

THIS PROPOSED DISCLOSURE STATEMENT HAS NOT BEEN APPROVED UNDER SECTION 1125(b) OF THE BANKRUPTCY CODE BY THE BANKRUPTCY COURT AS CONTAINING ADEQUATE INFORMATION FOR USE IN CONNECTION WITH THE SOLICITATION OF ACCEPTANCES OR REJECTIONS OF THE PLAN OF REORGANIZATION DESCRIBED HEREIN. ACCORDINGLY, THE FILING AND DISSEMINATION OF THIS PROPOSED DISCLOSURE STATEMENT ARE NOT INTENDED AND SHOULD NOT IN ANY WAY BE CONSTRUED AS A SOLICITATION OF VOTES ON THE PLAN, NOR SHOULD THE INFORMATION CONTAINED HEREIN BE RELIED UPON FOR ANY PURPOSE BEFORE A DETERMINATION BY THE BANKRUPTCY COURT THAT THE PROPOSED DISCLOSURE STATEMENT CONTAINS ADEQUATE INFORMATION.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

**IN RE: § (Chapter 11)
§
PETROLEUM PRODUCTS & § CASE NO. 16-31201-H1-11
SERVICES, INC. §
§
Debtor. § Judge Marvin Isgur
§**

**[PROPOSED] DISCLOSURE STATEMENT UNDER
11 U.S.C. § 1125 AND BANKRUPTCY RULE 3016 IN
SUPPORT OF PLAN OF REORGANIZATION OF DEBTOR**

THIS DISCLOSURE STATEMENT IS SUBMITTED TO ALL CREDITORS OF THE DEBTOR ENTITLED TO VOTE ON THE PLAN OF REORGANIZATION HEREIN DESCRIBED AND CONTAINS INFORMATION THAT MAY AFFECT YOUR DECISION TO ACCEPT OR REJECT THE DEBTOR'S PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE. THIS DISCLOSURE STATEMENT IS INTENDED TO PROVIDE ADEQUATE INFORMATION AS REQUIRED BY THE BANKRUPTCY CODE AS TO THE DEBTOR'S PLAN OF REORGANIZATION. ALL CREDITORS ARE URGED TO READ THE DISCLOSURE STATEMENT AND ATTACHMENTS WITH CARE AND IN THEIR ENTIRETY.

ON _____, THE BANKRUPTCY COURT APPROVED THIS DISCLOSURE STATEMENT AS CONTAINING ADEQUATE INFORMATION UNDER SECTION 1125(b) OF THE BANKRUPTCY CODE. SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN OF REORGANIZATION HEREIN DESCRIBED AND ATTACHED AS EXHIBIT A, IS BEING SOUGHT FROM CREDITORS WHOSE CLAIMS AGAINST THE DEBTOR ARE IMPAIRED UNDER THE PLAN OF REORGANIZATION. CREDITORS ENTITLED TO VOTE ON THE PLAN OF REORGANIZATION ARE URGED TO VOTE IN FAVOR OF THE PLAN AND TO RETURN THE BALLOT INCLUDED WITH THIS DISCLOSURE STATEMENT 2UPON COMPLETION IN THE ENVELOPE ADDRESSED TO HOOVER SLOVACEK LLP., ATTENTION: EDWARD L. ROTHBERG, 5051 WESTHEIMER, SUITE 1200, HOUSTON, TEXAS 77056, NOT LATER THAN _____, AT _:_._. _____M. HOUSTON TIME.

DISCLOSURE STATEMENT

PETROLEUM PRODUCTS & SERVICES, INC. dba Wellhead Distributors International, debtor and debtor-in-possession herein (the "Debtor" or "WDi"), submits this Disclosure Statement ("Disclosure Statement") under section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016 in Support of Plan of Reorganization to all of its known Creditors.

I. INTRODUCTORY STATEMENT

Debtor submits this Disclosure Statement Under 11 U.S.C. § 1125 in support of its Chapter 11 Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code (the "Disclosure Statement") in connection with its solicitation of acceptances of the Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code filed by the Debtor (the "Plan"). A copy of the Plan is attached as Exhibit A for your review. All terms used in this Disclosure Statement but not otherwise defined herein have the meanings ascribed to such terms in the Plan.

The Debtor filed a petition under Chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of Texas, Houston Division, on March 4, 2016 and has retained Edward L. Rothberg and Hoover Slovacek LLP as its current bankruptcy counsel. The Debtor has prepared this Disclosure Statement to disclose that information which, in its opinion, is material, important, and necessary to an evaluation of the Plan. Pursuant to the terms of the United States Bankruptcy Code, this Disclosure Statement must be presented to and approved by the Bankruptcy Court. Such approval is that required by statute and does not constitute a judgment by the Court as to the desirability of the Plan or as to the value or suitability of any consideration offered thereby.

The material herein contained is intended solely for the use of known creditors and interest holders of the Debtor, and may not be relied upon for any purpose other than a determination by them of how to vote on the Plan. As to Contested Matters, Adversary Proceedings and other actions or threatened actions, this disclosure statement shall not constitute or be construed as an admission of any fact or liability, stipulation or waiver, but rather as a statement made in settlement negotiations under Rule 408 of the Federal Rules of Evidence. This disclosure statement shall not be admissible in any non-bankruptcy proceeding nor shall it be construed as to be advice on the tax, securities or other legal effects of the plan as to the holders of claims against or equity interests in the Debtor.

To ensure compliance with Treasury department circular 230, each holder of a claim or interest is hereby notified that: (a) any discussion of U.S. Federal Tax issues in this disclosure statement is not intended or written to be relied upon, and cannot be relied upon, by any holder for the purpose of avoiding penalties that may be imposed upon a holder under the Tax Code; (b) such discussion is included hereby by the Debtor in connection with the promotion or marketing (within the meaning of Circular 230) by the Debtor of the transactions or matters addressed herein; and (c) each holder should seek advice based upon its particular circumstances from an independent tax advisor.

Certain of the materials contained in this Disclosure Statement are taken directly from other, readily accessible instruments or are digests of other instruments. While the Debtor has made every effort to retain the meaning of such other instruments or the portions transposed, it urges that any reliance on the contents of such other instruments should depend on a thorough review of the instruments themselves.

No representations concerning the Debtor or the Plan are authorized other than those that are set forth in this Disclosure Statement. Any representations or inducements made by any person to secure your vote which are other than those contained herein should not be relied upon, and such representations or inducements should be reported to counsel for the Debtor who shall deliver such information to the Bankruptcy Court. Finally, all terms not otherwise defined in this Disclosure Statement shall have the meanings assigned to them under the Plan.

Creditors should read this Disclosure Statement in its entirety prior to voting on the Plan. No solicitation of votes on the Plan may be made, except pursuant to this Disclosure Statement and Section 1125 of the Bankruptcy Code. No other party has been authorized to utilize any information concerning the Debtor or its affairs, other than the information contained in this Disclosure Statement, to solicit votes on the Plan. Creditors and holders of equity interest should not rely on any information relating to the Debtor, other than that contained in this Disclosure Statement and the exhibits attached hereto.

EXCEPT AS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE ATTACHMENTS, NO REPRESENTATIONS CONCERNING THE DEBTOR, THE ASSETS, THE PAST OPERATIONS OF THE DEBTOR, OR THE PLAN ARE AUTHORIZED, NOR ARE ANY SUCH REPRESENTATIONS TO BE RELIED UPON IN ARRIVING AT A DECISION WITH RESPECT TO THE PLAN. ANY REPRESENTATIONS MADE TO SECURE ACCEPTANCE OR REJECTION OF THE PLAN OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR.

EXCEPT AS SPECIFICALLY NOTED, THERE HAS BEEN NO INDEPENDENT AUDIT OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. THE DEBTOR IS NOT ABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY. THE FACTUAL INFORMATION REGARDING THE DEBTOR, INCLUDING THE ASSETS AND LIABILITIES OF THE DEBTOR, HAS BEEN DERIVED FROM NUMEROUS SOURCES, INCLUDING, BUT NOT LIMITED TO, DEBTOR'S BOOKS AND RECORDS, SCHEDULES AND DOCUMENTS SPECIFICALLY IDENTIFIED HEREIN.

THE DEBTOR ALSO COMPILED THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT FROM RECORDS AVAILABLE TO IT, INCLUDING, BUT NOT LIMITED TO, PLEADINGS AND REPORTS ON FILE WITH THE BANKRUPTCY COURT, LOAN AGREEMENTS AND BUSINESS RECORDS.

THE APPROVAL BY THE BANKRUPTCY COURT OF THE DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE

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BANKRUPTCY COURT OF THE PLAN OR A GUARANTY OF THE ACCURACY AND COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION, NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN.

NEITHER THE DEBTOR NOR COUNSEL FOR THE DEBTOR CAN WARRANT NOR REPRESENT THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS WITHOUT INACCURACIES. NEITHER THE DEBTOR NOR ITS COUNSEL HAS VERIFIED THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT, ALTHOUGH THEY DO NOT HAVE ACTUAL KNOWLEDGE OF ANY INACCURACIES.

IF THE REQUISITE VOTE IS ACHIEVED FOR EACH CLASS OF IMPAIRED CLAIMS, THE PLAN IS SUBSEQUENTLY CONFIRMED BY THE BANKRUPTCY COURT AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS AGAINST THE DEBTOR (INCLUDING, WITHOUT LIMITATION, THOSE HOLDERS OF CLAIMS WHO DO NOT SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN), WILL BE BOUND BY THE TERMS OF THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

II. VOTING PROCEDURES

Any creditor of the Debtor whose claim is IMPAIRED under the Plan is entitled to vote, if either (1) the claim has been scheduled by the Debtor and such claim is not scheduled as disputed, contingent or unliquidated, or (2) the creditor has filed a proof of claim on or before the last date set by the Bankruptcy Court for such filings, *provided, however*, any claim as to which an objection has been filed (and such objection is still pending) is not entitled to vote, unless the Bankruptcy Court temporarily allows the creditor to vote upon motion by the creditor. Such motion must be heard and determined by the Bankruptcy Court prior to the date established by the Bankruptcy Court to confirm the Plan. In addition, a creditor's vote may be disregarded if the Bankruptcy Court determines that the creditor's acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

Holders of impaired claims who are entitled to vote and fail to do so will not be counted as either accepting or rejecting the Plan. Nevertheless, if the requisite vote is achieved for your class of impaired claims, you will be bound by the terms of the Plan.

A ballot to be used for voting to accept or reject the Plan is enclosed with this Disclosure Statement and mailed to creditors entitled to vote. A creditor must (1) carefully review the ballot and the instructions thereon, (2) execute the ballot, and (3) return it to the address indicated thereon by the deadline to enable the ballot to be considered for voting proposes.

**THE DEADLINE FOR RETURNING YOUR BALLOT
IS _____ .M. CENTRAL TIME ON _____, 2016**

(THE "VOTING DEADLINE").

After completion of the ballot, creditors should return the executed ballot in the self-addressed envelope to:

**PETROLEUM PRODUCTS & SERVICES, INC.
dba Wellhead Distributors International.
c/o EDWARD L. ROTHBERG/KATHY MAYLE
HOOVER SLOVACEK LLP
5051 WESTHEIMER, SUITE 1200
HOUSTON, TX 77056**

VOTING INFORMATION AND INSTRUCTION FOR COMPLETING THE BALLOT:

FOR YOUR VOTE TO BE COUNTED YOU MUST COMPLETE THE BALLOT, INDICATE ACCEPTANCE OR REJECTION OF THE PLAN IN THE BOXES INDICATED ON THE BALLOT AND SIGN AND RETURN THE BALLOT TO THE ADDRESS SET FORTH ON THE PRE-ADDRESSED ENVELOPE. IF A BALLOT IS RECEIVED AFTER THE VOTING DEADLINE, IT WILL NOT BE COUNTED.

IF YOU HOLD CLAIMS IN MORE THAN ONE CLASS UNDER THE PLAN, YOU MAY RECEIVE MORE THAN ONE BALLOT. EACH BALLOT YOU RECEIVE VOTES ONLY YOUR CLAIMS FOR THAT CLASS. PLEASE COMPLETE AND RETURN EACH BALLOT YOU RECEIVE. YOU MUST VOTE ALL OF YOUR CLAIMS WITHIN A SINGLE CLASS UNDER THE PLAN TO EITHER ACCEPT OR REJECT THE PLAN. ACCORDINGLY, A BALLOT (OR MULTIPLE BALLOTS WITH RESPECT TO MULTIPLE CLAIMS WITHIN A SINGLE CLASS) THAT PARTIALLY REJECTS AND PARTIALLY ACCEPTS THE PLAN WILL NOT BE COUNTED.

THE BALLOT IS FOR VOTING PURPOSES ONLY AND DOES NOT CONSTITUTE AND SHALL NOT BE DEEMED A PROOF OF CLAIM OR INTEREST OR AN ASSERTION OF A CLAIM.

III. IMPAIRMENT OF CLAIMS

A class is "impaired" if the legal, equitable or contractual rights attaching to the claims or interest of that class are modified under a plan. Modification for purposes of determining impairment however, does not include curing defaults and reinstating maturity or cash payment in full. Classes of claims or interests that are not "impaired" under a plan are conclusively presumed to have accepted the plan and are thus not entitled to vote. Classes of claims or interests receiving no distribution under a plan are conclusively presumed to have rejected the plan and thus are not entitled to vote. Acceptances of the Plan are being solicited only from those persons who hold claims in an impaired class entitled to receive a distribution under the Plan.

Under Section 1124 of the Bankruptcy Code, a class of claims or interests is impaired under a plan, unless, with respect to each claim or interest of such class, the plan:

1. Leaves unaltered the legal, equitable, and contractual rights of the holder of such claim or interest; or

2. Notwithstanding any contractual provision or applicable law that entitles the holder of a claim or interest to receive accelerated payment of its claim or interest after the occurrence of a default:

(a) Cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in Section 365(b)(2) of the Bankruptcy Code;

(b) Reinstates the maturity of such claim or interest as it existed before the default;

(c) Compensates the holder of such claim or interest for damages incurred as a result of reasonable reliance on such contractual provision or applicable law; and

(d) Does not otherwise alter the legal, equitable or contractual rights to which such claim or equity interest entitles the holder of such claim or interest; or

3. Provides that, on the Effective Date the holder of such claim or interest receives, on account of such claim or interest, cash, equal to:

(a) With respect to a claim, the allowed amount of such claim; or

(b) With respect to an interest, if applicable, the greater of:

(i) Any applicable fixed liquidation preference; or

(ii) Any fixed preference at which the Debtor, under the terms of the security, may redeem the security.

4. In Article 4 of the Plan, the Debtor has identified the impaired classes of creditors under the Plan. In the event there are questions regarding whether a person is in an impaired class, the person should assume that his or her claim is impaired and vote. If the claim is determined to be impaired, the vote will be considered by the Bankruptcy Court. The Class 2, 3, 4, and 5 holders of claims and the Class 6 interest holders of the Debtor are impaired under the Plan.

IMPAIRED CREDITORS ANTICIPATED TO RECEIVE A DISTRIBUTION UNDER THE PLAN ARE BEING SOLICITED TO VOTE. IF YOU HOLD AN

ADMINISTRATIVE CLAIM OR UNIMPAIRED CLAIM, THE DEBTOR IS NOT SEEKING YOUR VOTE.

IV. NATURE AND HISTORY OF BUSINESS

A. Source of Information and Accounting Method

The Debtor's books are maintained under the supervision of Alejandro Kiss, the President and a director of the Debtor. Accounting is on the accrual basis. The historical financial information contained in this disclosure statement as well as the bankruptcy schedules and statement of affairs was derived from the Debtor's books and records. **THE DEBTOR'S BOOKS ARE AUDITED ANNUALLY BY THE ACCOUNTING FIRM OF DOEREN MAYHEW, AN INDEPENDENT PUBLIC ACCOUNTANT, AND WERE LAST AUDITED FOR TAX YEAR 2014. THE DEBTOR HAS ATTEMPTED TO ACCURATELY REFLECT ITS BUSINESS OPERATIONS FOR ALL TAX YEARS REFLECTED HEREIN.**

B. General Information

1. History of The Debtor

WDi is an oilfield services company whose core business is selling a full suite of wellhead equipment, gate valves, mud valves, chokes and multi-bowl wellhead systems. WDi maintains its four strategic locations in Texas and Louisiana to serve its customers, with its largest location and corporate offices based in Houston, Texas. WDi has been in business since 1995 and was founded by Alejandro Kiss, who is its largest shareholder. WDi currently has fifteen (15) full-time employees and four contract employees.

The Debtor began its business as a single location in Houston, Texas as the first wholesale distributor of API-6A wellhead equipment and valves in North America. The API-6A is an international standard that specifies requirements and gives recommendations for the performance, dimensional and functional interchangeability, design, materials, testing, inspection, welding, marking, handling, storing, shipment, purchasing, repair and remanufacture of wellhead and christmas tree equipment used in the petroleum and natural gas industries. To satisfy wider range of customer needs, WDi expanded its product line to include high pressure, engineered wellhead systems and specialty valves and its services to include manufacturing, assembly, design and aftermarket repair capabilities.

WDi offers a full suite of wellhead equipment, gate valves, mud valves, chokes and multi-bowl wellhead systems. WDi serves independent wellhead service companies and original equipment manufacturers ("OEMs") operating in the upstream oil and gas industry through its multiple stocking locations in the United States.

2. Source of Financial Difficulties

This bankruptcy case was filed primarily as a result of the collapse in oil prices and the resulting depression in the oil field service industry. The failure of the oil economy also impaired WDi's ability to litigate pending litigation, most significantly 3 related lawsuits involving former board members and co-shareholders competing against the business and asserting a claim in

excess of \$22 million. Prior to the bankruptcy filing, WDi spent more than \$2 million in legal fees and expenses in connection with this related litigation. The following is a summary of material litigation impacting WDi:

a. CPTDC Litigation

WDi provides a wide variety of products and services in the oil and gas exploration and production industry. The core offering of its business, however, is American Petroleum Institute Specification 6A ("API-6A") products. WDi is the premier wholesale distributor of API-6A wellhead equipment and valves in North America. Jiangsu Jinshi Machinery Group Co., Ltd ("JMP") is a Chinese corporation that manufactures API-6A wellhead equipment valves. CPTDC, a wholly-owned subsidiary of China National Petroleum Corporation ("CPNC"), is a Chinese corporation that exports petroleum equipment and materials for CNPC's overseas projects-including API-6A wellhead equipment and valves. JMP and CPTDC are "strategic partners" and CPI is the American subsidiary of CPTDC. CP International, Inc. ("CPI") is the agent and alter ego of CPTDC for the purpose of performing the agreements between CPTDC and WDi.

In 2006, WDi entered into that various agreements with JMP and CPTDC pursuant to which JMP and CPTDC each agreed to exclusively supply WDi with API-6A products for North America, and to establish an exclusive relationship for the sale of API-6A products in the United States, Canada and Mexico ("WDi Exclusive Territory"). WDi, JMP and CPTDC also entered into a Stockholders' Agreement which provided that JMP and CPTDC together acquired sufficient corporate shares of WDi to and at one time owned 19% of the outstanding shares of WDi and become members of WDi's Board of Directors. Subsequently, WDi learned that these trading partners and board members were selling API-6A merchandise in the protected territories assigned to WDi in violation of the agreements between the parties. WDi also learned that JMP and CPTDC were doing business with a direct competitor, Kana.

On March 24, 2014, WDi filed suit against CPTDC, JMP, and CPI to recover damages for these improper sales and for the significant breaches of fiduciary duty. The case was styled *Alejandro & Mary Katherine Kiss Revocable Living Trust, Petroleum Products & Services, Inc., dba Wellhead Distributors International, Inc. and Wellhead Distributors Int'l Ltd. vs. Jiangsu Jinshi Machinery Group Co., Ltd, China Petroleum Technology & Development Corporation and CP International, Inc.*, in the 151st District Court of Harris County, Texas, Cause No. 2014-15734 (the "CPTDC Litigation"). CPTDC and JMP have denied these allegations and asserted various counterclaims against WDi in the litigation.

After WDi filed the CPTDC Litigation, on March 24, 2014, CPTDC later filed a lawsuit in the United States District Court for the Southern District of Texas, Houston Division, against WDi alleging that it owed CPTDC debt in the amount of \$14.6 million for equipment, in a case styled *China Petroleum Technology & Development Corporation v. Petroleum Products Services, Inc. dba Wellhead Distributors International*, Civil Action No. 4:14-cv-00744 (the "Federal Court Litigation"). WDi denied the allegations in the Federal Court Litigation and filed a counterclaim against CPTDC in that case. The Federal Court Litigation has been stayed due to WDi's bankruptcy filing.

WDi removed the CPTDC Litigation to the Bankruptcy Court on March 8, 2016 under Adversary No. 16-3052 ("CPTDC Adversary"). CPTDC subsequently filed a proof of in WDi's Bankruptcy Case claim in the amount of \$22 million. WDi disputed this amount and requested that the Bankruptcy Court estimate CPTDC's claim pursuant to the provisions of 11 U.S.C. §502(c) so it could file a meaningful plan (Docket #109). On June 6, 2016, the Bankruptcy Court entered an order requiring that the parties attend mediation prior to continued litigation. The parties subsequently successfully mediated the dispute whereby CPTDC will be paid \$5 million pursuant to the terms of the Settlement Agreement which is incorporated into the Debtor's Plan. The adversary proceeding is currently abated.

In accordance with Article 4.4 of the Plan, CPTDC will be paid a total of \$5 million in full satisfaction of all claims held by CPTDC, JMP and CPI. The initial payment of \$2.75 million will be paid from non-Debtor sources - \$1 million from the Cash Infusion provided by Alejandro Kiss and \$1.75 million from the proceeds of the sale of Kiss Real Estate that is not property of WDi. The remaining payment of \$2.25 million will be paid by WDi thirty-six months after entry of the Confirmation Order. The parties to the settlement shall mutually release all claims, including the cancellation of any equity interest held by CPTDC, JMP and/or CPI.

b. KANA Litigation

The first lawsuit filed related to the CPTDC Litigation was WDi's request for a temporary restraining order and petition against Kana Energy Services, Inc. ("Kana") and Surface Supply, LLC ("Surface"), which was filed on February 17, 2014 under Cause No. 2014-07416 and styled as *Petroleum Products & Services, Inc. dba Wellhead Distributors International v. Kana Energy Services, Inc. and Surface Supply, Inc.*, in the 133rd District Court of Harris County, Texas (the "Kana Litigation"). Kana and Surface are competitors of WDi. In the Kana Litigation, WDi sought and obtained an injunction preventing Kana and Surface from selling product purchased from CPTDC in the WDi Exclusive Territory. In the lawsuit, WDi alleged that Kana and Surface both tortiously interfered with WDi's contracts with CPTDC by purchasing and distributing in WDi's Exclusive Territory the same equipment WDi purchased from CPTDC and that is subject to WDi's exclusivity agreement with CPTDC. WDi asserted that Kana and Surface knowingly sold product from CPTDC in WDi's Exclusive Territory, despite being aware of WDi's exclusivity agreement with CPTDC. WDi is also seeking damages in excess of \$1 million in this litigation. Kana and Surface denied the allegations.

On May 25, 2016, Kana removed the Kana Litigation to the Bankruptcy Court under Adversary Proceeding 16-03113 where it is currently pending. Since the removal of this litigation, WDi has filed an amended complaint to add additional causes of action and Kana has filed a motion for summary judgment. Kana recently filed additional claims and has sought to add additional parties. On October 4, 2016, the parties tentatively settled the Kana Litigation, subject to bankruptcy court approval, for \$350,000 which will be payable in three consecutive monthly installments beginning October 15, 2016. A hearing on the Motion for Summary Judgment is currently scheduled for October 11, 2016. The hearing is expected to be abated in view of the settlement.

c. Deocampo Litigation

A former employee, Hernani Deocampo filed a lawsuit in state court for breach of his employment agreement. WDi removed that case to the Bankruptcy Court. The claim relates to an obligation to continue to pay Deocampo certain amounts and to provide him housing. WDi has denied the allegations in the Complaint and continues to defend that litigation. WDi has also filed an objection to the Proof of Claim filed by Deocampo. A hearing is scheduled in this matter for October 31, 2016.

3. Financial Situation as of Petition Date

Excluding its' unsecured trade obligations, WDi's secured indebtedness consists of claims totaling approximately \$6 million, owed to Chase with respect to RLOC and Equipment Term Loan. WDi also owes approximately \$1 million in secured ad valorem property taxes. WDi has no other secured debt. WDi also has undisputed trade obligations of approximately \$3 million (excluding the debt of CPTDC). These obligations are owed to trade creditors who have provided various goods and services to WDi. Most of WDi's trade creditors commonly provide such goods and services to this industry. WDi also owes approximately \$3.4 million to its affiliates. Additionally, as discussed more fully herein, CPTDC shall be paid a total of \$5 million on account of its \$22 million claim, with \$2.75 million paid from non-Debtor property. Additionally, WDi estimates undisputed priority claims of approximately \$16,000.

4. Ownership and Management

WDi SHC, LP is the shareholder of WDi and that entity is owed by the Alejandro and Mary Katherine Kiss Revocable Trust. Mr. Kiss, Gerry Ferguson, Dean Maddell, and Arpad Kiss are directors of WDi ("Directors") and will continue to serve as directors subsequent to confirmation of the Plan. In accordance with the CPTDC Settlement, the equity owned CPTDC and JMP was cancelled and directors associated with the entities have resigned their positions. Alejandro Kiss has more than 20 years' experience in the oil and gas industry, including serving as President of the Debtor since 1995. The remaining Directors also have significant experience in the oil and gas industry.

