

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:	§	CHAPTER 11
	§	
GOLDEN OIL HOLDING CORPORATION	§	CASE NO. 18-31594
	§	
Debtor.	§	JUDGE RODRIGUEZ
	§	

DEBTOR GOLDEN OIL HOLDING CORPORATION’S FIRST AMENDED COMBINED PLAN OF REORGANIZATION AND AMENDED DISCLOSURE STATEMENT

DEBTOR GOLDEN OIL HOLDING CORPORATION’S COMBINED PLAN OF REORGANIZATION AND DISCLOSURE STATEMENT HAS BEEN SET FOR A FINAL HEARING ON CONDITIONAL APPROVAL OF THE DISCLOSURE STATEMENT ON _____, AT _____ A.M./P.M. IN COURTROOM 401, UNITED STATES COURTHOUSE, 515 RUSK STREET, HOUSTON, TEXAS, 77002.

On March 30, 2018, (the “Petition Date”), Golden Oil Holding Corporation (“Debtor” or “Operator”) filed this voluntary petition under chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas, Houston Division (“Bankruptcy Court” or “Court”).

This is a payment plan for all unsecured creditors and for any allowed amounts of secured claims. There is only one alleged secured claim, which is opposed by Debtor in its entirety. If you are a Creditor you should read this Amended Combined Disclosure Statement and Amended Plan of Reorganization carefully. The Debtor urges all holders of Claims in Impaired Classes receiving Ballots to accept the Amended Plan of Reorganization proposed by the Debtor as contained herein.

This Amended Combined Disclosure Statement and Amended Plan of Reorganization (the “DS/Plan”), any amendments, supplements, and exhibits thereto, the accompanying Ballot form, if any, and the related materials delivered together herewith are being furnished by the Debtor to holders of Impaired Claims and Impaired Interests pursuant to § 1125¹, in connection with the solicitation by the Debtor of votes to accept or reject the Amended Plan and the transactions as described herein.

This DS/Plan is designed to provide adequate information to enable holders of Claims against and Interests in the Debtor to make an informed decision whether to vote in favor of or

¹ All references to “§” reference the applicable section of the Bankruptcy Code.

against the Plan of Reorganization that the Debtor is proposing. All Creditors are encouraged to read this DS/Plan in its entirety before voting to accept or reject the Plan proposed by the Debtor.

All holders of Impaired Claims should read and consider carefully the matters described in the Amended DS/Plan as a whole prior to voting on the Amended Plan proposed by the Debtor. In making a decision to accept or reject the Amended Plan, each Creditor must rely on its own examination of the Debtor as described in this Amended DS/Plan, including the merits and risks involved. You are encouraged to seek the advice of qualified legal counsel with respect to the legal effect of any aspect of the Amended DS/Plan. In addition, Confirmation and Consummation of the Amended Plan are subject to conditions precedent that could lead to delays in Consummation of the Amended Plan proposed by Debtor. There can be no assurance that each of these conditions precedent will be satisfied or waived or that the Amended Plan proposed by the Debtor will be consummated. Even after the Effective Date, distributions under the Amended Plan proposed by the Debtor may be subject to delay so that disputed claims can be resolved.

No party is authorized by the Debtor to give any information or make any representations with respect to the Amended DS/Plan other than that which is contained herein. No representation or information concerning the Debtor, its business or the value of its properties has been authorized by the Debtor, other than as set forth herein. Any information or representation given to obtain your acceptance or rejection of the Amended Plan that is different from or inconsistent with the information or representations contained herein should not be relied upon by any holders of Claims or Interests in voting on the Amended Plan proposed by the Debtor.

This Amended DS/Plan has been prepared in accordance with § 1125 and not in accordance with federal or state securities laws or other applicable non-bankruptcy law. Entities holding or trading in or otherwise purchasing, selling or transferring Claims against, Interests in or securities of, the Debtor should evaluate this Amended DS/Plan only in light of the purpose for which it was prepared.

With respect to contested matters, adversary proceedings and other pending or threatened actions (whether or not pending), this Amended DS/Plan and the information contained herein shall not be construed as an admission or stipulation by any Entity, but rather as statements made in settlement negotiations governed by Rule 408 of the Federal Rules of Evidence and any other rule or statute of similar import. This Amended DS/Plan shall not be construed to be providing any legal, business, financial or tax advice. Each holder of a Claim or Interest should, therefore, consult with its own legal, business, financial and tax advisors as to any such matters concerning the solicitation, the Amended Plan or the transactions contemplated thereby.

This Amended DS/Plan shall not be construed to be providing any legal, business, financial or tax advice. Each holder of a Claim or Interest should, therefore, consult with its own legal, business, financial and tax advisors as to any such matters concerning the solicitation, the Amended Plan or the transactions contemplated thereby.

INCORPORATION OF DOCUMENTS BY REFERENCE

This DS/Plan incorporates by reference certain documents relating to the Debtor that are not presented herein or delivered herewith. The following documents have been filed in the Debtor's bankruptcy case and are incorporated by reference herein in their entirety, including all amendments thereto filed prior to the date set for confirmation: (a) the Debtor's Schedules and Statement of Financial Affairs, filed on April 27, 2018 [ECF Document 22]; Debtor's Amended Schedules and Statement of Financial Affairs filed on April 27, 2018 [ECF Document 24], and Debtor's Amended Schedules D and E/F, filed on May 9, 2018 [ECF Document 27]. Documents and pleadings filed in this case are available at the following website: <http://www.txs.uscourts.gov/>.

I. INTRODUCTION AND SUMMARY

The following introduction and summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this DS/Plan.

A. Plan Summary

This Plan applies only to the direct creditors of Debtor. Debtor's plan is simple. Debtor's parent company intends to pay a sum of funds into the estate to be used to satisfy in full all legitimate claims allowed against the Debtor. The source of funds will be the infusion of cash from the parent company.

B. The Solicitation.

On December 10, 2018, the Debtor filed this DS/Plan. This DS/Plan is submitted by the Debtor to be used in connection with the solicitation of votes on Debtor's Plan.

Debtor has requested that the Bankruptcy Court hold a hearing on approval of this DS/Plan to determine whether this DS/Plan contains "adequate information" in accordance with § 1125. Pursuant to § 1125(a)(1), "adequate information" is defined as "information of a kind, and in sufficient detail, as far as reasonably practicable in light of the nature and history of the Debtor and the condition of the Debtor's books and records, ... that would enable a hypothetical reasonable investor typical of holders of claims or interests of the relevant Class to make an informed judgment about the Plan proposed by the Debtor. A hearing to consider conditional approval of the Disclosure Statement has been set for the _____, at _____ a.m./p.m. in Courtroom 401, United States Courthouse, 515 Rusk Street, Houston, Texas. A hearing on confirmation of the Plan has been set for the ____ day of _____ 2019, at ____m., in Courtroom 401, United States Courthouse, 515 Rusk Street, Houston, Texas, at which time the Court will hold a hearing on final approval of the disclosure information provided and on confirmation of the Plan proposed by the Debtor (the "Confirmation Hearing"). Objections to the final approval of the Disclosure Statement or objections to Confirmation of the Plan must be in writing and must be filed with the Clerk of the Bankruptcy Court and served on the counsel listed below to ensure receipt by them on or before 5:00 p.m., on _____, 2019. Bankruptcy Rule 3007 governs the form of any such

objection.

C. Debtor's History, Litigation, Settlements and Major Events.

Operator is a Delaware corporation registered to do business in Texas and New Mexico, and incorporated September 1, 1998. Operator is owned 100% by Golden Oil Company, which holds a majority of the working interest in the field. For the last 14 years, Operator continuously operated approximately 40 oil and gas and the licensed water disposal well on behalf of all Working Interest Owners. The Leases of the parent Golden Oil Company and the subject wells are on land owned by the United States of America, with the surface estate under Executive Order Reservation for use by the Jicarilla Apache Indian Tribe ("Jicarilla Apache" or "JAN")

Conduct of Operator's work on the Reservation is subject to primary regulation by the United States Department of Interior through its sub-agencies, primarily the United States Bureau of Land Management ("BLM"), United States Bureau of Indian Affairs ("BIA") which operates pursuant to powers delegated to the U.S. Department of Interior. All royalties for oil and gas production for the subject wells are paid to the U.S. Federal Government, specifically the Office of Natural Resources ("ONR") of the U.S. Department of Interior. The Department of Interior then allocates these royalties between a number of Indian Tribes, with JAN currently receiving the largest share of such allocation. The U.S. Department of Interior is charged by Congress to administrate the use of royalties and the conduct of the administration of oil and gas Affairs as a trustee and a fiduciary for the benefit of the Jicarilla people, who are the beneficiaries of the trustee relationship between the U.S. Department of Interior and JAN. While the Jicarilla have established their own oil and gas administration ("JOGA") which has certain authority to regulate oil and gas operations, the U.S. Federal Laws are primary.

