of the Debtors. The Debtors initiated a Section 363 sale approach, which the Chapter 11 Trustee as revised. Once the Section 363 sale was consummated, the option of a restructuring operations was effectively eliminated. The Trustee believes that the liquidation option would provide a greater recovery for Creditors than a liquidation under chapter 7 of the Bankruptcy Code. The possibility of an alternative plan or the conversion to chapter 7 are mentioned in Section IX. Liquidation.

XIII. CONCLUSION

The Chapter 11 Trustee urges holders of Claims in impaired Classes to vote to **ACCEPT** the Plan and to evidence such acceptance by returning their ballots so that they will be received on or before 5:00 p.m., Central Time, on _____, 2016.

Dated: December 21, 2016.

Respectfully submitted,

CHAPTER 11 TRUSTEE FOR FRAC
SPECIALISTS, LLC,
CEMENT SPECIALISTS, LLC and
ACID SPECIALISTS, LLC

By: /s/ Dennis Faulkner
DENNIS FAULKNER, TRUSTEE

APPROVED:

By:/s/Mark J. Petrocchi
Mark J. Petrocchi
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mpetrocchi@lawgjm.com
COUNSEL FOR
DENNIS FAULKNER, TRUSTEE

EXHIBIT A

PLAN OF REORGANIZATION

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

_____)	
IN RE:)	CHAPTER 11 CASES
)	
FRAC SPECIALISTS, LLC,)	CASE NO. 15-41974-mxm-11
CEMENT SPECIALISTS, LLC,)	CASE NO. 15-41975-mxm-11
ACID SPECIALISTS, LLC,)	CASE NO. 15-41976-mxm-11
)	
DEBTORS.)	Jointly Administered Under
_____)	Case No. 15-41974-mxm-11

PLAN OF REORGANIZATION

Mark J. Petrocchi
State Bar No. 15851750
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2200 Forest Park Blvd.
Fort Worth, TX 76110
Telephone: (817) 926-2500
Fax: (817) 926-2505
mpetrocchi@lawgjm.com
COUNSEL FOR DENNIS FAULKNER,
THE CHAPTER 11 TRUSTEE,

DATED: December 21, 2016
Fort Worth, Texas

INTRODUCTION

Dennis Faulkner, as Chapter 11 Trustee, (the “Chapter 11 Trustee”) on behalf of Frac Specialists, LLC; Cement Specialists, LLC; and Acid Specialists, LLC, (collectively, the “Debtors”), the Debtors in the chapter 11 cases captioned above, submits this Plan of Reorganization Proposed By the Chapter 11 Trustee (the “Plan”) pursuant to subsection 1121(a) of the Bankruptcy Code for the purpose of liquidating and disbursing the Assets of the Debtors.

ARTICLE I.

DEFINITIONS

A. Defined Terms. In addition to such other terms as are defined in other sections of this Plan, the following terms shall have the meanings set forth below (such meanings to be equally applicable to both the singular and plural, masculine and feminine forms of the terms defined).

1.01. “Administrative Expense” means any cost or expense of administration of the Chapter 11 Cases allowed under Subsections 503(b) and 507(a)(1) of the Bankruptcy Code, including, without limitation, any actual and necessary expenses of preserving the estates of the Debtors, any actual and necessary expenses of operating the business of the Debtors, all compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under Section 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the estates of the Debtors under Section 1930, chapter 123 of title 28 of the United States Code.

1.02. “Allowed,” when used with respect to a Claim (other than an Administrative Expense), means a Claim (a) to the extent it is not Contested; or (b) a Contested Claim, proof of which was filed timely with the Bankruptcy Court, and (i) as to which no Objection was filed by the Objection Deadline, or (ii) as to which an Objection was filed by the Objection Deadline, to the extent, if any, such Claim is ultimately allowed by a Final Order; *provided, however*, if a Claim is to be determined in a forum other than the Bankruptcy Court, such Claim shall not become Allowed until determined by Final Order of such other forum and allowed by Final Order of the Bankruptcy Court. “Allowed,” when used with respect to an Administrative Expense, shall mean an Administrative Expense approved by application to the Bankruptcy Court.

1.03. “Assets” includes all right, title, and interest in and to all property of every type or nature owned or claimed by the Debtors as of the Petition Date, together with all such property of every type or nature subsequently acquired by the Debtors through the Effective Date, whether real or personal, tangible or intangible, and wherever located, and including, but not limited to, property as defined in Section 541 of the Bankruptcy Code.

1.04. “Avoidance Action” means a cause of action assertable by the Debtors or the Liquidating Trustee pursuant to Chapter 5 of the Bankruptcy Code, including without limitation, actions brought or which may be brought under Sections 542, 543, 544, 545, 547, 548, 549, 550, or 553 of the Bankruptcy Code. Such Causes of Action may be asserted to recover, among other things, the transfers listed in the Debtors’ respective

Schedules, including in response to Question 3 to the statement of financial affairs and on Exhibit "B" to the Disclosure Statement.

1.05. "Ballot" means the form of ballot provided to holders of Claims or Interests entitled to vote pursuant to Bankruptcy Rule 3017(d), by which each such holder may accept or reject this Plan.

1.06. "Bankruptcy Code" means the Bankruptcy Reform Act of 1978, as amended and codified at Title 11 of the United States Code.

1.07. "Bankruptcy Court" means the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division, or such other court having jurisdiction over all or any part of the Chapter 11 Cases.

1.08. "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, as amended from time to time, as applicable to the Chapter 11 Cases, including applicable local rules of the Bankruptcy Court.

1.09. "Business Day" means any day other than Saturday, Sunday, a legal holiday, or a day on which national banking institutions in Texas are authorized or obligated by law or executive order to close.

1.10. "Cash" means legal tender of the United States of America, cash equivalents and other readily marketable securities or instruments, including, but not limited to, readily marketable direct obligations of the United States of America, certificates of deposit issued by banks or commercial paper.

1.11. "Causes of Action" means any cause of action or claim, including Avoidance Actions, which may be asserted by the Chapter 11 Trustee, the Liquidating Trustee, or the Estate of any Debtor, whether or not such Cause of Action has been filed in a court of competent jurisdiction.

1.12. "Chapter 11 Cases" means the above captioned and numbered reorganization cases of the Debtors under Chapter 11 of the Bankruptcy Code.

1.13. "Chapter 11 Trustee" means Dennis Faulkner, the Trustee in connection with the bankruptcy of each of the Debtors.

1.14. "Claim" means (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured (including potential and unmatured tort and contract claims), disputed, undisputed, legal, equitable, secured or unsecured, or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right of payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured (including potential and unmatured tort and contract claims), disputed, undisputed, secured or unsecured.

1.15. "Claimant" means the holder of a Claim.

1.16. "Class" means a class of Claims or Interests as described in this Plan.

1.17. “CNB Secured Claim” means, collectively, any and all Secured Claims held or asserted by or on behalf of Community National Bank or any affiliate thereof.

1.18. “Collateral” means any Asset subject to a valid and enforceable Lien to secure payment of a Claim.

1.19. “Collection Costs” means attorney’s fees, expenses and other costs of collection which any Creditor may seek to recover from the Debtors pursuant to either the relevant loan documents or applicable law, but only to the extent actually Allowed by a Final Order.

1.20. “Committee” means the Official Committee of Unsecured Creditors appointed by the United States Trustee in the Chapter 11 Cases.

1.21. “Confirmation Date” means the date of entry of the Confirmation Order.

1.22. “Confirmation Hearing” means the hearing conducted by the Bankruptcy Court pursuant to Section 1128 of the Bankruptcy Code and Bankruptcy Rule 3020(b) to consider confirmation of this Plan, as such hearing may be continued from time to time.

1.23. “Confirmation Order” means the order of the Bankruptcy Court confirming this Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.

1.24. “Contested” when used with respect to a Claim, means a Claim against the Debtors that is listed in the Debtors’ Schedules as disputed, contingent, or unliquidated; that is listed in the Debtors’ Schedules as undisputed, liquidated, and not contingent and as to which a proof of Claim has been filed with the Bankruptcy Court, to the extent the proof of Claim amount exceeds the scheduled amount; that is not listed in the Debtors’ Schedules, but as to which a proof of Claim has been filed with the Bankruptcy Court; or as to which an objection has been or may be timely filed and has not been denied by Final Order. To the extent an objection relates to the allowance of only a part of a Claim, such Claim shall be a Contested Claim only to the extent of the objection.

1.25. “Creditor” means a “creditor,” as defined in Section 101(10) of the Bankruptcy Code.

1.26. “Cure Claim” means the payment or other performance required to cure any existing default under an Executory Contract.

1.27. “Debtors” means, collectively, Frac Specialists, LLC; Cement Specialists, LLC; and Acid Specialists, LLC, the debtors and debtors-in-possession in the above-captioned Chapter 11 Cases.

1.28. “Disallowed” when used with respect to all or any part of a Claim or Interests, means that portion of a Claim or Interests to which an objection or motion to disallow has been sustained by a Final Order.

1.29. “Disclosure Statement” means the Disclosure Statement filed with respect to this Plan, as it may be amended, modified, or supplemented from time to time.

1.30. “Distribution” means any payment or other disbursement of property pursuant to this Plan.

1.31. “Effective Date” means the later to occur of (a) fifteen (15) days after the Confirmation Date if the Confirmation Order is not stayed or, if the Confirmation Order is stayed, the first Business Day following the lifting, dissolution, or removal of such stay which is at least fifteen (15) days after the Confirmation Date, and (b) the first Business Day that each of the conditions to the effectiveness of this Plan are satisfied or waived.

1.32. “Equipment Lessor” means Bank of the West, Trinity Division; CIT Equipment Finance; EH National Bank; MB Financial Bank, N.A.; People’s Capital and Leasing Corp.; Prime Alliance Bank; Signature Business Leasing, LLC; Summit Funding Group, Inc.; Susquehanna Commercial Finance, Inc.; or Wells Fargo Equipment Finance, or any affiliate of any of the foregoing.

1.33. “Equipment Lessor Deficiency Claim” means any Claim against the Debtors, other than an Equipment Lessor Secured Claim, held or asserted by or on behalf of an Equipment Lessor.

1.34. “Equipment Lessor Secured Claim” means any Secured Claim against the Debtors held or asserted by or on behalf of an Equipment Lessor.

1.35. “Estate” means the temporary legal owner of all of the assets and property rights of a Debtor from the Petition Date to the Effective Date as created by the Bankruptcy Code.

1.36. “Estate Claims” means all claims and Causes of Action held by the Debtors’ bankruptcy estates, including without limitation all Avoidance Actions.

1.37. “Estate Defenses” means all defenses, affirmative defenses, counterclaims, or offsets by the Debtors’ bankruptcy estates against any Person, including but not limited to any Creditor.