5. Significant Events During Bankruptcy

a. *Voluntary Petition filing*

On March 4, 2016, WDi filed this voluntary reorganization case ("Petition Date") under Chapter 11 of the Bankruptcy Code and was assigned Case No. 16-31201-H1-11 in the United States Bankruptcy Court for the Southern District of Texas.

b. *Administration*

Shortly after the filing of the petition, the Debtor filed:

Application to Employ Hoover Slovacek LLP as counsel for the Debtor: This pleading was filed on March 16, 2016 and an order authorizing this employment was entered on March 29, 2016 [Docket #73].

Application to Employ Special Litigation Counsel: By this pleading, the Debtor sought to employ Hirsch & Westheimer PC as special litigation counsel to assist with the CPTDC

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Litigation and related litigation. An order authorizing this employment was entered by the Court on April 5, 2016 [Docket #88].

Designation of Complex Chapter 11 Case: This pleading was filed to designate WDi's Chapter 11 case as a Complex Chapter 11 bankruptcy case in accordance with established Complex Chapter 11 case procedures in this district. An order granting complex case treatment was entered on March 28, 2016 [Docket #69].

Emergency Motion to Extend Deadline to File Debtor's Schedules and Statements of Financial Affairs: By this motion, the Debtor requested an extension of the 14 day deadline to file its schedules and statements of financial affairs. An order extending this deadline through April 8, 2016 was entered on March 7, 2016 [Docket #20].

Emergency Motion for Entry of an Order Approving Debtor's Payment of Pre-Petition Compensation, Employee Benefits, 401(k) Contributions, Taxes, and Mandatory Support Obligations, and Payroll Processing Fees: By this motion, the Debtor sought permission to pay accrued, prepetition wages, related taxes, support obligations and benefits and to continue prepetition benefit policies. An order approving this motion was entered on March 7, 2016 [Docket #21].

Emergency Motion for Entry of an Order Authorizing Payment of Certain Sales, Use and Franchise Taxes and Fees: By this motion, the Debtor requested that it be permitted to remit and pay certain taxes and fees in the ordinary course of business, without regard to whether such obligations accrued or arose before or after the Petition Date. An order authorizing payment of these taxes was entered on March 21, 2016 [Docket #53].

Emergency Motion (I) for Interim Authority to Use Cash Collateral (II) to Incur Post Petition Indebtedness under 11 U.S.C. Sections 363, 364, 502(b) and 105: By this motion, the Debtor sought permission to use cash collateral and enter into an unsecured post petition financing. The Court entered an interim order authorizing the interim use of cash collateral on March 7, 2016 [Docket #22] and a second interim order authorizing this use on March 21, 2016 [Docket #54]. A final order authorizing use of cash collateral was entered on April 5, 2016 [Docket #89]. A stipulation extending use of cash collateral through November 30, 2016 was entered in July 21, 2016 [Docket #223].

Emergency Motion to Maintain Pre-Petition Bank Accounts and Cash Management System: By this motion, Debtor sought to maintain its prepetition bank accounts and cash management system. An order approving this motion was entered on March 7, 2016 [Docket #23].

Motion Pursuant to 11 USC § 365 to Reject Certain Executory Contracts, Effective Nunc Pro Tunc to March 4, 2016: By this motion, Debtor sought authorization to reject certain executory contracts or unexpired leases described in the motion effective March 4, 2016. An order authorizing this reject was entered on March 29, 2016 [Docket #74].

Adversary Proceeding No. 16-03052: On March 8, 2016, the Debtor initiated Adversary Proceeding No. 16-03052 with the removal of Cause No. 2014-15734, previously pending in the 151st District Court of Harris County, Texas, styled as *Alejandro & Mary Katherine Kiss Revocable Living Trust, Petroleum Products & Services, Inc., dba Wellhead Distributors International, Inc. and Wellhead Distributors Int'l Ltd. vs. Jiangsu Jinshi Machinery Group Co., Ltd, China Petroleum Technology & Development Corporation and CP International, Inc.* (“CPTDC Litigation”)[Docket #25]. Detailed information about the CPTDC Litigation is further described in herein in Section IV (B) (2) (a).

Adversary Proceeding No. 16-03053: On March 8, 2016, the Debtor initiated Adversary Proceeding No. 16-03052 with the removal of Cause No. 2014-64371; in the case styled *Alejandro Kiss Individually and as Trustee of the Alejandro Kiss and Mary Kathryn Kiss Revocable Living Trust v. Donald Atencio, Wellhead Services, Inc. and Fracmaster, LLC;* previously pending in the 113th Judicial District Court of Harris County, Texas against Donald Atencio, Wellhead Services, Inc., and Fracmaster, LLC [Docket #26]. This lawsuit pertains to claims of breach of contract and breach of fiduciary duty asserted by Alejandro Kiss and certain related entities, against Wellhead Services, Inc., and Fracmaster. Wellhead Services, Inc. asserted counterclaims and joined WDi as a party. In the Adversary Proceeding, Wellhead Services filed a Motion to Abstain, seeking to have the case remanded to state court. On August 8, the Court entered an order granting this motion and remanding the case to state court. However, the automatic stay remains in effect.

Application to Employ Bennett G. Fisher as Attorney for Committee: By this pleading, the Official Committee of Unsecured Creditors sought to employ *Bennett G. Fisher and Fisher Associates* as counsel to the committee. An order authorizing this employment was entered by the Court on April 20, 2016 [Docket #107].

Emergency Motion to Reject Contract with Xiongye Petroleum Machinery: With this motion, the Debtor sought to reject its contract with Xiongye Petroleum Machinery due to the fact that the Debtor did not have sufficient funds to pay unloading costs. On March 21, 2016, the Court entered an order authorizing Debtor’s affiliate to pay the shipping charge and provided the affiliates a first lien on the inventory [Docket #55].

Application to Employ Natasha Erskine and Calvetti Ferguson P.C. as Auditor for Debtor's 401(k) Plan: By this motion, the Debtor sought to employ Natasha Erskine and Calvetti Ferguson P.C as an auditor for its 401(k) Plan. An order authorizing this employment was entered on April 20, 2016 [Docket #108].

Motion for Order Establishing Procedure for Interim Compensation of Professionals: With this motion, the Debtor sought to establish procedures for interim compensation of professionals. An order approving these procedures was entered on April 27, 2016 [Docket 114].

Adversary Proceeding No. 16-03078: On April 7, 2016, the Debtor initiated Adversary Proceeding No. 16-03078 with the removal of Cause No. 15-2512-C, styled *Nicholas Aberle, Laney Aberle and Paul Aberle, successors-in-interests to The Heinrich J. Aberle Revocable*

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Trusts v. petroleum products and Services, Inc., d/b/a Wellhead Distributors International, filed in the 241st Judicial District of Smith County, Texas [Docket #92]. The underlying lawsuit was initiated by Aberle and with this removal, the Debtor sought to set aside a default judgment. Subsequent to the removal, the parties entered into a stipulation of dismissal of the adversary proceeding which was approved by the Court on May 31, 2016.

Second Motion Pursuant to 11 USC § 365 to Reject Certain Executory Contracts, Effective Nunc Pro Tunc to March 31, 2016: By this motion, Debtor sought authorization to reject certain executory contracts or unexpired leases described in the motion effective March 31, 2016. An order authorizing this reject was entered on May 3, 2016 [Docket #127].

Motion to Estimate Claim of China Petroleum Technology & Development Corporation for Purposes of Allowance, Distribution and Voting: With this motion, Debtor sought have the Court estimate the claim of CPTDC which is related to the CPTDC Litigation. The Court subsequently referred the CPTDC to mediation and an agreement was reached resolving the allowed claim. Detailed information about this matter is further described in herein in Section IV (B) (2)(a). CPTDC's claim is treated in Class 4.4 of the Plan. An order abating this motion was entered by the Court on June 28, 2016 [Docket #203].

Application to Employ Doeren Mayhew as Tax Accountant for Debtor: By this motion, the Debtor sought to employ Doeren Mayhew as tax accountant for Debtor for purposes of completing the Debtor's 2015 tax return. An order authorizing this employment was entered on May 4, 2016 [Docket #131]. The Debtor subsequently sought to expand the scope of the tax accountants' employment to assist with an IRS audit of its 2013 and 2014 federal income tax returns and file any necessary amendments. An order approving the expanded engagement was entered August 23, 2016 [Docket #243].

Expedited Motion for Order Approving Sales Procedures and Authorizing Non-Ordinary Course Sale of Debtor's Inventory: In this motion, the Debtor sought to authorization to sell inventory in non-ordinary course, bulk internet sales and auctions. On May 18, 2016, the Court entered an order authorizing these sales [Docket #155].

Adversary Proceeding No. 16-03113: On May 25, 2016, Kana Energy Services initiated Adversary Proceeding No. 16-03113 with the removal of Cause No. 2014-07416 and styled as *Petroleum Products & Services, Inc. dba Wellhead Distributors International v. Kana Energy Services, Inc. and Surface Supply, Inc.*, in the 133rd District Court of Harris County, Texas ("*Kana Litigation*") [Docket #161]. Detailed information about the Kana Litigation is further described in herein in Section IV (B) (2) (b).

Application to Employ Stuart Lapp and Stibbs & Co., P.C. as Special Litigation Counsel: With this pleading, Debtor sought to employ Stibbs & Co, P.C. as special litigation counsel to prosecute various collection lawsuits. The Court entered an order approving this employment on July 25, 2016 [Docket #228].

Adversary Proceeding No. 16-03121: On May 31, 2016, Debtor initiated Adversary Proceeding No. 16-03121 with the removal of Cause No. 2015-75812 and styled as *Petroleum*

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Products & Services, LLC d/b/a Wellhead Distributors International and WDI Drilling Equipment Services, LLC v. McClinton Energy Group, L.L.C. and Surf-Frac Wellhead Equipment Company, Inc. d/b/a SWECO, in the 113th District Court of Harris County, Texas (“*McClinton Energy Litigation*”) [Docket #169]. The underlying litigation involves WDi’s suit on sworn account against McClinton Energy and Surf-Frac Wellhead. Since the removal, *McClinton Energy Group, L.L.C. and Surf-Frac Wellhead Equipment Company, Inc.* filed a motion to remand the litigation to state court and WDi filed a motion for summary judgment. The parties have filed opposition to the other parties motions. The Court remanded a portion of the litigation involving WDi Drilling Equipment Services, LLC to state court and has taken motions and related responses/objections under advisement.

Motion to Extend Debtor’s Exclusive Period to File and Confirm a Plan: By this motion, Debtor sought to extend its exclusive period to file from July 5, 2016 through October 3, 2016 and for sixty days thereafter to confirm the same. On June 28, 2016, the Court entered an order extending the Debtor’s deadline to file a plan until October 3, 2016 and December 2, 2016 to confirm the same [Docket #200].

Motion to Extend Deadline to Assume or Reject Leases of Nonresidential Real Property: This pleading was filed by the Debtor seeking to extend the deadline to assume or reject its leases of nonresidential real property. On June 28, 2016, the Court entered an order extending the Debtor’s deadline through October 3, 2016 to assume or reject unexpired leases of nonresidential real property [Docket #201].

Motion for Relief from Stay filed by McClinton Energy Services, LLC: McClinton Energy LLC filed the instant motion seeking to terminate the automatic stay in order to prosecute counterclaims that it alleges against WDi with respect to the McClinton Energy Litigation. This matter has been taken under advisement with the McClinton Energy Litigation in Adversary Proceeding No. 16-03121.

Motion for Entry of Agreed Order Terminating Automatic Stay: By this motion, Summer Creek Investments, LLC sought to terminate the automatic stay to allow the Summer Creek Investments to take active control of its real property located at 2809 S. Ann Arbor, Oklahoma City, OK. The Debtor previously rejected its lease of this real property effective March 4, 2016 [Docket #237].

Objection to Claim filed by Hernani Deocampo: Deocampo filed Claim #30 as a general unsecured claim in the amount of \$540,718.75 related to an employment contract. The Debtor disputes that any amount is owed to Deocampo and filed this objection seeking to disallow this claim in its entirety. A hearing on this matter is scheduled for October 31, 2016 at 2:00 p.m. [Docket #259].

Objection to Claim filed by Shanghai Jefa Machinery Co. Ltd: Shanghai Jefa Machinery filed Claim #17 as a general unsecured claim in the amount of \$1,855,864.60 related to goods sold. The Debtor disputes that any amount is owed to Shanghai Jefa due to the falsely documented product provided to WDi which creates risk to the Debtor. Additional, Shanghai Jefa failed to document its claim. Accordingly, WDi filed this objection seeking to disallow this

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claim in its entirety. A hearing on this matter is scheduled for October 31, 2016 at 2:00 p.m. [Docket #260].

Omnibus Objection to Claims Inconsistent with Debtor's Books & Records. With this objection, Debtor seeks to disallow or allow in reduced amounts claims which are inconsistent with its books and records. A hearing on this objection is scheduled for October 31, 2016 at 2:00 p.m. [Docket #262].

c. Case Management Going Forward

1. PLAN NEGOTIATIONS

The Debtor has an exclusive period within which it may propose a plan of reorganization and is proposing the Plan within that period.

2. ASSUMPTION AND REJECTION

The bankruptcy law allows the Debtor to assume or reject any pending lease agreements or executory contracts that exist on the date of the order for relief. Additionally, the law provides that the Debtor can assign its interest in lease agreements and executory contracts provided they cure all defaults and provide adequate assurance that the assignee will comply with the terms of the lease or contract. Executory contract and lease assumption and rejection are treated in the Plan. Any contract or lease not specifically assumed in the Plan, or by prior court order, is deemed rejected.

3. CREDITORS COMMITTEE

The United States Trustee is responsible for soliciting a committee of creditors holding unsecured claims pursuant to 11 U.S.C. §1102(a)(1) and solicited a committee in this case. On March 15, 2016, the US Trustee filed a notice of appointment of a committee [Docket #40].

C. Operations During Bankruptcy

WDi has operated its business affairs as Debtor-in-Possession since the entry of an order for relief under Chapter 11, but has not made any extraordinary disposition or acquisition of assets since that date.

D. The Debtor's Assets and Their Value

As of the filing date Debtor's principal assets consisted of cash, security deposits, accounts, receivable, inventory, advances & notes receivable, and office equipment & furnishings, vehicles, machinery & equipment.

Following is a table summarizing the value of these assets reflected on the schedules as of the Petition Date and values obtained since that date:

Cash	\$355,299.04
Security Deposits	\$80,087.74
Accounts Receivable (less doubtful A/R of \$1,689,025.86).	\$2,298,324.86

Inventory (Cost Basis – actual value is much lower)	\$31,041,408.32
Fixed Assets - Office Equipment, Furnishings and Supplies, Vehicles, Machinery, Equipment, Leasehold Improvements (Net Book Value)	\$2,029,984.11
Prepaid Expenses	\$908,942.53
Deferred Tax Assets	\$2,051,295.00
Claims against McClinton Energy and Surf-Frac Wellhead Equipment	\$1,460,971.85
Claim against Kana Energy Services, Inc. and Surface Supply, LLC,	unknown
Claim against Donald Atencio, Wellhead Services, Inc., and Fracmaster, LLC	
Claims against Safety First Valve	\$67,720.00
Claims against Wellhead Works, LLC	\$121,244.66
Dividend income withholding	\$13,838.75
Intercompany Receivable (Book Value)	\$9,863,326.56.
Manusin Note Receivable	\$54,667.50
TOTAL SCHEDULED AMOUNTS	\$50,347,110.92

1. Accounts Receivable

WDi has continued to collect and create accounts receivable since the filing of the petition under Chapter 11. As of the end of August 2016, accounts receivables were approximately \$12,700,232.91, consisting of intercompany receivables of \$9,484,120.58, doubtful account of \$1,724,306.73 and a remaining balance of \$4,940,419.06 in estimated collectible accounts. As of the end of August, Debtor had cash in the amount of \$440,846.73.

2. Fixed Assets - Office Equipment & Furnishings, Machinery & Equipment, Leasehold Improvements of the Debtor, and Vehicles

The Debtor has fixed assets consisting of office equipment & furnishings, machinery & equipment, leasehold improvements, and vehicles. A detailed list of fixed assets is attached to Schedule B of the Debtor's schedules and the collective value of these assets as of the end of August is \$1,803,633.46. This valuation is the net book value of the assets (i.e. cost less depreciation) derived from Debtor's books and records.

a. Office Equipment and Furnishings

The Debtor has various computers, servers, printers and scanners, a copier, file cabinets and other various office furnishings. The office equipment and furnishings are in good condition and are maintained well from the perspective of preventive maintenance.

b. Machinery & Equipment

The Debtor has machinery and equipment that is utilized in its operations. The machinery and equipment is in good condition and is maintained well from the perspective of preventive maintenance.

c. Leasehold Improvements

The Debtor's books and records also reflect leasehold improvements related to its leases of nonresidential real property which are listed in Schedule G of the Debtor's schedules. The leasehold improvements are in good condition and are maintained well from the perspective of preventive maintenance.

d. Vehicles

The Debtor has automobiles, trucks and trailers that are utilized in its operations. These assets are in good condition and are maintained well from the perspective of preventive maintenance.

3. Prepaid Expenses

The Debtor's books and records reflect prepaid expenses totaling \$908,942.53, including security deposits totaling \$80,087.74, prepaid insurance in the amount of \$104,260.01 and deposits for materials ordered but not delivered totaling \$724,594.78. A detailed listing of these assets is listed in Debtor's Schedule "B". As of the end of August, these prepaid expenses increased to \$1,307,780.41, primarily related to deposits for materials ordered but not delivered.

4. Inventory

The Debtor owns inventory which is used in its business operations. Since the Petition Date, the Debtor has continued to sell inventory. As of the end of August, the value of Debtor's inventory is \$30,023,011.94.

5. Other Assets

The Debtor had other assets as of the Petition Date which are listed on Schedule B and include Deferred Tax Assets, various Litigation Claims and Dividend Income Withholding. As of the end of August, there has been no significant change in the scheduled value of these assets. No balance is currently owed with respect to the Mausin Note.

E. Liabilities. An analysis of claims is attached hereto as Exhibit B. Following is a brief summary:

1. Pre-Petition Claims

a. *Ad Valorem Tax Claims (Class 1):* Total scheduled and filed secured ad valorem Claims were \$1,123,001.53 related to 2015 and 2016 ad valorem property taxes. The Debtor disputes approximately \$100,000 of these claims related to (i) 2016 ad valorem property taxes for locations closed in 2015 and (ii) duplicate claims. The Debtor is not aware of any additional ad valorem property tax claims.

b. *Secured Claims (Class 2):* JPMorgan Chase Bank holds secured claims with a total collective principal balance of \$6,028,461.93, secured by liens on substantially all the Debtor's assets and related to the RLOC and Equipment Term Note. The Debtor is unaware of the existence of any other secured claims.

c. General Unsecured Claims (Class 3): Scheduled and filed general unsecured claims were \$5,904,735.42, excluding claims of affiliates and CTPDC. Debtor has filed objections to and seeks disallowance and/or allowance in a reduced amount of various claims totaling \$2,537,098.43. WDi anticipates additional reserves the right to object to other filed claims filed and anticipates Class 3 claim to approximate \$ 3 million.

d. Claim of CPTDC (Class 4): CPTDC filed a claim in the amount of \$22,745,660.60 related to the CPTDC Litigation. The parties mediated a resolution of the dispute whereby CPTDC shall receive \$5 million on account of its claim.

e. Claims of Affiliates (Class 5): The Debtor has scheduled claims of affiliates in the total amount of \$3,440,005.91.

f. Allowed Equity Interests (Class 6): unknown.

g. Priority Claims: Scheduled and filed priority claims total \$48,589,272.06, including a claim filed by the IRS with estimated liability of \$48,507,774.82. Approximately \$48 million of this estimated liability relates to Debtor's 2013 and 2014 corporate tax returns which are currently under audit. As discussed more fully in Article V herein, the Debtor had a \$6.7 million net operating loss related to its 2015 federal income tax return which has been utilized to offset income for 2013 and 2014, resulting in the Debtor's eligibility for the \$2.2 million Tax Refund. The Debtor is cooperating with the IRS audit and does not expect any significant liability to be assessed as a result of this audit. The balance of the IRS claim reflects estimated unassessed liability for Debtor's 2016 federal corporate tax return which is not yet due. The Debtor expects to have sufficient net operating losses from prior years to offset any unpaid tax liability which may be owed with respect to its 2016 federal tax return. The Debtor disputes the claim filed by the IRS in its entirety and will object to the same if it is not withdrawn. The Debtor also disputes various other priority claims and anticipates allowed nontax priority claims of approximately \$5,625.00 and priority tax claims of approximately \$16,628.00.

F. Administrative Claims

The Debtor's August 2016 Monthly Operating Report shows that there approximately \$1,128,747.54 in post-petition liabilities owed which will be paid in the ordinary course of business. No further administrative expenses are known other than accrued, unpaid professional fees. Counsel for the Debtor estimates that additional fees and expenses related to its services, along with those of other professionals employed in this case should not collectively exceed more than an additional \$400,000.00. In summary, the Debtor has sufficient funds to satisfy ordinary course post-petition payables and attorneys' fees. Based on the foregoing, the Debtor believes that it will have sufficient funds to pay all administrative expense claims which will come due on the Effective Date.

V. DESCRIPTION OF PLAN

SUMMARY OF THE PLAN OF REORGANIZATION

THIS SECTION PROVIDES A SUMMARY OF THE STRUCTURE AND IMPLEMENTATION OF THE PLAN AND THE CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN, WHICH ACCOMPANIES THIS DISCLOSURE STATEMENT, AND TO THE EXHIBITS ATTACHED THERETO. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT INCLUDE SUMMARIES OF THE PROVISIONS CONTAINED IN THE PLAN AND IN DOCUMENTS REFERRED TO THEREIN. THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT DO NOT PURPORT TO BE PRECISE OR COMPLETE STATEMENTS OF ALL THE TERMS AND PROVISIONS OF THE PLAN OR DOCUMENTS REFERRED TO THEREIN, AND REFERENCE IS MADE TO THE PLAN AND TO SUCH DOCUMENTS FOR THE FULL AND COMPLETE STATEMENTS OF SUCH TERMS AND PROVISIONS. THE PLAN ITSELF AND THE DOCUMENTS REFERRED TO THEREIN WILL CONTROL THE TREATMENT OF CLAIMS AGAINST, AND INTERESTS IN, THE DEBTOR UNDER THE PLAN AND WILL, UPON THE EFFECTIVE DATE, BE BINDING UPON HOLDERS OF CLAIMS AGAINST, OR INTERESTS IN, THE DEBTOR, THE REORGANIZED DEBTOR, AND OTHER PARTIES IN INTEREST. IN THE EVENT OF ANY CONFLICT BETWEEN THIS DISCLOSURE STATEMENT AND THE PLAN OR ANY OTHER OPERATIVE DOCUMENT, THE TERMS OF THE PLAN AND/OR SUCH OTHER OPERATIVE DOCUMENT WILL CONTROL.

A. Overall Structure of the Plan

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. Under Chapter 11, a debtor is authorized to reorganize its business for the benefit of its creditors and shareholders. Upon the filing of a petition for relief under Chapter 11, Section 362 of the Bankruptcy Code provides for an automatic stay of substantially all acts and proceedings against the debtor and its property, including all attempts to collect claims or enforce liens that arose prior to the commencement of the Chapter 11 Case.

The consummation of a plan of reorganization is the principal objective of a Chapter 11 case. A plan of reorganization sets forth the means for satisfying claims against and interests in a debtor. Confirmation of a plan of reorganization by the Bankruptcy Court makes the plan binding upon the debtor, any issuer of securities under the plan, any person acquiring property under the plan, and any creditor of, or equity security holder in the debtor, whether or not such creditor or equity security holder (i) is impaired under or has accepted the plan or (ii) receives or retains any property under the plan. Subject to certain limited exceptions, and other than as provided in the plan itself or the confirmation order, the confirmation order discharges the debtor from any debt that arose prior to the date of confirmation of the plan and substitutes for such debt the obligations specified under the confirmed plan, and terminates all rights and interests of equity security holders.

The Plan should be read carefully and independently of this Disclosure Statement. The following analysis of the Plan is intended to provide a context for understanding the remainder of this Disclosure Statement and to assist in an understanding of the Plan and the proposed treatment of the Creditors.

The Debtor expects to implement its plan and continue in its business restructuring which should provide growth and full compliance with the plan. The Debtor has a strong core business and intends to reorganize around that business, which, together with certain other operational improvements, is expected to be the basis for a viable reorganization plan.

The terms of the Debtor's Plan are based upon, among other things, the Debtor's assessment of its ability to achieve the goals of its business plan, make the distributions contemplated under the Plan, and pay its continuing obligations in the ordinary course of business. Under the Plan, Claims against and Interests in the Debtor are divided into Classes according to their relative seniority and other criteria.

A copy of the Plan is attached as Exhibit A. Generally, if the Plan is confirmed by the Bankruptcy Court and consummated, (1) Administrative Claims will be paid in cash in full; (2) Priority Claims will be paid in full in cash when due; (3) Allowed Claims of Ad Valorem taxing authorities shall be paid in full with thirty (30) days of Debtor's receipt of the Tax Refund; (4) Allowed Secured Claim of JPMorgan Chase Bank will be paid in full in accordance with the modified maturity dates and terms outlined in Class 2 of the Plan including a payment on the principal balance of the loans from 50% of the remaining balance of the Tax Refund after payment of Allowed Class 1 Claims and the \$200,000 payment to the Debtor for use in operations; (5) Allowed General Unsecured Claims shall receive a pro rata share of: (i) 50% of the remaining balance of the Tax Refund after payment of Allowed Class 1 Claims and the \$200,000 payment to the Debtor for use in operations; (ii) Class 3 Quarterly Distributions; and (iii) Net Litigation Proceeds; (6) Allowed Claims of CPTDC shall receive the initial payment of \$2.75 million from contributions of Mr. Kiss, not the Reorganized Debtor, as follows: \$1 million paid from the Cash Infusion and up to \$1.75 million from the proceeds of the sale of the Kiss Real Estate, with the balance of \$2.25 million to be paid by the Reorganized Debtor in a single lump sum cash payment 36 months from the Confirmation Date; (7) Allowed Claims of Affiliates shall be allowed to offset to offset any amounts owed to the Debtor but shall otherwise receive no payment until the allowed Class 1-4 claims are paid in accordance with the plan; and (9) Allowed Interests of Equity holders shall retain the Equity Interests held on the date of the filing of the bankruptcy case, with the prohibition of payment of dividends until Classes 1, 2, 3, 4 and 5. Total distributions shall not exceed the amount of any Allowed Claim, with interest. The Effective Date of the Plan is the date on which the Confirmation Order becomes a Final Order.