As the Operator, the Debtor operates the wells for and is appointed by the Working Interest Owners. As above, the Operator is required to pay royalties on all production to the United States. The Operator has authority from the U.S. Government and holds an Operating Permit and Work Permits for its employees, which are granted by JOGA. These have been by the Debtor for some 14 years but their renewal has become the subject of a dispute with JOGA.

JOGA has asserted in writing to Operator, the Jicarilla Tribal Council and this Court that Operator is guilty of "egregious" environmental violations. Such that Operator's Operating Permit and Work Permits could be revoked. The revocation of Operator's Operating Permit also was allegedly based upon a fine made after a rushed "inspection" by JOGA of the so-called "egregious" environmental violations and the assessment of a \$41,000 fine that same day. Assessment of a fine without providing specific notice of reason to an Operator and providing a minimum 30 days to cure any condition complained of is a direct violation of Federal Law. Federal Law provides requirements of notice, specificity, a time of cure, or to dispute the findings in Court or to extend the time to cure.

The Settlement Agreement with JAN is attached as Exhibit "A". Operator believed that, given the overall Settlement and the fact that JAN did not assert any further claim for "fines," much less the interest on fines prior to the bar date, that the Settlement Agreement represented the four corners of its understanding with JAN and Mr. Guillermo DeHerrera of JOGA.

On the Petition Date, Operator was operating under its Operating Permit but after the Petition Date, JAN reported to revoke Operator's Operating Permits and the Work Permits of Operator's employees. The Operator took action to enforce the Automatic Stay under Federal Bankruptcy laws as to JOGA and the Federal Agencies of the United States Department of Interior, who had primary authority to determine whether "Incidents of Non-Compliance" had in fact occurred; provide notice of them with specificity; and provide a minimum of 30 days to either cure such violation, apply for an extension of the cure date or to file Court proceedings to oppose the violation.

JAN responded to Operator's suit by disputing the nature of the Bankruptcy Court's jurisdiction. Without deciding that issue, on the eve of trial all Parties agreed that JAN would issue Operating and Work Permits to Operator and its employees and that Operator would take steps to remediate environmental conditions complained of (including surface cleanup and lease road smoothing for wells drilled as far back as the 1950s by persons entirely unrelated to Operator or its Parent Company). Further, Operator agreed to immediately undertake well workovers so as to generate income to itself for purposes of exiting bankruptcy; to generate royalties payable to the United States Government for allocation to the Jicarilla and other Indian Nations, for use pursuant to the Federal Government's fiduciary responsibilities and its ongoing administrative oversight.

The Bankruptcy Court approved the settlement and maintains jurisdiction over the settlement pursuant to the agreement of the parties and the Court's order attached as Exhibit "B".

Operator has no retiree benefits as that term is defined in 11 U.S.C. 1114.

As shown by the Debtor's amended schedules of assets and liabilities, attached as Exhibit "C", the Debtor has essentially minimal tangible assets² other than the lease operating rights of the oilfields it operates that are located within the JAN Reservation. On the Debtor's schedules, the assets that can be valued were valued at \$86,477.00. This valuation does not include a numerical value for the operating rights. Operator's Parent Company, Golden Oil Company, owns a majority of working interests and can appoint the Operator. The Operator/Debtor solely operates the field; it does not own working interests in the field. The Operator's source of revenue is only the charges, payable to it from Working Interest Owners under the applicable Operating Agreements, a standard form American Association of Petroleum Landmen ("AAPL") agreement used for decades throughout the oil and gas industry.

The current value of the operating rights alone cannot be precisely determined as it is subject to a massive variance depending on certain underlying assumptions, as to the value of the Leases operated; oil and gas prices; transportation prices; general economic conditions; potential viability for horizontal drilling and etc. Operator believes that there is a substantial intangible value to the Working Interest Owners of having an Operator with long experience on wells drilled to 7,200 feet and producing from the formations extant on the Reservation. Whereas the range of this valuation is difficult to determine, it is belief which motivates Working Interest

² The few pieces of operating equipment utilized by the Operator were originally charged to the Working Interest Owners for use in conduct of field operations.

Owners to be willing to make substantial additional contributions to Operator in order to pay the fees of this proceeding and to meet its obligations under the Settlement Agreement.

Operator knows it has already completed its obligation for environmental remediation under the Settlement Agreement and that it has excavated the few small scale seepage stains, had it tested by independent laboratories and has received permission from the Environmental Protection Office to refill the affected areas. Operator has met the conditions with the total amount of approximately less than one hour of backhoe time and perhaps an estimation of 60 cubic feet of possibly stained soil. Operator believes that bringing in a separate company to operate under these circumstances could result in very significantly higher costs to yield the same, or less, production.

On the Schedules, the Debtor listed a value of between \$500,000 and \$2 Million, but then identified that the value is unknown, stating the following description of the value:

“Value of \$500,000-\$2,000,000 arises from decades of continuous and substantial operations on the Jicarilla Reservation, The Company currently operates approximately 40 wells on the Jicarilla Reservation and one water disposal well. Operator is responsible for approximately \$24,000,000 of investment made to drill wells on these Leases and a similar additional amount on adjacent wells on the Jicarilla 71 Lease which are no longer operated. In the normal course of annual workovers, to date Operator has done over 2,200 well workovers on these Leases (and similar range on adjacent leases) at an average cost of \$15,000 per workover, providing payments to the local economy in the range of \$33,000,000. Additional similar size contributions to the local economy and to the Jicarilla people have been made by production and severance taxes and by royalty payments. All of the foregoing is run through and managed by Operator.”

Debtor's parent company, Golden Oil Company, believes that the Operator's long experience in operations of this type and depth (approximately 7200 feet) of wells in the Reservation provides Operator a level of knowledge and efficiency in operations which could not be duplicated at similar costs by another operator, and is willing to make or arrange contributions to Operator as provided herein in order to preserve those cost efficiencies. Efficient operations are of the greatest importance during periods of great volatility in oil and gas prices and the particularly heavy burden of taxes, royalties and other costs associated with operations in the Jicarilla Reservation. Golden Oil Company, Debtor's Parent Company, will pay the estate sufficient funds to pay all allowed claim in full as set forth herein.

Events Leading to the Bankruptcy Filings

The Jicarilla Apache sent several alleged notices of violations and related monetary penalties and threatened to terminate Debtor's Operating Permit on March 31, 2018. Debtor disputes the Jicarilla Apache allegations and filed this case on the Petition Date.

Litigation and Settlements Reached After the Bankruptcy Filings

After the bankruptcy filing, the Debtor filed the *Motion to Enforce Automatic Stay, Show Cause Why Contempt Sanctions Should Not Issue, and for Related Relief* on July 6, 2018 at ECF Document No. 37 (“Motion to Enforce Stay”) against the Jicarilla Apache. Operator asserted that it and its well service company, S&G Well Service, then actually on the Leases with a workover rig, had been unlawfully kicked off the Reservation, frozen out and denied control of the oil and gas leases. In April 2018, Operator was actually conducting spring cleanup and workovers after a historically hard winter at 8,000 feet in the mountains, in which many wells had been damaged and production was extremely low. (Operator notes that, although it did not itself do so, many other companies, large and small, obtained authorization for temporary abandonment of wells as uneconomic during these conditions.)