1.38. “Estate Representative” means, from and after the Effective Date, the Liquidating Trustee.

1.39. “Executory Contract” shall refer to any executory contract or unexpired lease which is subject to Section 365 of the Bankruptcy Code.

1.40. “Final Order” means an order or judgment of the Bankruptcy Court or any other court or adjudicative body, as to which the time to appeal or seek rehearing or petition for certiorari shall have expired or which order or judgment shall no longer be subject to appeal, rehearing, or certiorari proceeding and with respect to which no appeal, motion for rehearing, or certiorari proceeding or stay shall then be pending.

1.41. “General Unsecured Claim” means any Claim against the Debtors that is not an Administrative Expense, a Priority Tax Claim, a Priority Non-Tax Claim, a Secured Tax Claim, the CNB Secured Claim, an Equipment Lessor Secured Claim, an Other Secured Claim, or an Equipment Lessor Deficiency Claim.

1.42. “Governmental Unit” means a “governmental unit” as such term is defined in Section 101(27) of the Bankruptcy Code.

1.43. “Initial Distribution Date” (a) when used with respect to any Claim other than an Equipment Lessor Deficiency Claim, means not later than (i) sixty (60) days after the Effective Date, or (ii) thirty (30) days after the date on which a Contested Claim becomes an Allowed Claim; and (b) when used with respect to an Equipment Lessor Deficiency Claim, means thirty (30) days after the date on which every Equipment Lessor Deficiency Claim shall have become either an Allowed Claim or a Disallowed Claim.

1.44. “Interests” means any equity or stock ownership interest in the Debtors.

1.45. “Lien” means any mortgage, lien, charge, security interest, encumbrance, or other security device of any kind affecting any asset or property of the Debtors contemplated by Section 101(37) of the Bankruptcy Code.

1.46. “Liquidating Trust” means the trust established pursuant to the Liquidating Trust Agreement for the purpose of liquidating and distributing the Assets to holders of Allowed Claims.

1.47. “Liquidating Trust Agreement” means that certain Liquidating Trust Agreement substantially in the form to be submitted as a Plan Document, establishing the Liquidating Trust and providing for liquidation and distribution of the Assets to holders of Allowed Claims.

1.48. “Liquidating Trust Assets” means the Assets as transferred in trust to the Liquidating Trustee in accordance with the Liquidating Trust Agreement.

1.49. “Liquidating Trustee” means the trustee of the Liquidating Trust, whose rights, powers, and duties shall be set forth in the Liquidating Trust Agreement.

1.50. “Net Liquidating Trust Assets” means the portion of the Liquidating Trust Assets available for distribution to holders of Allowed Claims, excluding any reserves for Contested Claims, operating expenses of the Liquidating Trust, or otherwise.

1.51. “Liquidation” means the sale of the property of the Debtors and the Distribution of the proceeds to Creditors.

1.52. “Objection” means (a) an objection to the allowance of a Claim interposed by any party entitled to do so within the applicable period of limitation fixed by this Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, and (b) as to any Taxing Authority, a proceeding commenced under Section 505 of the Bankruptcy Code to determine the legality or amount of any tax.

1.53. “Objection Deadline” means the day that is one hundred twenty (120) days after the Effective Date, unless extended by order of the Bankruptcy Court.

1.54. “Other Secured Claim” means any Secured Claim other than a Secured Tax Claim, the CNB Secured Claim, or an Equipment Lessor Secured Claim.

1.55. “Person” means any individual, corporation, general partnership, limited partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, government, or any political subdivision thereof or other entity.

- 1.56. "Petition Date" means May 17, 2015.
- 1.57. "Plan" means this Chapter 11 plan of reorganization, either in its present form or as it may be altered, amended, or modified from time to time.
- 1.58. "Plan Documents" means the documents that aid in effectuating this Plan as specifically identified as such herein.
- 1.59. "Priority Claim" means a Claim (other than a Claim for an Administrative Expense) to the extent that it is entitled to priority in payment under Section 507(a) of the Bankruptcy Code.
- 1.60. "Priority Non-Tax Claim" means a Priority Claim other than a Priority Tax Claim.
- 1.61. "Priority Tax Claim" means a Claim of a governmental unit of the kind specified in Subsection 507(a)(8) of the Bankruptcy Code.
- 1.62. "Pro Rata Share" means, with respect to an Allowed Claim, the proportion that the amount of such Allowed Claim bears to the sum of all Allowed Claims in the Class in which such Allowed Claim is classified.
- 1.63. "Professional" means those persons retained pursuant to an order of the Bankruptcy Court in accordance with Sections 327 and 1103 of the Bankruptcy Code or who are entitled to compensation or reimbursement pursuant to Sections 503(b)(3)(D) or 506(b) of the Bankruptcy Code.
- 1.64. "Rejection Claim" means a Claim arising under Section 502(g) of the Bankruptcy Code as a consequence of the rejection of any executory contract or unexpired lease.
- 1.65. "Schedules" means the schedules of assets and liabilities and the statement of financial affairs filed by the Debtors as required by Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such schedules or statements have been or may be subsequently amended.
- 1.66. "Secured Claim" means (a) a Claim secured by a lien on any Assets, which lien is valid, perfected, and enforceable under applicable law and is not subject to avoidance under the Bankruptcy Code or applicable nonbankruptcy law, and which is duly Allowed, but only to the extent of the value of the holder's interest in the Collateral that secures payment of the Claim; (b) a Claim against the Debtors that is subject to a valid right of recoupment or setoff under Section 553 of the Bankruptcy Code, but only to the extent of the Allowed amount subject to recoupment or setoff as provided in Section 506(a) of the Bankruptcy Code; and (c) a Claim deemed or treated under this Plan as a Secured Claim; provided, that, to the extent that the value of such interest is less than the amount of the Claim which has the benefit of such security, the unsecured portion of such Claim shall be treated as a General Unsecured Claim unless, in any such case the Class of which the Claim is a part makes a valid and timely election in accordance with Section 1111(b) of the Bankruptcy Code to have such Claim treated as a Secured Claim to the extent Allowed.
- 1.67. "Secured Creditor" means the holder of a Secured Claim.

1.68. "Secured Tax Claim" means any ad valorem tax Claim that arises or is deemed to have arisen on or before the Petition Date, irrespective of the date on which such Claim is assessed or due.

1.69. "Substantial Consummation" means the day on which a Creditor first receives a Distribution of any kind under the terms and provisions of this Plan.

1.70. "Taxing Authority" shall include the State of Texas or any subdivision thereof, including without limitation any political subdivision of the State of Texas assessing ad valorem taxes against any of the Assets.

1.71. "Unclaimed Property" means any cash, Distribution, or any other property of the Debtors unclaimed for a period of ninety (90) days after the applicable Distribution Date.

B. Interpretation. Unless otherwise specified, all section, article and exhibit references in this Plan are to the respective section in, article of, or exhibit to, this Plan, as the same may be amended, waived, or modified from time to time. The headings in this Plan are for convenience and reference only and shall not limit or otherwise affect the provisions hereof. The rules of construction set forth in Section 102 of the Bankruptcy Code, other than Section 102(5) of the Bankruptcy Code, apply to construction of this Plan. For the purposes of construction of this Plan, "or" is disjunctive.

C. Other Terms. The words "herein," "hereof," "hereto," "hereunder," and others of similar import refer to this Plan as a whole and not to any particular section, subsection, or clause contained in this Plan. References herein to "after notice and hearing" or other similar language shall have the same meaning as in Section 102(1) of the Bankruptcy Code. Otherwise, a term used herein that is not specifically defined herein shall have the meaning ascribed to that term, if any, in the Bankruptcy Code.

D. Exhibits and Plan Documents. All Exhibits to this Plan and all Plan Documents are incorporated into this Plan by this reference and are a part of this Plan as if set forth in full herein. Any Plan Documents may be filed with the Clerk of the Bankruptcy Court prior to the commencement of the Confirmation Hearing. Holders of Claims and Interests may obtain a copy of this Plan Documents, once filed, by a written request sent to the following address: Mark J. Petrocchi and Griffith, Jay & Michel, LLP, 2200 Forest Park Blvd., Fort Worth, TX 76110.

ARTICLE II.

CLASSIFICATION OF CLAIMS AND INTERESTS

2.01. The following is a designation of the Classes of Claims and Interests under this Plan. Administrative Expenses, Priority Claims of the kinds specified in Sections 507(a)(2) and 507(a)(3) of the Bankruptcy Code and Priority Tax Claims have not been classified, are excluded from the following Classes in accordance with Section 1123(a)(1) of the Bankruptcy Code, and their treatment is set forth in Article V of this Plan. A Claim shall be deemed classified in a particular Class only to the extent that the Claim qualifies within the description of that Class. A Claim is included in a particular Class only to the extent that the Claim is an Allowed Claim in that Class.

Class 1 – Secured Tax Claims

- Class 2 – CNB Secured Claim
- Class 3 – Equipment Lessor Secured Claims
- Class 4 – Other Secured Claims
- Class 5 – Priority Non-Tax Claims
- Class 6 – General Unsecured Claims
- Class 7 – Equipment Lessor Deficiency Claims
- Class 8 – Interests

ARTICLE III.

IDENTIFICATION OF IMPAIRED CLASSES OF CLAIMS AND INTERESTS

- 3.01. Impaired Classes of Claims and Interests. Every Class in this Plan is impaired.
- 3.02. Impairment or Classification Controversies. If a controversy arises as to the classification of any Claim or Interest, or as to whether any Class of Claims or Interests is impaired under this Plan, the Bankruptcy Court shall determine such controversy as a part of the confirmation process.

ARTICLE IV.

TREATMENT OF UNCLASSIFIED CLAIMS

This ARTICLE IV of this Plan describes the treatment of unclassified Claims.

- 4.01. Administrative Expenses
- a) Treatment. Each holder of an Allowed Administrative Expense shall receive, at the Liquidating Trustee's option, (i) the amount of such holder's Allowed Administrative Expense in one Cash payment on the later of (A) one hundred twenty (120) days after the Effective Date or (B) the tenth (10th) Business Day after such Administrative Expense becomes an Allowed Administrative Expense, (ii) the amount of such holder's Allowed Administrative Expense in accordance with the ordinary business terms of such expense or cost, or (iii) such other treatment as may be agreed to in writing by such Administrative Expense Claimant and the Liquidating Trustee, or as ordered by the Bankruptcy Court.
 - b) Filing and notice. Unless the Bankruptcy Court orders to the contrary or the Liquidating Trustee agrees to the contrary in writing, the holder of a Claim for an Administrative Expense, other than such a claim by a Professional, a liability incurred and paid in the ordinary course of business by the Debtors, or an Allowed Administrative Expense, shall file with the Bankruptcy Court and serve upon the Liquidating Trustee and his counsel a written notice of such Claim for an Administrative Expense within thirty (30) days after the Effective Date. Such notice shall include at a minimum: (i) the name, address, telephone number and fax number (if applicable) of the holder of such Claim, (ii) the amount of such Claim, and (iii) the basis of such Claim (including any documentation evidencing or supporting such Claim). **Failure to timely and properly file and serve such notice shall**

result in such Claim for an Administrative Expense being forever barred, disallowed and discharged without further order of the Bankruptcy Court.