B. Administrative Expenses and Priority Tax Claims and Timing of Payment

The Holders of Administrative Expense Claims against the estate and Tax Claims are treated as generally described below.

Payment of Administrative Claims. Each Holder of an unpaid Allowed Administrative Claim shall be paid in Cash in full on the later of thirty (30) days after the Effective Date or the date such Claim becomes an Allowed Administrative Claim, unless the Holder of such Claim agrees to a different treatment.

Payment of Post-Petition-Tax Administrative Expense Claims. Each Holder of an unpaid Allowed Administrative Claim for post-petition taxes shall be paid in Cash in full on the later of the statutory due date under applicable law or within thirty (30) days after the Effective Date, unless the Holder of such Claim agrees to a different treatment.

Payment of Non-Tax Priority Claims. Each Holder of an unpaid Allowed Non-Tax Priority Claim shall be paid in Cash in full on the later of thirty (30) days after the Effective Date or the date such Claim becomes an Allowed Non-Tax Priority Claim, unless the Holder of such Claim agrees to a different treatment.

Payment of Unsecured Priority Tax Claims. Allowed Priority Tax Claims shall be paid in Cash in full in Cash on the later of when due, thirty (30) days after the Effective Date or the date such Claim becomes an Allowed Unsecured Priority Claim, unless the Holder of such Claim agrees to a different treatment. In computing the present value of such Claims, the interest rate applied shall be the interest rate, which is currently 4.25%, as determined by Texas Tax Code Section 111.060(b) from the Effective Date until paid.

Payment to Professionals. All payments to professionals for actual, necessary services and costs advanced in behalf of the bankruptcy up until the Confirmation Date shall be pursuant to Bankruptcy Court order and subject to the restrictions of 11 U.S.C. §330. Professional fees incurred for services rendered and costs advanced subsequent to the Effective Date shall be the liability of the Reorganized Petroleum Products & Services, Inc.

Payment of United States Trustee Fees Incurred Prior to Confirmation. All fees incurred pursuant to 28 U.S.C. §1930(a)(6) for time periods prior to entry of Order Confirming Plan shall be paid by the Debtor on or before the Effective Date.

Payment of United States Trustee Fees Subsequent to Confirmation. The Reorganized Debtor shall be responsible for timely payment of fees incurred pursuant to 28 U.S.C. §1930(a) (6) entry of Order Confirming Plan. After confirmation, the Reorganized Debtor shall file with the Bankruptcy Court and serve on the United States Trustee a monthly financial report for each month (or portion thereof) the case remains open in a format prescribed by the United States Trustee and provided to WDi by the United States Trustee.

C. Classes of Secured and Unsecured Claims and Treatment of Interests

The Classes of Claims against and Interests in the Debtor created under the Plan, the treatment of those Classes under the Plan, and the other property to be distributed under the Plan, are generally described below:

Class 1. Allowed Secured Claim of Taxing Authorities.

Class 1 consists of the Allowed Secured Claims of Ad Valorem taxing authorities for the year 2015 and 2016 secured by liens on the assets of the Debtor. The Class 1 claims are unimpaired.

Treatment. Allowed Secured Class 1 Claims shall be paid by the Reorganized Debtor from the proceeds of the Tax Refund within fourteen (14) days of Debtor's receipt of the Tax Refund. If payment to the holders of Allowed Class 1 Claims is made within thirty (30) days of the Effective Date, no post petition interest shall be paid. If payment to holders of Allowed Class 1 Claims is made more than thirty (30) days from the Effective Date, statutory interest shall be paid at the interest rate as determined by the Texas Tax Code Section 111.060 (b) until the date distributions are made to holders of Allowed Class 1 claims. No post petition penalties will be paid.

Class 2. Allowed Secured Claims of JPMorgan Chase Bank, N.A.

Class 2A consists of the Allowed Secured Claims of JPMorgan Chase Bank, N.A. with respect to the RLOC Note and Loan Agreement. The Class 2A Claim is impaired.

Treatment. The Allowed Class 2A Claim shall be paid as follows:

(a) the RLOC Maturity Date shall be extended to October 1, 2020. To the extent cash from operations is insufficient to pay the balance of the RLOC in full on the new maturity date, it shall be funded from new capital investment or refinancing of loans.

(b) after payment in full of Allowed Class 1 Claims as provided in Article 4.1 above and the \$200,000 payment allocated to the Debtor for operations, 50% of the remaining balance of the Tax Refund shall be paid to the holder of the Allowed Class 2 Claim. This payment shall be allocated as follows: \$225,000 to be applied against the principal balance of the Class 2B Equipment Term Note, with the balance to be applied against the principal balance of the Class 2A RLOC Note and shall be made within fourteen (14) days of Debtor's receipt of the Tax Refund.

(c) regular payments of interest shall continue in accordance with contractual terms.

(d) Principal payments of \$100,000 to be made in January 2018 and January 2019.

(e) the remaining contractual terms and provisions of the RLOC Note and Loan Agreement shall remain in effect except as otherwise provided in Article 4.2. of the Plan.

Class 2B consists of the Allowed Secured Claims of JPMorgan Chase Bank, N.A. with respect to the Equipment Term Note. The Class 2B Claim is unimpaired.

Treatment. The Allowed Class 2B Claim shall be paid as follows:

- (a) payment of interest shall continue in accordance with contractual terms and provisions.
- (b) As referenced in Article 4.2.2(ii) of the Plan, a payment in the amount of \$225,000 from the Tax Refund shall be applied against the principal balance of the Equipment Term Note.
- (c) Beginning on the contractual due date in April 2017, regular monthly contractual principal payments of shall resume.
- (d) JPMorgan Chase Bank, N.A. shall retain its lien, security interests and rights as provided under its pre-Filing Date loan documents and/or applicable law.

Class 3. Allowed General Unsecured Claims.

Class 3 consists of the Allowed Unsecured Claims. The Class 3 Claims are impaired.

Treatment: The Holders of Allowed Unsecured Class 3 Claims shall be paid as follows:

- (a) After payment in full of Allowed Class 1 Claims as provided in Article 4.1 of the Plan and the \$200,000 payment allocated to the Debtor for operations, 50% of the remaining balance of the Tax Refund shall be paid, on a Pro Rata basis, to the holders of Allowed Class 3 Claims. This payment shall be made within fourteen (14) days of Debtor's receipt of the Tax Refund.
- (b) Beginning with the 3rd calendar quarter of 2017, each holder of an Allowed Class 3 claim shall receive a pro rata share of the \$125,000 quarterly Class 3 Quarterly Distribution for a period of 20 quarters or until such claims are paid in full without interest. Payments shall be made by the last day of the calendar quarter when due, with the first payment to be made to holders of Allowed Class 3 claim no later than September 30, 2017.
- (c) Each holder of an Allowed Class 3 claim shall receive a Pro Rata portion of 50% of the Net Litigation Proceeds until such claims are paid in full without interest.

The estimated return to Class 3 creditors from the allocable portion of the Tax Refund and the Class 3 Quarterly distributions is 80% of the amount of anticipated allowed claims. In addition, Class 3 creditors shall receive a pro rata share of Net Litigation Proceeds to the extent received and in accordance with Article 6.6 of the Plan.

Class 4. Allowed General Unsecured Claim of CPTDC.

Class 4 consists of Allowed General Unsecured Claim of CPTDC. The Class 4 claim is impaired.

Treatment. Allowed Class 4 Claim of CTPDC shall be paid in accordance with the CPTDC Settlement subject to the following terms as follows:

(a) CPTDC has asserted a general unsecured claim in the amount of \$22,745,660.60. The Debtor has disputed this claim. The parties have reached a mediated settlement of CPTDC's claim which provides that CPTDC shall receive the CPTDC Settlement Payment of \$5 million as payment in full of its claim in accordance with the following terms:

(i) the initial settlement payment of \$2.75 million to be paid from Cash Infusion and up to \$1.75 million of the proceeds from the sale of Kiss Real Estate. The Cash Infusion shall be paid to CPTDC within three (3) days of the entry of the Confirmation Order. Up to \$1.75 million of the proceeds from the sale of Kiss Real Estate shall be paid to CPTDC within three (3) days of the receipt of the same by Alejandro Kiss or his affiliated entity.

(ii) the remaining balance of \$2.25 million shall be paid by the Reorganized Debtor 36 months after of the entry of the Confirmation Order. To the extent cash from operations is insufficient to pay this payment, it shall be funded from new capital investment or refinancing of loans. With this deferred payment, CPTDC shall be paid approximately 10.2% of its claim from the Reorganized Debtor.

(iii) CPTDC, CP International, Inc., Jiangsu Jinshi Machinery Group Co., Ltd. shall release all claims against the Debtor, including release and cancellation of any equity interests in the Debtor asserted by any of these entities. The Debtor shall release all claims against CPTDC, CP International, Inc., Jiangsu Jinshi Machinery Group Co., Ltd.

Class 5. Allowed Claims of Affiliates of WDi.

Class 5 consists of Allowed Claims of Affiliates of WDi. The Class 5 Claims are impaired.

Treatment. The Holders of Allowed Unsecured Class 5 Claims shall – shall be allowed to offset any amounts owed to the Debtor but shall otherwise receive no payment until the allowed Class 1-4 claims are paid in full in accordance with the terms of the Plan.

Class 6. Allowed Interests of Equity Holders.

Class 6 consists of the Allowed Equity Interests in PETROLEUM PRODUCTS & SERVICES, INC. dba Wellhead Distributors International. Any equity held by CPTDC or JMP is canceled under the terms of the CPTDC Settlement and not treated as an Allowed Class 6 Claim. The Class 6 Interests are impaired.

Treatment. The Holders of Class 6 Equity Interests shall retain the Equity Interests held on the date of the filing of the bankruptcy case, with the prohibition of payment of dividends until Classes 1, 2, 3, 4, and 5 are paid as provided for in the Plan.

D. Means of Execution of Plan

1. Vesting of Property of the Estate in Reorganized Debtor. On the Effective Date of the Plan, all property of the Debtor and of its Estate shall vest in the Reorganized Debtor free and clear of liens, claims and encumbrances, except as otherwise provided by the terms of the Plan.

2. Continuation of Business Operations. From and after the Effective Date of the Plan, the Reorganized Debtor shall be authorized to continue its normal business operations. Reorganized Debtor shall enter into such transactions as it deems advisable, free of any restriction or limitation imposed under any provision of the Bankruptcy Code, except to the extent otherwise provided in the Plan.

3. Source of funds for Payments due on the Effective Date. Current cash flow derived from operations will be used to pay Allowed Claims as required by the Plan, together with the Cash Infusion, up to \$1.75 million of the proceeds of the sale of the Kiss Real Estate, the Tax Refund, Class 3 Quarterly Distribution, and Net Litigation Proceeds in accordance with Articles III and IV of the Plan.

4. Tax Refund. The Debtor has applied for and expects to receive the Tax Refund in the amount of \$2,240,140, resulting from a net operating loss (“NOL”) in the amount of \$6.7 million related to Debtor’s 2015 federal corporate income tax return. The Debtor utilized a portion of this NOL to offset income for 2013 and 2014 which has resulted in the Debtor’s eligibility to receive the Tax Refund. The Debtor filed its application for the Tax Refund on August 26, 2016 and expects to receive the same within 8-10 weeks after the filing. The Tax Refund is one source of funding for payments due under the Plan.

5. CPTDC Settlement. As discussed in Article 4.4 of the Plan, the Debtor has reached a settlement of the CPTDC claim, which has been incorporated into the provisions of the Plan. CTPDC has asserted a general unsecured claim in the amount of \$22,745,660.60. The Debtor has disputed this claim. The parties have reached a mediated settlement of CTPDC’s claim which provides for payment of the CPTDC Settlement Payment in the amount of \$5 million to CPTDC as payment in full of its claim subject to the terms of Article 4.4. of the Plan. The initial \$2.75 million CPTDC Settlement Payment shall be funded by sources of payment from Mr. Kiss, not the Debtor. The Reorganized Debtor shall be responsible for payment of \$2.25 million of the CPTDC Settlement Payment which will be paid 36 months after entry of the

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Confirmation Order. To the extent cash from operations is insufficient to pay this payment, it shall be funded from new capital investment or refinancing of loans.

Payment of the CPTDC Settlement Payment under the Plan shall be in full and final satisfaction of any and all Claims (including its proofs of claim) or causes of action that CPTDC, JMP and CPI has or may have against the Debtor. Confirmation of the Plan shall constitute approval of this compromise with the CPTDC under Rule 9019 of the Bankruptcy Rules without the need for a separate motion seeking such approval.

6. Net Litigation Proceeds. In addition to payments described in Article 4.3 herein, Allowed Class 3 Claims shall be receive a pro rata share of 50% of the Net Litigation Proceeds received from the prosecution or settlement of Reserved Litigation Claims until such time as the allowed claims are paid in full without interest. The Disbursing Agent shall make periodic distributions to holders of Allowed Class 3 Claims at any time in which the collective Net Litigation Proceeds received exceed \$10,000.

7. Directors and Officers of Reorganized Debtor. The Directors and Officers of the Debtor are authorized to continue as Directors and Officers of the Reorganized Debtor from and after the Effective Date of the Plan.

8. Disbursing Agent. Reorganized Debtor shall act as the Disbursing Agent. If Reorganized WDi chooses not to act as the Disbursing Agent, then it shall designate a substitute.

E. Administrative Claims Bar Date. Any holder of an Administrative Claim against the Debtor, except for expenses incurred in the ordinary course of operating the Debtor's business and Claims of governmental units as provided in 11 USC Section 503(b)(1)(D), shall file proof of such Claim or application for payment of such Administrative Claim on or within sixty (60) days after the Confirmation Date, with actual service upon counsel for the Debtor or such Holder's Administrative Claim will be forever barred and extinguished and such Holder shall, with respect to any such Administrative Claim be entitled to no distribution and no further notices. To the extent, if any, post-petition taxes are due to the Comptroller on or before the Effective Date, they shall be paid in full on the Effective Date in accordance with § 1129(a)(9)(A). To the extent, if any, post-petition taxes have been incurred by Debtor but are not yet due as of the Effective Date, those taxes shall be paid when due under and in accordance with state law.

F. Unsecured Claims Bar Date. The bar date for all parties to file a proof of claim, except for claims related to rejection of an executory contract or lease, has elapsed. The deadline for filing a proof of claim for unsecured claims (other than a claim for damages stemming from the rejection of an executory contract or lease) was July 11, 2016 and September 6, 2016 for governmental entities.

G. Rejection Damage Claim Bar Date. An Unsecured Claim arising from the rejection of an executory contract or unexpired lease must be filed no later than twenty (20) days after the Effective Date of the Plan.

H. Summary of Financial Projections. Attached hereto as Exhibit “C” are financial projections prepared by management. These projections include the monthly forecast for calendar year 2017 and annual forecasts for 2018 and 2021. The statements include projected cash flow forecasts and assumptions based upon Debtor’s continued operations at the consolidated facility that maximize revenue while reducing historical costs. The projections are conservative and establish that the Reorganized Debtor will be able to make the payments provided for in the Plan.

VI. OTHER PROVISIONS OF PLAN

A. Assumption and Rejection of Executory Contracts.

The Debtor will reject all Executory Contracts except for those previously assumed by Court Order or those listed on Exhibit A to the Plan. Any Claims arising from rejection of an executory contract or lease must be filed on or before twenty (20) days from the Effective Date. Otherwise, such Claims are forever barred and will not be entitled to share in any distribution under the Plan. Any Allowed Claims arising from rejection of Executory Contracts, if timely filed and allowed, will be paid as a Class 3 General Unsecured Claims.

B. Disbursing Agent.

The Reorganized Debtor shall act as the Disbursing Agent or shall designate a party to act as Disbursing Agent.

C. Conditions to Confirmation.

Confirmation of the Plan shall not occur and the Bankruptcy Court shall not enter the Confirmation Order unless (a) all of the requirements of the Bankruptcy Code for confirmation of the Plan with respect to the Debtor shall have been satisfied. In addition, confirmation shall not occur, the Plan shall be null and void and of no force and effect, and the Plan shall be deemed withdrawn unless the Court shall have entered all orders (which may be orders included within the Confirmation Order) required to implement the Plan.

D. Waiver and Nonfulfillment of Conditions to Confirmation.

Nonfulfillment of any condition to confirmation of the Plan may be waived only by the Debtor. In the event that the Debtor determines that the conditions to the Plan’s confirmation which it may waive cannot be satisfied and should not, in its discretion, be waived, the Debtor may propose a new plan, may modify this Plan as permitted by law, or may request other appropriate relief.

E. Confirmation Order Provisions for Pre-Effective Date Actions.

The Confirmation Order shall empower and authorize the Debtor to take or cause to be taken, prior to the Effective Date, all actions which are necessary to enable it to implement the provisions of the Plan and satisfy all other conditions precedent to the effectiveness of the Plan.

F. Conditions to the Effective Date.

The following are conditions precedent to the effectiveness of the Plan (i) the Plan is confirmed and the Bankruptcy Court shall have entered the Confirmation Order, which shall have become a Final Order (ii) Debtor does not withdraw the Plan at any time prior to the

Effective Date; and (iii) the Debtor shall have sufficient cash on hand to make the payments and distributions required under the Plan.

G. Waiver and Nonfulfillment of Conditions to Effective Date. Nonfulfillment of any condition set forth in the immediately foregoing paragraph of the Plan may be waived only by the Debtor. In the event that the Debtor determines that the conditions to the Plan's Effective Date set forth in the immediately foregoing paragraph of this Plan cannot be satisfied and should not, in its sole discretion, be waived, the Debtor may propose a new plan, may modify this Plan as permitted by law, or may request other appropriate relief.

H. Binding Effect.

As provided for in Section 1141(d) of the Bankruptcy Code, the provisions of the Plan shall bind the Debtor, any entity acquiring property under the Plan and any Creditor, Interest Holder, or shareholder of the Debtor, whether or not the Claim or Interest of such Creditor or Interest Holder is impaired under the Plan and whether or not such Creditor or Interest Holder has accepted the Plan. After confirmation, the property dealt with by the Plan shall be free and clear of all Claims and Interests of Creditors and Interest Holders, except to the extent as provided for in the Plan as the case may be. The Confirmation Order shall contain an appropriate provision to effectuate the terms of paragraph 13.1 of the Plan.

I. Satisfaction of Claims and Interests.

Holders of Claims and Interests shall receive the distributions provided for in the Plan, if any, in full settlement and satisfaction of all such Claims, and any interest accrued thereon, and all such Interests.

J. Vesting of Property. Except as otherwise expressly provided in the Plan or the Confirmation Order, pursuant to Section 1141(b) of the Bankruptcy Code, upon the Effective Date, all Property of the Bankruptcy Estate shall vest in the Debtor free and clear of all Claims, liens, encumbrances, charges or other Interests of Creditors and Interest Holders. Except as otherwise expressly provided in the Plan or the Confirmation Order, all assets of the WDi Bankruptcy Estate shall vest in the Reorganized Debtor free and clear of all Claims, liens, and encumbrances. Moreover, all licenses and permits held by the Debtor shall continue be held by them.

K. Discharge.

Pursuant to Section 1141(d) of the Bankruptcy Code, upon the Effective Date, the Debtor shall be discharged from any debt that arose before the date of such confirmation, and any debt of a kind specified in Section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not a proof of the Claim based on such debt is filed or deemed filed under Section 501 of this title; such Claim is allowed under Section 502 of this title; or the Holder of such Claim has accepted the Plan.

L. Injunction.

The Confirmation Order shall include a permanent injunction prohibiting the collection of Claims against the Reorganized Debtor in any manner other than as provided for in the Plan. All Holders of Claims shall be prohibited from asserting against the Debtor, Reorganized Debtor

or any of its assets or properties, any other or further Claim based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date, whether or not such Holder filed a proof of Claim. Such prohibition shall apply whether or not (a) a proof of Claim based upon such debt is filed or deemed filed under Section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is allowed under Section 502 of the Bankruptcy Code; or (c) the Holder of a Claim based upon such debt has accepted the Plan. This injunction also permits the Reorganized Debtor to enforce 11 U.S.C. §525(a) upon improper revocation or restriction of licenses.

M. Preservation of Setoff Rights.

In the event that the Debtor has a Claim of any nature whatsoever against the Holders of Claims, the Debtor may, but is not required to setoff against the Claim (and any payments or other distributions to be made in respect of such Claim hereunder), subject to the provisions of Section 553 of the Bankruptcy Code. Neither the failure to setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtor of any Claim that the Debtor has against the Holder of Claims. Neither this provision nor the injunctive provision of the Confirmation Order shall impair the existence of any right of setoff or recoupment that may be held by a Creditor herein; provided that the exercise of such right, shall not be permitted unless the Creditor provides the Debtor with written notice of the intent to affect such setoff or recoupment. If the Debtor or the Disbursing Agent, as applicable, objects in writing within twenty (20) business days following the receipt of such notice, such exercise shall only be allowed upon order of the Bankruptcy Court. In the absence of timely objection, the Creditor may implement the proposed setoff or recoupment against the Claim held by the Bankruptcy Estate.

N. Releases.

On the Effective Date and pursuant to Section 1123(b)(3)(A) of the Bankruptcy Code, the Debtor, and to the maximum extent provided by law, its agents release and forever discharge all claims, including acts taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, implementation, confirmation or consummation of the Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created or entered into or any other act taken or entitled to be taken in connection with the Plan or this case against the following, whether known or unknown:

Alejandro Kiss, WDi SHC, LP, WDi Manufacturing LLC, Wellhead Distributors International Ltd their employees, directors, agents, affiliates, attorneys and representatives (“Insider Released Parties”), in connection with any and all claims and causes of action arising on or before the Confirmation Date that may be asserted by or on behalf of the Debtor or the Bankruptcy Estate and/or on account of the Debtor’s Case. The release of these Insider Released Parties shall be conditioned upon the occurrence of the Effective Date.

The Debtor’s Professionals will be released from any and all claims and liabilities of the Debtor other than willful misconduct or if the release is otherwise restricted by the Texas Disciplinary Rules of Professional Conduct.

JPMorgan Chase Bank and the Holder of the Class 2 Claims, including their respective Representatives, in connection with any and all claims and causes of action arising on or before

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the Confirmation Date that may be asserted by or on behalf of the Debtor or the Bankruptcy Estate and/or on account of the Debtor's Case.

CPTDC and the Holder of the Class 4 Claim, including its respective Representatives, in connection with any and all claims and causes of action arising on or before the Confirmation Date that may be asserted by or on behalf of the Debtor or the Bankruptcy Estate and/or on account of the Debtor's Case.

Neither the releases contemplated by Article 13.7 of the Plan, nor any provisions of the Plan, shall release claims against non-debtor third parties.

O. Guarantors.

Nothing herein shall be deemed to release the liability of any non-debtor guarantor to a Creditor; provided, however, that so long as the Debtor is current with respect to all of its obligations under this Plan and the Confirmation Order Creditors may not pursue collection of their Claims from any guarantor. If the Debtor commits an uncured default in its obligations hereunder, then and only then may Creditors seek relief against guarantors.

P. Lawsuits.

On the Effective Date, all lawsuits, litigations, administrative actions or other proceedings, judicial or administrative, in connection with the assertion of Claims against the Debtor and any guarantor except proof of Claim and/or objections thereto pending in the Bankruptcy Court shall be dismissed as to the Debtor. Such dismissal shall be with prejudice to the assertion of such Claim in any manner other than as prescribed by the Plan. All parties to any such action shall be enjoined by the Bankruptcy Court by the Confirmation Order from taking any action to impede the immediate and unconditional dismissal of such actions. All lawsuits, litigations, administrative actions or other proceedings, judicial or administrative, in connection with the assertion of a claim(s) by the Debtor or any entity proceeding in the name of or for the benefit of the Debtor against a person shall remain in place only with respect to the claim(s) asserted by the Debtor or such other entity, and shall become property of the Post-Confirmation Reorganized Debtor to prosecute, settle or dismiss as it sees fit.

Q. Insurance.

Confirmation and consummation of the Plan shall have no effect on insurance policies of the Debtor in which the Debtor or any of the Debtor's representatives or agents is or was the insured party; the Debtor shall continue as the insured party under any such policies without the need of further documentation other than the Plan and entry of the Confirmation Order. Each insurance company is prohibited from denying, refusing, altering or delaying coverage on any basis regarding or related to the Debtor's bankruptcy, the Plan or any provision within the Plan.

R. Objections to Claims.

The Debtor or the Disbursing Agent shall, on and after the Effective Date, have the right to make and file objections to Claims, including Administrative Expense. Unless otherwise ordered by the Bankruptcy Court, all objections to Claims that are the subject of proofs of claim or requests for payment filed with the Bankruptcy Court shall be filed and served upon the holder of the Claim as to which the objection is made no event later than one hundred twenty (120) days after the Effective Date.

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S. Prosecution of Objections.

On and after the Effective Date, except as the Bankruptcy Court may otherwise order, the filing, litigation, settlement or withdrawal of all objections to Claim and Reserved Avoidance Actions may be made by the Reorganized Debtor and/or Disbursing Agent.