In April 2015 Mr. DeHerrera ordered employees of JOGA to an emergency meeting designed to swarm the Leases of Golden Oil Company and assert whatever “incidents of Non-Compliance” they might be able to find. In a hurry to seek and control bankruptcy, Mr. DeHerrera made a fine of \$41,000 on the very same day the inspection swarm was ordered. The Debtor asserted that such a fine was unlawful from the beginning because it is in direct violation of Federal Law. Federal Law requires that if an “Incident of Non-Compliance” is asserted, the company is automatically provided a minimum of thirty days to cure the problem. Any Incident must be stated specifically and the Operator is further entitled to apply for extension of the time of cure or to oppose the alleged “Incident of Non-Compliance.” Operator asserts that Mr. DeHerrera and the Jicarilla Oil and Gas Administration directly violated every single requirement of the applicable Federal Law. Moreover, Operator notes that the \$41,000 illegal charge has since ballooned to \$123,677.00, with the addition of a compound interest factor at a rate several hundred percent higher than what is currently paid on even United States Government prime rate.

Further, Operator notes that there are long lists of very substantial off-sets materially greater than the amount of the fine, plus claims or costs caused by Mr. DeHerrera’s gross disregard of applicable Federal Law as to the Automatic Stay.

Notwithstanding the forgoing, JAN and the Operator have agreed to the processes set forth in Exhibit A, for which the Operator has fully complied. JAN waved sovereign immunity by acting as a Party in this Bankruptcy Proceeding and by filing a proof of Claim. See 11 U.S.C. §106(a)(1).

Rather than litigating the disputes set out in the Motion to Enforce Stay, the parties reached a resolution that was court approved at ECF Document No. 71 on September 5, 2018. The key terms of the Settlement Agreement are that the Debtor will return as Operator, will initiate workovers and the establishment of enhanced oil and gas production; will initiate the remediation of environmental concerns (minor seepage from the bottom perimeter seals of four tanks out of the more than sixty tanks managed by Operator on the premises, all of which have since been fully remediated); and address and begin plan for cleanup the lease roads of twelve “Legacy” Leases left over by other companies unrelated to Operator and drilled as far back as 1950. and begin the process of cleaning up the violations alleged by JAN. The reader is referred to Exhibit “A” for all of the terms.

On October 4, 2018, Debtor's Counsel was notified that the Tribal Council had approved the Settlement Agreement, and the fully executed Settlement Agreement was not received until November 9, 2018. Debtor has all requisite authority to operate the leases under the Settlement Agreement.

D. Assets and Liabilities as of the Petition Date

1. Assets of Golden Oil as of the Petition Date:

Asset	Notes	Value
Cash on Hand and in Bank Accounts	Checking Account with Prosperity Bank	\$0
Accounts Receivable		\$82,477.00
Tubing (estimated)		\$500.00
2016 UT Trailer		\$2,000.00
1975 Mack Truck		\$500.00
2002 STRG Diesel Truck		\$1,000.00
New Mexico License for Water Disposal Well		\$0.00
Value of Lease operating rights.		Unknown
Total		\$86,477.00

2. Summary of Creditors and Debt as of Petition Date

Creditor	Schedule Amt.	Proof of Claim	Type	Status
New Mexico Taxation & Revenue	\$30,923.42	\$66,279.18	Unsecured	Disputed
Jicarilla Apache	\$10,785.35	None	Priority	Open
2D Consulting, LLC	\$8,940.00	None	Unsecured	Open
Ace Services Inc.	\$502.76	None	Unsecured	Open
Endurance Lift Solutions fkn John Crane Production	\$2,772.74	None	Unsecured	Open
Gas Analysis Service	\$472.20	None	Unsecured	Open
Hurricane Air	\$12,433.38	None	Unsecured	Open

& Swab				
Jade Sales & Services Inc	\$6,105.68	None	Unsecured	Open
Jicarilla Apache Nation Oil & Gas Administration	\$123,677.00	None	Secured	Disputed/Unliquidated/Contingent
Mo-te Inc	\$4,221.85	None	Unsecured	Open
Poor Boys Hot Oil Service	\$1,357.50	None	Unsecured	Open
R&L Chart Services Inc	\$2,862.65	None	Unsecured	Open
Ralph McElvenny-Insider	\$35,000.00	None	Unsecured	Open
Reliable Compression	\$29,034.08	None	Unsecured	Open
Rig Equipment	\$917.17	None	Unsecured	Open
Oshino Lamps America	None	\$410.00	Unsecured	Open

3. Analysis of Claims.

As indicated above, the claim of New Mexico Taxation & Revenue (“NMTR”) is disputed in part based on the amended Proof of Claim filed at Claim No. 5-1 on November 6, 2018. NMTR has mistaken Operator for another entity regarding payroll accounts. Debtor has filed and paid its payroll taxes. NMTR’s amended claim is in the amount of \$66,279.18, alleging \$15,656.15 as a priority claim, which is not disputed. The balance of \$50,623.03 was filed as a general unsecured claim, and is disputed. Debtor intends to file an objection to this portion of the NMTR claim

As indicated above, the unsecured Claims of Ace Services Inc., Gas Analysis Service, Mo-te Inc, Poor Boys Hot Oil Service, Rig Equipment, and Oshino Lamps America are claims under \$1,500.00 and will remain in place, due and owing, unless these creditors voluntarily agree to release their claims.

As indicated above, the unsecured Claims of 2D Consulting, LLC, Endurance Lift Solutions fkn John Crane Production, Jade Sales & Services Inc, Mo-te Inc, R&L Chart Services Inc are claims under \$10,000.00 and will remain in place, due and owing, unless these creditors voluntarily agree to release their claims.

As indicated above, the unsecured Claims of Hurricane Air & Swab, Ralph McElvenny, Reliable Compression are claims under \$40,000 and will remain in place, due and owing, unless these creditors voluntarily agree to release their claims.

As indicated above, the priority claim of Jicarilla Apache for \$10,785.35 will remain in

place, due and owing, unless the creditor voluntarily agrees to release the claim.

The JAN (specifically including also the JAN Oil and Gas Administration) filed its proof of claim after the bar date in the amount of \$123,677.00 for alleged regulatory violations by the Debtor. The Debtor disputes the entirety of such claims and all other JAN claims, except to the amount scheduled by the Debtor for taxes. JAN's claim amount was neither liquidated nor resolved by Exhibit A. The schedules were served on the Jicarilla Apache Nation Oil & Gas Administration. Since the Jicarilla Apache Nation Oil & Gas Administration did not file a Claim by the bar date set by the Court for non-governmental claims, its claim shall be deemed disallowed. Before the confirmation hearing, Debtor intends to object to JAN's claim and will need a ruling on the objection prior to proceeding with the confirmation hearing.

E. Means of Effectuating and Implementation the Plan and Post-Petition Financial Results of Operation

For several decades Ralph T. McElvenny has been the president and sole director of Golden Oil, the parent company of the Debtor. Mr. McElvenny graduated from Stanford University (BA), Harvard Business School (MBA), Columbia Law School (JD), and Stanford University. He has been a very successful businessman and has been able to supervise the Debtor's operation of Golden Oil Company's wells. The Reorganized Debtor will operate under the same management.

To the extent required to effectuate this plan, the parent Golden Oil Company shall arrange, loan or contribute funds necessary to resume operations and pay all allowed claims in full as set forth herein. Funds loaned will be at a market or below market interest rate, secured by a lien on the assets of the Reorganized Debtor. The proposed interest rate is prime.

Debtor's Financial Reports for March 2018 through October 2018 can be found on the docket of Case No. 18-31594 at Docket Numbers 30, 31, 36, 46, 58,74, 87, and 95. Debtor was kicked off and frozen out in April 2018 and had not been able to generate revenue. Upon confirmation of the Plan and to effectuate the intent of the Settlement Agreement, Golden Oil Company shall take all commercially reasonable and necessary steps to arrange the funding of money necessary for interim operations until cash flow has been restored. On the Effective Date of the Plan, these contributions may be recapitalized as prime loans owed by the Reorganized Debtor, at the sole option of Golden Oil Company, the parent company, or the entity providing the funds, which may be an affiliate of Golden Oil Company.

II. DEFINITIONS, RULES OF INTERPRETATION AND COMPUTATION OF TIME

A. Definitions

For purposes of this Disclosure Statement and Plan, except as expressly provided or unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings ascribed to them in this Article. Any term used in this Disclosure Statement and Plan

that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or Bankruptcy Rules. Whenever the context requires, such terms shall include the plural as well as the singular number, the masculine gender shall include the feminine, and the feminine gender shall include the masculine.