- (c) Allowance. An Administrative Expense, for which a proper notice was filed and served under this Plan, shall become Allowed if no Objection is filed within thirty (30) days of the filing and service of such notice. If a timely Objection is filed, the Administrative Expense shall become Allowed only to the extent Allowed by a Final Order.
- (d) Professionals. The procedures set forth above shall not apply to Professionals, who shall each file and submit a final fee application to the Bankruptcy Court no later than sixty (60) days after the Effective Date. A Claim for Administrative Expense by a Professional in respect of which a final fee application has been properly filed and served shall become an Allowed Administrative Expense Claim only to the extent allowed by Final Order and, if so Allowed, shall be paid in accordance with this Plan. Professional fees and expenses to any Professional incurred on or after the Effective Date may be paid without necessity of application to or order by the Bankruptcy Court but would be subject to terms set forth under the Liquidating Trust Agreement.
- (e) Ordinary Course of Business. There are no known unpaid ordinary course of business expenses. To the extent the Chapter 11 Trustee incurs any ordinary course expense prior to the Effective Date, the the Chapter 11 Trustee may pay such expense prior to the Effective Date and the Liquidating Trustee may pay such expense without an order of this Court. However, the authority of the Chapter 11 Trustee to pay an uncontested ordinary course of business expense shall not be deemed as a waiver of the requirement for any Creditor to timely file a Claim prior to the bar date for asserting an Administrative Expense Claim is set forth in this Section 4.01.

4.02. Priority Tax Claims. Each Holder of an allowed priority tax claim, at the Liquidating Trustee's option, shall receive (a) the amount of such holder's Allowed Claim in one Cash payment on or before the Initial Distribution Date; (b) the amount of such holder's Allowed Claim, in equal annual Cash payments on each anniversary of the Initial Distribution Date with interest thereon at the non-default statutory rate applicable to the tax in question, without penalties, until the last anniversary of the Initial Distribution Date that precedes the fifth (5th) anniversary of the Petition Date; or (c) such other treatment as may be agreed to in writing by the holder of the Priority Tax Claim and the Liquidating Trustee.

4.03. Trustee's Fees. The Liquidating Trustee shall pay the U.S. Trustee's quarterly fees incurred pursuant to 28 U.S.C. § 1930(a)(6). Any fees due as of the Confirmation Date shall be paid in full on the Effective Date. After the Confirmation Date, the Liquidating Trustee shall pay quarterly fees as they accrue until a final decree is entered and the Chapter 11 Cases are closed. The Liquidating Trustee shall file with the Bankruptcy Court and serve on the U.S. Trustee quarterly financial reports for each quarter, or portion thereof, that the Chapter 11 Cases remain open.

ARTICLE V.

TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS

This ARTICLE V of this Plan describes the treatment of classified Claims and Interests..

Class 1 – Secured Tax Claims. Each holder of an Allowed Secured Tax Claim shall receive, at the Liquidating Trustee's option, (a) the amount of such Allowed Secured Tax Claim in one Cash payment on the Initial Distribution Date; (b) substantially equal annual Cash payments, beginning on the Initial Distribution Date, sufficient to amortize the full amount of such Allowed Secured Tax Claim over five (5) years, with interest thereon at the non-default statutory rate applicable to the tax in question, without penalties, accruing from and after the Effective Date on the unpaid principal balance of such Allowed Secured Tax Claim; or (c) such other treatment as may be agreed to in writing by the holder of such Secured Tax Claim and the Liquidating Trustee.

Class 2 – CNB Secured Claim. The holder of the Allowed CNB Secured Claim shall receive, on or as soon as practicable after the Initial Distribution Date, at the Liquidating Trustee's option, either (a) payment in Cash in an amount equivalent to the lesser of (i) the value of such Collateral or (ii) the full amount of such Claim; (b) treatment of such Claim in accordance with Sections 1124(2) or 1129(b)(2) of the Bankruptcy Code; or (c) such other treatment as may be agreed to in writing by the holder of such Claim and the Liquidating Trustee. The Claim of CNB against Frac Specialists, LLC is disputed.

Class 3 – Equipment Lessor Secured Claims. The holder of each Allowed Equipment Lessor Secured Claim shall receive, on or as soon as practicable after the Initial Distribution Date, at the Liquidating Trustee's option, either (a) return of the Collateral securing such Claim in full satisfaction of such Claim; (b) payment in Cash in an amount equivalent to the lesser of (i) the value of such Collateral or (ii) the full amount of such Claim; (c) treatment of such Claim in accordance with Sections 1124(2) or 1129(b)(2) of the Bankruptcy Code; or (d) such other treatment as may be agreed to in writing by the holder of such Claim and the Liquidating Trustee.

Class 4 – Other Secured Claims. The holder of each Allowed Other Secured Claim shall receive, on or as soon as practicable after the Initial Distribution Date, at the Liquidating Trustee's option, either (a) return of the Collateral securing such Claim in full satisfaction of such Claim; (b) payment in Cash in an amount equivalent to the lesser of (i) the value of such Collateral or (ii) the full amount of such Claim; (c) treatment of such Claim in accordance with Sections 1124(2) or 1129(b)(2) of the Bankruptcy Code; or (d) such other treatment as may be agreed to in writing by the holder of such Claim and the Liquidating Trustee.

Class 5 – Priority Non-Tax Claims. Each holder of an Allowed Priority Non-Tax Claim shall receive, at the Liquidating Trustee's, (a) the amount of such holder's Allowed Claim in one Cash payment on or before the Initial Distribution Date; (b) a series of substantially equal monthly payments, beginning on or before the Initial Distribution Date, sufficient to amortize the amount of such Allowed Priority Non-Tax Claim, plus interest accruing at the rate of five percent (5%) per annum as of the Effective Date of this Plan, over a period of five (5) years after the Initial Distribution Date; or (b) such other treatment

as may be agreed upon in writing by the holder of such Priority Non-Tax Claim and the Liquidating Trustee.

Class 6 – General Unsecured Claims. Each holder of an Allowed General Unsecured Claim shall receive a Pro Rata Share of the Net Liquidating Trust Assets, if any, after all Allowed Claims in Classes 1 through 6 are satisfied in accordance with this Plan. Solely for purposes of calculating each such Pro Rata Share, all Allowed Claims in Class 6 and Class 7 shall be considered classified into a single Class. The timing of such distribution(s) of Net Liquidating Trust Assets shall be at the discretion of the Liquidating Trustee except to the extent limited by the express terms of this Plan, the Liquidating Trust Agreement, or applicable law.

Class 7 – Equipment Lessor Deficiency Claims. Each holder of an Allowed Equipment Lessor Deficiency Claim shall receive a Pro Rata Share of the Net Liquidating Trust Assets, if any, after all Allowed Claims in Classes 1 through 6 are satisfied in accordance with this Plan. Solely for purposes of calculating each such Pro Rata Share, all Allowed Claims in Class 6 and Class 7 shall be considered classified into a single Class. The timing of such distribution(s) of Net Liquidating Trust Assets shall be at the discretion of the Liquidating Trustee except to the extent limited by the express terms of this Plan, the Liquidating Trust Agreement, or applicable law.

Class 8 – Interests. All Interests shall be extinguished and shall cease to exist as of the Effective Date. The holders of such Interests shall not receive or retain any property on account of such Interests under this Plan. The Liquidating Trustee shall have full authority to exercise any legal or equitable right of the

ARTICLE VI.

ACCEPTANCE OR REJECTION OF PLAN

6.01. Classes Entitled to Vote. Each impaired Class of Claims is entitled to vote and shall vote separately to accept or reject this Plan. Any unimpaired Class shall not be entitled to vote to accept or reject this Plan. Any unimpaired Class is deemed to have accepted this Plan under Section 1126(f) of the Bankruptcy Code.

6.02. Class Acceptance Requirement. A Class of Claims shall have accepted this Plan if it is accepted by at least two-thirds (2/3) in amount and more than one-half (1/2) in number of the Allowed Claims in such Class that have voted on this Plan.

6.03. Cramdown. This section shall constitute the request by the Chapter 11 Trustee, pursuant to Section 1129(b) of the Bankruptcy Code, that the Bankruptcy Court confirm this Plan notwithstanding the fact that the requirements of Section 1129(a)(8) of the Bankruptcy Code have not been met.

ARTICLE VII.

MEANS FOR IMPLEMENTATION OF THE PLAN -

This ARTICLE VII of this Plan describes the means for implementation of this Plan.

7.01. The Liquidating Trust. The Liquidating Trust is established under this Plan to administer the Claims against and Assets (including Causes of Action) of the Debtors' Estates. There shall be one Liquidating Trust to administer the Claims against and Assets of all three Debtors, but management of the Liquidating Trust Assets and Distributions from the Liquidating Trust shall be consistent with the terms of the Liquidating Trust Agreement. The Liquidating Trust shall exist from and after the Effective Date, with all the powers of a trust under applicable Texas law. Within the limits of applicable law, the Liquidating Trust may be a qualified settlement fund or a grantor trust for tax purposes, as the Liquidating Trustee determines to be in the best interest of Creditors and the Estates. The Liquidating Trustee shall serve as the successor in interest to the Debtors' Estates pursuant to Section 1123(b)(3) of the Bankruptcy Code and, as such, shall have all rights and authority to administer Claims and liquidate and distribute the Liquidating Trust Assets for the benefit of Creditors.

7.02. Appointment and Powers of the Liquidating Trustee. Unless otherwise ordered by the Bankruptcy Court, there shall be one Liquidating Trustee, who shall be appointed on the Effective Date in the Confirmation Order or as established by the Liquidating Trust Agreement.

The Chapter 11 Trustee, Dennis Faulkner, shall act as the Liquidating Trustee.

The Liquidating Trustee will serve from and after the Effective Date for as long as the Liquidating Trust remains in existence, or until a successor is appointed.

Unless expressly required in this Plan, the Liquidating Trustee shall have the authority to take such actions as necessary to implement this Plan without further order or approval from the Bankruptcy Court.