T. Disallowance of Claims.

All Claims held by Persons against whom the Debtor or its Estate have asserted a Claim or Cause of Action under Sections 522(f), 522(h), 542, 543, 544, 547, 548, 549, 550, 551, 553, or 724(a) of the Bankruptcy Code, including, without limitation, the Chapter 5 Actions and the Derivative Claims, shall be deemed disallowed pursuant to Section 502(d) of the Bankruptcy Code, and holders of such Claims may not vote to accept or reject the Plan until such time as such Claims or Causes of Action against the Person have been settled or a Final Order entered and all sums due the Debtor by that Person are turned over to the Debtor.

U. Disputed Claims.

Except as otherwise provided in the Plan, no payments shall be made with respect to all or any portion of a Disputed claim unless and until any and all objections to such Disputed Claim have been determined by a Final Order. Payments and distributions to each holder of a Disputed Claim, to the extent that the Disputed Claim ultimately becomes an Allowed Claim, shall be made in accordance with the provisions of the Plan. Any payments that would have been made prior to the date on which a Disputed Claim becomes an Allowed Claim shall be made as soon as practicable after the date that the order or judgment of the Court determining such Claim to be an Allowed Claim becomes a Final Order.

For purposes of the Plan, any and all Claims that are subject to disallowance pursuant to Code §§ 502(e) and 509 shall be deemed to be disallowed as of the Confirmation Date, notwithstanding the absence of any objection thereto.

VII. LIQUIDATION ANALYSIS

A. Methodology.

The starting point in determining the amount which members of each impaired class of unsecured claims and interests would receive in a Chapter 7 case is to estimate the dollar amount that would be generated from the liquidation of the Debtor (the "Liquidation Proceeds"). The Liquidation Proceeds of the Debtor would consist of the proceeds from the sale of all of the assets of the Debtor, augmented by the cash held by the Debtor. The present value of the distribution from the Liquidation Proceeds is then compared with the present value offered to each of the classes of unsecured claims and interests of each such class.

B. Analysis.

Attached as **Exhibit D** is a liquidation analysis (the "Liquidation Analysis"). This Liquidation Analysis indicates that Holders of Allowed General Unsecured Claims would receive significantly less in a Chapter 7 liquidation than under the Plan, which is a far less desirable result than the result to be achieved under the Plan. Under the Plan, holders of

anticipated allowed Class 3 claims are estimated to receive a return of 80% of the anticipated allowed claims, which will be paid from the allocable portion of the Tax Refund and the Class 3 Quarterly Distributions. The Tax Refund distribution is anticipated to be made near the Effective Date of the Plan (to the extent it has been received by the Debtor. Additionally, under the Plan, Class 3 creditors shall receive a pro rata share of Net Litigation Proceeds to the extent received and in accordance with Article 6.6 of the Plan.

However, as discussed below, in liquidation, these creditors would likely not receive any distribution until the assets were fully liquidated by the Chapter 7 Trustee. This process would likely take several months and possibly years before any payment would be made to creditors.

As previously discussed, Debtor's assets have a book value of approximately \$40.4 million. Debtor's cash is estimated at \$2.3 million, which includes receipt of the Tax Refund. This asset would be valued the same in a liquidation. Further, Debtor's estimated collectible accounts receivable is valued at \$4.9 million. However, in a liquidation, these accounts would likely be liquidated at a discount by the Chapter 7 Trustee. Further, in a liquidation, the risk of nonpayment is significantly increased. Debtor estimates that in a liquidation, collectible accounts receivable would yield \$2.47 million, or approximately 50% of the book value. The Debtor's assets also include approximately \$1.8 million in fixed assets. A significant portion of the fixed assets are leasehold improvements which would have no value in the event of liquidation. The liquidation value of other fixed assets is estimated at \$450,908.

Debtor's most significant asset is its inventory, with a book value \$30 million. Due to weakened economic conditions in the oil and gas industry, the liquidation value of this inventory would be deeply discounted. In June 2016, Debtor's secured lender obtained an appraisal of Debtor's inventory which collateralizes the secured loans. The appraisal provides a liquidation value for Debtor's inventory at 10.6% of its cost. The Debtor has not independently valued these assets and reserves the right to challenge this valuation. Based on this appraised value, the Debtor's current inventory of approximately \$30 million would likely yield a little more than \$3.1 million in a liquidation.

Further, most of the Debtor's prepaid expenses, which are valued at \$1.3 million, are deposits for orders placed but not delivered. In a liquidation, most of these deposits would be forfeited and the liquidation value of all prepaid expenses is estimated at \$261,556. As set forth in Exhibit D, in a liquidation, these assets have a value of at best \$2.4 million. Debtor estimates cash of \$3 million. In a liquidation, the Chapter 7 Trustee, will likely utilize the cash first to pay ongoing expenses associated with the Chapter 7 case and sale of assets, including payments to various professionals such as attorneys, brokers, auctioneers and accountants. These fees would be paid ahead of the prepetition claims in this case.

As set forth in Exhibit D, absent confirmation of the Plan, the Chapter 11 Case would be converted to a case under Chapter 7 of the Bankruptcy Code and the assets would be liquidated for at best \$8.7 million. Chapter 7 administrative fees and expenses, then Chapter 11 administrative expense claims would be paid ahead of all other claims. Additionally, JPMorgan Chase retains liens on substantially all the Debtor's assets. In the event these assets are liquidated, JPMorgan would be paid the value of its claim ahead of other creditors. Additionally, under the plan, a significant portion of CPTDC's allowed claim is not paid by the Debtor. If the

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case were to convert to a Chapter 7, this payment would not be made to CPTDC from non-Debtor sources and CPTDC's \$22 million claim would potentially be paid *pari passu* with other general unsecured claims, which significantly dilutes the return to other unsecured creditors. The value of Net Litigation Proceeds is not easily ascertained. However, the liquidation of these assets would not be expected to exceed the value received in a Chapter 11 and likely would be much lower in a liquidation.

Further, the conversion of the Case to a case under Chapter 7 would add another layer of administrative expense, including professional fees and trustee commissions that would further impair the timing and potential recovery of Allowed General Unsecured Claims. Thus, the proposed distribution to Allowed Class 3 General Unsecured Claims under the Plan provides for a much faster and better return to creditors than in a liquidation.

VIII. RISKS POSED TO CREDITORS

The principal risk to the creditors is that the Plan will not be confirmed. Absent confirmation of the Plan, the case would be converted to a Chapter 7 to liquidate the Debtor's assets. In a liquidation, creditors clearly receive a much lower distribution than under the Plan.

IX. ALTERNATIVES

Although the Disclosure Statement is intended to provide information to assist creditors in making a judgment on whether to vote for or against the Plan, and although creditors are not being offered through that vote an opportunity to express an opinion concerning alternatives to the Plan, a brief discussion of alternatives to the Plan may be useful. These alternatives include conversion to a Chapter 7 or dismissal of the proceedings. The Debtor of course, believes the proposed Plan to be in the best interests of creditors. The Debtor assesses the alternatives as follows:

A. Conversion to Chapter 7

The first alternative would be to convert the Chapter 11 case to a Chapter 7 liquidating bankruptcy to liquidate the business. If this occurred, the Bankruptcy Court will appoint a trustee to liquidate the Debtor's assets for the benefit of its creditors. The costs associated with a trustee would then be added to the additional tier of administrative expenses entitled to priority over general unsecured claims upon conversion. Such administrative expenses include the Trustee's commissions, as well as fees for professionals retained by the Trustee to assist in the liquidation. The Trustee's commissions are based on disbursements to creditors. The Trustee receives 25% of the first \$5,000, 10% of the next \$45,000, 5% of the next \$950,000 and 3% on all amount disbursed in excess of \$1 million.

B. Dismissal

Dismissal of the proceeding would likely result in the Debtor and the plan proponents defending debt-collection litigation and numerous new lawsuits to collect debts. The Secured Lenders would foreclose on most of the Debtor's assets likely halting operations. Under this scenario, the unsecured creditors would likely receive no payment whatsoever on their claims.

C. No Assurance of Either

There are other possibilities which are less likely, such as a competing plan proposed by a different party. The Debtor has attempted to set forth the reasonable alternatives to the proposed Plan. However, the Debtor must caution creditors that a vote must be for or against the Plan. The vote on the Plan does not include a vote on alternatives to the Plan. There is no assurance what course the proceedings will take if the Plan fails acceptance.

X. CERTAIN FEDERAL INCOME TAX CONSEQUENCES

A. Tax Consequences to Creditors

1. GENERALLY

The tax consequence to any particular creditor may vary depending on their own circumstances and they should consult with their own tax professional for advice regarding the impact on them of their acceptance or rejection of the plan.

2. UNSECURED CLAIMS

Holders of Class 3 and 4 Unsecured Claims will receive distributions from the Debtor. These Claimholders should either be treated as (i) recognizing ordinary income in an amount equal to cash received and recognizing a loss in an amount equal to the tax basis in the Claim or (ii) recognizing a loss equal to the difference between the amount of cash received and their tax basis in their Claim.

A Claimholder's tax basis in a Claim should generally equal the amount included in income as a result of the provision of goods or services to the Debtor, except to the extent that a bad debt loss had previously been claimed. The gain or loss with respect to the Claim should be ordinary to the extent that it arose in the ordinary course of trade or business for services rendered or from the sale of inventory to the Debtor.

DUE TO THE COMPLEX NATURE OF APPLICABLE TAX LAWS, CLAIMANTS SHOULD CONSULT WITH THEIR TAX PROFESSIONAL CONCERNING COMPLIANCE WITH AND THE AFFECT OF BOTH STATE AND FEDERAL TAX LAWS ON THEIR INTEREST BEFORE THEY CAST A BALLOT TO ACCEPT OR REJECT THE PLAN.

THE ACCOUNTANTS, ATTORNEYS, AND THE MANAGEMENT OF THE DEBTOR MAKE NO REPRESENTATIONS HEREIN CONCERNING THE IMPACT OF THE TAX LAW ON ANY INDIVIDUAL TREATED UNDER THE PLAN.

XI. PREFERENCES AND FRAUDULENT TRANSFERS

Under the Bankruptcy Code and Texas State Law, the bankruptcy estate may sue to recover assets (or their value) that were transferred by "voidable transfers", which includes assets transferred:

- (A) in fraud of Creditors,

- (B) in constructive fraud of Creditors – because the asset was transferred without sufficient consideration while the Debtor was insolvent,
- (C) as a preferential transfer - a payment before bankruptcy outside the ordinary course that allows a creditor to receive more than it would receive in liquidation, or
- (D) as an unauthorized post-bankruptcy transfer by the Debtor outside of the ordinary course.

A list of all transfers made during the applicable avoidance periods is attached to Debtor's Statement of Financial Affairs filed with the Bankruptcy Court on (Docket #19). The Debtor does not believe that many of these transfers are voidable under Sections 550, 547, 548, 544, or similar provision of the Bankruptcy Code and the Plan contemplates a release of certain of these Avoidance Actions.

If the Plan is not confirmed and a liquidating trustee or Chapter 7 trustee is appointed, it is possible that the trustee's analysis will differ from that of the Debtor and that avoidance actions will be commenced against Creditors of the estate, insiders, or others.

XII. LITIGATION

A chart of pending litigation is attached hereto as Exhibit E. Otherwise, no litigation is pending or expected against the Debtor. No claim of environmental liability has been made, and no such claims are known or expected.

XIII. MANAGEMENT OF THE REORGANIZED DEBTOR

A. Directors and Officers of the Debtor

Alejandro Kiss and Balazs Horvath are officers and directors of the Debtor. These Directors and Officers of the Debtor shall continue as the Directors and Officers of the Reorganized Debtor from and after the Effective Date of the Plan.

B. Management Compensation

As of the Effective Date, the management of the Reorganized Debtor shall continue to receive salaries as follows: Alejandro Kiss - \$200,000 annually and Balazs Horvath - \$152,000 annually. Management reserves the right increase these salaries in accordance with usual and customary practices of the company.

XIV. ACCEPTANCE AND CONFIRMATION OF THE PLAN

A. Acceptance of the Plan

Confirmation of a Plan under Chapter 11 requires, among other things, that at least one class of creditors or claimants, such as the secured or unsecured creditors in this case, vote in favor of the Plan. This vote is calculated by only counting those creditors who actually send in a ballot on time. If two thirds in total dollar amount and a majority in number of claims actually

voting in a class approve the Plan, that class of creditors is considered an accepting class. If the vote is insufficient, the Court can still confirm the Plan, but only upon being provided additional proof regarding the ultimate fairness of the Plan to the creditors. The Debtor believes that the unsecured creditors will support the Plan when they consider the fact that the secured and priority creditors will receive the majority of all of the assets of the Debtor in the event the reorganization is unsuccessful.

The proponent of a Plan also must meet all other applicable requirements of Section 1129(a) of the Bankruptcy code (except Section 1129(a)(8), if the proponent proposes to seek confirmation of a Plan under Section 1129(b) of the Bankruptcy Code). These other requirements include, among other things, that the Plan comply with the applicable provisions of Title 11 and other applicable law, that the Plan be proposed in good faith, and that at least one impaired class of creditors vote to accept the Plan. The Debtor believes that the Plan satisfies all other applicable requirements of Section 1129(a) of the Bankruptcy Code.

B. Confirmation without Acceptance of All Impaired Classes

The Bankruptcy Court may confirm a plan even if not all impaired classes accept the Plan. For the Plan to be confirmed over the rejection of an impaired class, the proponent 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 that has not accepted the plan.

Under Section 1129(b) of the Bankruptcy Code, a plan is "fair and equitable" as to a class if, among other things, the plan provides: (a) with respect to secured claims, that each holder of a claim included in the rejecting class 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 interest of such class will not receive or retain, on account of such junior claim or interest, any property unless the senior class is paid in full. The Bankruptcy Court must further find that the economic terms of a plan do not unfairly discriminate as provided in Section 1129(b) of the Bankruptcy Code with respect to the particular objecting class. Under the terms of this plan, the principals of the Debtor shall retain their interest in the Reorganized Debtor. The retention of this interest may prevent the Debtor from seeking relief under 1129(b)(2)(B). However, if the plan is not confirmed, unsecured creditors will likely not receive any distribution in a liquidation.

C. Other Requirements for Confirmation

In order to obtain confirmation of the Plan, the requirements of Section 1129 of the Code must be satisfied. These requirements include but are not limited to findings that the Plan complies with the applicable provisions of Chapter 11 of the Code, that the Debtor has complied with the applicable provisions of Chapter 11 of the Code, that the Plan has been proposed in good faith and not by any means forbidden by law, and at least one class of impaired claims has voted to accept the Plan. The Debtor believes that the Plan satisfies all the statutory requirement of Chapter 11 of the Bankruptcy Code.

1. BEST INTEREST OF CREDITORS

Before the Plan may be confirmed, the Bankruptcy Court must find (with certain exceptions) that the Plan provides, with respect to each class, that each holder of a claim or interest of such class either (a) has accepted the Plan or (b) will receive or retain under the Plan on account of such claim or interest property of a value, as of the effective date, that is not less than the amount that such person would receive or retain if the Debtor was, on the effective date, liquidated under Chapter 7 of the Bankruptcy Code. As set forth above, the Debtor believes that this test will be satisfied.

2. FINANCIAL FEASIBILITY

The Bankruptcy Code requires that, in order for the Plan to be confirmed by the bankruptcy court, the bankruptcy court must determine that consummation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtor. The Debtor believes that it will be able to fulfill its obligations under the Plan.

Attached hereto as Exhibit C is the Debtor's projection demonstrating the feasibility of the Plan. Exhibit C was prepared by Debtor's management from historical data and a projection model that assumes that revenue will be produced as projected by use of the current facilities and equipment. The Debtor believes that it is sufficient to support additional business and will continue to increase its revenues. This pro forma indicates that the Debtor will be able to survive on a post-confirmation basis.

D. Cram-Down - Confirmation Without Acceptance by All Impaired Classes

The Bankruptcy Code contains provisions for confirmation of a Plan even if the Plan is not accepted by all impaired classes, provided that at least one impaired class of claims has accepted it (determined without including any acceptance by any insider holding a claim of such class). These "cram-down" provisions, for confirmation of a Plan despite the non-acceptance of one or more impaired classes of claims or interests, are set forth in Section 1129(b) of the Bankruptcy Code.

In the event that any impaired class of claims does not accept the Plan by the requisite majority set out in the introduction, the Debtor must demonstrate to the Bankruptcy Court, with respect to each impaired class which does not accept the Plan that the Plan does not discriminate unfairly, and is "fair and equitable" with respect to that class. Under the Bankruptcy Code, a Plan is considered "fair and equitable" with respect to secured claims, unsecured claims or interest, as the case may be, if the following conditions are met:

- (a) Secured Claims. The holders of such claims retain their liens, to the extent of the allowed amount of their secured claims, and that each holder of such a claim receive on account of such secured 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 the collateral.
- (b) Unsecured Claims. Either (i) each impaired unsecured creditor receives or retains under the Plan property of a value as of the effective date of the

Plan equal to the amount of its allowed claim, or (ii) the holder of any claim or interest that is junior to the claims of the dissenting class will not receive or retain any property under the Plan.

Absolute Priority Rule. Section 1129(b)(2)(B)(ii) controls the payment of senior and junior classes of claims or interests in the event that all of the applicable requirements of Section 1129(a), other than paragraph (8), are met with respect to a plan. In the event that any impaired class (other than an “insider”, as defined in 11 U.S.C. § 101(31)) rejects the Plan, the equity interest holders (or other interests junior to unsecured creditors) may only retain their interest in the Reorganized Debtor in return for new value infused into the Reorganized Debtor in accordance with *Bank of Am. Nat. Trust & Sav. Ass’n v. 203 N. LaSalle St. P’ship*, 526 U.S. 434, 445 (1999). The assessment of the required “new value” for the equity interest holders (or other interests junior to unsecured creditors) is to be made in the event that any impaired class (that is not an “insider”) rejects the Plan.

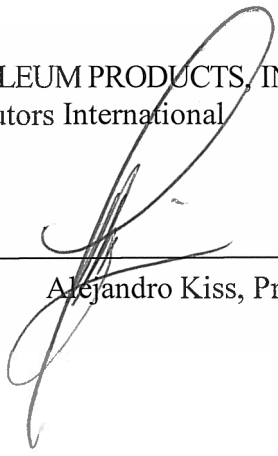
The Debtor believes that the Plan meets the "fair and equitable" test and does not discriminate unfairly with respect to secured class of creditors or interest holders. Under the terms of this plan, the principals of the Debtor shall retain their interest in the Reorganized Debtor. The retention of this interest may prevent the Debtor from seeking relief under 1129(b)(2)(B). Unless all impaired classes vote for the Debtor’s plan, the retention of this interest will prevent the Debtor’s plan from being confirmed and this case will be converted to chapter 7.

XV. CONCLUSION

The information provided in this Disclosure Statement is intended to assist you in voting on the Plan in an informed fashion. If the Plan is confirmed, you will be bound by its terms. Accordingly, you are urged to make such further inquiries as you may deem appropriate and then cast an informed vote on the Plan.

Respectfully submitted this 3rd day of October 2016.

PETROLEUM PRODUCTS, INC. dba Wellhead
Distributors International

By:  _____
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ATTORNEYS FOR DEBTOR

EXHIBIT “A”

PLAN

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

IN RE: § (Chapter 11)
§
PETROLEUM PRODUCTS & § **CASE NO. 16-31201-H1-11**
SERVICES, INC. §
§ **Judge Marvin Isgur**
Debtor. §

**PLAN OF REORGANIZATION FILED BY DEBTOR
PETROLEUM PRODUCTS & SERVICES, INC.**

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**CHAPTER 11 PLAN OF DEBTOR
PETROLEUM PRODUCTS & SERVICES, INC.**

In accordance with 11 U.S.C. §1121 and §1106, Debtor **PETROLEUM PRODUCTS & SERVICES, INC. dba Wellhead Distributors International** (hereinafter "WDi" or Debtor") files this Debtor's Plan of Reorganization ("Plan") as follows:

ARTICLE I.

GENERAL PURPOSES OF THE PLAN

WDi is an oilfield services company whose core business is selling a full suite of wellhead equipment, gate valves, mud valves, chokes and multi-bowl wellhead systems. WDi maintains its four strategic locations in Texas and Louisiana to serve its customers, with its largest location and corporate offices based in Houston, Texas. WDi has been in business since 1995 and was founded by Alejandro Kiss who is its largest shareholder. WDi currently has fifteen (15) full-time employees and four contract employees.

This bankruptcy case was filed primarily as a result of the collapse in oil prices and the resulting depression in the oil field service industry. The failure of the oil economy also impaired WDi's ability to litigate pending litigation, most significantly a lawsuit involving former board members and co-shareholders competing against the business and asserting a claim in excess of \$22 million ("CPTDC Litigation"). In view of the unliquidated nature of the claims, WDi requested the Bankruptcy Court to estimate CPTDC's claim pursuant to the provisions of 11 U.S.C. §502(c) so it could file a meaningful plan. The parties subsequently successfully mediated the dispute whereby CPTDC is paid \$5 million on account of its claim, which is paid pursuant to the terms set forth herein.

The Debtor has a strong core business and intends to reorganize around that business which, together with certain other operational improvements and the funding from Mr. Kiss, is expected to be the basis for a viable reorganization plan. Consequently, the Plan provides for payment to Creditors as follows: (1) Administrative Claims will be paid in cash in full; (2) Priority Claims will be paid in full in cash when due; (3) Allowed Claims of Ad Valorem taxing authorities shall be paid in full with thirty (30) days of Debtor's receipt of the Tax Refund; (4) Allowed Secured Claim of JPMorgan Chase Bank will be paid in full in accordance with the modified maturity dates and terms outlined in Class 2 of this plan including a payment on the principal balance of the loans from 50% of the remaining balance of the Tax Refund after payment of Allowed Class 1 Claims and the \$200,000 payment allocated to the Debtor for operations; (5) Allowed General Unsecured Claims shall receive a pro rata share of: (i) 50% of the remaining balance of the Tax Refund after payment of Allowed Class 1 Claims and the \$200,000 payment allocated to the Debtor for operations; (ii) Class 3 Quarterly Distributions; and (iii) Net Litigation Proceeds; (6) Allowed Claims of CPTDC shall receive the initial payment of \$2.75 million from contributions of Mr. Kiss, not the Reorganized Debtor, as follows: \$1 million paid from the Cash Infusion and up to \$1.75 million from the proceeds of the sale of the Kiss Real Estate, with the balance of \$2.25 million to be paid by the Reorganized Debtor in a single lump sum cash payment 36 months from the Confirmation Date; (7) Allowed Claims of Affiliates shall be allowed to offset to offset any amounts owed to the Debtor but shall otherwise receive no payment until the allowed Class 1-4

claims are paid in accordance with the plan; and (9) Allowed Interests of Equity holders shall retain the Equity Interests held on the date of the filing of the bankruptcy case, with the prohibition of payment of dividends until Classes 1, 2, 3, 4 and 5. Total distributions shall not exceed the amount of any Allowed Claim, with interest.

ARTICLE II.

DEFINITIONS

2.1 **Definitions.** For purposes of this Plan of Reorganization, the following terms and definitions shall have the following meanings unless the context clearly indicates otherwise:

2.1.1. "Administrative Claim" shall mean any Claim that is defined in Section 503(b) of the Bankruptcy Code as being an "administrative expense" within the meaning of such section.

2.1.2. "Administrative Expenses" shall mean those expenses described in §503 of the Bankruptcy Code.

2.1.3. "Allowed Claim" or "Allowed Interest" shall mean a Claim or Interest (a) in respect of which a proof of claim or application has been filed with the Court within the applicable period of limitations fixed by Bankruptcy Rule 3001 or, by order of this Court, (b) scheduled in the list of Creditors prepared and filed with the Bankruptcy Court pursuant to Bankruptcy Rule 1007(b) and not listed as disputed, contingent or liquidated as to amount, in either case as to which no objection to the allowance thereof has been interposed within any applicable period of limitations fixed by Bankruptcy Rule 3001 or an order of the Bankruptcy Court, or as to which any such objection has been determined by an order or judgment which is no longer subject to appeal or certiorari proceeding and as to which no appeal or certiorari proceeding is pending.

2.1.4. "Allowed Unsecured Claim" means an allowed claim that is not an Administrative Claim, a Secured Claim, or a Priority Claim.

2.1.5. "Avoidance Actions" shall mean those causes of action provided for under Sections 547 to 551 of the Bankruptcy Code, causes of action under applicable non-bankruptcy law for voidable transfers or similar legal theories, such as the Uniform Fraudulent Transfer Act or Uniform Fraudulent Conveyance Act, as enacted.

2.1.6. "Bankruptcy Case" shall mean Case No. 16-31201 in the United States Bankruptcy Court for the Southern District of Texas, Houston Division filed by Petroleum Products & Services, Inc. on March 4, 2016.

2.1.7. "Bankruptcy Code" shall mean the Bankruptcy Code, 11 U.S.C. §101 et seq., and any amendments thereof.

2.1.8. "Bankruptcy Court" shall mean the United States Bankruptcy Court for

the Southern District of Texas, Houston Division, in which the Debtor's Chapter 11 case, pursuant to which the Plan is proposed, is pending, and any Court having competent jurisdiction to hear appeals or certiorari proceedings therefrom.

2.1.9. "Bankruptcy Estate" shall mean all of the assets owned by the Debtor.

2.1.10. "Bankruptcy Rules" shall mean the rules of procedure in bankruptcy cases applicable to cases pending before the Bankruptcy Court and local bankruptcy rules as adopted by the Bankruptcy Court.

2.1.11. "Bar Date" shall mean July 11, 2016, the deadline established by the Bankruptcy Court in its Order Fixing a Bar Date for Filing Certain Proofs of Claim and Approving Proof of Claim Form and Notice Procedures and in the Notice of Commencement of an Expedited Case under Chapter 11 of the Bankruptcy Code, Fixing Meeting of Creditors and Other Dates no later than which proofs of claim for non-governmental entities must be filed except for those claims specified in this plan, which claims shall have the bar dates established herein.

2.1.12. "Cash" shall mean Cash and Cash equivalents including, without limitation, checks and wire transfers.