- “Administrative Claim,” “Administrative Expense,” or “Administrative Priority Claim” means a Claim that is entitled to priority under §§ 326, 327, 330, 503(b)(1) - (9), 506(c) or 1103 asserted in this case, which Claims are described and treated in Article IV of this DS/Plan.
- “Administrative Claim or Expense Bar Date” means the date set by the Court by which Administrative Claims or Expenses entitled to priority under §§ 326, 327, 330, 503(b), 506(c) or 1103 asserted in this case, including substantial contribution Claims, must be filed. Debtor will request that the Court set the Administrative Claim or Expense Bar Date by separate order of the Court.
- “Allowed Claim” means a Claim or any portion thereof (i) that has been allowed by a Final Order, (ii) that either has been Scheduled as a liquidated, non-contingent, undisputed Claim in an amount greater than zero in the Debtor's Schedules, as the same may from time to time be amended in accordance with the Bankruptcy Code, Bankruptcy Rules or order of the Bankruptcy Court, or is the subject of a timely filed proof of Claim as to which either no objection to its allowance has been filed (either by way of objection or amendment to the Schedules) within the periods of limitation fixed by the Bankruptcy Code or by any order of the Bankruptcy Court, or any objection to its allowance has been settled, waived through payment, or withdrawn, or has been denied by a Final Order, or (iii) that is expressly allowed in a liquidated amount in the Plan; provided, however that with respect to an Administrative Claim or Expense, "Allowed Claim" means an Administrative Claim or Expense as to which a timely request for payment has been made in accordance with this Plan (if such written request is required) or other Administrative Claim or Expense, in each case as to which (i) a timely objection has not been filed, or (ii) a timely objection is filed and such objection has been settled, waived through payment, or withdrawn, or has been denied by a Final Order.
- “Bankruptcy Estate” shall mean the estate created under § 541 upon the filing of the Bankruptcy Case.
- “Bankruptcy Rules” mean, collectively, the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended, the Federal Rules of Civil Procedure, as amended, as applicable to the Chapter 11 Case or proceedings therein, and the Local Rules of the Bankruptcy Court, as applicable to the Chapter 11 Case or proceedings therein, as the case may be.
- “Claim” means a claim against any of the Debtor’s Bankruptcy Estate, whether or not asserted, as defined in § 101(5).
- “Claims Objection Deadline” is the deadline to object to claims set by Article VI B 1.
- “Class” means a category of holders of Claims or Interests, as described in Article IV below.

- “Confirmation” means entry by the Bankruptcy Court of the Confirmation Order confirming this Plan.
- “Confirmation Date” means the date of entry by the Bankruptcy Court of the Confirmation Order.
- “Confirmation Hearing” means the date set by the Court for a hearing to confirm Debtor’s Plan, which has been set for the ____ day of _____, 2019, at ____:____ __.m. in Courtroom 401, United States Courthouse, 515 Rusk Street, Houston, Texas.
- “Confirmation Order” means the order entered by the Bankruptcy Court confirming the Plan.
- Debtor shall mean Golden Oil Holding Corporation.
- “DIP” means the Debtor-in-Possession that continues in possession of its property and is operating its business as a debtor-in-possession pursuant to 11 U.S.C. §§ 1107, 1108.
- “Distribution Date” means, 1) for Allowed Claims that are not objected to on or before the Claims Objection Deadline, the date that is no later than the end of the month following the first quarter after the Confirmation Order becomes a Final Order, and 2) for Claims that are not Allowed Claims before the Claims Objection Deadline, the date that is 30 days after the order making the claim an Allowed Claim becomes a Final Order.
- “Disputed Claims” means claims that are not Allowed Claims, including any untimely filed Claim.
- “DS/Plan” shall mean this Combined Disclosure Statement and Plan of Reorganization dated as of December 10, 2018
- “Effective Date” means thirty days after the Chapter 11 case is closed.
- “Equity Contribution” means the amount contributed by Golden Oil Company, the parent company, and/or its affiliates needed to make all payments provided for under the DS/Plan.
- “Equity Interest” means interests of Golden Oil Company in the Debtor.
- "Final Order" means an order or judgment of the Bankruptcy Court, as entered on the docket in the Debtor’s Bankruptcy Case, which is not subject to any appeal.
- GOCO shall mean the Golden Oil Company, parent of the Debtor.
- "Impaired" means, when used with reference to a Claim or Equity Interest, a Claim or Equity Interest that is impaired within the meaning of § 1124.
- “Insider” shall have the meaning set forth in §101(31).
- "Person" means an individual, corporation, partnership, governmental unit, joint venture, association, joint stock company, limited liability company, limited liability partnership, trust, estate, unincorporated organization, or other entity.
- "Plan" means Articles II through XVI of this DS/Plan.
- "Plan Documents" means any documents referenced in the Plan that are intended to be

executed pursuant to the Confirmed Plan.

- “Priority Claim” means a Claim asserted under § 507(a)(3-10) against the Debtor’s Bankruptcy Estate.
- “Property” means the New Mexico Indian Reservation where Debtor operates oil and gas wells.
- “Released Parties” includes, the Debtor, together with its officers, accountants, attorneys, employees, and agents, and GOCO, together with its officers, accountants, attorneys, employees, and agents.
- “Releasing Parties” are the holders of Claims, Equity Interests, all persons listed on the Debtor’s mailing matrix, the JAN, and any person filing a proof of claim.
- "Reorganized Debtor" shall mean the Debtor after the entry of the Confirmation Order.
- “Settlement Agreement” means the agreement reached between the Jicarilla Apache Nation and Debtor at ECF Document No. 69-1 and attached hereto as Exhibit “A,” with an executed copy attached.
- "Substantial Consummation" shall have the meaning given to that term in § 1101(2). Substantial Consummation shall occur on the Effective Date.
- "Unimpaired Claim" means a Claim that is not an Impaired Claim.
- “Unsecured Claim” shall mean a Claim that is not a Secured Claim and that is not entitled to priority under § 507(a)(1-9), and includes the deficiency portions of any Secured Claim.
- "Voting Deadline" means _____, 2019 at 5:00 p.m., the deadline by which Ballots to accept or reject the Plan must be received by Debtor’s counsel by in order to be counted.

B. Rules of Interpretation

For purposes of this Combined Disclosure Statement and Plan, (a) any reference in this Combined Disclosure Statement and Plan to a contract, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (b) any reference in this Combined Disclosure Statement and Plan to an existing document or exhibit filed or to be filed means such document or exhibit as it may have been or may be amended, modified, or supplemented; (c) unless otherwise specified, all references in this Combined Disclosure Statement and Plan to Sections, Articles, Schedules, and Exhibits are references to Sections, Articles, Schedules, and Exhibits of or to this Combined Disclosure Statement and Plan; (d) the words "herein" and "hereto" refer to this Combined Disclosure Statement and Plan in its entirety rather than to a particular portion of this Combined Disclosure Statement and Plan; (e) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation of this Combined Disclosure Statement and Plan; and (f) the rules of construction set forth in § 102 and in the Bankruptcy Rules shall apply.

C. Computation of Time

All times referenced in this Disclosure Statement and Plan are prevailing Central Time. In computing any period of time prescribed or allowed by this Combined Disclosure Statement and Plan, the provisions of Fed. R. Bankr. P. 9006(a) shall apply.

III. BAR DATES AND TREATMENT FOR ADMINISTRATIVE CLAIMS/EXPENSES

With respect to all requests for payment of professional fees pursuant to §§ 327, 328, 330, 331, 503(b), 506(c) or 1103 for services rendered and expenses incurred prior to the Effective Date, such professionals shall file and serve an application for final allowance of compensation and reimbursement of expenses no later than 60 days after the entry of the Confirmation Order.

IV. CLASSIFICATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

All Claims and Interests are placed in the Classes set forth below. A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class, and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim is also placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released, or otherwise settled.