In implementing this Plan, the Liquidating Trustee shall have the authority to exercise the following powers and perform the following acts:

- i. Perfect and secure all rights, titles and interests in and to any and all Liquidating Trust Assets;
- ii. Conserve, protect, collect and liquidate or otherwise convert all Liquidating Trust Assets into Cash;
- iii. Make Distributions to the appropriate beneficiaries as specified in this Plan and the Liquidating Trust Agreement;
- iv. Release, convey, subordinate or assign any right, title or interest in or to the Liquidating Trust Assets, to the extent provided for in this Plan;
- v. Establish and maintain any reserves required under this Plan and the Liquidating Trust Agreement, or such other reserves as the Liquidating Trustee deems necessary or appropriate;
- vi. Consistent with the allocations provided in this Plan, pay and discharge any costs, expenses, fees or obligations deemed necessary to preserve and maximize the value of the Liquidating Trust Assets, and to protect the Liquidating Trust and the Liquidating Trustee from liability;

- vii. Deposit Liquidating Trust funds and draw checks and make Distributions thereof;
- viii. Employ such attorneys, accountants, engineers, agents, tax specialists, other professionals, and clerical assistance as the Liquidating Trustee may deem necessary;
- ix. Pay reasonable fees and expenses of all such professionals of the Liquidating Trust on a monthly basis;
- x. Exercise any and all powers granted the Liquidating Trustee by any agreements or by Texas common law or any statute that serves to increase the extent of the powers granted to the Liquidating Trustee hereunder;
- xi. Take any action required or permitted by this Plan or the Liquidating Trust Agreement;
- xii. Assert claims or Causes of Action in federal or state court or any other tribunal with competent jurisdiction and authority to adjudicate such actions;
- xiii. Settle, compromise or adjust by arbitration, or otherwise, any disputes or controversies in favor or against the Liquidating Trust;
- xiv. Waive or release rights of any kind;
- xv. Appoint, remove and act through agents, managers and employees and confer upon them such power and authority as may be necessary or advisable;
- xvi. Negotiate, renegotiate or enter into any contract or agreements binding the Liquidating Trust, and to execute, acknowledge and deliver any and all investments that are necessary, required or deemed by the Liquidating Trustee to be advisable in connection with the performance of his/her duties;
- xvii. Commence, prosecute, and settle objections to Claims against the Debtors or their Estates; and
- xviii. In general, without in any manner limiting any of the foregoing, deal with the Liquidating Trust Assets or any part or parts thereof in all other ways as would be lawful for any Person owing the same to deal therewith, whether similar to or different from the ways above specified, at any time or times hereafter. In connection with the handling of Liquidating Trust Assets, the Liquidating Trustee shall comply with all provisions of the Internal Revenue Code by, among other things, filing Liquidating Trust tax returns as required by applicable law and by paying any and all taxes incurred by the Liquidating Trust as such taxes come due.

7.03. Future Trust Expenses and Fees. The Liquidating Trustee shall be compensated for services rendered as provided for in the Liquidating Trust Agreement. Professionals

retained by the Liquidating Trustee shall be entitled to reasonable compensation for services rendered and reimbursement of expenses incurred. No Bankruptcy Court approval shall be required for the employment, compensation, or reimbursement of the Liquidating Trustee, or any employees or professionals retained by the Liquidating Trustee.

7.04. Exculpation; Indemnification. The Liquidating Trustee and his or her officers, employees, agents, partners, shareholders, members and representatives, and professionals shall not be personally liable to the Liquidating Trust or any beneficiary except for such of his, her or its own acts as shall constitute fraudulent or willful misconduct or gross negligence. The Liquidating Trustee and his or her officers, employees, agents, partners, shareholders, members, representatives, and professionals shall be and hereby are exculpated by all persons and entities, including, without limitation, beneficiaries and other parties-in-interest, from any and all claims, Causes of Action and other assertions of liability arising out of any act or omission of the Liquidating Trustee, except for claims of fraudulent or willful misconduct or gross negligence. No beneficiary or other party-in-interest will have or be permitted to pursue any claim or cause of action against the Liquidating Trustee or his or her officers, employees, agents, partners, shareholders, members, representatives, and professionals for making payments in accordance with this Plan or the Confirmation Order. Any act taken or not taken by the Liquidating Trustee or his or her officers, employees, agents, partners, shareholders, members, representatives and professionals with the approval of the Bankruptcy Court will be conclusively deemed not to constitute fraudulent or willful misconduct or gross negligence; provided, however, that such approval of the Bankruptcy Court is not subsequently deemed void. Except as aforesaid, the Liquidating Trustee shall be defended, held harmless and indemnified from time to time from the Liquidating Trust Assets against any and all losses, claims, costs, expenses and liabilities (including legal costs and expenses), and any costs of defending any action to which the Liquidating Trustee may be subject by reason of the Liquidating Trustee's execution in good faith of his or her duties under the Liquidating Trust Agreement. The officers, employees, attorneys, agents, and professionals of the Liquidating Trustee may be likewise defended, held harmless and indemnified. The Liquidating Trustee may obtain for his or her benefit and the benefit of his or her officers, agents, attorneys and employees and the benefit of the Liquidating Trust, at the expense of the Liquidating Trust, insurance against claims of liability, damage awards and settlement.

7.05. Retention of Funds Prior to Distribution. The Liquidating Trustee shall collect all funds constituting Liquidating Trust Assets and, pending distribution, shall deposit funds with a federally insured financial institution that has banking services. The Liquidating Trustee will deposit funds so that they are adequately insured. Notwithstanding the foregoing, the Liquidating Trustee may (but is not obligated to) invest all Cash funds received into the Liquidating Trust (including any earnings thereon or proceeds therefrom) in the same manner as chapter 7 trustees are required to invest funds pursuant to the guidelines of the United States Trustee's Office, provided that the Liquidating Trustee shall invest funds held in only demand and time deposits, such as Treasury bills, short-term certificates of deposit in banks or savings institutions, or other temporary, liquid and low-risk investments. The Liquidating Trustee shall hold all such funds until they are distributed pursuant to this Plan to Creditors with Allowed Claims.

7.06. Quarterly Operating Reports. The Liquidating Trustee shall continue to file quarterly operating reports with the Bankruptcy Court as may be required by the United States Trustee after confirmation of this Plan until the Chapter 11 Cases are closed.

7.07. Registry of Beneficial Interests. The Liquidating Trustee shall establish and retain registries of all beneficial interests in the Liquidating Trust, as issued to the holders of Allowed Claims against each Estate. The Liquidating Trustee shall be responsible to maintain and update such registry; *provided, however*, the Liquidating Trustee shall not be obligated to change any Liquidating Trust beneficiary's name or address until receiving written correspondence from the party seeking to change the address for receipt of notices and Distributions, together with the written consent of the party previously owning the Claim or interest, if applicable. The Liquidating Trustee retains the right to request additional information to confirm the name and address of such party before making any modification to the registry.

7.08. Termination of the Liquidating Trust. The Liquidating Trust shall remain and continue in full force and effect until all of the Liquidating Trust Assets have been wholly converted to Cash, abandoned, or assigned, and all costs, expenses, and obligations incurred in administering the Liquidating Trust have been fully paid, and all remaining income and proceeds of the Liquidating Trust Assets have been distributed in payment of Allowed Claims pursuant to the provisions of this Plan; *provided, however*, that upon complete liquidation of the Liquidating Trust Assets and satisfaction as far as possible of all remaining obligations, liabilities and expenses of the Liquidating Trust pursuant to this Plan prior to such date, the Liquidating Trustee may, with approval of the Bankruptcy Court, sooner terminate the Liquidating Trust. On the termination date of the Liquidating Trust, the Liquidating Trustee will execute and deliver any and all documents and instruments reasonably requested to evidence such termination. Upon termination and complete satisfaction of its duties under the Liquidating Trust Agreements, the Liquidating Trustee will be forever discharged and released from all power, duties, responsibilities and liabilities pursuant to the Liquidating Trust other than those attributable to fraud, gross negligence or willful misconduct of the Liquidating Trustee, or the failure of the Liquidating Trustee to pay any taxes.

7.09. Replacement of the Liquidating Trustee. The Liquidating Trustee may resign at any time by giving written notice to the Bankruptcy Court (unless the Chapter 11 Cases have been closed). Upon resignation, the Bankruptcy Court may appoint a successor Liquidating Trustee. After notice to all Creditors and a hearing, the Bankruptcy Court may remove the Liquidating Trustee with or without cause. If the office of the Liquidating Trustee becomes vacant for any reason, any Liquidating Trust interest holder or the Bankruptcy Court *sua sponte* may move for the appointment of a successor Liquidating Trustee. Upon the entry of an order appointing a successor Liquidating Trustee, the resigning Liquidating Trustee shall convey, transfer and set over to such successor Liquidating Trustee by appropriate instrument or instruments all of the Liquidating Trust Assets then un conveyed or otherwise undisposed of and all other assets then in his or her possession under the Liquidating Trust Agreement. Without further act, deed or conveyance, a successor Liquidating Trustee shall be vested with all the rights, privileges, powers and duties of the Liquidating Trustee, except that the successor Liquidating Trustee shall not be liable for the acts or omissions of his or her predecessor(s). Each succeeding Liquidating Trustee may in like manner resign and another may in like manner be appointed in his or her place.

7.10. Liquidating Trust Transactions. On the Effective Date, or as soon as reasonably practicable thereafter, the Liquidating Trustee may take all actions as may be necessary or appropriate to effect any transaction described in, approved by, or contemplated by this Plan, including: (i) the execution and delivery of appropriate agreements, bylaws, resolutions or other documents of liquidation containing terms that are consistent with the terms of this Plan and that satisfy the requirements of applicable law; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of this Plan; and (iii) any other action that the Liquidating Trustee determines is necessary and appropriate.

- a. Each of the matters provided for by this Plan involving the corporate structure of the Debtors or corporate or related actions to be taken by or required of the Liquidating Trustee shall, as of the Effective Date, be deemed to have occurred and be effective as provided in this Plan (except to the extent otherwise indicated), and shall be authorized, approved, and, to the extent taken prior to the Effective Date, ratified in all respects without any requirement of further action by holders of Claims or Interests, members of the Debtors or beneficiaries of the Liquidating Trust, as the case may be, or any other entity.
- b. From and after the Effective Date, the Liquidating Trustee may operate (or liquidate and wind up) 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 this Plan and the Confirmation Order. Without limiting the generality of the foregoing, the Liquidating Trustee may, without application to or approval by the Bankruptcy Court, pay fees that they incur after the Effective Date for professional fees and expenses. Nothing in this provision shall be deemed to prevent the Liquidating Trustee from seeking the Approval of the Bankruptcy Court.

ARTICLE VIII.

PROVISIONS GOVERNING DISTRIBUTIONS

This ARTICLE VIII of this Plan describes the provisions governing distributions under this Plan.

8.01. Initial Distributions. With respect to each Allowed Claim, the Liquidating Trustee shall make the initial Distribution on account of such Claim on or before the Initial Distribution Date for such Claim. All Distributions shall be made in accordance with ARTICLE IV and V of this Plan.