2.1.13. "Cash Infusion" means the cash paid by Alejandro Kiss in his personal capacity or any other entity owned or controlled by him of approximately \$1 million to be used to fund the initial settlement payment to CPTDC.

2.1.14. "Claim" shall mean any right to payment, or right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, against Debtor in existence on or before the Filing Date, whether or not such right to payment or right to equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, secured or unsecured.

2.1.15. "Class" shall mean any class into which Allowed Claims or Allowed Interests are classified pursuant to Article 4.

2.1.16. "Class 1 Claims, Class 2 Claims, Class 3 Claims, Class 4 Claims, Class 5 Claims, and Class 6 Interests" shall mean the Allowed Claims and Interests so classified in Sections 4.1 through 4.6 respectively.

2.1.17. "Class 3 Quarterly Distribution" means the quarterly distribution in the aggregate amount of \$125,000 which shall be paid on a pro rata basis to holders of Allowed Class 3 Claims, with the first payment to be made beginning with the third quarter of 2017 as provided in Article 4.3 herein.

2.1.18. "Confirmation Date" shall mean the date upon which the Order Confirming Plan is entered by the Clerk of the Bankruptcy Court.

2.1.19. "Confirmation Hearing" shall mean the hearing held by the Bankruptcy Court to consider confirmation of the Plan.

2.1.20. "CPI" shall mean CP International, Inc., a party to the CPTDC Settlement.

2.1.21. "CPTDC" shall mean China Petroleum Technology & Development Corporation.

2.1.22. "CPTDC Litigation" shall mean Adversary Proceeding No. 16-03052, styled as *Petroleum Products & Services, Inc. d/b/a Wellhead Distributors International et. al. v. China Petroleum Technology & Development Corporation and CP International, Inc. et. al.*, currently pending in the United States Bankruptcy Court for the Southern District of Texas, Houston Division, removed from the 151st District Court of Harris County, Texas, under Cause No. 2014-15734; *Petroleum Products & Services, Inc. d/b/a Wellhead Distributors International et. al. v. China Petroleum Technology & Development Corporation and CP International, Inc. et. al.*

2.1.23. "CPTDC Claim" means the general unsecured claim in the amount of \$22,745,660.60 asserted by CPTDC in its proof of claim #21 filed on or about on or about

2.1.24. "CPTDC Settlement" means the settlement of claims between the Debtor, CPTDC, CP International, Inc., Jiangsu Jinshi Machinery Group Co., Ltd. whereby CPTDC shall receive payments totaling \$5 million in exchange for a full release of claims against the Debtor by CPTDC, CP International, Inc., Jiangsu Jinshi Machinery Group Co., Ltd. and which shall be treated accordingly in Class 4 of this Plan.

2.1.25. "CPTDC Settlement Payment" means the payment of \$5 million to CPTDC in accordance with the terms of Article 4.4 herein, including the initial payment of \$2.75 million from the Cash Infusion and proceeds up to \$1.75 million from the sale of Kiss Real Estate and the subsequent payment of \$2.25 million from the Reorganized Debtor to be paid thirty-six (36) months following entry of the Confirmation Order.

2.1.26. "Creditors" shall mean all creditors of the Debtor holding claims for debts, liabilities, or demands of any character whatsoever, as defined in §101(10) of the Bankruptcy Code.

2.1.27. "Debtor" shall mean Petroleum Products & Services, Inc. dba Wellhead Distributors International. "Disbursing Agent" shall mean the Reorganized Petroleum Products & Services, Inc. or any party designated by Petroleum Products & Services, Inc. to act as disbursing agent.

2.1.29. "Disclosure Statement" shall mean the written document filed by the Debtor in accordance with Section 1125(b) of the Bankruptcy Code containing information sufficient to enable a hypothetical reasonable investor typical of holders of Claims or Interests of the relevant Class to make an informed judgment

about this Plan.

2.1.30. "Disputed Claim" shall mean that portion (including, where appropriate, the whole) of any Claim that (a) is listed in the Debtor's schedules of liabilities as disputed, contingent, or unliquidated; (b) is listed in the Debtor's schedules of liabilities and as to which a proof of claim has been filed with the Bankruptcy Court, to the extent the proof of claim exceeds the scheduled amount; (c) is not listed in a Debtor's schedules of liabilities, but as to which a proof of claim has been filed with the Bankruptcy Court; or (d) as to which an objection to a proof of claim has been filed and has not become an Allowed Claim.

2.1.31. "Effective Date" shall mean the date upon which the Confirmation Order becomes a Final Order.

2.1.32. "Equipment Term Note" means that certain Business Purpose Promissory Note and related loan documents entered on or about October 1, 2014 with JPMorgan Chase Bank, N.A, in the original principal sum of \$4.5 million, secured by a lien on certain equipment owned by the Debtor and certain affiliated entities.

2.1.33. "Equity Interest" means any ownership interest or shares in Petroleum Products & Services, Inc., whether or not transferable, preferred, common, voting, or denominated "stock" or a similar security.

2.1.34. "Executory Contract(s)" shall mean any Pre-petition Unexpired lease(s) or executory contract(s) of the Debtor within the meaning of Section 365 of the Bankruptcy Code.

2.1.35. "Filing Date" shall mean March 4, 2016, the date the Debtor filed its petition under Chapter 11 of the Bankruptcy Code.

2.1.36. "Final Order" shall mean an Order of the Bankruptcy Court which, not having been stayed, and the time to appeal from which, or to seek review or certiorari or rehearing, has expired and such Order has become conclusive upon all matters adjudicated thereby, and in full force and effect.

2.1.37. "General Unsecured Claim" shall mean either (i) a Claim that is not secured by a lien, security interest or other charge against or interest in property in which Debtor has an interest or which is not subject to setoff under Section 553 of the Bankruptcy Code or (ii) a Claim that is secured in one of the foregoing manners to the extent the amount of the Claim exceeds the value of the property securing the Claim.

2.1.38. "Holder" shall mean the owner or holder of any Claim or Interest.

2.1.39. "Interest" shall mean an interest or equity interest (a) in respect to which a proof of interest has been filed with the Bankruptcy Court within the applicable period of limitation fixed by Bankruptcy Rule 3001 or (b) scheduled in the list of equity security holders prepared and filed with the Bankruptcy Court pursuant to

Bankruptcy Rule 1007(b).

2.1.40. "Insider" shall have that meaning defined by 11 U.S.C. § 101(31).

2.1.41. "IRS" means the Internal Revenue Service, a bureau of the United States Department of Treasury responsible for the intake of government revenue, including federal taxes.

2.1.42. "JMP" shall mean Jiangsu Jinshi Machinery Group Co. Ltd., a party subject to the CPTDC Settlement.

2.1.43. "JPMorgan Chase" means JPMorgan Chase Bank, N.A., the Debtor's senior secured lender.

2.1.44. "Loan Agreement" means that Loan Agreement and related documents between the WDi and JPMorgan Chase entered on or about October 1, 2014 governing the terms of the RLOC Note.

2.1.45. "Kiss Real Estate" shall mean the following real property, which is currently marketed for sale through NewQuest Properties pursuant to Exclusive Listing Agreements: (i) 22420 State Highway 249, Houston, TX 77070 (2.81 acres with 54,474 SF bldg.) with a current list price of \$5.8 million and (ii) 23518 Coons Road, 9.03 acres with 52,250 SF bldg. with current list price of \$6.3 million. Up to \$1.75 million of the proceeds from the sale of this real estate shall be used to fund the initial CPTDC Settlement payment.

2.1.46. "Net Litigation Proceeds" shall mean all proceeds received in connection with prosecution or settlement of Reserved Litigation Claims, net of all respective necessary and actual costs and expenses associated with such transactions (including, without limitation, reasonable attorneys' and/or professional fees and other costs, fees and expenses).

2.1.47. "NOL" means net operating loss as defined in the Internal Revenue Code.

2.1.48. "Officers" shall mean Alejandro Kiss and Balazs Horvath, officers and directors of the Reorganized Debtor.

2.1.49. "Order Confirming Plan" shall mean the Final Order of the Bankruptcy Court determining that the Plan meets the requirements of Chapter 11 of the Bankruptcy Code and is entitled to an entry of an Order of Confirmation.

2.1.50. "Petition Date" shall mean March 4, 2016, the date the Debtor filed its petition under Chapter 11 of the Bankruptcy Code.

2.1.51. "Plan" shall mean this Debtor's Plan of Reorganization in its present form or as it may be amended or supplemented from time to time.

2.1.52. "Priority Claim" shall mean any Claim that is defined in Section 507(a)(2)-(8) of the Bankruptcy Code.

2.1.53. "Pro Rata" shall mean the proportion that the amount of such Claim bears to the aggregate amount of Claims in each respective Class.

2.1.54. "Reorganized Debtor" shall mean the Debtor after the entry of Order Confirming Plan.

2.1.55. "Reserved Litigation Claims" shall mean any and all claims, debts, demands, rights, defenses, actions, causes of action, suits, contracts, agreements, obligations, accounts, defenses, offsets, privileges and licenses of any kind or character whatsoever, known or unknown, suspected or unsuspected, whether arising before, on, or after the Petition Date, in contract or tort, at law or equity, or under any theory of law, of the Debtor or its estate, and in certain instances may include Avoidance Actions which have not been released. A non-exhaustive list of Reserved Litigation Claims is attached hereto as Exhibit 1. By including on Exhibit 1 a potential claim, the Debtor is not implying that they necessarily have a claim or cause of action against such person or entity or that a claim or cause of action will be initiated or pursued with respect to the claims. Pursuit of the Reserved Litigation Claims shall be at the sole discretion of the Reorganized Debtor.

2.1.56. "RLOC Note" means that certain Revolving Line of Credit Note agreement entered on or about October 1, 2014 with JP Morgan Chase Bank, N.A, to provide the Debtor with a revolving line of credit up to \$20,000,000 and which is secured by a lien on substantially all the assets of the Debtor.

2.1.57. "Secured Claim" shall mean a Claim secured by a lien, security interest or other charge against or interest in property in which Debtor has an interest, or which is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of the value (determined in accordance with §506(a) of the Bankruptcy Code) of the interest of the holder of such Claim in the Debtor's interest in such property or to the extent of the amount subject to such setoff, as the case may be.

2.1.58. "Substantial Consummation" shall occur on the Effective Date.

2.1.59. "Tax Refund" means the federal income tax refund in the estimated amount of \$2,240,140 expected to be received by the Debtor related to its NOL carryback from its 2015 federal tax return to offset taxable income for tax periods 2013 and 2014, the proceeds of which shall be used first to pay Allowed Class 1 claims in full, with the remaining balance of the Tax Refund to be distributed as follows: \$200,000 to the Debtor for use in operations; 50% of the remaining balance to the Allowed Class 2A RLOC Claim and the remaining 50% to be distributed on a pro rata basis to Allowed Class 3 Claims as provided in Article 4 herein

2.1.60. "WDi" shall mean the Debtor, Petroleum Products & Services, Inc. dba Wellhead Distributors International. Interpretation. Unless otherwise specified, all section, article and exhibit references in the Plan are to the respective sections, articles of or

exhibits to the Plan, as the same may be amended, waived or modified from time to time. The headings and table of contents in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions of the Plan. Words denoting the singular number shall include the plural number and vice versa and words denoting one gender shall include the other gender. All exhibits and schedules attached to the Plan are incorporated herein by such attachment.

2.3 Application of Definitions and Rules of Construction Contained in the Bankruptcy Code. Words and terms defined in the Bankruptcy Code shall have the same meaning when used in the Plan, unless a different definition is given in the Plan. The rules of construction contained in Section 102 of the Bankruptcy Code shall apply to the construction of the Plan.

2.4 Other Terms. The words "herein," "hereof," "hereto," "hereunder" and others of similar import refer to the Plan as a whole and not to any particular section, subsection or clause contained in the Plan. A term used herein that is not defined herein shall have the meaning ascribed to that term, if any, in the Bankruptcy Code.

ARTICLE III.

ADMINISTRATIVE AND PRIORITY CLAIMS

3.1 Administrative Claims Bar Date. Any holder of an Administrative Claim against the Debtor, except for expenses incurred in the ordinary course of operating the Debtor's business and Claims of governmental units as provided in 11 USC Section 503(b)(1)(D), shall file proof of such Claim or application for payment of such Administrative Claim on or within sixty (60) days after the Confirmation Date, with actual service upon counsel for the Debtor or such Holder's Administrative Claim will be forever barred and extinguished and such Holder shall, with respect to any such Administrative Claim be entitled to no distribution and no further notices. To the extent, if any, post-petition taxes are due to the Comptroller on or before the Effective Date, they shall be paid in full on the Effective Date in accordance with § 1129(a)(9)(A). To the extent, if any, post-petition taxes have been incurred by Debtor but are not yet due as of the Effective Date, those taxes shall be paid when due under and in accordance with state law.

3.2 Payment of Non-Tax Administrative Expense Claims. Each Holder of an unpaid Allowed Non-Tax Administrative Claim shall be paid in Cash in full on the later of thirty (30) days after the Effective Date or the date such Claim becomes an Allowed Administrative Claim, unless the Holder of such Claim agrees to a different treatment.

3.3 Payment of Post-Petition-Tax Administrative Expense Claims. Each Holder of an unpaid Allowed Administrative Claim for post-petition taxes shall be paid in Cash in full on the later of the statutory due date under applicable law or within thirty (30) days after the Effective Date, unless the Holder of such Claim agrees to a different treatment.

3.4 Payment of Non-Tax Priority Claims. Each Holder of an unpaid Allowed Non-Tax Priority Claim, if any, shall be paid in Cash on the later of thirty (30) days after the Effective

Date or the date such Claim becomes an Allowed Non-Tax Priority Claim, unless the Holder of such Claim agrees to a different treatment.

3.5 **Payment of Unsecured Priority Tax Claims.** Allowed Priority Tax Claims shall be paid in full in Cash on the later of when due, thirty (30) days after the Effective Date, or the date such Claim becomes an Allowed Unsecured Priority Claim, unless the Holder of such Claim agrees to a different treatment., In computing the present value of such Claims, the interest rate applied shall be the interest rate, which is currently 4.25%, as determined by Texas Tax Code Section 111.060(b) from the Effective Date until paid.

3.6 **Payment of United States Trustee Fees Incurred Prior to Confirmation.** All fees incurred pursuant to 28 U.S.C. §1930(a)(6) for time periods prior to entry of Order Confirming Plan shall be paid by the Debtor on or before the Effective Date.

3.7 **Payment of United States Trustee Fees Subsequent to Confirmation.** The Reorganized Debtor shall be responsible for timely payment of fees incurred pursuant to 28 U.S.C. §1930(a)(6) entry of Order Confirming Plan. After confirmation, the Reorganized Debtor shall file with the Bankruptcy Court and serve on the United States Trustee a monthly financial report for each month (or portion thereof) the case remains open in a format prescribed by the United States Trustee and provided to Wdi by the United States Trustee.

3.8 **Payment to Professionals.** All payments to professionals for actual, necessary services and costs advanced in behalf of the bankruptcy up until the Confirmation Date shall be pursuant to Bankruptcy Court order and subject to the restrictions of 11 U.S.C. §330. Professional fees incurred for services rendered and costs advanced subsequent to the Effective Date shall be the liability of the Reorganized Petroleum Products & Services, Inc.

ARTICLE IV.

CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

Subject to all other applicable provisions of the Plan (including its distribution provisions), classified Claims and Interests shall receive the treatment set forth below. The Plan will not provide any distributions on account of a Claim or Interest to the extent that such Claim or Interest has been disallowed, released, withdrawn, waived, settled, or otherwise satisfied or paid as of the Effective Date, including, without limitation, payments by third party guarantors, sureties, or insurers, whether governmental or nongovernmental. The Plan will not provide any distributions on account of a Claim or Interest, the payment of which has been assumed by a third party.

4.1 **Class 1. Allowed Secured Claim of Taxing Authorities.**

4.1.1 Classification. Class 1 consists of the Allowed Secured Claims of Ad Valorem taxing authorities for the year 2015 and 2016 secured by liens on the assets of the Debtor.

4.1.2 Treatment. Allowed Secured Class 1 Claims shall be paid by the Reorganized Debtor from the proceeds of the Tax Refund within fourteen (14) days of Debtor's receipt of the Tax Refund. If payment to the holders of Allowed Class 1 Claims is made within thirty (30) days of the Effective Date, no post petition interest shall be paid. If payment to holders of Allowed Class 1 Claims is made more than thirty (30) days from the Effective Date, statutory interest shall be paid at the interest rate as determined by the Texas Tax Code Section 111.060 (b) until the date distributions are made to holders of Allowed Class 1 claims. No post petition penalties will be paid.

4.1.3 Class 1 Claims are not impaired.

4.2 **Class 2. Allowed Secured Claims of JPMorgan Chase Bank, N.A.**

4.2.1 Classification. Class 2A consists of the Allowed Secured Claims of JPMorgan Chase Bank, N.A. with respect to the RLOC Note and Loan Agreement.

4.2.2 Treatment. The Allowed Class 2A Claim shall be paid as follows:

(i) the RLOC Maturity Date shall be extended to October 1, 2020. To the extent cash from operations is insufficient to pay the balance of the RLOC in full on the new maturity date, it shall be funded from new capital investment or refinancing of loans.

(ii) after payment in full of Allowed Class 1 Claims as provided in Article 4.1 above and the \$200,000 payment allocated to the Debtor for use in operations, 50% of the remaining balance of the Tax Refund shall be paid to the holder of the Allowed Class 2 Claim. This payment shall be allocated as follows: \$225,000 to be applied against the principal balance of the Class 2B Equipment Term Note, with the balance to be applied against the principal balance of the Class 2A RLOC Note and shall be made within fourteen (14) days of Debtor's receipt of the Tax Refund.

(iii) regular payments of interest shall continue in accordance with contractual terms.

(iv) Principal payments of \$100,000 to be made in January 2018 and January 2019.

(v) the remaining contractual terms and provisions of the RLOC Note and Loan Agreement shall remain in effect except as otherwise provided herein in Article 4.2.

4.2.3 The Class 2A Claim is impaired.

4.2.4 Classification. Class 2B consists of the Allowed Secured Claims of JPMorgan Chase Bank, N.A. with respect to the Equipment Term Note.

4.2.5 Treatment. The Allowed Class 2B Claim shall be paid as follows:

(i) payment of interest shall continue in accordance with contractual terms and provisions.

(ii) as referenced in Article 4.2.2(ii) herein, a payment in the amount of \$225,000 from the Tax Refund shall be applied against the principal balance of the Equipment Term Note.

(iii) beginning on the contractual due date in April 2017, regular monthly contractual principal payments of shall resume.

(iv) JPMorgan Chase Bank, N.A. shall retain its lien, security interests and rights as provided under its pre-Filing Date loan documents and/or applicable law.

4.2.6 The Class 2B Claim is not impaired.

4.3 **Class 3. Allowed General Unsecured Claims.**

Classification: Class 3 consists of the Allowed Unsecured Claims.

4.3.1 Treatment: The Holders of Allowed Unsecured Class 3 Claims shall be paid as follows:

(i) After payment in full of Allowed Class 1 Claims as provided in Article 4.1 above and the \$200,000 payment allocated to the Debtor for use in operations, 50% of the remaining balance of the Tax Refund shall be paid, on a Pro Rata basis, to the holders of Allowed Class 3 Claims. This payment shall be made within fourteen (14) days of Debtor's receipt of the Tax Refund.

(ii) Beginning with the 3rd calendar quarter of 2017, each holder of an Allowed Class 3 claim shall receive a pro rata share of the \$125,000 quarterly Class 3 Quarterly Distribution for a period of 20 quarters or until such claims are paid in full without interest. Payments shall be made by the last day of the calendar quarter when due, with the first payment to be made to holders of Allowed Class 3 claim no later than September 30, 2017.

(iii) Each holder of an Allowed Class 3 claim shall receive a Pro Rata portion of 50% of the Net Litigation Proceeds until such claims are paid in full without interest.

4.3.2 The Class 3 Claims are impaired

4.4 **Class 4. Allowed General Unsecured Claim of CPTDC.**

4.4.1 Classification. Class 4 consists of Allowed General Unsecured Claim of CPTDC.

4.4.2 Treatment. Allowed Class 4 Claim of CTPDC shall be paid in accordance with the CPTDC Settlement subject to the following terms as follows:

(i) CPTDC has asserted a general unsecured claim in the amount of \$22,745,660.60. The Debtor has disputed this claim. The parties have reached a mediated settlement of CPTDC's claim which provides that CPTDC shall receive the CPTDC Settlement Payment of \$5 million as payment in full of its claim in accordance with the following terms:

(1) the initial settlement payment of \$2.75 million to be paid from Cash Infusion and up to \$1.75 million of the proceeds from the sale of Kiss Real Estate. The Cash Infusion shall be paid to CPTDC within three (3) days of the entry of the Confirmation Order. Up to \$1.75 million of the proceeds from the sale of Kiss Real Estate shall be paid to CPTDC within three (3) days of the receipt of the same by Alejandro Kiss or his affiliated entity.

(2) the remaining balance of \$2.25 million shall be paid by the Reorganized Debtor 36 months after of the entry of the Confirmation Order. To the extent cash from operations is insufficient to pay this payment, it shall be funded from new capital investment or refinancing of loans. With this deferred payment, CPTDC shall be paid approximately 10.2% of its claim from the Reorganized Debtor.

(3) CPTDC, CP International, Inc., Jiangsu Jinshi Machinery Group Co., Ltd. shall release all claims against the Debtor, including release and cancellation of any equity interests in the Debtor asserted by any of these entities. The Debtor shall release all claims against CPTDC, CP International, Inc., Jiangsu Jinshi Machinery Group Co., Ltd.

4.4.3 The Class 4 Claim is impaired.

4.5 **Class 5. Allowed Claims of Affiliates of WDi.**

4.5.1 Classification. Class 5 consists of Allowed Claims of Affiliates of WDi.

4.5.2 Treatment. The Holders of Allowed Unsecured Class 5 Claims shall – shall be allowed to offset any amounts owed to the Debtor but shall otherwise receive no payment until the allowed Class 1-4 claims are paid in full in accordance with the terms of this plan.

4.5.3 The Class 5 Claims are impaired.

4.6 **Class 6. Allowed Interests of Equity Holders.**

4.6.1 **Classification.** Class 6 consists of the Allowed Equity Interests in PETROLEUM PRODUCTS & SERVICES, INC. dba Wellhead Distributors International. Any equity held by CPTDC or JMP is canceled under the terms of the CPTDC Settlement and not treated as an Allowed Class 6 Claim.

4.6.2 **Treatment.** The Holders of Class 6 Equity Interests shall retain the Equity Interests held on the date of the filing of the bankruptcy case, with the prohibition of payment of dividends until Classes 1, 2, 3, 4 and 5 are paid as provided for herein.

4.6.3 The Class 6 Interests are impaired.

ARTICLE V.

VOTING OF CLAIMS AND INTERESTS

Classes 2, 3, 4, and 5 of Claims and the Class 6 Equity Interests are impaired and therefore are entitled to vote on this Plan. Accordingly, the acceptances of Class 2, 3, 4 and 5 Claims and Class 6 Equity Interests must be solicited. Class 1 is not impaired under the Plan and therefore not entitled to vote on the Plan.

ARTICLE VI.

MEANS FOR EXECUTION OF PLAN

6.1 **Vesting of Property of the Estate in Reorganized Debtor.** On the Effective Date of the Plan, all property of the Debtor and of its Estate shall vest in the Reorganized Debtor free and clear of liens, claims and encumbrances, except as otherwise provided by the terms of the Plan.

6.2 **Continuation of Business Operations.** From and after the Effective Date of the Plan, the Reorganized Debtor shall be authorized to continue its normal business operations. Reorganized Debtor shall enter into such transactions as it deems advisable, free of any restriction or limitation imposed under any provision of the Bankruptcy Code, except to the extent otherwise provided in the Plan.

6.3 **Source of funds for Payments due on the Effective Date.** Current cash flow derived from operations will be used to pay Allowed Claims as required by the Plan, together with the Cash Infusion, up to \$1.75 million of the proceeds of the sale of the Kiss Real Estate, the Tax Refund, Class 3 Quarterly Distribution, and Net Litigation Proceeds in accordance with Articles III and IV of this plan.

6.4 **Tax Refund.** The Debtor has applied for and expects to receive the Tax Refund in the amount of \$2,240,140, resulting from a net operating loss (“NOL”) in the amount of \$6.7 million related to Debtor’s 2015 federal corporate income tax return. The Debtor utilized a portion of this NOL to offset income for 2013 and 2014 which has resulted in the Debtor’s eligibility to receive the Tax Refund. The Debtor filed its application for the Tax Refund on

August 26, 2016 and expects to receive the same within 8-10 weeks after the filing. The Tax Refund is one source of funding for payments due under this plan.

6.5 **CPTDC Settlement.** As discussed in Article 4.4 herein, the Debtor has reached a settlement of the CPTDC claim, which has been incorporated into the provisions of the Plan. CPTDC has asserted a general unsecured claim in the amount of \$22,745,660.60. The Debtor has disputed this claim. The parties have reached a mediated settlement of CPTDC's claim which provides for payment of the CPTDC Settlement Payment in the amount of \$5 million to CPTDC as payment in full of its claim subject to the terms of Article 4.4. herein. The initial \$2.75 million CPTDC Settlement Payment shall be funded by sources of payment from Mr. Kiss, not the Debtor. The Reorganized Debtor shall be responsible for payment of \$2.25 million of the CPTDC Settlement Payment which will be paid 36 months after entry of the Confirmation Order. To the extent cash from operations is insufficient to pay this payment, it shall be funded from new capital investment or refinancing of loans.

Payment of the CPTDC Settlement Payment under the Plan shall be in full and final satisfaction of any and all Claims (including its proofs of claim) or causes of action that CPTDC, JMP and CPI has or may have against the Debtor. Confirmation of the Plan shall constitute approval of this compromise with the CPTDC under Rule 9019 of the Bankruptcy Rules without the need for a separate motion seeking such approval.