A. Class 1 – Administrative Expenses –

Description. All expenses entitled to administrative priority under § 503(b) incurred during the Debtor Bankruptcy Case and U.S. Trustee Quarterly Fees Assessed Pursuant to 28 U.S.C. § 1930(a)(6). A summary of the claims in Class 1 are as follows:

Claimant	Estimated Unpaid Fees and Expenses Estimated Through Confirmation
United States Trustee	\$650
Hoover Slovacek LLP, Counsel for the Debtor.	\$60,000
	\$60,650

Treatment. Each Holder of an unpaid Allowed Administrative Expenses 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 or Expense, unless the Holder of such Claim agrees to a different treatment. The Debtor's Bankruptcy Estate shall be responsible for timely payment of the United States Trustee quarterly fees incurred pursuant to § 1930(a)(6). Any fees due as of

the date of confirmation of the Plan will be paid in full on the Effective Date of the Plan. The Debtor also 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 this case to a case under chapter 7 or dismissing this case. The Debtor contemplates making all distributions after the case is closed in order to minimize the impact of US Trustee Quarterly Fees. After confirmation, the 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 the Debtor for each quarter, or portion thereof that this chapter 11 case remains open in a format prescribed by the United States Trustee. GOCO will contribute funds necessary to satisfy Administrative Claims or Expenses either on the Effective Date or upon approved by final order, whichever is later. Administrative Claims/Expenses shall be filed within 60 days of the Confirmation Date.

Impairment. These Claims are Unimpaired and therefore are not entitled to vote on the Plan.

B. Class 2 –Priority Tax Claims

Description. There are two Claims in this Class: 1. The Claim of Jicarilla Apache scheduled for \$10,785.35, and 2. New Mexico Taxation & Revenue Department’s priority claim in the amount of \$15,656.15, if allowed. The remaining balance of New Mexico Taxation & Revenue Department’s claim, if allowed, is a general unsecured claim in the amount of \$50,623.03 and will be treated under Class 5. However, as stated above, Debtor objects to the unsecured portion of the claim filed by the New Mexico Taxation and Revenue Department and will file an appropriate objection.

Treatment. Allowed Class 2 Priority Claims shall will be paid in full with interest at the statutory rate in four equal quarterly installments commencing on the first day of the first calendar quarter after the Effective Date.

Impairment. These Claims are Unimpaired and therefore not entitled to vote on the Plan.

C. Class 3 - Secured Claims.

Description. There is one Claim in this Class. The Claim of Jicarilla Apache Nation (“JAN”) in the amount of \$123,677.00 for regulatory violations, which the Debtor denies and asserts that the claim should be disallowed. Debtor will file an objection to JAN’s claim.

Treatment. To the extent the Secured Claim in Class 3 is Allowed, Debtor shall pay in full the allowed amount of the Class 3 Secured Claim, with interest, within 30 days after entry of a Final Order allowing the Claim.

Impairment. This Claim is Unimpaired and therefore not entitled to vote on the Plan.

D. Class 4 – All Other Allowed Unsecured Claims.

Description. Class 4 consists of all other Allowed Unsecured Claims.

Treatment. Allowed Class 4 Claims shall will be paid in full, without interest, in four equal quarterly installments commencing on the first day of the first calendar quarter after the Effective Date.

Impairment. These Claims are impaired and therefore are entitled to vote.

E. Class 5 - Subordinated Unsecured Claims

Description: Allowed Claims of Insiders.

Treatment. Allowed Class 5 Claims shall receive no distribution under the DS/Plan until all other claims are satisfied as set forth herein.

Impairment. These Claims are impaired and therefore are entitled to vote.

F. Class 6 - Allowed Interests of Equity Holders –

Description. Class 6 consists of the Equity Interests.

Treatment. Allowed Class 6 Interests shall retain their Interest but shall receive no distribution under the DS/Plan until all claims are satisfied as set forth herein.

Impairment. These Claims are impaired and therefore are entitled to vote.

V. MEANS FOR EXECUTION OF THE PLAN

A. Contributions from GOCO (and Revenue from Operations)

GOCO or an affiliate shall advance the funds necessary to pay Administrative Expenses on the Effective Date and capitalize operations going forward. GOCO shall fund the initial Equity Contribution Amount within 30 days of the Effective Date plus any additional amounts needed to make timely payments to creditor as set forth herein. GOCO shall also provide the managerial support of Ralph McElvenny. GOCO may convert all post-bankruptcy equity contributions into a fully secured and perfected loan at prime interest with a 15 year term, and shall receive a release of all claims from all parties claiming by, against, or through the Debtor.

B. Vesting of Property of Estate in the Reorganized Debtor

On the Effective Date, all remaining property of the Debtor and of the Estate shall vest in the Reorganized Debtor free and clear of liens, claims, interests and encumbrances arising on or before the Effective Date, except as otherwise provided in this DS/Plan or the Confirmation Order. If the Reorganized Debtor defaults in performing under the provisions of this Plan and

these cases are converted to a case under Chapter 7 prior to Substantial Consummation of this Plan, all property vested in the Reorganized Debtor and all subsequently acquired property owned by the Reorganized Debtor as of or after the conversion date shall revert in the Debtor and constitute property of the bankruptcy estate in the converted case.

C. Continuation of Business Operations

From and after the date the Effective Date, the Reorganized Debtor is authorized to continue normal business operations and enter into such transactions as he 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.

D. Discharge of Debtor, GOCO, Debtor's Affiliates and Injunction

On the Confirmation Date, the Debtor will be discharged from any debt that arose before confirmation of this Plan, subject to the occurrence of the Effective Date, to the extent specified in 11 U.S.C. § 1141(d)(1)(A), except that the Debtor will not be discharged of any debt or Claim: preserved under this Plan.

E. General Powers

The Reorganized Debtor shall have all of the rights, powers and privileges set forth in this Plan, the Confirmation Order or applicable law. The Debtor shall have the power to take all such actions as in its judgment are necessary and appropriate to effectuate the purposes of the Plan, including but not limited to each power expressly granted in the subsections below and any power reasonably incidental thereto, but such power shall be expressly subject to the express provisions of the Plan. The Reorganized Debtor shall have the power to:

- a. Supervise and administer the resolution, settlement and payment of Claims and the distributions to the holders of Allowed Claims in accordance with this Plan.
- b. Enter into any agreement required by or consistent with the Plan and perform all of its obligations thereunder.
- c. Abandon any of the assets of the Reorganized Debtor if he concludes that such assets are of no benefit to the Creditors.
- d. Market and sell the Debtor's assets in accordance with the exercise of prudent business judgment.
- e. Participate as a party-in-interest in any proceeding before the United States Bankruptcy Court involving this Bankruptcy Case.
- f. Act in the name of or in the place of the Debtor in any action before the United

States Bankruptcy Court or any other judicial or administrative body.

g. Select and employ such professionals, agent or employees as he deems necessary to assist in the administration of the affairs of the Reorganized Debtor and compensate such persons.

h. Hold any unclaimed distribution or payment to the holder of an Allowed Claim in accordance with this Plan.

i. Propose any amendment, modification or supplement to this Plan or the Reorganized Debtor's governance documents.

j. Receive, conserve and manage the assets of the Reorganized Debtor and sell or otherwise dispose of such assets for a price and upon such terms and conditions as he deems most beneficial to the Creditors and execute such deeds, bills of sale, assignments and other instruments in connection therewith.

k. Open and maintain bank accounts on behalf of or in the name of the Reorganized Debtor.

l. Pay all taxes, make all tax withholdings and file tax returns and tax information returns and make tax elections by and on behalf of the Reorganized Debtor.

m. Pay all lawful expenses, debts, charges and liabilities of the Reorganized Debtor.

n. Enforce all provisions of this Plan.

o. Protect, perfect and defend the title to any of the assets of the Reorganized Debtor and enforce any bonds, mortgages or other obligations or liens owned by the Reorganized Debtor.

p. Carry insurance coverage.

q. Establish such reserves for taxes, assessments and other expenses of administration of the Reorganized Debtor as may be necessary and appropriate for the proper operation of matters incident to the affairs of the Reorganized Debtor.

r. Exercise such other powers and duties as are necessary or appropriate.

F. Records

The Reorganized Debtor shall maintain books and records relating to the affairs of the Reorganized Debtor, and all expenses incurred by or on behalf of the Reorganized Debtor. The Reorganized Debtor shall also maintain records relating to all distributions either required to be made or effectuated under this Plan.