8.02. Means of Payments. Payments made pursuant to this Plan shall be in Cash unless stated otherwise.

8.03. Delivery of Distributions and Time Bar to Payments. Subject to Bankruptcy Rule 9010, Distributions under this Plan shall be made at the address of each holder of an Allowed Claim, as set forth on the proofs of Claim filed by such holders (or at the last known address of such holder as of the Confirmation Date if the Debtor has not been notified in writing of a change of address). If any Distribution on an Allowed Claim is returned as undeliverable, no further Distributions on account of such Claim shall be made unless and until the Liquidating Trustee is notified in writing of the holder of such Claim's then current address, at which time all missed Distributions shall be made to such holder on account of such Claim without interest. Any holder of an Allowed Claim whose Distribution is undeliverable must make demand for such Distribution to the Liquidating Trustee in writing on or before 90 days after the date such undeliverable Distribution was initially made. After such date, the Claim of any holder with respect to such Distribution shall be forever barred. All such unclaimed Distributions shall be deemed "Unclaimed Property" and shall be redistributed by the Liquidating Trustee to holders of Allowed Claims whose Distributions have been deliverable in amounts to which such holders would have been entitled had the barred claim never been Allowed. The Liquidating Trustee and its agents and professionals are under no duty to take any action to either attempt to locate any holder of a Claim, or obtain an executed Internal Revenue Service Form W-9 from any holder of a Claim.

8.04. Withholding and Reporting Requirements. Any federal, state or local withholding taxes or other amounts required to be withheld under applicable law in relation to a Distribution under this Plan shall be deducted from the Distribution and remitted by the Liquidating Trustee to the applicable Taxing Authority(ies). To the extent that this provision affects the holder of a particular Allowed Claim, such holder shall provide to the Liquidating Trustee all such information as the Liquidating Trustee requires in order to comply with such law(s), and no Distribution shall be made to such holder unless and until such information is provided.

8.05. De Minimis Distributions. Notwithstanding any provision of this Plan to the contrary, no distribution of less than twenty-five dollars (\$25.00) must be made from the Liquidation Trust on account of an Allowed Claim, until such time as final Distribution is made.

8.06. Unclaimed Property. Any Distribution that becomes Unclaimed Property shall be retained by the Liquidating Trust free and clear of any claims or restrictions thereon, and any entitlement of any holder of any Claim to such Distributions shall be extinguished and forever barred. Unclaimed Property shall be deposited into a pool for redistribution to other holders of Allowed Claims in the same Class as the intended recipient of the Unclaimed Property.

8.07. Uncashed Checks. Checks issued in respect of Allowed Claims will be **null and void if not negotiated within ninety (90) days** after the date of issuance thereof. In no event shall any funds escheat to a Governmental Unit. Any holder of an Allowed Claim whose Distribution is uncashed must make demand for such Distribution to the Liquidating Trustee in writing on or before 90 days after the date such uncashed Distribution was initially made. After such date, the Claim of any holder with respect to such Distribution shall be forever barred. All such unclaimed Distributions shall be deemed "Unclaimed Property" and shall be redistributed by the Liquidating Trustee to holders of Allowed Claims whose Distributions have been deliverable in amounts to which such holders would have been entitled had the barred claim never been Allowed. The Liquidating Trustee and

its agents and professionals are under no duty to take any action to either attempt to locate any holder of a Claim, or obtain an executed Internal Revenue Service Form W-9 from any holder of a Claim.

8.08. Tax Treatment.

- (a) The Liquidating Trust is created for the primary purpose of collecting, liquidating and distributing the assets transferred to it with no objective to continue or engage in the conduct of a trade or business. The Liquidating Trust is intended to be classified as a "Liquidating Trust" for federal income tax purposes within the meaning of Treasury Regulation § 301.7701-4(d). The Liquidating Trustee shall ascribe valuations to the Liquidating Trust Assets on the date of transfer of such assets to the Liquidating Trust, and such valuations shall be used by the Debtors and the Liquidating Trustee for all federal income tax reporting purposes.
- (b) The transfer of the Liquidating Trust Assets to the Liquidating Trust shall be treated for all purposes of the Internal Revenue Code of 1986, as amended, as a deemed transfer to the Creditors by the Debtors and their estates of any rights that they may have to the Liquidating Trust Assets, followed by a deemed transfer by the Creditors to the Liquidating Trust, thereby establishing their beneficial ownership in the Liquidating Trust and making them beneficiaries of the Liquidating Trust.
- (c) The beneficiaries shall be treated as the grantors and deemed owners of the Liquidating Trust. The Liquidating Trustee shall allocate the Liquidating Trust income for each taxable year among the beneficiaries in accordance with their respective interests in the Liquidating Trust, as determined from time to time by the Liquidating Trustee, and the beneficiaries shall be responsible for any tax liability that results from said income. The Liquidating Trustee shall execute and file tax returns on behalf of the Liquidating Trust as a grantor trust pursuant to Treasury Regulation § 1.671.4(a).
- (d) Each beneficiary shall be required, before any distribution of Liquidating Trust Assets is made to such holder, to provide the Trustee with an executed IRS Form W-9 or such other appropriate taxpayer identification information as will allow the Trustee to file the appropriate tax return on behalf of the Liquidating Trust. If a beneficiary shall fail to provide the Liquidating Trustee with any requested taxpayer identification information within 90 days after a request for this information, this failure shall be deemed a waiver of all claims against the Liquidating Trust, including the right to Distributions, and the funds that would otherwise have been distributed to such holder shall revert to the Liquidating Trust as Unclaimed Property to be redistributed to other beneficiaries who have provided the requested taxpayer identification information, or as otherwise provided under this Plan.

ARTICLE IX.

**PROCEDURES FOR RESOLVING AND TREATING
CONTESTED AND CONTINGENT CLAIMS**

9.01. Objection Deadline. All Objections to Claims shall be served and filed by the Objection Deadline; *provided, however*, the Objection Deadline shall not apply to any

Claim that is not reflected in the claims register, including any alleged informal proofs of Claim. The Liquidating Trustee may seek to extend the Objection Deadline pursuant to a motion filed on or before the then applicable Objection Deadline with respect to any Claim. Any such motion may be granted without notice or a hearing. In the event that the Liquidating Trustee files such a motion and the Bankruptcy Court denies such motion, the Objection Deadline shall nevertheless be automatically extended to that date which is ten (10) Business Days after the date of entry of the Bankruptcy Court's order denying such motion. Any proof of Claim filed more than sixty (60) days after the Effective Date shall be of no force and effect and need not be objected to by the Liquidating Trustee. Nothing contained herein shall limit the rights of the Liquidating Trustee to object to any Claim filed or amended after the Objection Deadline. Nothing in this Plan shall be construed as extending the existing bar date requiring the filing of a Claim or extending a previously ordered time period for asserting an a Claim.

9.02. Responsibility for Objecting to Claims and Settlement of Claims. From and after the Effective Date, the Liquidating Trustee shall have the exclusive right to (i) file, settle, or litigate to Final Order any Objection to any Claim; and (ii) seek to subordinate any Claim. Any Contested Claim may be litigated to Final Order.

From and after the Effective Date, the Liquidating Trustee shall have the exclusive right to settle, compromise, or otherwise resolve any Contested Claim without the necessity of any further notice or approval of the Bankruptcy Court. Bankruptcy Rule 9019 shall not apply to any settlement or compromise of a Contested Claim after the Effective Date. Nothing in this provision shall be deemed to prevent the Liquidating Trustee from seeking the Approval of the Bankruptcy Court.

9.03. Distributions on Account of Contested Claims. No Distribution shall be made on account of a Contested Claim until Allowed. Until such time as a contingent Claim becomes fixed and absolute by a Final Order allowing such Claim, such Claim shall be treated as a Contested Claim for purposes of estimates, allocations, and Distributions under this Plan; provided however, a Final Order shall not be required in connection with any Claim that is not a contingent Claim, or a Claim compromised and settled by the Liquidating Trustee. Any contingent right to contribution or reimbursement shall continue to be subject to Section 502(e) of the Bankruptcy Code.

9.04. No Waiver of Rights to Object. Except as expressly provided in this Plan, nothing contained in the Disclosure Statement, this Plan, or the Confirmation Order shall waive, relinquish, release, or impair the Liquidating Trustee's rights to object to any Claim.

9.05. Rights Under Section 505. The Liquidating Trustee shall retain all rights pursuant to Section 505 of the Bankruptcy Code.

9.06. Liquidating and Allowance of Contested or Disputed Claims. Nothing contained in this Plan, the Disclosure Statement, or the Confirmation Order shall change, waive, or alter any requirement under applicable law that the holder of a Contested Claim must file a timely proof of Claim, and the Claim of any such Creditor who is required to file a proof of Claim and fails to do so shall be discharged and shall receive no Distribution through this Plan. The adjudication and liquidation of Contested Claims is a determination and adjustment of the debtor/creditor relationship, and is, therefore, an exercise of the Bankruptcy Court's equitable power to which the legal right of trial by jury is inapplicable.

The holder of any Contested Claim shall not have a right to trial by jury before the Bankruptcy Court in respect of any such Claim. Exclusive venue for any Contested Claim proceeding shall be in the Bankruptcy Court or a court of competent jurisdiction located in Tarrant County, Texas. Contested Claims shall each be determined separately, except as otherwise ordered by the Bankruptcy Court. Texas Rule of Civil Procedure 42 and Federal Rule of Civil Procedure 23 shall not apply to any Contested Claim proceeding. The Liquidating Trustee shall retain all rights of removal to federal court as to any Contested Claim proceeding.

All Contested Claims shall be liquidated and determined as follows:

- (a) Application of Adversary Proceeding Rules. Unless otherwise ordered by the Bankruptcy Court or provided by the Bankruptcy Rules, any Objection to a Contested Claim shall be treated as a contested matter subject to Bankruptcy Rule 9014. However, any party may move the Bankruptcy Court to apply the rules applicable to adversary proceedings to any Claim Objection. The Liquidating Trustee may, however, at its election, make and pursue any Objection to a Claim in the form of an adversary proceeding.
- (b) Scheduling Order. With respect to an Objection to a Claim treated as a contested matter subject to Bankruptcy Rule 9014, the Liquidating Trustee may request entry of a scheduling order as to each Objection to a Claim. The Liquidating Trustee may tender a proposed scheduling order with each Objection and/or include a request for a scheduling conference for the entry of a scheduling order. Any such scheduling order may include (i) discovery cut-off, (ii) deadlines to amend pleadings, (iii) deadlines for designation of and objections to experts, (iv) deadlines to exchange exhibit and witness lists and for objections to the same, and (v) such other matters as may be appropriate.
- (c) Mediation. The Bankruptcy Court may order the parties to mediate in connection with any Objection to a Claim. The Liquidating Trustee may include a request for mediation in an Objection to a Claim and may request that the Bankruptcy Court require mediation as a part of any scheduling order.