6.6 **Net Litigation Proceeds.** In addition to payments described in Article 4.3 herein, Allowed Class 3 Claims shall be receive a pro rata share of 50% of the Net Litigation Proceeds received from the prosecution or settlement of Reserved Litigation Claims until such time as the allowed claims are paid in full without interest. The Disbursing Agent shall make periodic distributions to holders of Allowed Class 3 Claims at any time in which the collective Net Litigation Proceeds received exceed \$10,000.

6.7 **Directors and Officers of Reorganized Debtor.** The Directors and Officers of the Debtor are authorized to continue as Directors and Officers of the Reorganized Debtor from and after the Effective Date of the Plan.

6.8 **Disbursing Agent.** Reorganized Debtor shall act as the Disbursing Agent. If Reorganized WDi chooses not to act as the Disbursing Agent, then it shall designate a substitute.

6.9 **Exclusive Rights and Duties of the Disbursing Agent.** The duties of the Disbursing Agent shall be as follows:

6.9.1 **Distribution to Creditors with Administrative Claims.** In accordance with Article 3 of the Plan, the Disbursing Agent shall pay the Administrative and Priority Claims first out of Cash on hand generated from operations.

6.9.2 **Distributions to Creditors with Allowed Claims.** The Disbursing Agent shall have the sole right and duty to make the distributions provided for hereunder, as set forth in Article 4 of the Plan.

6.9.3 **Distribution to Creditors with Disputed Claims that Subsequently Become Allowed Claims.** Payment to each holder of a Disputed Claim, to the extent it ultimately becomes an Allowed Claim, shall be made in accordance with

the provisions of the Plan governing the class of claims to which the disputed claim belongs. Payments shall be made fifteen (15) days after the Disputed Claims become Allowed Claims.

6.10 **Powers of the Disbursing Agent.** The Disbursing Agent shall have full power and authority to do the following:

6.10.1 Make disbursements to Administrative and Priority Creditors in accordance with Article 3 and other Creditors in accordance with Article 4 of the Plan.

6.10.2 File all reports required under law, including state and federal tax returns, and to pay all taxes incurred by the Bankruptcy Estate.

6.10.3 Prosecute, settle, or abandon the Reserved Litigation Claims as determined solely by the Disbursing Agent.

6.10.4 Take any and all actions, including the filing or defense of any civil actions or Claim objections necessary to accomplish the above.

6.10.5 Employ and pay reasonable fees and expenses of such attorneys, accountants, and other professionals, as may be deemed necessary to accomplish the above and shall be entitled to reserve sufficient Cash to pay the projected fees and costs to such Professionals on a post-confirmation basis, and shall be authorized to purchase insurance with such coverage and limits as are reasonably necessary, including covering liabilities incurred in connection with its service as Disbursing Agent.

6.10.6 Suspend distribution to any Creditor that has not provided the Disbursing Agent with its Federal Tax Identification number or social security number, as the case may be.

6.11 **Presumption of Disbursing Agent's Authority.** In no case shall any party dealing with the Disbursing Agent in any manner whatsoever be obligated to see that the terms of its engagement have been complied with, or be obligated or privileged to inquire into the necessity or expediency of any act of the Disbursing Agent, or to inquire into any other limitation or restriction of the power and authority of the Disbursing Agent, but as to any party dealing with the Disbursing Agent in any manner whatsoever in relation to the assets, the power of the Disbursing Agent to act or otherwise deal with said property shall be absolute except as provided under the terms of the Plan.

6.12 **Limitation on Disbursing Agent's Liability.**

6.12.1 Except gross negligence or willful misconduct, no recourse shall ever be had directly or indirectly against the Disbursing Agent personally or against any employee of the Disbursing Agent by legal or equitable proceedings or by virtue of any statute or otherwise, nor upon any promise, contract, instrument, undertaking, obligation, covenant or agreement whatsoever executed by the Disbursing Agent pursuant to this Plan, or by reason of the creation of any

indebtedness by the Disbursing Agent for any purpose authorized by the Plan, it being expressly understood and agreed that all such liabilities, covenants and agreements of the Disbursing Agent or any such employee, whether in writing or otherwise shall be enforceable only against and be satisfied only out of the assets of the Bankruptcy Estate and every undertaking, contract, covenant or agreement entered into in writing by the Disbursing Agent shall provide expressly against the personal liability of the Disbursing Agent.

6.12.2 The Disbursing Agent shall not be liable for any act the Disbursing Agent may do or omit to do as Disbursing Agent hereunder while acting in good faith and in the exercise of the best judgment of the Disbursing Agent and the fact that such act or omission was advised, directed or approved by an attorney acting as attorney for the Disbursing Agent, shall be evidence of such good faith and best judgment; nor shall the Disbursing Agent be liable in any event except for gross negligence or willful default or misconduct of the Disbursing Agent.

6.13 **Delivery of Distributions.** Subject to Bankruptcy Rule 9010 and the provisions of the Plan, distributions to Holders of Allowed Claims shall be made at the address of each such Holder as set forth on the proofs of Claim filed by such Holders (or at the last known addresses of such a Holder if no proof of Claim or proof of Equity Interest is filed or if the Disbursing Agent has been notified in writing of a change of address), except as provided below. If any Holder's distribution is returned as undeliverable, no further distributions to such Holder shall be made unless and until the Disbursing Agent is notified of such Holder's then current address, at which time all missed distributions shall be made to such Holder without interest. Amounts in respect of undeliverable distributions shall be returned to the Disbursing Agent until such distributions are claimed.

6.14 **Time Bar for Cash Payments.** Checks issued by the Disbursing Agent in respect of Allowed Claims shall be null and void if not negotiated within six (6) months after the date of issuance thereof. Requests for reissuance of any check shall be made directly to the Disbursing Agent by the Holder of the Allowed Claim with respect to which such check originally was issued. Any Claim in respect of such a voided check shall be made on or before the later of (a) the first anniversary of the Effective Date or (b) ninety (90) days after the date of reissuance of such check. After such date, all Claims in respect of void checks shall be discharged and forever barred.

6.15 **Unclaimed Property.** If any Person entitled to receive distributions under the Plan cannot be located within a reasonable period of time after the Effective Date, the distributions such Person would be entitled to receive shall be held by the Disbursing Agent in a segregated interest-bearing account. If the Person entitled to any such distributions is located within six (6) months after the Effective Date, such distributions, together with any dividends and interest earned thereon, shall be paid and distributed to such Person. If such Person cannot be located within such period, such distributions and any dividends and interest thereof shall be returned to the Reorganized WDi and such Person shall have waived and forfeited its right to such distributions. Nothing contained in this Plan shall require the Disbursing Agent to attempt to locate such Person. It is the obligation of each Person claiming rights under the Plan to keep the Disbursing Agent advised of current address by sending written notice of any changes to the Disbursing Agent.

6.16 **Minimum Payment.** The minimum amount of any distribution shall be \$25. If a payment anticipated by the Plan is due in an amount less than \$25, then such payments is hereby waived and the funds shall be retained by the Reorganized WDi.

6.17 **Fractional Dollars.** Any other provision of the Plan notwithstanding, no payments of fractional dollars will be made to any Holder of an Allowed Claim. Whenever any payment of a fraction of a dollar to any holder of an Allowed Claim would otherwise be called for, the actual payment made will reflect a rounding of such fraction to the nearest whole dollar (up or down).

6.18 **Distribution Dates.** Whenever any distribution to be made under the Plan is due on a day other than a Business Day, such distribution will instead be made, without penalty or interest, on the next Business Day. The Bankruptcy Court shall retain power, after the Confirmation Date, to extend distribution dates for cause, upon motion and after notice and a hearing (as defined in Bankruptcy Code Section 102) to affected parties.

6.19 **Orders Respecting Claims Distribution.** After confirmation of the Plan, the Bankruptcy Court shall retain jurisdiction to enter orders in aid of consummation of the Plan respecting distributions under the Plan and to resolve any disputes concerning distributions under the Plan.

6.20 **Agreements, Instruments and Documents.** All agreements, instruments and documents required under the Plan to be executed or implemented, together with such others as may be necessary, useful, or appropriate in order to effectuate the Plan shall be executed on or before the Effective Date or as soon thereafter as is practicable. The Reorganized Debtor shall have a power of attorney, coupled with an interest, to execute and deliver any Plan Document to the extent that counterparty to such document fails to execute and deliver any document required to effectuate the Plan following 20 days written notice and request to such counterparty.

6.21 **Further Authorization.** The Reorganized Debtor shall be entitled to seek such orders, judgments, injunctions, and rulings from the Bankruptcy Court, in addition to those specifically listed in the Plan, as may be necessary to carry out the intentions and purposes, and to give full effect to the provisions, of the Plan. The Bankruptcy Court shall retain jurisdiction to enter such orders, judgments, injunctions and rulings.

ARTICLE VII.

CRAMDOW AND CLAIMS ALLOWANCE

7.1 **Cramdown.** Subject to the absolute priority rule discussed in Art. 7.2 below, in the event any Class rejects the Plan, the Debtor will seek to invoke the provisions of Section 1129(b) of the Bankruptcy Code and confirm the Plan notwithstanding the rejection of the Plan by any Class of Claims or Interests.

IN THE EVENT ANY CLASS REJECTS THE PLAN THE DEBTOR WILL SEEK TO INVOKE THE PROVISIONS OF 11 U.S.C. §1129(b) AND CONFIRM THE PLAN OVER THE REJECTION OF THE CLASS OR CLASSES. THE TREATMENT AFFORDED EACH CREDITOR IN EACH CLASS IN THE EVENT OF A CRAMDOW WILL BE THE SAME AS THAT PROVIDED FOR IN THE PLAN AS THE CASE MAY BE.

7.2 **Absolute Priority Rule.** Section 1129(b)(2)(B)(ii) controls the payment of senior and junior classes of claims or interests in the event that all of the applicable requirements of Section 1129(a), other than paragraph (8), are met with respect to a plan. In the event that any impaired class (other than an “insider”, as defined in 11 U.S.C. § 101(31)) rejects the Plan, the equity interest holders (or other interests junior to unsecured creditors) may only retain their interest in the Reorganized Debtor in return for new value infused into the Reorganized Debtor in accordance with *Bank of Am. Nat. Trust & Sav. Ass’n v. 203 N. LaSalle St. P’ship*, 526 U.S. 434, 445 (1999). The assessment of the required “new value” for the equity interest holders (or other interests junior to unsecured creditors) is to be made in the event that any impaired class (that is not an “insider”) rejects the Plan.

The Debtor believes that the Plan meets the "fair and equitable" test and does not discriminate unfairly with respect to secured class of creditors or interest holders. Under the terms of this plan, the principals of the Debtor shall retain their interest in the Reorganized Debtor. The retention of this interest may prevent the Debtor from seeking relief under 1129(b)(2)(B). Unless all impaired classes vote for the Debtor’s plan, the retention of this interest will prevent the Debtor’s plan from being confirmed and this case will be converted to chapter 7.

7.3 **Allowance of Claims under the Plan.** Allowance is a procedure whereby the Bankruptcy Court determines the amount and enforceability of Claims against the Debtor, if the parties cannot agree upon such allowance. It is expected that the Debtor and/or the Disbursing Agent will file objections to Claims of Creditors, if any are deemed necessary, before and after confirmation of the Plan. The Plan merely provides for payment of Allowed Claims, but does not attempt to pre-approve the allowance of any Claims.

7.4 **Objection Deadline.** As soon as practicable, but in no event later than one hundred twenty (120) days after the Effective Date, unless extended by order of the Bankruptcy Court for cause, objections to Claims shall be filed with the Bankruptcy Court and served upon the Holders of each of the Claims to which objections are made.

7.5 **Prosecution of Objections.** On and after the Effective Date, except as the Bankruptcy Court may otherwise order, the filing, litigation, settlement or withdrawal of all objections to Claim and Reserved Avoidance Actions may be made by the Reorganized Debtor and/or Disbursing Agent.

ARTICLE VIII.

DEFAULT

8.1 If any of the following events occur, the Reorganized Debtor will be in breach of this Plan (“Default”):

8.1.1 Failure to pay any amount due under the Plan when due; or

8.1.2 Breach or violation of a material covenant or uncured default under the Plan, including failure to pay amounts due.

8.2 Should the Reorganized Debtor be in breach or violation under the foregoing paragraph, or Default has occurred and thereafter the Reorganized Debtor fails to remedy or resolve such breach within fourteen (14) calendar days from the date of the written notice, or ten (10) calendar days from receipt of the written notice fourteen (14) days of such breach, violation or default, then any Creditor owed a distribution, which the Reorganized Debtor fails to make when due, at its option, may declare that the Reorganized Debtor is in default of this Plan and the creditor may (a) enforce its claim(s), (b) exercise any and all rights and remedies under applicable non-bankruptcy law, and (c) seek such relief as may be appropriate in this court.

ARTICLE IX.

EXECUTORY CONTRACTS AND LEASES

9.1 The Debtor hereby assumes the executory contracts and leases set forth in Exhibit "A" and any executory contracts and leases previously assumed pursuant to bankruptcy court order. All licenses issued to the Debtor by governmental authorities are assumed.

9.2 The Debtor hereby rejects all executory contracts and leases not otherwise assumed in this Plan or by prior Court order.

9.3 Any Claims arising from rejection of an executory contract or lease must be filed on or before twenty (20) days from the Effective Date. Otherwise, such Claims are forever barred and will not be entitled to share in any distribution under the Plan. Any Claims arising from rejection, if timely filed and allowed, will be treated as General Unsecured Claims.

9.4 Except as specifically provided for herein, the Debtor shall pay all cure claims in the amount listed on Exhibit "A" on or before thirty (30) days after the Administrative Claims Bar Date set in paragraph 3.1 and 3.2, unless a Claim is filed before the Administrative Claims Bar Date in an amount different from that set forth on Exhibit "A", in which case the cure claim will be paid when and if allowed by Final Order of the Bankruptcy Court.

ARTICLE X.

MODIFICATION OF THE PLAN

10.1 The Debtor may propose amendments and modifications of this Plan prior to the Confirmation Date with leave of the Bankruptcy Court upon appropriate notice. After the Confirmation Date, the Debtor may, with approval of the Bankruptcy Court, so long as it does not materially or adversely affect the interests of the Creditors, remedy any defect or omission, or reconcile any inconsistencies in the Plan or in the Confirmation Order in such manner as may be necessary to carry out the intent of this Plan. After the Confirmation Date, the Debtor may, with approval of the Bankruptcy Court, modify the Plan as to any Class, even though such modification materially affects the rights of the Creditors or Interest Holders in such Class; provided, however, that such modifications must be accepted as to Classes of Creditors by at least sixty-six and two-thirds percent (66-2/3%) in amount of Allowed Claims voting in each such Class and fifty-one percent (51%) in number of Allowed Claims voting in such Class, and as to Classes of Interest Holders by at least sixty-six and two-thirds percent (66-2/3%) in amount of Allowed Interests voting in each such Class; and provided, further, that additional disclosure material needed to support such modification shall be approved by the Bankruptcy Court in the

manner consistent with Section 1125 of the Bankruptcy Code and Rule 3017 of the Federal Rules of Bankruptcy Procedure. With respect to all proposed modifications to the Plan both before and after confirmation, the Debtor shall comply with the requirements of Section 1127 of the Bankruptcy Code.

ARTICLE XI.

CONDITIONS PRECEDENT

11.1 **Conditions to Confirmation.** Confirmation of the Plan shall not occur and the Bankruptcy Court shall not enter the Confirmation Order unless all of the requirements of the Bankruptcy Code for confirmation of the Plan with respect to the Debtor shall have been satisfied. In addition, confirmation shall not occur, the Plan shall be null and void and of no force and effect, and the Plan shall be deemed withdrawn unless the Court shall have entered all orders (which may be orders included within the Confirmation Order) required to implement the Plan.

11.2 **Waiver and Nonfulfillment of Conditions to Confirmation.** Nonfulfillment of any condition to confirmation of the Plan may be waived only by the Debtor. In the event the Debtor determines that the conditions to the Plan's confirmation which they may waive cannot be satisfied and should not, in its discretion, be waived, the Debtor may propose a new plan, may modify this Plan as permitted by law, or may request other appropriate relief.

11.3 **Confirmation Order Provisions for Pre-Effective Date Actions.** The Confirmation Order shall empower and authorize the Debtor to take or cause to be taken, prior to the Effective Date, all actions which are necessary to enable it to implement the provisions of the Plan and satisfy all other conditions precedent to the effectiveness of the Plan.

11.4 **Conditions to the Effective Date.** The following are conditions precedent to the effectiveness of the Plan: (i) the Plan is confirmed and the Bankruptcy Court shall have entered the Confirmation Order, which shall have become a Final Order; (ii) Debtor does not withdraw the Plan at any time prior to the Effective Date; and (iii) the Debtor shall have sufficient Cash on hand to make the initial payments and distributions required under the Plan.

11.5 **Waiver and Nonfulfillment of Conditions to Effective Date.** Nonfulfillment of any condition set forth in the immediately foregoing paragraph of the Plan may be waived only by the Debtor. In the event that the Debtor determines that the conditions to the Plan's Effective Date set forth in the immediately foregoing paragraph of this Plan cannot be satisfied and should not, in its sole discretion, be waived, the Debtor may propose a new plan, may modify this Plan as permitted by law, or may request other appropriate relief.

ARTICLE XII.

JURISDICTION OF THE BANKRUPTCY COURT

12.1 Notwithstanding entry of the Confirmation Order or the Effective Date having occurred, the Bankruptcy Court shall retain exclusive jurisdiction of this case after the Confirmation Date with respect to the following matters:

12.1.1 To allow, disallow, reconsider (subject to Bankruptcy Code Section 502(j) and the applicable Bankruptcy Rules) Claims and to hear and determine any controversies pertaining thereto;

12.1.2 To estimate, liquidate, classify or determine any Claim against the Debtor, including claims for compensation or reimbursement;

12.1.3 To resolve controversies and disputes regarding the interpretation and implementation of the Plan, including entering orders to aid, interpret or enforce the Plan and to protect the Debtor and any other entity having rights under the Plan as may be necessary to implement the Plan;

12.1.4 To hear and determine any and all applications, contested matters, or adversary proceedings arising out of or related to this Plan or this case or as otherwise might be maintainable under the applicable jurisdictional scheme of the Bankruptcy Code prior to or after confirmation and consummation of the Plan whether or not pending on the Confirmation Date;

12.1.5 To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked or vacated;

12.1.6 To liquidate or estimate damages or determine the manner and time for such liquidation or estimation in connection with any contingent or unliquidated Claim;

12.1.7 To adjudicate all Claims to any lien on any of the Debtor's assets;

12.1.8 To hear and determine matters concerning state, local and federal taxes pursuant to the Bankruptcy Code, including (but not limited to) sections 346, 505 and 1146 thereof and to enter any order pursuant to Bankruptcy Code Section 505 or otherwise to determine any tax of the Debtor, whether before or after confirmation, including to determine any and all tax effects of the Plan;

12.1.9 To correct any defect, cure any omission, or reconcile any inconsistency in the Plan or the Confirmation Order as may be necessary to carry out the purposes and intent of the Plan or to modify the Plan as provided by applicable law;

12.1.10 To determine all questions and disputes regarding title to assets and shares of the Debtor, Reorganized Debtor or of the Bankruptcy Estate, as may be necessary to implement the Plan;

12.1.11 To enforce and to determine actions and disputes concerning the releases contemplated by the Plan and to require persons holding Claims being released to release Claims in compliance with the Plan;

12.1.12 To fix the value of collateral in connection with determining Claims;

12.1.13 To enter a final decree closing the case and making such final administrative provisions for the case as may be necessary or appropriate; and

12.1.14 To, even after entry of a final decree, hear any cases enforcing Bankruptcy Code section 525.

12.2 **Failure of the Bankruptcy Court to Exercise Jurisdiction.** If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising in, arising under or related to the Chapter 11 case, including the matters set forth in Section 12.1 of the Plan, this Article XII shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having jurisdiction with respect to such matter.

ARTICLE XIII.

EFFECT OF CONFIRMATION

13.1 **Binding Effect.** As provided for in Section 1141(d) of the Bankruptcy Code, the provisions of the Plan shall bind the Debtor, any entity acquiring property under the Plan and any Creditor, Equity Holder of the Debtor, whether or not the Claim or Interest of such Creditor or Equity Holder is impaired under the Plan and whether or not such Creditor or Equity Holder has accepted the Plan, and the United States and any licensing authority. After confirmation, the property dealt with by the Plan shall be free and clear of all Claims and Interests of Creditors and Equity Holders, except to the extent as provided for in the Plan as the case may be. The Confirmation Order shall contain an appropriate provision to effectuate the terms of this paragraph 13.1.

13.2 **Satisfaction of Claims and Interests.** Holders of Claims and Interests shall receive the distributions provided for in this Plan, if any, in full settlement and satisfaction of all such Claims, and any interest accrued thereon, and all Interests.

13.3 **Vesting of Property.** Except as otherwise expressly provided in the Plan or the Confirmation Order, pursuant to Section 1141(b) of the Bankruptcy Code, upon the Effective Date, all Property of the Bankruptcy Estate shall vest in the Debtor free and clear of all Claims, liens, encumbrances, charges or other Interests of Creditors and Interest Holders. Except as otherwise expressly provided in the Plan or the Confirmation Order, all assets of the Wdi Bankruptcy Estate shall vest in the Reorganized Debtor free and clear of all Claims, liens, and encumbrances. Moreover, all licenses and permits held by the Debtor shall continue be held by them.

13.4 **Discharge.** Pursuant to Section 1141(d) of the Bankruptcy Code, upon the Effective Date, the Debtor shall be discharged from any debt that arose before the date of such confirmation, and any debt of a kind specified in Section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not a proof of the Claim based on such debt is filed or deemed filed under Section 501 of this title; such Claim is allowed under Section 502 of this title; or the Holder of such Claim has accepted the Plan.

13.5 **Injunction. The Confirmation Order shall include a permanent injunction prohibiting the collection of Claims against the Reorganized Debtor in any manner other**

than as provided for in the Plan. All Holders of Claims shall be prohibited from asserting against the Debtor, Reorganized Debtor or any of its assets or properties, any other or further Claim based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Confirmation Date, whether or not such Holder filed a proof of Claim. Such prohibition shall apply whether or not (a) a proof of Claim based upon such debt is filed or deemed filed under Section 501 of the Bankruptcy Code; (b) a Claim based upon such debt is allowed under Section 502 of the Bankruptcy Code; or (c) the Holder of a Claim based upon such debt has accepted the Plan. This injunction also permits the Reorganized Debtor to enforce 11 U.S.C. §525(a) upon improper revocation or restriction of licenses.

13.6 **Preservation of Setoff Rights.** In the event that the Debtor has a Claim of any nature whatsoever against the Holders of Claims, the Debtor may, but is not required to setoff against the Claim (and any payments or other distributions to be made in respect of such Claim hereunder), subject to the provisions of Section 553 of the Bankruptcy Code. Neither the failure to setoff nor the allowance of any Claim under the Plan shall constitute a waiver or release by the Debtor of any Claim that the Debtor has against the Holder of Claims. Neither this provision nor the injunctive provision of the Confirmation Order shall impair the existence of any right of setoff or recoupment that may be held by a Creditor herein; provided that the exercise of such right, shall not be permitted unless the Creditor provides the Debtor with written notice of the intent to affect such setoff or recoupment. If the Debtor or the Disbursing Agent, as applicable, objects in writing within twenty (20) business days following the receipt of such notice, such exercise shall only be allowed upon order of the Bankruptcy Court. In the absence of timely objection, the Creditor may implement the proposed setoff or recoupment against the Claim held by the Bankruptcy Estate.

13.7 **Releases.** On the Effective Date and pursuant to Section 1123(b)(3)(A) of the Bankruptcy Code, the Debtor, and to the maximum extent provided by law, its agents, release and forever discharge all Avoidance Actions (except those related to the claim objection process) and other claims, including acts taken or omitted to be taken in connection with or related to the formulation, preparation, dissemination, implementation, confirmation or consummation of the Plan, the Disclosure Statement or any contract, instrument, release or other agreement or document created or entered into or any other act taken or entitled to be taken in connection with the Plan or this case against the following, whether known or unknown:

13.7.1 Alejandro Kiss, WDI SHC, LP, WDI Manufacturing LLC, Wellhead Distributors International Ltd their employees, directors, agents, affiliates, attorneys and representatives (“Insider Released Parties”), in connection with any and all claims and causes of action arising on or before the Confirmation Date that may be asserted by or on behalf of the Debtor or the Bankruptcy Estate and/or on account of the Debtor’s Case. The release of these Insider Released Parties shall be conditioned upon the occurrence of the Effective Date.

13.7.2 The Debtor’s Professionals will be released from any and all claims and liabilities of the Debtor other than willful misconduct or if the release is otherwise restricted by the Texas Disciplinary Rules of Professional Conduct.

13.7.3 JPMorgan Chase Bank and the Holder of the Class 2 Claims, including their respective Representatives, in connection with any and all claims and causes of action arising on or before the Confirmation Date that may be asserted by or on behalf of the Debtor or the Bankruptcy Estate and/or on account of the Debtor's Case.

13.7.4 CPTDC and the Holder of the Class 4 Claim, including its respective Representatives, in connection with any and all claims and causes of action arising on or before the Confirmation Date that may be asserted by or on behalf of the Debtor or the Bankruptcy Estate and/or on account of the Debtor's Case.

Neither the releases contemplated by this Article 13.7, nor any provisions of this Plan, shall release claims against non-debtor third parties.

13.8 **Guarantors.** Nothing herein shall be deemed to release the liability of any non-debtor guarantor to a Creditor; provided, however, that so long as the Debtor is current with respect to all of its obligations under this Plan and the Confirmation Order Creditors may not pursue collection of their Claims from any guarantor. If the Debtor commits an uncured default in its obligations hereunder, then and only then may Creditors seek relief against guarantors.