G. Effectuating Documents and Necessary Authorizations

All documents and exhibits that aid in effectuating the Plan (“Plan Documents”) will be executed and, if appropriate, filed with the appropriate governmental authorities on or before the Effective Date, and they will become effective on the Effective Date. The Reorganized Debtor will have authority to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. The Reorganized Debtor, if and to the extent necessary, will seek such orders, judgments, injunctions, regulatory approvals, and rulings that may be required to carry out and further the intentions and purposes, and give full effect to the provisions of the Plan.

VI. PROVISIONS REGARDING DISTRIBUTIONS UNDER THE PLAN

A. Distributions

1 Any payments or distributions to be made by the Reorganized Debtor pursuant to the Plan shall be made to the holders of Allowed Claims in accordance with the terms and provisions of Article IV of this Combined DS/Plan.

2 No distributions shall be made until a Claim is resolved and an Allowed Amount is reached either by agreement or by Court Order. Subject to Bankruptcy Rule 9010, distributions to holders of Allowed Claims will 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 address of such holder if no proof of claim is filed or if the Debtor has been notified in writing of a change of address. If any holder’s distribution is returned as undeliverable, no further distributions to such holder will be made unless and until the Reorganized Debtor is notified in writing of such holder’s then current address. All claims for undeliverable distributions must be made on or before the later of the first anniversary of the Effective Date of the Plan, or the ninetieth (90th) day following the date on which such Claim is Allowed. After such date, all unclaimed distributions will revert to the Debtor, and the Claim of any holder with respect to such distribution will be discharged and forever barred. Checks issued with respect to Allowed Claims will be null and void if not negotiated within six (6) months after the date of issuance thereof.

B. Procedures for Resolving and Treating Contested and Contingent Claims

1 **Objection Deadline.** Unless a different date is set by order of the Bankruptcy Court, all objections to Claims shall be served and filed no later than 60 days after the Confirmation Order becomes a Final Order. Any proof of Claim filed after a bar date shall not be an Allowed Claim. All Contested Claims shall be litigated to Final Order, *provided, however*, that the Reorganized Debtor may compromise and settle any Contested Claim.

2 **Responsibility for Objecting to Claims.** All parties identified by the Bankruptcy Rules may file objections to Claims after the Effective Date of the Plan. The Plan does not impair the right of any party to object to any proof of claim.

3. No Distribution Pending Allowance. Notwithstanding any other provision of the Plan, no payment or distribution shall be made with respect to any Contested Claim unless and until such Contested Claim becomes an Allowed Claim. A reserve for the full amount of the Contested Claim shall be maintained until the Claim is decided.

VII. CONDITIONS PRECEDENT TO THE EFFECTIVE DATE

The occurrence of each of the following events shall be a separate condition to the Consummation Date.

A. Entry of Confirmation Order.

The Confirmation Order shall have been signed by the Court and duly entered on the Court's docket in form and substance acceptable to the Debtor, and shall include, among other things, findings of fact and/or conclusions of law that:

1. approve the terms of the Plan, as it may be amended or modified;
2. provide that, except as otherwise expressly provided in the Plan, all entities who have held, hold or may hold Claims against, or Interest in, the Debtor's Bankruptcy Estate will be permanently enjoined, on and after the Confirmation Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim, (ii) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Debtor or against the Debtor's Bankruptcy Estate on account of any such Claim, (iii) creating, perfecting or enforcing any encumbrance of any kind against Debtor or the Debtor's Bankruptcy Estate on account of any such Claim and (iv) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from Debtor or the Debtor's Bankruptcy Estate on account of any such Claim; provided however, notwithstanding any provision of the Plan to the contrary, each holder of a Claim shall be entitled to enforce his, her or its rights under the Plan;
3. reserve the jurisdiction of the Bankruptcy Court in accordance with Section IX, below;
4. terminate the automatic stay under § 362;
5. provide, pursuant to § 1125(e), that persons who have solicited acceptances or rejections of the Plan have acted in good faith and in compliance with the provisions, and are not liable on account of such solicitation or participation for violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan; and
6. The Chapter 11 case is closed.

B. Finality of Confirmation Order; Waiver.

The Confirmation Order, in form and substance satisfactory to Debtor shall either have become a Final Order, or such condition shall have been waived by the Debtor.

Cramdown. The Debtor will request Confirmation of the Plan, as it may be modified from time to time, under § 1129(b) (“Cramdown”).

VIII. MODIFICATIONS AND AMENDMENTS

The Debtor may alter, amend, or modify the Plan or any Exhibits thereto under § 1127(a) at any time prior to the Confirmation Date. After the Confirmation Date and prior to the earlier of (i) the Consummation Date; or (ii) Substantial Consummation of the Plan, the Debtor may, under § 1127(b), institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan, the Disclosure Statement approved with respect to the Plan, or the Confirmation Order, and such matters as may be necessary to carry out the purpose and effect of the Plan so long as such proceedings do not adversely affect the treatment of holders of Claims or Equity Interests under the Plan; provided, however that prior notice of such proceedings shall be served in accordance with the Bankruptcy Rules or order of the Bankruptcy Court.

IX. RETENTION OF JURISDICTION

Under §§ 105(a) and 1142, and notwithstanding entry of the Confirmation Order and passage of the Consummation Date, the Court shall retain exclusive jurisdiction over all matters arising out of, and related to, the Chapter 11 Case and the Plan to the fullest extent permitted by law, including, among other things, jurisdiction to:

- A. Allow, disallow, determine, liquidate, classify, estimate or establish the priority or secured or unsecured status of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim/Expense or Priority Claim or the resolution of any objections to the allowance or priority of Claims or Interest;
- B. Hear and determine all applications for compensation and reimbursement of expenses of Administrative Claims/Expenses or Priority Claims;
- C. Effectuate performance of and payments under the provisions of the Plan;
- D. Enter such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan, and all contracts, instruments, releases, and other agreements or documents created in connection with the Plan, the Disclosure Statement or the Confirmation Order;
- E. Hear and determine disputes arising in connection with the interpretation, implementation, consummation, or enforcement of the Plan, including disputes arising under agreements, documents or instruments executed in connection with the Plan;

- F. Consider any modifications of the Plan, cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;
- G. Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any entity with implementation, consummation, or enforcement of the Plan or the Confirmation Order;
- H. Enter and implement such orders as may be necessary or appropriate if the Confirmation Order is for any reason reversed, stayed, revoked, modified, or vacated;
- I. Hear and determine any matters arising in connection with or relating to the Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, or other agreement or document created in connection with the Plan, the Disclosure Statement or the Confirmation Order;
- J. Enforce all orders, judgments, injunctions, releases, exculpations, indemnifications and rulings entered in connection with the Debtor's Bankruptcy Case;
- K. Hear and determine matters concerning state, local, and federal taxes in accordance with §§ 346, 505, and 1146;
- L. Hear and determine all matters related to the property of the Debtor's Bankruptcy Estate from and after the Consummation Date;
- M. Hear and determine such other matters as may be provided in the Confirmation Order and as may be authorized under the provisions of the Bankruptcy Code; and
- N. Enter a final decree closing the Debtor's Bankruptcy Case.

X. EFFECTS OF CONFIRMATION

A. Binding Effect

The Plan shall be binding upon all present and former holders of Claims and Interests and their respective successors and assigns.

The Settlement Agreement is binding and enforceable and the Confirmation Order will so state.. The Court has all statutory and constitutional authority to enforce the Plan and enter orders to aid in the enforcement of the plan, Settlement Agreement, and the releases herein. The Settlement Agreement is a part of this Plan and effectuated by it.

To avoid any doubt or confusion, the Debtor shall ask the Court to find in the

Confirmation Order that the JAN and the JAN Oil and Gas Administration have no sovereign immunity to disregard the automatic stay, discharge injunction, the Settlement Agreement, this Plan, and the claims allowance and disallowance process.

B. Moratorium, Injunction and Limitation of Recourse for Payment

Except as otherwise expressly provided in the Plan, all entities who have held, hold or may hold Claims against, or Interest in, the Debtor's Bankruptcy Estate or the Debtor will be permanently enjoined, on and after the Consummation Date, from (i) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claim, (ii), the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order against the Debtor or the Debtor's Bankruptcy Estate, (iii) creating, perfecting or enforcing any encumbrance of any kind against the Debtor, GOCO, Affiliate of either, or the Debtor's Bankruptcy Estate on account of any such Claim and (iv) asserting any right of setoff, subrogation or recoupment of any kind against any obligation due from the Debtor or the Debtor's Bankruptcy Estate on account of any such Claim; provided, however, notwithstanding any provision of the Plan to the contrary, (a) each holder of a Claim shall be entitled to enforce his, her or its rights under the Plan., and (b) there is no injunction concerning claims against any of the current or former principals of the Debtor or against any non-debtor entity.