9.07. Offsets and Defenses. The Liquidating Trustee shall be vested with and retain all Estate Claims and Estate Defenses, including without limitation all rights of offset or recoupment and all counterclaims against any Claimant. Assertion of any counterclaim by the Liquidating Trustee against a Claimant shall constitute a “core” proceeding.

9.08. Claims Paid or Reduced Prior to Effective Date. Notwithstanding the contents of the Schedules, Claims listed therein as undisputed, liquidated, and not contingent shall be reduced by the amount, if any, that was paid by the Debtors prior to the Effective Date, including pursuant to orders of the Bankruptcy Court. To the extent such payments are not reflected in the Schedules, such Schedules will be deemed amended and reduced to reflect that such payments were made. Nothing in this Plan shall preclude the Liquidating Trustee from paying any Claim that the Debtors were authorized to pay pursuant to any Final Order entered by the Bankruptcy Court prior to the Confirmation Date.

ARTICLE X.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

10.01. Assumption and Rejection of Executory Contracts. All Executory Contracts of the Debtors shall be deemed rejected by the Debtors upon the Effective Date unless an Executory Contract (i) has been previously assumed or rejected pursuant to an order of the Bankruptcy Court, (ii) is identified in this Plan or the Confirmation Order to be assumed, or (iii) is the subject of a motion to assume filed on or before the Confirmation Date. This Plan shall constitute a motion to reject the Executory Contracts except as stated in this paragraph. However, the Debtors may file a separate motion for the assumption or rejection of any Executory Contract at any time through the Confirmation Date.

10.02. Cure Payments and Release of Liability. All payments that may be required by Section 365(b)(1) of the Bankruptcy Code to satisfy any Cure Claim shall be made by the Liquidating Trustee on the Initial Distribution Date unless other treatment is provided for such Cure Claim hereunder; *provided, however*, in the event of a dispute regarding the amount of any Cure Claim, the cure of any other defaults, the ability of the Liquidating Trustee to provide adequate assurance of future performance, or any other matter pertaining to assumption or assignment of an Executory Contract, the Liquidating Trustee shall make such cure payments and cure such other defaults and provide adequate assurance of future performance, all as may be required by Section 365(b)(1) of the Bankruptcy Code, following the entry of a Final Order by the Bankruptcy Court resolving such dispute.

10.03. Bar to Rejection Claims. Except as otherwise ordered by the Bankruptcy Court, any Rejection Claim based on the rejection of an Executory Contract shall be forever barred and shall not be enforceable against the Liquidating Trustee or the Liquidating Trust Assets unless a proof of Claim is filed with the Bankruptcy Court and served upon the Liquidating Trustee and his counsel by the earlier of thirty (30) days after the Effective Date or thirty (30) days after entry of the Final Order approving rejection of such Executory Contract.

10.04. Rejection Claims. Any Rejection Claim not barred by this Plan shall be classified as a Class 6 General Unsecured Claim subject to the provisions of Section 502(g) of the Bankruptcy Code; *provided, however*, that any Rejection Claim based upon the rejection of an unexpired lease of real property, either prior to the Confirmation Date, upon the entry of the Confirmation Order, or upon the Effective Date, shall be limited in accordance with Section 502(b)(6) of the Bankruptcy Code and state law mitigation requirements. Nothing contained herein shall be deemed an admission by the Debtors or the Liquidating Trustee that such rejection gives rise to or results in a Claim or shall be deemed a waiver by the Liquidating Trustee of any objections to such Claim if asserted.

10.05. Reservation of Rights. Nothing contained in this Plan shall constitute an admission by the Liquidating Trustee that any contract or lease is in fact an Executory Contract or that the Debtors or the Liquidating Trustee have any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Liquidating Trustee shall have thirty (30) days following entry of a Final Order resolving such dispute to alter the treatment of such contract or lease.

ARTICLE XI.

CONDITIONS PRECEDENT TO CONFIRMATION AND EFFECTIVENESS OF PLAN

11.01. Conditions to Confirmation and Effectiveness of Plan. This Plan shall not become effective until the following conditions shall have been satisfied or waived by the Debtors, as determined in their exclusive discretion: (a) the Confirmation Order shall have been entered, in form and substance acceptable to the Debtors; (b) all other conditions precedent have been satisfied to the satisfaction of the Debtors; (c) the Bar Date has passed, and no additional Claims have been filed that, in the sole discretion of the Chapter 11 Trustee, adversely impact this Plan; and (d) a notice of the Effective Date has been filed and thereafter served upon all Creditors and parties in interest. Any or all of the above conditions may be waived at any time by the Chapter 11 Trustee.

ARTICLE XII.

EFFECT OF THE PLAN ON CLAIMS AND INTERESTS

12.01. Compromise and Settlement.

- (a) Pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration of the classification, potential Distributions and other benefits provided under this Plan, the provisions of this Plan shall constitute a good faith compromise and settlement of all Claims, Interests, and controversies resolved pursuant to this Plan, including, without limitation, all Claims arising prior to the Petition Date, whether known or unknown, foreseen or unforeseen, asserted or unasserted, arising out of, relating to, or in connection with the businesses or affairs of, or transactions with, the Debtors. The entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of each of the foregoing compromises or settlements, and all other compromises and settlements provided for in this Plan, and the Bankruptcy Court's findings shall constitute a determination that such compromises and settlements are in the best interests of the Debtors, the Debtors' bankruptcy estates, Creditors, and other parties in interest, and are fair, equitable, and within the range of reasonableness.
- (b) It is not the intent of the Chapter 11 Trustee or the Debtors that confirmation of this Plan shall in any manner alter or amend any settlement and compromise between the Chapter 11 Trustee or the Debtors and any Person that has been previously approved by the Bankruptcy Court (each, a "Prior Settlement"). To the extent of any conflict between the terms of this Plan and the terms of any Prior Settlement, the terms of the Prior Settlement shall control and such Prior Settlement shall be enforceable according to its terms.

12.02. Satisfaction of Claims. The rights afforded in this Plan and the treatment of all Claims and Interests herein shall be in exchange for and in complete satisfaction, discharge, and release of all Claims and Interests of any nature whatsoever against the Debtors, the Debtors' bankruptcy estates, and the Assets. Except as otherwise provided in this Plan, on the Effective Date, all Claims against the Debtors shall be satisfied, discharged, and released in full. Except as otherwise provided in this Plan, all Persons

shall be precluded and forever barred from asserting against the Debtors and their affiliates, successors, assigns, the Debtors' bankruptcy estates, and the Assets any event, occurrence, condition, thing, or other or further Claims or Causes of Action based upon any act, omission, transaction, or other activity of any kind or nature that occurred or came into existence prior to the Effective Date, whether or not the facts of or legal bases therefor were known or existed prior to the Effective Date.

12.03. Discharge. The discharge of the Estates of the Debtors is waived under the terms of this Plan.

12.04. Injunction. On the Effective Date and except as otherwise provided in this Plan, all Persons who have been, are, or may be holders of Claims against or Interests in the Debtors shall be permanently restrained and enjoined from taking any of the following actions against or affecting the Debtors, the Chapter 11 Trustee, the Liquidating Trustee, the Debtors' bankruptcy Estates, the Assets, or their respective assets and property, with respect to such Claims or Interests (other than actions brought to enforce any rights or obligations under this Plan): (a) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind with respect to any such Claim or Interest; (b) enforcing, levying, attaching, collecting, or otherwise recovering by any manner or means, whether directly or indirectly, any judgment, award, decree, or order; (c) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any Lien or encumbrance of any kind; (d) asserting any control over, interest, rights or title in or to any of the Assets except as expressly provided in this Plan; (e) asserting any setoff, right of subrogation or recoupment of any kind against any obligation due the Liquidating Trustee as assignee, except upon order of the Bankruptcy Court; and (f) performing any act, by any manner or means, whether directly or indirectly, in any place whatsoever, that does not conform to or comply with the provisions of this Plan; *provided, however*, that this injunction shall not bar any Creditor from asserting any right granted pursuant to this Plan; and *provided, further*, that each holder of a Contested Claim shall be entitled to enforce its rights under this Plan, including seeking allowance of such Contested Claim pursuant to this Plan.

12.05. Setoffs. Except as otherwise expressly provided in this Plan, pursuant to the Bankruptcy Code (including section 553 of the Bankruptcy Code), applicable nonbankruptcy law, or as may be agreed to by the holder of a Claim, the Liquidating Trustee may set off against any Allowed Claim and the Distributions to be made pursuant to this Plan on account of such Allowed Claim (before such Distribution is made), any claim, right, Estate Claim, or Estate Defense of any nature that the Debtors may hold against the holder of such Allowed Claim, to the extent such claim, right, Estate Claims, or Estate Defense has not been otherwise compromised or settled on or prior to the Effective Date (whether pursuant to this Plan or otherwise); *provided, however*, that neither the failure to effect such a setoff nor the allowance of any Claim or Interest pursuant to this Plan shall constitute a waiver or release by the Debtors of any such claim, right, Estate Claim, or Estate Defense that the Debtors may possess against such Claimant. In no event shall any Creditor or Interest holder be entitled to set off any Claim or Interest against any claim, right, or Estate Claim of the Debtors without the consent of the Liquidating Trustee unless such holder files a motion with the Bankruptcy Court requesting the authority to perform such setoff notwithstanding any indication in any proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of setoff pursuant to section 553 of the Bankruptcy Code or otherwise.

12.06. Recoupment. Except as otherwise expressly provided in this Plan, in no event shall any holder of a Claim or Interest be entitled to recoup any Claim or Interest against any claim, right, account receivable, or Estate Claim of the Debtors or the Liquidating Trustee unless (a) such holder actually provides notice thereof in writing to the Debtors or the Liquidating Trustee of its intent to perform a recoupment; (b) such notice includes the amount to be recouped by the holder of the Claim or Interest and a specific description of the basis for the recoupment; and (c) the Debtors or the Liquidating Trustee have provided a written response to such Claim or Interest holder, stating unequivocally that the Debtors or the Liquidating Trustee consent to the requested recoupment. The Liquidating Trustee shall have the right, but not the obligation, to seek an order of the Bankruptcy Court allowing any or all of the proposed recoupment. In the absence of a written response from the Liquidating Trustee consenting to a recoupment or an order of the Bankruptcy Court authorizing a recoupment, no recoupment by the holder of a Claim or Interest shall be allowed.

12.07. Turnover. On the Effective Date, any rights of the Debtors' bankruptcy Estates to compel turnover of Assets under applicable nonbankruptcy law and pursuant to section 542 or 543 of the Bankruptcy Code shall be deemed transferred to and vested in the Liquidating Trustee.