13.9 **Lawsuits.** On the Effective Date, all lawsuits, litigations, administrative actions or other proceedings, judicial or administrative, in connection with the assertion of Claims against the Debtor and any guarantor except proof of Claim and/or objections thereto pending in the Bankruptcy Court shall be dismissed as to the Debtor. Such dismissal shall be with prejudice to the assertion of such Claim in any manner other than as prescribed by the Plan. All parties to any such action shall be enjoined by the Bankruptcy Court by the Confirmation Order from taking any action to impede the immediate and unconditional dismissal of such actions. All lawsuits, litigations, administrative actions or other proceedings, judicial or administrative, in connection with the assertion of a claim(s) by the Debtor or any entity proceeding in the name of or for the benefit of the Debtor against a person shall remain in place only with respect to the claim(s) asserted by the Debtor or such other entity, and shall become property of the Post-Confirmation Reorganized Debtor to prosecute, settle or dismiss as it sees fit.

13.10 **Insurance.** Confirmation and consummation of the Plan shall have no effect on insurance policies of the Debtor or Reorganized Debtor in which the Debtor or any of the Debtor's representatives or agents is or was the insured party; the Reorganized Debtor shall become the insured party under any such policies without the need of further documentation other than the Plan and entry of the Confirmation Order. Each insurance company is prohibited from denying, refusing, altering or delaying coverage on any basis regarding or related to the Debtor's bankruptcy, the Plan or any provision within the Plan.

13.11 **U.S. Trustee Fees.** The Debtor shall timely pay post-confirmation quarterly fees assessed pursuant to 28 U.S.C. § 1930(a)(6) until such time as the Bankruptcy Court enters a final decree closing this Chapter 11 case, or enters an order either converting these cases to cases under Chapter 7 or dismisses the cases. After confirmation, the Reorganized Debtor shall file with the Bankruptcy Court and shall transmit to the United States Trustee a true and correct statement of all disbursements made by them for each month or portion thereof, which these Chapter 11 cases remain open in a format prescribed by the United States Trustee.

13.12 **Term of Stays.** Except as otherwise provided in the Plan, the stay provided for in this case pursuant to Bankruptcy Code Section 362 shall remain in full force and effect until the Effective Date.

ARTICLE XIV.

MISCELLANEOUS PROVISIONS

14.1 **Corporate Authority.** All actions and transactions contemplated under the Plan shall be authorized upon confirmation of the Plan without the need of further board or stockholder resolutions, approval, notice or meetings, other than the notice provided by serving this Plan on all known Creditors of the Debtor, all Interest Holders, and all current directors of the Debtor.

14.2 **Documentation.** The Debtor, all Creditors and other parties in interest required to execute releases, termination statements, deeds, bills of sale or other documents required by the Plan, shall be ordered and directed to execute such documents as are necessary in order to effectuate the terms of this Plan. The Bankruptcy Court may determine that the failure of any party to execute a required document shall constitute contempt of the Bankruptcy Court's Confirmation Order, which shall require such documents to be executed in accordance with the terms of the Plan and the Confirmation Order. On the Effective Date, all documents and instruments contemplated by the Plan not requiring execution and delivery prior to the Confirmation Date shall be executed and delivered by the Debtor, and Creditors, as the case may be. All Documents shall be consistent with the terms of the Plan and shall otherwise be subject to approval as to form by all respective counsel.

14.3 **Integration Clause.** This Plan is a complete, whole, and integrated statement of the binding agreement between the Debtor, Creditors, Equity Interests and the parties-in-interest upon the matters herein. Parole evidence shall not be admissible in an action regarding this Plan or any of its provisions.

14.4 **Primacy of the Plan and Confirmation Order.** To the extent of any conflict or inconsistency between the provisions of the Plan on the one hand, and the Confirmation Order on the other hand, the provisions of the Confirmation Order shall govern and control.

14.5 **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 Equity Interest or transaction, the proponent may modify the Plan as provided herein so that such provision shall not be applicable to the Holder of any Claim or Equity 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.

14.6 **No Admission.** Neither the filing of the Plan, nor Disclosure Statement, nor any statement or provision contained herein, nor the taking by the Debtor of any action with respect to the Plan shall (i) be or be deemed to be an admission against interest and (ii) until the Effective Date, be or be deemed to be a waiver of any rights which the Debtor may possess against any other party. In the event that the Effective Date does not occur, neither the Plan, Disclosure Statement nor any statement contained herein may be used or relied upon in any manner in any suit, action, proceeding or controversy within or outside of the Debtor's case.

14.7 **Bankruptcy Restrictions.** From and after the Effective Date, the Debtor shall no longer be subject to the restrictions and controls provided by the Bankruptcy Code or Rules (e.g., section 363, section 364, rule 9019), the Bankruptcy Court, or the United States Trustee's guidelines. The Disbursing Agent may, on behalf of the Debtor, compromise Claims and/or controversies post-Effective Date without the need of notice or Bankruptcy Court approval. No monthly operating reports will be filed after the Effective Date; however, the Disbursing Agent shall provide the U.S. Trustee such financial reports as provided above and as the U.S. Trustee may reasonably request until the entry of a final decree.

14.8 **Governing Law.** Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or the law of the jurisdiction of organization of any entity, the internal laws of the State of Texas shall govern the construction and implementation of the Plan and any agreements, documents and instruments executed in connection with the Plan or the Chapter 11 case, including the documents executed pursuant to the Plan.

14.9 **Closing of Case.** As soon as the Debtor has either obtained substantial consummation or otherwise performed its obligations under the Plan the Reorganized Debtor shall seek the entry of an Order of the Court closing this case.

14.10 **Successors and Assigns.** The rights, benefits and obligations of any entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor or assign of such entity.

14.11 **Notices.** All notices or requests in connection with the Plan shall be in writing and given by mail addressed to:

Attn: Alejandro Kiss
Petroleum Products & Services, Inc.
22420 State Highway 249
Houston, TX 77070

with copies to:

Edward L. Rothberg
Hoover Slovacek LLP
Galleria Tower II
5051 Westheimer, Suite 1200
Houston, Texas 77056

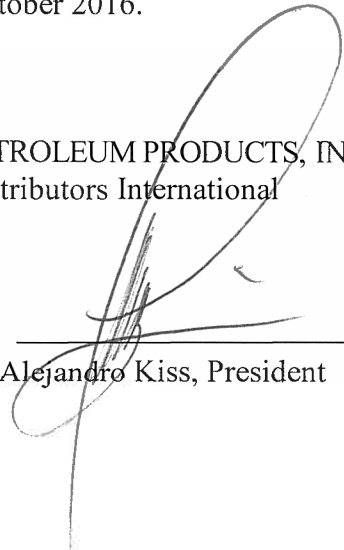
All notices and requests to Persons holding any Claim or Interest in any Class shall be sent to them at their last known address or to the last known address of their attorney of record in the case. Any such holder of Claim or Interest may designate in writing any other address for purposes of this section, which designation will be effective upon receipt by the Debtor.

14.12 **Validity and Enforceability.** The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms. Should any provision in this Plan be determined by the Court or any appellate court to be unenforceable following the Effective Date, such determination shall in no way limit the enforceability and operative effect of any and all other provisions of this Plan.

14.13 **Plan Supplement.** Any and all exhibits or schedules not filed with the Plan shall be contained in a Plan Supplement to be filed within ten (10) days of the Confirmation Hearing.

Respectfully submitted this 3rd day of October 2016.

PETROLEUM PRODUCTS, INC. dba Wellhead
Distributors International

By:  _____
Alejandro Kiss, President

EDWARD L. ROTHBERG
State Bar No. 17313990
MELISSA A. HASELDEN
State Bar No. 00794778
Galleria Tower II
5051 Westheimer, Suite 1200
Houston, Texas 77056
Telephone: 713.977.8686
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ATTORNEYS FOR DEBTOR

PLAN EXHIBIT A

**EXECUTORY CONTRACTS TO BE ASSUMED
AND PROPOSED CURE AMOUNTS**

**(To be supplemented as part of the Plan Supplement prior to
the confirmation hearing)**

PLAN EXHIBIT “1”

**RESERVED LITIGATION CLAIMS
(To be supplemented as part of the Plan Supplement prior to
the confirmation hearing)**

EXHIBIT “B”

CLAIMS ANALYSIS

CLAIM NUMBER	SCHEDULE	CLAIMANT NAME	DATE CLAIM FILED	Secured, Unsecured, Priority	SCHEDULED AMOUNT	ADMIN CLAIMED AMOUNT	SECURED CLAIMED AMOUNT	PRIORITY AMOUNT	UNSECURED CLAIMED AMOUNT	TOTAL CLAIM AMOUNT	SCHEDULED CUD
19	D	LAFAYETTE PARISH TAX COLLECTOR	4/25/2016	P	\$ 7,408.45			\$ 7,263.19		\$ 7,263.19	CU
6	E	INTERNAL REVENUE SERVICE	3/17/2016 / 7/26/2016/ 9/7/2016 (Amended)	P	\$ 2,232,038.20			\$ 48,507,774.82		\$ 48,507,774.82	CUD
	E	State Comptroller (Sales Tax)		P	\$ 2,500.00			\$ 2,500.00		\$ 2,500.00	
	E	State of New Mexico (Sales Tax)		P	\$ 40.00			\$ 40.00		\$ 40.00	
	E	OKLAHOMA Dept of Revenue	4/7/2016	P	\$ 200.00			\$ 200.00		\$ 200.00	
23	F	MARIA J ALVARADO	5/16/2016	P	\$ 8,730.00			\$ 5,625.00		\$ 5,625.00	
47	F	Texas Comptroller of Public Accounts	7/8/2016	P	\$ -			\$ 1,000.00		\$ 1,000.00	
30	F	Harnani Deocampo	6/10/2016	U, P	\$ -			\$ 12,850.00	\$ 536,382.75	\$ 549,232.75	CUD
50	F	NM Taxation & Revenue Depart	7/11/2016	U, P				\$ 52,019.05	\$ 61,081.04	\$ 113,100.09	

CLAIM NUMBER	SCHEDULE	CLAIMANT NAME	DATE CLAIM FILED	Secured, Unsecured, Priority	SCHEDULED AMOUNT	ADMIN CLAIMED AMOUNT	SECURED CLAIMS	PRIORITY CLAIMED AMOUNT	UNSECURED CLAIMED AMOUNT	TOTAL CLAIM AMOUNT	SCHEDULED CUD
1	D	ECTOR CAD	3/9/2016	S	\$ 127,439.21		\$ 127,439.21			\$ 127,439.21	CU
2	D	KLEIN INDEPENDENT SCHOOL DISTRICT	3/15/2016	S	\$ 327,873.44		\$ 327,873.44			\$ 327,873.44	CU
3	D	TOMBALL INDEPENDENT SCHOOL DISTRICT	3/15/2016	S	\$ 107,158.45		\$ 107,158.45			\$ 107,158.45	CU
5	D	HARRIS COUNTY ET AL (Mike Sullivan)	3/15/2016	S	\$ 328,766.42		\$ 328,766.42			\$ 328,766.42	CU
7	D	NUECES COUNTY	3/18/2016	S	\$ 100,967.33		\$ 100,967.33			\$ 100,967.33	CU
8	D	SMITH COUNTY	3/21/2016	S	\$ 57,791.48		\$ 57,791.48			\$ 57,791.48	
45	D	JPMORGAN CHASE BANK, N.A.	7/7/2016	S	\$ 6,023,329.61		\$6,028,461.93			\$ 6,028,461.93	
	D	City of Bossier City		S	\$ 4,200.00		\$ 4,200.00			\$ 4,200.00	
	D	Lafayette Consolidated Government		S	\$ 1,584.87		\$ 1,584.87			\$ 1,584.87	CU
	D	Smith County Tax		S	\$ 29,587.03		\$ 29,587.03			\$ 29,587.03	CU
14	F	OKLAHOMA COUNTY TREASURER	4/7/2016	S	\$ 16,397.95		\$ 37,633.30			\$ 37,633.30	C

CLAIM NUMBER	SCHEDULE	CLAIMANT NAME	DATE CLAIM FILED	Secured, Unsecured, Priority	SCHEDULED AMOUNT	ADMIN CLAIMED AMOUNT	SECURED CLAIMED AMOUNT	PRIORITY CLAIMED AMOUNT	UNSECURED CLAIMED AMOUNT	TOTAL CLAIM AMOUNT	SCHEDULED CUD
34		CIT Finance LLC	6/24/2016	U					\$ 1,491.31	\$ 1,491.31	
39		CIT Finance LLC	7/6/2016	U					\$ 1,537.66	\$ 1,537.66	
40		CIT Finance LLC	7/6/2016	U					\$ 2,371.48	\$ 2,371.48	
41		CIT Finance LLC	7/6/2016	U					\$ 12,523.16	\$ 12,523.16	
42		CIT Finance LLC	7/6/2016	U					\$ 3,420.67	\$ 3,420.67	
21	F	CHINA PETROLEUM TECHNOLOGY & DEV. CORP	4/28/2016	U	\$ 14,664,285.84				\$ 22,745,660.60	\$ 22,745,660.60	CUD
11		SOUTHEASTERN FREIGHT LINES, INC	3/30/2016	U					\$ 8,799.54	\$ -	
	F	KISS & GREER, LLC		U	\$ 41,049.94				\$ 41,049.94	\$ 41,049.94	
	F	KISS INVESTMENTS, L.L.C.		U	\$ 113.19				\$ 113.19	\$ 113.19	
	F	NDEMAND		U	\$ 31,024.47				\$ 31,024.47	\$ 31,024.47	
	F	PHANTOM PRODUCTS, LLC		U	\$ 624,392.85				\$ 624,392.85	\$ 624,392.85	
	F	STEELE GOODE PRODUCTS, LLC		U	\$ 115,227.69				\$ 115,227.69	\$ 115,227.69	
	F	TOWNSEND WELL CONTROL		U	\$ 366,693.61				\$ 366,693.61	\$ 366,693.61	
	F	WDI CANADA		U	\$ 2,094,211.07				\$ 2,094,211.07	\$ 2,094,211.07	
	F	WDI MANUFACTURING		U	\$ 167,293.09				\$ 167,293.09	\$ 167,293.09	
29		Cornerstone Document & Reporting	5/31/2016	U					\$ 16,137.15	\$ 16,137.15	
50	F	NM Taxation & Revenue Department	7/11/2016	U, P				\$ 52,019.05	\$ 61,081.04	\$ 113,100.09	

CLAIM NUMBER	SCHEDULE	CLAIMANT NAME	DATE CLAIM FILED	Secured, Unsecured, Priority	SCHEDULED AMOUNT	ADMIN CLAIMED AMOUNT	SECURED CLAIMED AMOUNT	PRIORITY CLAIMED AMOUNT	UNSECURED CLAIMED AMOUNT	TOTAL CLAIM AMOUNT	SCHEDULED CUD
52	F	National Oilwell Varco, L.P	7/13/2016	U	\$ 45,860.00				\$ 45,860.00	\$ 45,860.00	
16	F	Shaanxi Haitu Mechanical Equipment Co., Ltd	4/12/2016	U	\$ 129,702.25				\$ 188,187.75	\$ 188,187.75	CD
4	F	ULINE SHIPPING SUPPLIES	3/14/2016	U	\$ 538.10				\$ 538.10	\$ 538.10	
18	F	TMJ PLASTICS	4/20/2016	U	\$ 11,595.95				\$ 11,595.95	\$ 11,595.95	
13	F	DAN-LOC GROUP	4/5/2016	U	\$17,263.09				\$ 32,846.81	\$ 32,846.81	
48		Wells Fargo Vendor Financial Services, LLC	7/11/2016	U					\$ 31,010.86	\$ 31,010.86	
20	F	Stibbs & Co., P.C	4/26/2016	U	\$ 36,816.35				\$ 88,105.05	\$ 88,105.05	
	F	DONALD ATENCIO		U	unknown				\$ -	\$ -	CUD
	F	JIANGSU JINSHI MACHINERY GROUP CO LTD		U	\$ -				\$ -	\$ -	CUD
	F	GULF COAST SPRING CO.		U	\$ 4,036.50				\$ 4,036.50	\$ 4,036.50	
10	F	PHILLIPS CLEANING SERVICES, LLC	3/25/2016	U	\$ 784.86				\$ 1,726.71	\$ 1,726.71	
9	F	JOYEAUX INC. dba SEAHAWK MFG	3/22/2016	U	\$ 624.00				\$ 7,900.00	\$ 7,900.00	
51	F	WINCHESTER TOOL LLC	7/11/2016	U	\$ 3,063.50				\$ 120,801.38	\$ 120,801.38	
17	F	Shanghai Jefa Machinery Co Ltd,	4/19/2016	U	\$ 1,689,147.90				\$ 1,855,864.60	\$ 1,855,864.60	CUD

CLAIM NUMBER	SCHEDULE	CLAIMANT NAME	DATE CLAIM FILED	Secured, Unsecured, Priority	SCHEDULED AMOUNT	ADMIN CLAIMED AMOUNT	SECURED CLAIMED AMOUNT	PRIORITY CLAIMED AMOUNT	UNSECURED CLAIMED AMOUNT	TOTAL CLAIM AMOUNT	SCHEDULED CUD
30	F	Harnani Deocampo	6/10/2016	U, P	\$ -			\$ 12,850.00	\$ 536,382.75	\$ 549,232.75	CUD
38	F	American Express Travel Related Services Company, Inc	7/6/2016	U	unknown				\$ 430.44	\$ 430.44	
24		FedEx Tech Connect Inc as Assignee, of FedEx Express/Ground/Freight/Office	5/18/2016	U					\$ 1,106.77	\$ 1,106.77	
26		Rex Supply	6/1/2016	U					\$ 4,987.57	\$ 4,987.57	
43		American Express Travel Related Services Company, Inc	7/6/2016	U					\$ 992.57	\$ 992.57	
44	F	Nicholas Aberle, Laney Aberle, Paul Aberle, SII	7/6/2016	U	\$ 7,626.66				\$ 144,073.07	\$ 144,073.07	
37	F	Hirsch & Westheimer, PC	7/5/2016	U	\$ 163,041.81				\$393,564.38	\$ 393,564.38	
22		SUMMER CREEK INVESTMENTS, LLC	5/2/2016	U					\$ 82,998.11	\$ 82,998.11	
	F	KONICA MINOLTA		U	\$ 6,897.83				\$ -	\$ -	D
	F	KONICA MINOLTA BUSINESS SOLUTIONS		U	\$ 1,019.59				\$ -	\$ -	D
	F	KONICA MINOLTA PREMIER - 25199063		U	\$ 674.18				\$ -	\$ -	D
	F	KONICA MINOLTA PREMIER FINANCE		U	\$ 5,326.33				\$ -	\$ -	D

CLAIM NUMBER	SCHEDULE	CLAIMANT NAME	DATE CLAIM FILED	Secured, Unsecured, Priority	SCHEDULED AMOUNT	ADMIN CLAIMED AMOUNT	SECURED CLAIMED AMOUNT	PRIORITY CLAIMED AMOUNT	UNSECURED CLAIMED AMOUNT	TOTAL CLAIM AMOUNT	SCHEDULED CUD
	F	OFFSHORE TECHNOLOGY CONFERENCE		U	\$ 36,000.00				\$ -	\$ -	D
15	F	TAYLOR TWINS TRANSPORT, LLC	4/8/2016	U	\$ 1,325.00				\$ 1,325.00	\$ 1,325.00	
25	F	Lone Star Corrosion Services, Inc.	5/18/2016	U	\$ 2,524.00				\$ 2,524.00	\$ 2,524.00	
27	F	B-LINE LUBE CENTER	6/2/2016	U	\$ 109.95				\$ 109.95	\$ 109.95	
46	F	CEPAI GROUP	7/8/2016	U	\$ 834,517.56				\$ 914,601.05	\$ 914,601.05	C
	F	GOLDEN STAR VALVE & FITTING CO LTD		U	\$ 90,673.00				\$ 90,673.00	\$ 90,673.00	C
12	F	THE WAGGONERS TRUCKING	4/5/2016	U	\$ 3,910.22				\$ 2,900.75	\$ 2,900.75	
31	F	American Eagle Logistics, LLC	6/15/2016	U	\$ 3,389.56				\$ 3,389.56	\$ 3,389.56	
35	F	Special Metals Inc	6/27/2016	U	\$ 3,960.00				\$ 3,420.00	\$ 3,420.00	
36	F	Matson Driscoll & Damico LLP	6/30/2016	U	\$ 186,544.74				\$194,960.24	\$ 194,960.24	
49	F	ESHIPPING	7/11/2016	U	\$ 47,326.72				\$ 47,326.72	\$ 47,326.72	
	F	1ST DEFENSE PEST CONTROL		U	\$ 162.38				\$ 162.38	\$ 162.38	
	F	ABC HOME AND COMMERCIAL SERVICES		U	\$ 135.31				\$ 135.31	\$ 135.31	
	F	ACADIAN TOTAL SECURITY		U	\$ 25.00				\$ 25.00	\$ 25.00	
	F	ASSOCIATION OF WELLHEAD EQUIPMENT MANUFACTURING		U	\$ 300.00				\$ 300.00	\$ 300.00	

CLAIM NUMBER	SCHEDULE	CLAIMANT NAME	DATE CLAIM FILED	Secured, Unsecured, Priority	SCHEDULED AMOUNT	ADMIN CLAIMED AMOUNT	SECURED CLAIMED AMOUNT	PRIORITY CLAIMED AMOUNT	UNSECURED CLAIMED AMOUNT	TOTAL CLAIM AMOUNT	SCHEDULED CUD
	F	AT&T		U	\$ 307.45				\$ 307.45	\$ 307.45	
	F	B AND J WHOLESALE		U	\$ 12,000.00				\$ 12,000.00	\$ 12,000.00	
	F	BEARING SERVICE & SUPPLY INC.		U	\$ 182.15				\$ 182.15	\$ 182.15	
	F	BENCHMARK WORLDWIDE TRANSPORT, INC.		U	\$ -				\$ -	\$ -	
	F	BOSSIER CITY UTILITIES DEPARTMENT		U	\$ 318.43				\$ 318.43	\$ 318.43	
	F	BOYER HEBERT ABELS & ANGELLE LLC		U	\$ 979.55				\$ 979.55	\$ 979.55	
	F	BRICKTOWN MEDIA		U	\$ 1,600.00				\$ 1,600.00	\$ 1,600.00	
	F	CABLE ONE		U	\$ 106.13				\$ 106.13	\$ 106.13	
	F	CHANNEL BEARING		U	\$ 2,188.85				\$ 2,188.85	\$ 2,188.85	
	F	CINTAS - UNIFORMS		U	\$ 35.94				\$ 35.94	\$ 35.94	
	F	CITY OF GRAND JUNCTION (SALES TAX)		U	\$ -				\$ -	\$ -	
	F	CITY OF LAFAYETTE -Lafayette Consolidated Government		U	\$ -				\$ -	\$ -	
	F	CITY OF ODESSA (2700 VAN)		U	\$ 85.27				\$ 85.27	\$ 85.27	
	F	CLEVELAND MACHINE CO., INC.		U	\$ 4,528.00				\$ 4,528.00	\$ 4,528.00	
	F	COMCAST (PA)		U	\$ 660.44				\$ 660.44	\$ 660.44	
	F	CONTINENTAL TOOL & SUPPLYING INC.		U	\$ 610.63				\$ 610.63	\$ 610.63	
	F	COX COMMUNICATIONS, INC.		U	\$ 2,876.11				\$ 2,876.11	\$ 2,876.11	
	F	CRANE WORLDWIDE LOGISTICS		U	\$ 2,255.51				\$ 2,255.51	\$ 2,255.51	
	F	DEEP SOUTH EQUIPMENT CO.		U	\$ 817.29				\$ 817.29	\$ 817.29	
	F	DEPENDABLE SEALS & GASKETS		U	\$ 9.56				\$ 9.56	\$ 9.56	
	F	DILIGENT DELIVERY SYSTEMS		U	\$ 12,000.00				\$ 12,000.00	\$ 12,000.00	
	F	DOERENMAYEW CPAS AND ADVISORS		U	\$ 15,000.00				\$ 15,000.00	\$ 15,000.00	
	F	DYNAMARK SECURITY (S. TX)		U	\$ 73.50				\$ 73.50	\$ 73.50	