C. Exculpation and Limitation of Liability

1. Neither the Debtor's Bankruptcy Estate, the agents, officers, accountants or attorneys of the Debtor, nor the Debtor, (collectively, the "Exculpated Parties") will have or incur any liability to any holder of a Claim or an Interest, or any other party in interest, or any of their respective agents, employees, representatives, financial advisors, attorneys, or affiliates, or any of their successors or assigns, for any act or omission in connection with, relating to, or arising out of, the solicitation of votes to accept the Plan, the Debtor's Bankruptcy Case, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Plan or the property to be distributed under the Plan, except for their willful misconduct or as provided by the Plan, and in all respects shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

2. To the fullest extent authorized by applicable law, for good and valuable consideration, the adequacy of which is hereby confirmed, the Released Parties are deemed released and discharged by (a) each other Released Party and (b) the Releasing Parties from any and all claims, obligations, suits, judgments, damages, demands, debts, remedies, Causes of Action, rights of setoff, other rights, and liabilities whatsoever, whether for tort, contract, violations of federal or state securities laws, Avoidance Actions, including any derivative claims, asserted or that could possibly have been asserted directly or indirectly on behalf of the Releasing Parties or their Affiliates, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, existing or hereafter arising, in law, equity, or otherwise, and any and all Causes of Action asserted or that could possibly have been asserted on behalf of a Released Party or a

Releasing Party or any of its Affiliates (whether individually or collectively) or on behalf of the holder of any Claim or Equity Interest or other Entity, based on or in any way relating to, or in any manner arising from, in whole or in part, the Debtor, its Estate or Affiliates, the conduct of the Debtor's businesses, the formulation, preparation, solicitation, dissemination, negotiation, or filing of the Disclosure Statement or Plan or any contract, instrument, release, or other agreement or document created or entered into in connection with or pursuant to the Disclosure Statement, or this Plan, the filing and prosecution of the Chapter 11 Case, the pursuit of Confirmation, the pursuit of Consummation, the purchase, sale, or rescission of the purchase or sale of any security of the Debtor, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in this Plan, the business or contractual arrangements between the Debtor, its Estate or Affiliates, on the one hand, and any Released Party, on the other hand, prepetition contracts and agreements with the Debtor, or any other act or omission, transaction, agreement, event, or other occurrence taking place before the Effective Date. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release (i) any obligations arising on or after the Effective Date of any party under this Plan, or any document, instrument, or agreement (including any set forth in a Plan Supplement) executed to implement this Plan; and (ii) the right of the Debtor or Reorganized Debtor to object to Claims filed by any Person against the Debtor or its Estate, or to assert counterclaims or defenses in respect of such Claims, including rights of setoff, refund, recoupment or other adjustments as provided for herein.

3. Entry of the Confirmation Order shall constitute the Bankruptcy Court's approval, pursuant to Bankruptcy Rule 9019, of the release set forth in this Section, which includes by reference each of the related provisions and definitions contained herein, and further, shall constitute the Bankruptcy Court's finding that such release is: (a) in exchange for the good and valuable consideration provided by the Released Parties; (b) a good faith settlement and compromise of the claims released by this Section; (c) in the best interests of the Debtor, its Estate and all holders of Claims and Equity Interests; (d) fair, equitable, and reasonable; (e) given and made after due notice and opportunity for hearing; and (f) a bar to any Entity asserting any claim or Cause of Action released by this Section.

XI. DISCHARGE AND INJUNCTION

Discharge. On the Confirmation Date, except for an Allowed Claim specifically preserved by this Plan, the Debtor will be discharged from any debt that arose before confirmation of this Plan on the date the Confirmation Order becomes a Final Order, to the maximum extent specified in 11 U.S.C. §524 and 1141(d).

Injunction. Except as otherwise expressly provided in this Plan or the Confirmation Order, and to the fullest extent authorized by applicable law, for good and valuable consideration, the adequacy of which is hereby confirmed, all Persons who have held, hold or may hold Claims or Causes of Action against the Debtor are permanently enjoined, on and after the Effective Date, from (a) commencing or continuing in any manner any action or other proceeding of any kind with respect to any such Claims or Causes of Action in any

venue other than the Bankruptcy Court, (b) the enforcement, attachment, collection, or recovery by any manner or means of judgment, award, decree or order against the Debtor or its assets on account of any such Claims or Causes of Action in any venue other than the Bankruptcy Court; (c) creating, perfecting, or enforcing any encumbrance of any kind against the Debtor or its assets on account of any such Claims or Causes of Action in any venue other than the Bankruptcy Court; and (d) asserting any right of setoff, recoupment or subrogation of any kind against any obligation due from the Debtor, or its assets on account of any such Claims or Causes of Action in any venue other than the Bankruptcy Court. The foregoing injunction will extend to successors of the Debtor, and its property and interests in property. In addition, except as otherwise provided herein or in the Confirmation Order, from and after the Effective Date and to the fullest extent authorized by applicable law, all Entities (including but not limited to Governmental Entities which includes Indian tribes) are, to the fullest extent provided under section 524 and other applicable provisions of the Bankruptcy Code, permanently enjoined and forever barred from taking any of the following actions against, as applicable, the Released Parties or the Exculpated Parties and their respective properties and Assets: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any Claims; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order on account of or in connection with or with respect to any such Claims; (c) creating, perfecting, or enforcing any encumbrance of any kind on account of or in connection with or with respect to any such Claims; (d) asserting any right of setoff, subrogation, or recoupment of any kind on account of or in connection with or with respect to any such Claims unless such holder has filed a motion requesting the right to perform such setoff on or before the Confirmation Date; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any Claims, Causes of Action or the like that are released, exculpated or settled pursuant to this Plan.

XII. MISCELLANEOUS PROVISIONS

Payment of Statutory Fees. All fees payable under 28 U.S.C. § 1930 shall be paid on or as soon after the Consummation Date as is practicable by the Debtor.

Severability of Plan Provisions. The Confirmation Order shall constitute a judicial determination on the entirety of the Plan and shall provide that each term and provision of the Plan is valid and enforceable pursuant to its terms. The Plan terms are integrated and not severable.

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.

Consummation of Plan. The Confirmation Order shall include (a) a finding by the Bankruptcy Court that Fed. R. Civ. P. 62(a) shall not apply to the Confirmation Order; and (b) the Bankruptcy Court's authorization for the Debtor to consummate the Plan immediately after

entry of the Confirmation Order.

Governing Law. Unless a rule of law or procedure is supplied by federal law, including the Bankruptcy Code and Bankruptcy Rules, (i) the construction and implementation of the Plan and any agreements, documents, and instruments executed in connection with the Plan, and (ii) corporate governance matters shall be governed by the laws of the state of incorporation, without giving effect to the principles of conflicts of law thereof.

XIII. CONFIRMATION OF THE PLAN

A. Voting Procedures and Requirements

The Debtor is providing copies of this Combined Disclosure Statement and Plan and Ballots to all known holders of Impaired Claims who are entitled to vote on the Plan. A copy of the proposed Ballot is attached as **Exhibit “D”**.

Pursuant to the provisions of the Bankruptcy Code, only Classes of Claims against the Debtor that are “Impaired” under the terms and provisions of the Plan and entitled to receive a Distribution thereunder are entitled to vote to accept or reject the Plan. Accordingly, Classes of Claims or Interests that are not Impaired under the terms and provision of the Plan are *not* entitled to vote on the Plan. In addition, Classes of Claims or Interests that are not entitled to a Distribution under the terms and provisions of the Plan are deemed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.