12.08. Automatic Stay. The automatic stay pursuant to section 362 of the Bankruptcy Code, except as previously modified by the Bankruptcy Court, shall remain in effect until the Effective Date of this Plan as to the Debtors and all Assets. As of the Effective Date, the automatic stay shall be replaced by the injunction described in section 12.04 of this Plan.

ARTICLE XIII.

JURISDICTION OF COURTS AND MODIFICATIONS TO THE PLAN

13.01. Retention of Jurisdiction. Pursuant to sections 1334 and 157 of title 28 of the United States Code, the Bankruptcy Court shall retain exclusive jurisdiction of all matters arising in, arising under, and related to the Chapter 11 Cases and this Plan, for the purposes of sections 105(a) and 1142 of the Bankruptcy Code, and for, among other things, the following purposes:

- (a) To hear and determine any and all Objections to or applications concerning the allowance of Claims or the allowance, classification, priority, compromise, estimation, or payment of any Administrative Expense or Claim;
- (b) To hear and determine any and all applications for payments of fees and expenses from the Debtors' estates made by any Professional pursuant to sections 330 or 503 of the Bankruptcy Code, or for payment of any other fees or expenses authorized to be paid or reimbursed from the Debtors' estates under the Bankruptcy Code, and any and all objections thereto;
- (c) To hear and determine pending applications for the rejection, assumption, or assumption and assignment of Executory Contracts and the allowance of Claims resulting therefrom, and to determine the rights of any party in respect to the assumption or rejection of any Executory Contract;

- (d) To hear and determine any and all adversary proceedings, applications, or contested matters, including any remands;
- (e) To hear and determine all controversies, disputes, and suits which may arise in connection with the execution, interpretation, implementation, consummation, or enforcement of the Plan or in connection with the enforcement of any remedies made available under the Plan, including without limitation, (i) adjudication of all rights, interests or disputes relating to any of the Assets, (ii) the valuation of Collateral, including hearing all Valuation Motions, (iii) the determination of the validity of any Lien or claimed right of offset; and (iv) determinations of Objections to Contested Claims;
- (f) To liquidate and administer any disputed, contingent, or unliquidated Claims, including the allowance of Contested Claims;
- (g) To administer Distributions to holders of Allowed Claims as provided herein;
- (h) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified, or vacated;
- (i) To enable the Chapter 11 Trustee to prosecute any and all proceedings which may be brought to set aside Liens or encumbrances and to recover any transfers, assets, properties or damages to which the Chapter 11 Trustee may be entitled under applicable provisions of the Bankruptcy Code or any other federal, state, or local laws, including Causes of Action, controversies, disputes, and conflicts between the Chapter 11 Trustee and any other party, including but not limited to, any Causes of Action or Objections to Claims, preferences or fraudulent transfers and obligations or equitable subordination.
- (j) To consider any modification of the Plan pursuant to Section 1127 of the Bankruptcy Code, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including without limitation, the Confirmation Order;
- (k) To enforce the discharge and injunction described in the Plan and the Confirmation Order;
- (l) To the extent necessary, to approve the sale after the Effective Date of any of the Assets free and clear of all Liens, claims, and interests by the Chapter 11 Trustee;
- (m) To enter and implement all such orders as may be necessary or appropriate to execute, interpret, implement, consummate, or enforce the terms and conditions of the Plan and the transactions required or contemplated pursuant hereto;
- (n) To hear and determine any other matter not inconsistent with the Bankruptcy Code and title 28 of the United States Code that may arise in connection with or related to the Plan;
- (o) To determine proceedings pursuant to Section 505 of the Bankruptcy Code; and

(p) To enter a final decree closing the Chapter 11 Cases.

13.02. Abstention and Other Courts. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of or relating to the Chapter 11 Cases, the Plan shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

13.03. Nonmaterial Modifications. The Chapter 11 Trustee may, with the approval of the Bankruptcy Court and without notice to all holders of Claims and Interests, correct any defect, omission, or inconsistency in this Plan in such manner and to such extent as may be necessary or desirable. The Chapter 11 Trustee may undertake such nonmaterial modification pursuant to this section insofar as it does not adversely change the treatment of the Claim of any Creditor or the Interest of any Interest holder who has not accepted in writing the modification.

13.04. Material Modifications. Modifications of this Plan may be proposed in writing by the Chapter 11 Trustee at any time before the Confirmation Date, provided that this Plan, as modified, meets the requirements of Sections 1122 and 1123 of the Bankruptcy Code, and the Debtors shall have complied with Section 1125 of the Bankruptcy Code. This Plan may be modified at any time after the Confirmation Date and before Substantial Consummation, provided that this Plan, as modified, meets the requirements of Sections 1122 and 1123 of the Bankruptcy Code, and the Bankruptcy Court, after notice and a hearing, confirms this Plan, as modified, under Section 1129 of the Bankruptcy Code, and the circumstances warrant such modification. A holder of a Claim or Interest that has accepted or rejected this Plan shall be deemed to have accepted or rejected, as the case may be, this Plan as modified, unless, within the time fixed by the Bankruptcy Court, such holder changes its previous acceptance or rejection.

13.05. Revocation. The Chapter 11 Trustee reserves the right to revoke or withdraw this Plan prior to the Confirmation Date in accordance with the provisions of the Bankruptcy Code. If this Plan is revoked or withdrawn, or for any other reason not confirmed, nothing contained in this Plan shall be deemed to constitute a waiver or release of any Claim by or against the Debtors or any other Person or to prejudice in any manner the right of the Debtors or any other Person in any further proceedings involving the Debtors.

13.06. Effect of Withdrawal or Revocation. If the Chapter 11 Trustee revokes or withdraws this Plan, or if the conditions to the Effective Date do not occur within sixty (60) days after the Confirmation Date, then this Plan shall be deemed null and void and shall not be binding on the Debtors or any other Person.

ARTICLE XIV.

MISCELLANEOUS PROVISIONS

14.01. Severability. Should the Bankruptcy Court determine that any provision of this Plan is unenforceable either on its face or as applied to any Claim or Interest or transaction, the Liquidating Trustee may modify this Plan so that such provision shall not be applicable to the holder of any Claim or Interest. Such a determination of unenforceability shall not

(a) limit or affect the enforceability and operative effect of any other provision of this Plan or (b) require the resolicitation of any acceptance or rejection of this Plan.

14.02. Oral Agreements; Modification of Plan; Oral Representations or Inducements. The terms of this Plan, the Disclosure Statement, and the Confirmation Order may not be changed, contradicted, or varied by any oral statement, agreement, warranty, or representation. This Plan may only be modified, amended, or supplemented in writing signed by the Chapter 11 Trustee or Liquidating Trustee with appropriate authority. Neither the Debtors nor their attorneys have made any representation, warranty, promise, or inducement relating to this Plan or its confirmation except as expressly set forth in this Plan, the Disclosure Statement, or the Confirmation Order or other order of the Bankruptcy Court.

14.03. Waiver. Neither the Chapter 11 Trustee or the Liquidating Trustee shall be deemed to have waived any right, power, or privilege pursuant to this Plan unless the waiver is in writing and signed by the Chapter 11 Trustee or the Liquidating Trustee. There shall be no waiver by implication, course of conduct or dealing, or through any delay or inaction by the Chapter 11 Trustee or the Liquidating Trustee, of any right pursuant to this Plan, including the provisions of this anti-waiver section. The waiver of any right under this Plan shall not act as a waiver of any other or subsequent right, power, or privilege.

14.04. Construction. This Plan shall control over any inconsistent term of the Disclosure Statement or this Plan Documents. The Confirmation Order shall control over any inconsistent provision of this Plan, the Disclosure Statement, or this Plan Documents.

14.05. Notice. Any notice or communication required or permitted by this Plan shall be given, made, or sent as follows:

If to a Creditor, notice may be given as follows: (i) if the Creditor has filed no proof of Claim, then to the address reflected in the Schedules, or (ii) if the Creditor has filed a proof of Claim, then to address reflected in the proof of claim.

If to the Chapter 11 Trustee or the Liquidating Trustee, notice shall be sent to the following address:

Dennis Faulkner
400 N. Saint Paul, Suite 600
Dallas, TX 75201

Concurrently with service of such notice on the Chapter 11 Trustee and/or the Liquidating Trustee, a copy thereof shall be served in the same manner on the following legal counsel:

Mark J. Petrocchi
State Bar No. 15851750
GRIFFITH, JAY & MICHEL, LLP
2200 Forest Park Blvd.
Fort Worth, TX 76110

Any Creditor desiring to change its address for the purpose of notice may do so by giving notice to the Liquidating Trustee of its new address in accordance with the terms of this section.

Any notice given, made, or sent as set forth above shall be effective upon being (i) deposited in the United States Mail, postage prepaid, addressed to the addressee at the address as set forth above; (ii) delivered by hand or messenger to the addressee at the address set forth above; (iii) telecopied to the addressee as set forth above, with a hard confirmation copy being immediately sent through the United States Mail; or (iv) delivered for transmission to an expedited or overnight delivery service such as FedEx.

14.06. Compliance with All Applicable Laws. If notified by any governmental authority that it is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to its business, the Liquidating Trustee shall comply with such law, rule, regulation, or order; provided, however, that nothing contained herein shall require such compliance if the legality or applicability of any such requirement is being contested in good faith in appropriate proceedings and, if appropriate, an adequate reserve has been set aside on the books of the Liquidating Trust.

14.07. Duties to Creditors. No agent, representative, accountant, financial advisor, attorney, shareholder, officer, affiliate, member or employee of the Debtors, Chapter 11 Trustee or Liquidating Trustee shall ever owe any duty to any Person (including any Creditor) other than the duties owed to the Debtors' bankruptcy Estates, for any act, omission, or event in connection with, or arising out of, or relating to, any of the following: (a) the Chapter 11 Cases, including all matters or actions in connection with or relating to the administration of the Estates, (b) this Plan, including the proposal, negotiation, confirmation, and consummation of this Plan, or (c) any act or omission relating to the administration of this Plan after the Effective Date.

14.08. Binding Effect. This Plan shall be binding upon, and shall inure to the benefit of, the Liquidating Trustee, the holders of the Claims or Liens, the holders of Interests, and their respective successors in interest and assigns.

14.09. Governing Law, Interpretation. Unless a rule of law or procedure supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) is applicable, the internal laws of the State of Texas shall govern the construction and implementation of this Plan and any Plan Documents without regard to conflicts of law.

14.10. Payment of Statutory Fees. All fees payable pursuant to Section 1930 of title 28 of the United States Code shall be paid on or before the Effective Date, and thereafter shall be paid by the Liquidating Trustee as such statutory fees become due.

14.11. Filing of Additional Documents. On or before Substantial Consummation of this Plan, the Chapter 11 Trustee may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of this Plan.