CLAIM NUMBER	SCHEDULE	CLAIMANT NAME	DATE CLAIM FILED	Secured, Unsecured, Priority	SCHEDULED AMOUNT	ADMIN CLAIMED AMOUNT	SECURED CLAIMED AMOUNT	PRIORITY CLAIMED AMOUNT	UNSECURED CLAIMED AMOUNT	TOTAL CLAIM AMOUNT	SCHEDULED CUD
	F	E & S EQUIPMENT, LLC		U	\$ 3,321.64				\$ 3,321.64	\$ 3,321.64	
	F	EAST TEXAS M.U.D		U	\$ 10.00				\$ 10.00	\$ 10.00	
	F	EMPAQUETADURAS G H DE MEXICA SA DE CV		U	\$ 1,280.00				\$ 1,280.00	\$ 1,280.00	
	F	ENERSERV INC.		U	\$ 375.00				\$ 375.00	\$ 375.00	
	F	ENGINEERED SPECIALTIES PRODUCTS		U	\$ 687.10				\$ 687.10	\$ 687.10	
	F	ENTERGY (ACADIANA)		U	\$ 96.09				\$ 96.09	\$ 96.09	
	F	EQUIPMENT DEPOT		U	\$ 1,568.53				\$ 1,568.53	\$ 1,568.53	
	F	EXPRESS BOLT & GASKET LLC		U	\$ 10,141.38				\$ 10,141.38	\$ 10,141.38	
	F	FLUID SEALING PRODUCTS, INC.		U	\$ 2,051.95				\$ 2,051.95	\$ 2,051.95	
	F	FORGED COMPONENTS		U	\$ 7,600.00				\$ 7,600.00	\$ 7,600.00	
	F	FULLCO GENERAL MACHINE WORKS		U	\$ 7,950.00				\$ 7,950.00	\$ 7,950.00	
	F	GRAINGER (HQ)		U	\$ 59.96				\$ 59.96	\$ 59.96	
	F	HARRIS COUNTY ALARM DETAIL		U	\$ 10.00				\$ 10.00	\$ 10.00	
	F	HOUSTON OILFIELD EQUIPMENT INC.		U	\$ 4,500.00				\$ 4,500.00	\$ 4,500.00	
	F	HOUSTON PLATING & COATINGS, LLC		U	\$ 820.00				\$ 820.00	\$ 820.00	
	F	IDC SERVICE BUSINESS SERVICES		U	\$ 394.37				\$ 394.37	\$ 394.37	
	F	JONES DAY		U	\$11,211.65				\$ 11,211.65	\$ 11,211.65	
	F	KENTWOOD SPRINGS (OF)		U	\$ 11.90				\$ 11.90	\$ 11.90	
	F	KPR CLEANING, LLC		U	\$ 573.74				\$ 573.74	\$ 573.74	
	F	KSS RESOLUTIONS, LLC		U	\$ 147.23				\$ 147.23	\$ 147.23	
	F	LADNER & ASSOCIATES		U	\$ 97.50				\$ 97.50	\$ 97.50	
	F	LEAD SCREWS INTERNATIONAL INC.		U	\$ 17,457.00				\$ 17,457.00	\$ 17,457.00	

CLAIM NUMBER	SCHEDULE	CLAIMANT NAME	DATE CLAIM FILED	Secured, Unsecured, Priority	SCHEDULED AMOUNT	ADMIN CLAIMED AMOUNT	SECURED CLAIMED AMOUNT	PRIORITY CLAIMED AMOUNT	UNSECURED CLAIMED AMOUNT	TOTAL CLAIM AMOUNT	SCHEDULED CUD
	F	LIBERTY FIRE PROTECTION INC.		U	\$ 250.06				\$ 250.06	\$ 250.06	
	F	LIFT INC.		U	\$ 2,141.67				\$ 2,141.67	\$ 2,141.67	
	F	LONE STAR STEALING TECHNOLOGIES		U	\$ 2,975.00				\$ 2,975.00	\$ 2,975.00	
	F	MANUSIN S.A. DE C.V.		U	\$ 16,660.00				\$ 16,660.00	\$ 16,660.00	
	F	MARTIN FLUID POWER		U	\$ 1,517.53				\$ 1,517.53	\$ 1,517.53	
	F	METAL REMOVAL INDUSTRIES		U	\$ 455.85				\$ 455.85	\$ 455.85	
	F	MID-SOUTH METALS		U	\$ 570.00				\$ 570.00	\$ 570.00	
	F	MONITRONICS, INC.		U	\$ 94.38				\$ 94.38	\$ 94.38	
52	F	NATIONAL OILWELL VARCO		U	\$ 45,860.00				\$ 45,860.00	\$ 45,860.00	
	F	NATURAL PONDS & GARDENS		U	\$ 288.90				\$ 288.90	\$ 288.90	
	F	NINGBO ZHONG-JIANG HIGH STRENGTH BOLTS C		U	\$ 11,152.54				\$ 11,152.54	\$ 11,152.54	
	F	NOOK INDUSTRIES		U	\$ 1,992.66				\$ 1,992.66	\$ 1,992.66	
	F	O'NEALGAS, INC.		U	\$ 495.89				\$ 495.89	\$ 495.89	
	F	OMNI VALVE COMPANY LLC		U	\$ 33,000.00				\$ 33,000.00	\$ 33,000.00	
	F	P R WELDING SERVICE, LLC		U	\$ 500.00				\$ 500.00	\$ 500.00	
	F	PERMIAN BASIN INTERNATIONAL OIL SHOW		U	\$ 4,200.00				\$ 4,200.00	\$ 4,200.00	
	F	PERMIAN MACHINERY MOVERS, INC.		U	\$ 1,300.28				\$ 1,300.28	\$ 1,300.28	
	F	PINNACLE PD - ODESSA		U	\$ 598.00				\$ 598.00	\$ 598.00	

CLAIM NUMBER	SCHEDULE	CLAIMANT NAME	DATE CLAIM FILED	Secured, Unsecured, Priority	SCHEDULED AMOUNT	ADMIN CLAIMED AMOUNT	SECURED CLAIMED AMOUNT	PRIORITY CLAIMED AMOUNT	UNSECURED CLAIMED AMOUNT	TOTAL CLAIM AMOUNT	SCHEDULED CUD
	F	PRAAVRIT ENGINEERING TECHNOLOGY		U	\$ 229,685.00				\$ 229,685.00	\$ 229,685.00	
	F	PRB MACHINE		U	\$ 1,500.00				\$ 1,500.00	\$ 1,500.00	
	F	PRO STAR SERVICES - PARKS COFFEE		U	\$ 31.31				\$ 31.31	\$ 31.31	
	F	PROFESSIONAL WELDING SUPPLY		U	\$ 191.86				\$ 191.86	\$ 191.86	
	F	PROFORMA		U	\$ 120.36				\$ 120.36	\$ 120.36	
	F	PURA FLO (CORP)		U	\$ 298.87				\$ 298.87	\$ 298.87	
	F	QUALITY OILFIELD MANUFACTURERS		U	\$ 4,000.00				\$ 4,000.00	\$ 4,000.00	
	F	R&S OILFIELD, INC.		U	\$ 5,726.00				\$ 5,726.00	\$ 5,726.00	
	F	RIVER CITIES MACHINE, LLC		U	\$ 28,685.00				\$ 28,685.00	\$ 28,685.00	
	F	RUSHING MACHINE		U	\$ 22,400.00				\$ 22,400.00	\$ 22,400.00	
	F	S. C. UTILITIES		U	\$ 795.35				\$ 795.35	\$ 795.35	
	F	SAFESITE, INC.		U	\$ 285.13				\$ 285.13	\$ 285.13	
	F	SANDERS MACHINE, INC.		U	\$ 60,460.00				\$ 60,460.00	\$ 60,460.00	
	F	SCOTT EQUIPMENT COMPANY, LLC		U	\$ 215.21				\$ 215.21	\$ 215.21	
	F	SHANGHAI BAYOU MACHINERY & EQUIPMENT		U	\$ 79,955.00				\$ 79,955.00	\$ 79,955.00	
	F	SICHUAN TIANGONG PETROLEUM EQUIPMENT		U	\$ 49,536.00				\$ 49,536.00	\$ 49,536.00	
	F	SK PETRO LLC		U	\$ 14,035.00				\$ 14,035.00	\$ 14,035.00	

CLAIM NUMBER	SCHEDULE	CLAIMANT NAME	DATE CLAIM FILED	Secured, Unsecured, Priority	SCHEDULED AMOUNT	ADMIN CLAIMED AMOUNT	SECURED CLAIMED AMOUNT	PRIORITY CLAIMED AMOUNT	UNSECURED CLAIMED AMOUNT	TOTAL CLAIM AMOUNT	SCHEDULED CUD
	F	SOUTHWESTERN ELECTRIC POWER		U	\$ 435.48				\$ 435.48	\$ 435.48	
	F	STATE TAX ADVISORS		U	\$ 447.50				\$ 447.50	\$ 447.50	
	F	STOUT'S PRO AUTO		U	\$ 830.81				\$ 830.81	\$ 830.81	
	F	SUNBELT INDUSTRIAL TRUCKS		U	\$ 314.30				\$ 314.30	\$ 314.30	
	F	SUZHOU DOUSON DRILLING & PRODUCTION		U	\$ 12,338.00				\$ 12,338.00	\$ 12,338.00	
	F	TCO INTEGRATED SOLUTIONS		U	\$ 210.00				\$ 210.00	\$ 210.00	
	F	TECH-SEAL INT'L		U	\$ 2,825.10				\$ 2,825.10	\$ 2,825.10	
	F	TEER HOLDING GROUP		U	\$ 143,388.00				\$ 143,388.00	\$ 143,388.00	
	F	TEX-THREAD		U	\$ 15,013.09				\$ 15,013.09	\$ 15,013.09	
	F	THE RELIABLE SPECIALTY CO.		U	\$ 4,362.00				\$ 4,362.00	\$ 4,362.00	
	F	THEE DESIGN STUDIO		U	\$ 600.00				\$ 600.00	\$ 600.00	
	F	THOMSON REUTERS		U	\$ 649.32				\$ 649.32	\$ 649.32	
	F	TIGER VALVE HOUSTON COMPANY, LLC		U	\$ 7,057.50				\$ 7,057.50	\$ 7,057.50	
	F	TIMOTHY GREER		U	\$ 363.98				\$ 363.98	\$ 363.98	
	F	TRANSPORTATION FUNDING GROUP, LLC		U	\$ 1,325.00				\$ 1,325.00	\$ 1,325.00	
	F	TSI FLOW PRODUCTS		U	\$ 1,375.00				\$ 1,375.00	\$ 1,375.00	
	F	TUMBLEWEED EXPRESS		U	\$ 408.50				\$ 408.50	\$ 408.50	
	F	UNIFIRST HOLDINGS		U	\$ 532.31				\$ 532.31	\$ 532.31	
53	F	UPS (5R17W4)		U	\$ 749.59				\$ 749.59	\$ 749.59	
53	F	UPS (XV8622)		U	\$ 202.88				\$ 202.88	\$ 202.88	

CLAIM NUMBER	SCHEDULE	CLAIMANT NAME	DATE CLAIM FILED	Secured, Unsecured, Priority	SCHEDULED AMOUNT	ADMIN CLAIMED AMOUNT	SECURED CLAIMED AMOUNT	PRIORITY CLAIMED AMOUNT	UNSECURED CLAIMED AMOUNT	TOTAL CLAIM AMOUNT	SCHEDULED CUD
53	F	UPS (Y328R1)		U	\$ 54.13				\$ 54.13	\$ 54.13	
53		UPS		U						\$ 73.36	
	F	WAGNER SUPPLY CO.		U	\$ 574.75				\$ 574.75	\$ 574.75	
	F	WENZHOU FANZHENG TRADING CO., LTD.		U	\$ 18,061.00				\$ 18,061.00	\$ 18,061.00	
	F	WESTERMAN ROCKY MOUNTAIN		U	\$ 931.91				\$ 931.91	\$ 931.91	
28		Cornerstone Document & Reporting	5/31/2016	U					\$ 16,137.15	\$ 16,137.15	
32		De Lage Landen Financial Services Inc	6/17/2016	U					\$ 1,620.18	\$ 1,620.18	
33		CIT Finance LLC	6/24/2016	U					\$ 2,730.90	\$ 2,730.90	

SCHEDULE	CLAIMANT NAME	Secured, Unsecured, Priority	SCHEDULED AMOUNT	ADMIN CLAIMED AMOUNT	SECURED CLAIMED AMOUNT	PRIORITY CLAIMED AMOUNT	UNSECURED CLAIMED AMOUNT	TOTAL CLAIM AMOUNT	SCHEDULED CUD
F	KISS & GREER, LLC	U	\$ 41,049.94				\$ 41,049.94	\$ 41,049.94	
F	KISS INVESTMENTS, L.L.C.	U	\$ 113.19				\$ 113.19	\$ 113.19	
F	NDEMAND	U	\$ 31,024.47				\$ 31,024.47	\$ 31,024.47	
F	PHANTOM PRODUCTS, LLC	U	\$ 624,392.85				\$ 624,392.85	\$ 624,392.85	
F	STEELE GOODE PRODUCTS, LLC	U	\$ 115,227.69				\$ 115,227.69	\$ 115,227.69	
F	TOWNSEND WELL CONTROL	U	\$ 366,693.61				\$ 366,693.61	\$ 366,693.61	
F	WDI CANADA	U	\$ 2,094,211.07				\$ 2,094,211.07	\$ 2,094,211.07	
F	WDI MANUFACTURING	U	\$ 167,293.09				\$ 167,293.09	\$ 167,293.09	

EXHIBIT “C”

FINANCIAL PROJECTIONS

5 Year Cash Flow Projection
 Petroleum Products Service/ Wellhead Distributors International (WDI)

Starting date 01/01/17
 Cash Flow Projections 2017 to 2021

	Beginning	January-17	February-17	March-17	April-17	May-17	June-17	July-17	August-17	September-17	October-17	November-17	December-17	2018	2019	2020	2021
Cash on hand (beginning of month)	100,000	100,000	349,119	362,737	472,041	887,068	1,432,762	1,937,391	2,430,021	2,934,650	2,902,496	2,853,080	2,806,403	1,149,726	1,219,491	636,617	1,306,430
CASH RECEIPTS																	
Cash sales / Internet																	
Returns and allowances																	
Collections on accounts receivable		853,568	853,568	995,829	1,422,614	1,564,875	1,564,875	1,564,875	1,564,875	1,138,091	995,829	853,568	853,568	17,782,669	22,228,337	27,785,421	34,731,776
Interest, other income																	
Equity Contribution / New Financing																1,500,000	2,000,000
WOL Carry Back refund		2,240,140															
TOTAL CASH RECEIPTS		3,093,708	853,568	995,829	1,422,614	1,564,875	1,564,875	1,564,875	1,564,875	1,138,091	995,829	853,568	853,568	17,782,669	23,728,337	29,785,421	34,731,776
Total cash available	100,000	3,193,708	1,202,687	1,358,566	1,894,655	2,451,943	2,997,637	3,502,266	3,994,896	4,072,741	3,898,325	3,706,648	3,459,971	18,932,395	24,947,827	30,422,038	36,038,206
CASH PAID OUT																	
WDI Professional - Legal	115,000	115,000	115,000	115,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	900,000	900,000	900,000	900,000
Committee Professional Fees	15,000	10,000	10,000	5,000													
Lenders Professional Fees	7,500	7,500	7,500	5,000													
Professional - Accounting & Tax	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	115,200	138,240	165,888	199,066
401k payment (Employee(r) Contribution)	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	133,000	265,200	318,240	458,266
Contract labor	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	54,720	65,664	78,797	94,556
Employee benefit programs (Aflac)	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	1,100	15,840	19,008	22,810	27,372
Insurance (other than health)	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	5,000	60,000	20,000	20,000	300,000	360,000	432,000	518,400
Bank Fees	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	100,800	120,960	145,152	174,182
Materials and supplies (in COGS)	270,000	310,500	357,075	410,636	472,232	513,295	513,295	513,295	513,295	513,295	513,295	513,295	513,295	8,661,616	11,260,101	15,764,141	22,069,798
Rent or lease	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	1,224,000	1,468,800	1,762,560	2,115,072
Office/Warehouse expense	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	144,000	172,800	207,360	248,832
Rent or lease- vehicles, equipment	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900	56,160	67,392	80,870	97,044
Taxes and licenses	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	144,000	172,800	207,360	248,832
Utilities	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000	648,000	777,600	933,120	1,119,744
Wages (less emp. credits)	124,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000	124,000	1,785,600	2,142,720	2,571,264	3,085,517
Payroll Service Fee	750	750	750	750	750	750	750	750	750	750	750	750	750	10,800	12,960	15,552	18,662
Employee Health/Vision/Dental Insurance/LT-S1																	
Disability	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	273,600	328,320	393,984	472,781
Workers Comp	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	36,000	43,200	51,840	62,208
US Bank Prepaid CC	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	288,000	345,600	414,720	497,664
US Trustee Fees	6,500			9,750													
SUBTOTAL	774,550	810,050	856,625	902,686	914,282	955,345	967,345	955,345	940,345	940,345	955,345	1,080,345	1,080,345	15,023,536	18,714,405	24,529,306	32,407,996
Federal Income Tax Estimate	0	0	0	0	0	0	0	0	0	0	0	0	0	55,568	488,005	843,067	1,304,707
Property Taxes - post petition													1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Plan Payments																	
Class 1 - Prepetition Ad Valorem Tax	1,123,002																
Class 2B- JPMorgan Chase Equipment Term Note Principal payment #9112					75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	675,000	900,000		
Class 2B- JPMorgan Chase Equipment Term Note Interest payment #9112	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000	120,000		
Class 2B- JPMorgan Chase Equipment Term Note Principal payment #0057 (Equip)	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	9,400	112,800	112,800		
Class 2B- JPMorgan Chase Equipment Term Note Interest payment #0057 (Equip)	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	18,000		
Class 2A- JPMorgan Chase RLOC- interest expense #4693 (LOC)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000	60,000	60,000	60,000
Class 2A- JPMorgan Chase RLOC interest expense #4708 (LOC)	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000	48,000	48,000	48,000
Class 2B- JPMorgan Chase Equipment Term Note Principal payment #9112 - from Tax Refund	225,000																
Class 2A- JPMorgan Chase RLOC- principal payment - from Tax Refund	233,569													100,000	100,000	2,135,235	
Class 3- General Unsecured Claims - from Tax Refund	458,569									125,000				125,000	500,000	500,000	500,000
Class 4 - CPTDC Claim -see note below															2,250,000		
TOTAL CASH PAID OUT	2,844,590	839,950	886,525	1,007,586	1,019,182	1,060,245	1,072,245	1,060,245	1,170,245	1,060,245	1,045,245	1,100,245	2,310,245	17,712,905	24,311,210	29,115,608	35,320,703
Cash on hand (end of month)	100,000	349,119	362,737	472,041	887,068	1,432,762	1,937,391	2,430,021	2,934,650	2,902,496	2,853,080	2,806,403	1,149,726	1,219,491	636,617	1,306,430	717,503

* Alejandro Kiss (and/or his non-Debtor affiliated entity(ies)) shall distribute the initial plan payment of \$2.75 million to CPTDC from non-Debtor property on account of CPTDC's Class 4 claim. This disbursement is not reflected in Debtor's books and records but will be paid in accordance with the terms of the Plan.

EXHIBIT “D”

LIQUIDATION ANALYSIS

Petroleum Products & Services, Inc.

Case No. 16-31201

General Assumptions for Assets:

Forced Liquidation -- assumes conversion to Chapter 7, appointment of a Trustee, and use of 3rd party professionals, agents, brokers, liquidators, etc., up to a one year period. Figures based on Effective Date of January 17, 2017.

Assets:	Current FMV (Estimated as of Effective Date)	Liquidation Value Estimate	Potential Realization Pct
Cash (including anticipated receipt of Tax Refund)	2,340,140	2,340,140	100%
Accounts Receivable (Net of Doubtful Collections)	4,940,419	2,470,210	50%
Inventory in Current Assets**	30,023,012	3,182,439	11%
Prepays in Current Assets***	1,307,780	261,556	20%
Fixes Assets Including FFE, Leasehold Improvements and Vehicles****	1,803,633	450,908	25%
Net Litigation Proceeds	unknown	unknown	
Total Fair Market Value	40,414,984		
Total Liquidation Value		8,705,253	22%

* Accounts Receivable balance reflected herein is based on A/R reflected in the August operating report, less doubtful accounts (doubtful accounts include A/R owed by affiliates). Debtor does not estimate any significant changes in outstanding amount of accounts receivable on the Effective Date

** The liquidation value is based on appraisal of the inventory performed by Gordon Brothers for Debtor's secured lender in June 2016. The appraisal reflects a liquidation value for the inventory of 10.6% of the book value. The Debtor has not independently valued the inventory and reserves the right to dispute this finding. The appraisal did not recommend a liquidation of the Debtor's assets.

***The most significant prepaid expenses are deposits for orders placed, but not received. In the event of a liquidation, these deposits would likely be forfeited.

****Leasehold improvement represent the most significant fixed assets. These improvements would have negligible value in a liquidation.

Creditor Payout according to Priority under 507	Claim Amount	Amount Paid	Percentage Recovery in Liquidation
Class 2 (Secured Claims of JPMorgan Chase)(based on POC - actual balance will vary)	6,028,462	6,028,462	100%
Chapter 7 Administrative Costs ¹	400,000	400,000	100%
Chapter 11 Administrative Costs ²	400,000	400,000	100%
Priority Claims	22,253	22,253	100%
Class 1 (Secured Tax Claims)	1,123,002	1,123,002	100%
Class 3 (General Unsecured Claims) ³	3,367,637	94,294 ⁴	2.80%
Class 4 (Claims of CPTDC) ⁵	22,745,661	636,879 ⁴	2.80%
Class 5 (Claims of Affiliates)	3,440,006	- ⁶	0%
Class 6 (Claims of Equity Interests)	n/a		
Total:	37,527,021	8,704,889	

<p>1. Based a Chapter 7 trustee's sliding commission scale, estimated attorneys fees, costs of sale, taxes and expenses incurred during Chapter 7 case.</p>
<p>2. Unpaid post-petition Chapter 11 fees and expenses for professionals and other administrative expenses accrued during the Chapter 11 case. Also assumes Chapter 7 conversion as of 1/2017.</p>
<p>3. Includes unsecured claims scheduled and filed and for which no objection has been filed. Debtor reserves the right file objections to any Class 3 claim for which it disputes liability.</p>
<p>4. The anticipated distribution is based on the assumption that in a Chapter 7 liquidation, Class 3 and Class 4 claims should each receive a pro rata distribution of remaining cash after payment to higher priority claims.</p>
<p>5. As discussed in the Disclosure Statement, CPTDC was an minority equityholder in the Debtor prior to the CPTDC Settlement. In a liquidation, if a Chapter 7 Trustee were to successfully reclassify CPTDC's entire claim as equity, the estimated return to Class 3 creditors would be 21.72%, which is still significantly less than the amount Class 3 creditors can expect in Chapter 11.</p>
<p>6. The anticipated distribution is based on the assumption that affiliated entities would be eligible to offset any amounts owed to the Debtor but receive no distribution.</p>

EXHIBIT “E”

PENDING LITIGATION

Case No.	District/Court	County/City	State	Plaintiff	Defendant	Removed to Bankruptcy Court/ Adversary No.	Status
2014-64371	113th Judicial District	Harris	TX	Alejandro Kiss Individually and as Trustee of the Alejandro Kiss and Mary Kathryn Kiss Revocable Living Trust	Donald Atencio, Wellhead Services, Inc. and Fracmaster, LLC	Adv. No. 16-03053 (Closed)	This lawsuit pertains to claims of breach of contract and breach of fiduciary duty asserted by Alejandro Kiss and certain related entities, against Wellhead Services, Inc., and Fracmaster. Wellhead Services, Inc. asserted counterclaims and joined WDi as a party. In the Adversary Proceeding, Wellhead Services filed a Motion to Abstain, seeking to have the case remanded to state court. On August 8, the Court entered an order granting this motion and remanding the case to state court. However, the automatic stay remains in effect.
2014-15734	151st Judicial District	Harris	TX	Alejandro & Mary Kathryn Kiss Revocable Living Trust and Petroleum Products & Services, Inc. d/b/a Wellhead Distributors International	Jiangsu Jinshi Machinery Group Co., Ltd., China Petroleum Technology & Development Corporation and CP International, Inc.	Adv. No. 16-03052	This is a lawsuit initiated by the Debtor against CPTDC. This litigation is described in detail in the Disclosure Statement. Debtor has reached settlement with CPTDC which is also described in detail in the Disclosure Statement and will resolve this case.
2014-07416	133rd Judicial District	Harris	TX	Petroleum Products & Services, Inc. d/b/a Wellhead Distributors International et. al.	Kana Energy Services, Inc. and Surface Supply, LLC	Adv. No. 16-03113	This is a lawsuit initiated by the Debtor against Kana which is related to the CPTDC Litigation. WDi removed this case to the Bankruptcy Court. A detailed description of this litigation is contained in the Disclosure Statement. Debtor has reached settlement a tentative with Kana which resolves the litigation.
2015-75812	113th Judicial District	Harris	TX	Petroleum Products & Services, Inc. d/b/a Wellhead Distributors International and WDI Drilling Equipment Services, LLC	McClinton Energy Group, LLC and Surf-Frac Wellhead Equipment Company d/b/a SWECO	Adv. No. 16-03121	This litigation involves WDI's suit on sworn account against McClinton Energy and Surf-Frac Wellhead. WDi removed this case to the Bankruptcy Court. Subsequently, <i>McClinton Energy Group, L.L.C. and Surf-Frac Wellhead Equipment Company, Inc.</i> filed a motion to remand the litigation to state court and WDi filed a motion for summary judgment. The parties have filed opposition to the other parties motions. The Court remanded a portion of the litigation involving WDI Drilling Equipment Services, LLC to state court and has taken motions and related responses/objections under advisement.

Case No.	District/Court	County/City	State	Plaintiff	Defendant	Removed to Bankruptcy Court/ Adversary No.	Status
15-2512-C	214th Judicial District	Smith	TX	Nicholas Aberle, Laney Aberle and Paul Aberle, successors-in-interest to The Heinrich J. Aberle Revocable Trust	Petroleum Products & Services, Inc. d/b/a Wellhead Distributors International	Adv. No. 16-03078 (Closed)	This case was filed by Plaintiff on December 3, 2015 and involves a breach of contract action against WDi related to a lease of real property located at 12492 Highway 155 North, Tyler, Texas. A default judgment was obtained by Plaintiff and WDi filed a motion for new trial based on defective service. This motion was pending when the bankruptcy file was and WDi removed this matter to the Bankruptcy Court. Subsequent to the removal, the parties entered into a stipulation of dismissal which allows Plaintiff to pursue its remedies in the bankruptcy case.
4:14-cv-00744	U.S. District Court for the Southern District of Texas	Houston	TX	China Petroleum Technology & Development Corporation	Petroleum Products & Services, Inc. d/b/a Wellhead Distributors International	N/A	This litigation was filed imitated by WI against CPTDC. The litigation is described in detail in the Disclosure Statement. Debtor has reached settlement with CPTDC which is described in detail in the Disclosure Statement and will resolve this case. A Suggestion of Bankruptcy was filed and the case is currently stayed.