Under the Plan, holders of Claims and Interests in Classes 5 and 6 are Impaired and entitled to vote to accept or reject the Plan. The following voting procedures (the “Voting Procedures”) have been established with respect to the amount and classification of Claims and Interests, and the determination of the validity of Ballots submitted, for voting purposes:

- If a claim has been estimated or otherwise allowed for voting purposes by order of the Court, such claim will be temporarily allowed for voting purposes in the amount so estimated or allowed by the Court.
- Ballots that are otherwise validly executed but do not indicate either acceptance or rejection of the Plan will not be counted.
- Only Ballots that are timely received with signatures will be counted. Unsigned ballots will not be counted.
- Ballots postmarked prior to the Voting Deadline, but received after the Voting Deadline, will be counted.
- Ballots that are illegible, or contain insufficient information to permit the identification of the creditor, will not be counted.

- If a creditor simultaneously casts inconsistent duplicate ballots, with respect to the same claim, such ballots shall not be counted.

Unless otherwise ordered by the Court, questions as to the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of ballots shall be determined by the Bankruptcy Court at the Confirmation Hearing.

IN ORDER TO BE COUNTED, EXCEPT TO THE EXTENT THE DEBTOR SO DETERMINES OR AS PERMITTED BY THE BANKRUPTCY COURT PURSUANT TO BANKRUPTCY RULE 3018, BALLOTS MUST BE SIGNED AND RETURNED SO THAT THEY ARE RECEIVED NO LATER THAN 5:00 P.M. (CST) ON _____, 2019, AT THE FOLLOWING ADDRESS:

**BRENDETTA A. SCOTT
HOOVER SLOVACEK LLP
GALLERIA TOWER II
5051 WESTHEIMER
HOUSTON, TX 77056
Email: ballot@hooverslovacek.com
Fax: 713.977.5395**

BALLOTS WILL BE ACCEPTED BY REGULAR MAIL, FACSIMILE OR EMAIL.

As mentioned above, if your Ballot is not signed and returned as described, it will not be counted. If your Ballot is damaged or lost, or if you do not receive a Ballot, you may request a replacement by addressing a written request to Debtor's counsel at the above address by regular mail, facsimile or email. Please follow the directions contained on the Ballot carefully.

The process of soliciting acceptance of the Plan must be fair and open without outside influence in the form of representations, inducements or duress of any kind. To the extent that you believe solicitation of your vote from any party is being sought outside of the judicially approved and statutorily-defined disclosure requirements and Voting Procedures, please contact counsel for the Debtor.

B. Acceptance

Acceptance of the Plan requires that each Impaired Class of Claims or Interests (as classified therein) accepts the Plan, with certain exceptions hereinafter discussed below. Thus, acceptance of the Plan requires acceptance by each of the Impaired Classes.

Classes of Claims and Interests that are Unimpaired under the Plan are deemed to have accepted the Plan. Acceptances of the Plan are being solicited only from those persons who hold Claims or Interests of Impaired Classes.

The Bankruptcy Code defines acceptance of the Plan by a Class of Claims as acceptance

by the holders of at least two-thirds (2/3) in dollar amount and a majority in number of Claims of that class, but for that purpose, only those Claims, the holders of which actually vote to accept or reject the Plan, are counted.

C. Confirmation

To confirm the Plan, §1129 requires the Bankruptcy Court to make a series of determinations concerning the Plan, including, without limitation: (i) that the Plan has classified Claims and Interests in a permissible manner; (ii) that the contents of the Plan complies with the technical requirements of the Bankruptcy Code; (iii) that the Debtor has proposed the Plan in good faith; and (iv) that the Debtor has made disclosures concerning the Plan which are adequate and include information concerning all payments made or promised in connection with the Plan and the Bankruptcy Case. The Debtor believes that all of these conditions have been or will be met with respect to the Plan.

Additionally, in this Case, the Debtor is being recapitalized by affiliates of the old class 6 equity holders, who receive nothing until claims are paid under the plan and the order of priority of distribution established by the Bankruptcy Code. The Plan complies with the “absolute priority rule”.

The Bankruptcy Code requires that, unless the Cramdown provisions of the Bankruptcy Code (as discussed below) are utilized, as a condition precedent to confirmation, the Plan be accepted by the requisite votes of each Class of Claims and Interests voting as separate Classes. Therefore, the Bankruptcy Court must find, in order to confirm the Plan, that the Plan has been duly accepted. In addition, the Bankruptcy Court must find that the Plan is feasible and that the Plan is in the “best interests” of all holders of Claims and Interests. Thus, even if holders of Claims were to accept the Plan by the requisite number of votes, the Bankruptcy Court is still required to make independent findings respecting the Plan’s feasibility and whether the Plan is in the best interests of holders of Claims and Interests before it can confirm the Plan.

D. The Best Interest Test

Whether or not the Plan is accepted by each Impaired Class of Claims entitled to vote on the Plan, in order to confirm the Plan the Bankruptcy Court must independently determine, pursuant to § 1129(a)(7), that the Plan is in the best interests of each holder of an Impaired Claim or Interest that has not voted to accept the Plan. This requirement is satisfied if the Plan provides each non-accepting holder of a Claim or Interest in such Impaired Class a recovery on account of such holder’s Claim or Interest that has a value, as of the Effective Date, at least equal to the value of the Distribution each such holder would receive in a liquidation of the Debtor under Chapter 7.

To determine the value that holders of Impaired Claims and Interests would receive if the Debtor was liquidated under Chapter 7, the Debtor must evaluate the aggregate dollar amount that would be generated from the liquidation of the Debtor’s assets if the Case was converted to Chapter 7 liquidation and the Debtor’s assets were liquidated by a Chapter 7 trustee (the “Liquidation Value”). Debtor’s Liquidation Analysis is attached hereto as Exhibit “E.”

The Plan provides at least as good a return as unsecured creditors as they would receive if this case had been commenced as, or if it was converted to, one under Chapter 7 of the Code. Moreover, the unsecured creditors will receive their distribution much faster than in a Chapter 7 case because the assets are largely illiquid and could take years before they are converted to cash and distributed. Under the Plan, Golden Oil anticipates the creditors will be paid better than through a Chapter 7 liquidation because the distribution under the Plan will be relatively equal to the claim or undisputed scheduled amounts. The \$82,477 account receivable is approximately 10% collectible.³

XIV. DISCLAIMERS

The Debtor has No Duty to Update. The statements contained in this Disclosure Statement and Plan are made by the Debtor as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement and Plan after that date does not imply that there has been no change in the information set forth herein since that date. The Debtor has no duty to update this Disclosure Statement and Plan unless otherwise ordered to do so by the Bankruptcy Court.

Source of Information. Counsel for Debtor has relied upon information provided by the Debtor in connection with the preparation of this Disclosure Statement and Plan. Although counsel for the Debtor has performed certain limited due diligence in connection with preparing this Disclosure Statement and Plan, she has not verified independently the information contained herein.

No Legal or Tax Advice Provided. The contents of this Disclosure Statement and Plan should not be construed as legal, business or tax advice. Each creditor or holder of an Interest should consult his, her, or its own legal counsel and accountant as to legal, tax and other matters concerning his, her, or its Claim or Interest.

This Disclosure Statement and Plan is not legal advice to you. This Disclosure Statement and Plan may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

No Admission Made. Nothing contained herein shall constitute an admission of any fact or liability by any party (including, without limitation, the Debtor) or be deemed evidence of the tax or other legal effects of the Plan on the Debtor or on holders of Claims or Interests.

No Regulatory Agency Approval. No governmental or other regulatory agency approvals have been obtained as of the date of the mailing of the Plan and Disclosure Statement and Plan. Please note, however, that such approvals are a condition to the Plan's Effective Date.

³ To no avail, Debtor has been trying to collect on the debt, but the party Logos is refusing to pay.

XV. CONCLUSION AND RECOMENDATION

The Debtor believes that Confirmation of the Plan is desirable and in the best interests of all holders of Claims and Interests. The Debtor therefore urges you to vote to accept the Plan and to evidence such acceptance by returning the Ballot(s) so they will be received by the Balloting Deadline.

XVI. EXHIBITS TO PLAN AND DISCLOSURE STATEMENT

EXHIBITS	DESCRIPTION
Exhibit "A"	Settlement Agreement
Exhibit "B"	Court's Order Approving Settlement Agreement
Exhibit "C"	Debtor's Amended Schedules of Assets and Liabilities
Exhibit "D"	Proposed Form of Ballot
Exhibit "E"	Liquidation Analysis

DATED: December 10, 2018

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