14.12. Computation of Time. If the final day for any Distribution, performance, act, or event under this Plan is not a Business Day, then the time for making or performing such Distribution, performance, act or event shall be extended to the next Business Day. Any

payment or Distribution required to be made hereunder on a day other than a Business Day shall be due and payable on the next succeeding Business Day.

14.13. Elections by the Liquidating Trustee. Any right of election or choice granted to the Liquidating Trustee under this Plan may be exercised, at the Liquidating Trustee's election, separately as to each Claim, Creditor, or Person.

14.14. Release of Liens. Except as otherwise provided in this Plan or the Confirmation Order, all Liens against any of the Assets shall be deemed to be released, terminated, and nullified.

14.15. Rates. This Plan does not provide for the change of any rate that is within the jurisdiction of any governmental regulatory commission after the occurrence of the Effective Date.

14.16. Retiree Benefits. To the extent that the Debtors provide any retiree benefits that are subject to Section 1129(a)(13) of the Bankruptcy Code, such retiree benefits shall continue to be provided by the Liquidating Trustee from and after the Effective Date for the period the Debtors are obligated to provide such benefits. No such benefits have been identified at this time.

14.17. Compliance with Tax Requirements. In connection with this Plan, the Liquidating Trustee shall comply with all withholding and reporting requirements imposed by federal, state, and local Taxing Authorities, and all Distributions under this Plan shall be subject to such withholding and reporting requirements. Notwithstanding the above, each holder of an Allowed Claim or Interest that is to receive a Distribution under this Plan shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding, and other tax obligations, on account of such Distribution under this Plan.

14.18. Notice of Entry of Confirmation Order. Promptly after entry of the Confirmation Order, the Chapter 11 Trustee or, as applicable, the Liquidating Trustee, as directed by the Bankruptcy Court, shall serve on all known parties in interest and holders of Claims and Interests, notice of entry of the Confirmation Order.

14.19. Notice of Occurrence of the Effective Date. Promptly after occurrence of the Effective Date, the Liquidating Trustee, as directed by the Bankruptcy Court, shall serve on all known parties in interest and holders of Claims and Interests, notice of the occurrence of the Effective Date.

14.20. Interest and Attorney's Fees. Interest accrued after the Petition Date will accrue and be paid on Allowed Claims only to the extent specifically provided for in this Plan, the Confirmation Order, or as otherwise required by the Bankruptcy Court or by applicable law.

Except as set forth in this Plan or as ordered by the Bankruptcy Court, no award or reimbursement of attorney's fees or related expenses or disbursements shall be allowed on, or in connection with, any Claim.

14.21. **No Admissions. As to contested matters, adversary proceedings, and other Causes of Action or threatened Causes of Action, this Plan shall not constitute or**

be construed as an admission by the Chapter 11 Trustee, the Debtors or the Liquidating Trustee of any fact or liability, stipulation, or waiver, but shall constitute and be construed as a statement made in settlement negotiations. This Plan shall not be construed to be conclusive advice on the tax, securities, and other legal effects of this Plan as to holders of Claims against, or Interests in, the Debtors or their affiliates, as debtors and in the Chapter 11 Cases.

Dated: December 21, 2016.

Respectfully submitted,

TRUSTEE FOR FRAC SPECIALISTS, LLC,
CEMENT SPECIALISTS, LLC and
ACID SPECIALISTS, LLC

By: /s/ Dennis Faulkner
DENNIS FAULKNER, CHAPTER 11 TRUSTEE

APPROVED:

By:/s/Mark J. Petrocchi
Mark J. Petrocchi
State Bar No. 15851750
GRIFFITH, JAY & MICHEL, LLP
2200 Forest Park Blvd.
Fort Worth, TX 76110
Phone (817) 926-2500
Fax (817) 926-2505
mpetrocchi@lawgjm.com
COUNSEL FOR
DENNIS FAULKNER,
CHAPTER 11 TRUSTEE

EXHIBIT B

ENTITIES AGAINST WHOM THE DEBTORS MAY HAVE CAUSES OF ACTION.

**Exhibit B
 Entities and Individuals Against Whom the Debtors
 May Have Causes of Action**

Num	Vendor Name
1	3N OILFIELD SERVICES, LLC
2	AMERICAN TRUCK & EQUIPMENT
3	AMERIPRIDE
4	ASK INDUSTRIES, INC.
5	BALCH & BINGHAM
6	BANK DIRECT
7	BASIN EQUIPMENT, INC.
8	BETTICO, INC.
9	BILL WILLIAMS TIRE CENTER
10	B-LINE FILTER & SUPPLY INC
11	BLUE CROSS BLUE SHIELD OF TEXAS - Health Insurance
12	BUZZI UNICEM USA - CEMENT
13	CACTUS SIGN
14	CADRE PROPPANTS
15	CAPITAL ONE
16	CARD SERVICE CENTER
17	CARD SERVICE CENTER-URIAS
18	CATALYST OILFIELD SERVICES
19	CEMEX
20	CHEMPLEX
21	CHEMPLEX SOLVAY GROUP
22	CHRISTOVAL PONY EXPRESS
23	CIT FINANCE, LLC
24	CNR CHEMICAL DIVISION, INC.
25	COMMUNITY NATIONAL BANK
26	COOPER NATURAL RESOURCES
27	CTI FREIGHT SYSTEMS, INC.
28	CUSTOM CHEMICAL SERVICES, LLC
29	DALLAS COWBOYS TICKET OFFICE
30	DIAMOND BRAKE AND ALIGNMENT
31	DIAMOND FLEET PARTS
32	DOUBLE T OILFIELD SERIVE LLC
33	DRAGON PRODUCTS, LTD
34	DRL TRANSPORT
35	DULCES URIAS
36	ECONOMY POLYMERS & CHEMICALS
37	EH NATIONAL BANK
38	ENERGY & ENVIRONMENTAL SERVICES
39	EQUIPMENT PERFORMANCE MANAGEMENT, INC.
40	FIRST NATIONAL BANK
41	FLEETPRIDE
42	FNC
43	FORES N.A. LIMITED
44	FORSHEY & PROSTOK, LLP
45	FORUM FLOW EQUIPMENT
46	FRANCHISE TAX
47	FRANK DEDON ELECTRIC
48	FSTI, INC.

**Exhibit B
 Entities and Individuals Against Whom the Debtors
 May Have Causes of Action**

Num	Vendor Name
49	G & A FABRICATION
50	GARMUZ EXPRESS INC
51	GDL INDUSTRIAL ELECTRONICS
52	GERARDO BELLOC
53	GLOBAL SATELLITE SOLUTIONS
54	GRAND SERVICES
55	GUARDIAN - Employee Benefits
56	HAVANA TRUCKING, LLC
57	HRA SERVICE
58	INTERSTATE BATTERIES
59	IV KINGS
60	J.J. KELLER & ASSOCIATES INC
61	JALISCO'S TO GO!
62	JAVIER URIAS
63	JOE E ARGUELLO JR
64	JOHN NOBLE
65	JUAN HINOJOS
66	KENDRICK OIL CO.
67	KEYSTONE OILFIELD FABRICATION LLC
68	L & W DIESEL SERVICE, INC.
69	L&O XTREME HAULING, LLC
70	LAFARGE NORTH AMERICA INC
71	LANSING TRADE GROUP, LLC
72	LARRY NOBLE
73	LONE STAR SAFETY & SUPPLY
74	LONESTAR USA SAFETY & TRAINING LLC
75	LOZOYA CONSTRUCTION
76	LUCKY-7 EXPRESS
77	MAYRA A NAVARRETE
78	MIDAMERICA TRANSPORTATION SERVICES, INC.
79	MIDLAND CENTRAL APPRAISAL DISTRICT - Taxes
80	MIDWEST HOSE & SPECIALTY
81	MOMENTIVE
82	MONTGOMERY COSCIA GREILICH LLP
83	MUDSMITH
84	NATIONAL OILWELL VARCO MISSION PRODUCTS
85	NEXT TRUCKING LLC
86	NOBLE NATURAL RESOURCES LLC
87	NOBLE OPERATING
88	O & S TRUCKING
89	OAKLEY SAND, LLC
90	OILFIELD TRANSPORT SERVICE ENTERPRISES
91	P3 EXPRESS LLC
92	PEL-STATE SERVICES
93	PENTAGON FREIGHT SERVICES
94	PEOPLE'S CAPITAL AND LEASING
95	PERMIAN MACHINERY MOVERS, INC.

Exhibit B
Entities and Individuals Against Whom the Debtors
May Have Causes of Action

Num	Vendor Name
96	PETRO COMMUNICATIONS
97	POST EQUIPMENT
98	PRECISION HYDRAULIC
99	PREFERRED SANDS
100	R & M FLEET SERVICES
101	REAGENT CHEMICAL & RESEARCH, INC
102	REED FIBERGLASS INC.
103	ROBERT'S INTERNATIONAL
104	ROBERTS TRUCK CENTER
105	ROCK WATER ENERGY SOLUTIONS
106	ROUGHNECK EQUIPMENT
107	SAFETY TRAINERS R' US
108	SAM'S TRUCKING LLC
109	SANFORD & TATUM INSURANCE - Insurance Premiums
110	SANTROL
111	SASOL CHEMICALS NORTH AMERICA, LLC
112	SEI INDUSTRIES
113	SERVA GROUP LLC
114	SHOWER TRAILERS PLUS
115	SOIL MENDER PRODUCTS, LP
116	STATE COMPTROLLER - Taxes
117	STING SERVICE
118	SUMMIT FUNDING GROUP
119	SUN COAST RESOURCES, INC.
120	SUN DRILLING PRODUCTS CORP.
121	SUPER POLLO
122	SYLVIA ADAME
123	T & T TRANSPORTS INC.
124	TANMAR RENTALS, LLC
125	TEXAS COMPTROLLER
126	TEXAS COMPTROLLER WELL SERVICING - Taxes
127	TEXAS MUTUAL INSURANCE - Insurance Premiums
128	TEXAS RIG EQUIPMENT, LLC
129	THE INDEPENDENT BANKERS BANK
130	THERMAL SCIENTIFIC INC.
131	THOMAS PETROLEUM
132	TOMMY WHITE SUPPLY
133	TRINITY RESERVE, INC
134	TRUX-N-PARTS INC
135	TSI FLOW PRODUCTS
136	TXU ENERGY
137	UNIMIN CORPORATION
138	V.P. SALES & COMPANY, L.P.
139	VAN ZANDT SUPPLY DBA VZ ENVIRONMENTAL
140	VERIZON WIRELESS
141	VICTOR URIAS
142	VIKING SOLUTIONS
143	WADECO SPECIALTIES, LLC
144	WELLS FARGO BANK, N.A.
145	WEST TEXAS TRUCK CENTER
146	WESTERN PETROLEUM LLC

Note 1: This is a combined list for all three Debtors. Entities and individuals may have received payments from one debtor and / or multiple debtors.