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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

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In Re: REDROCK WELL SERVICE, LLC. PO Box 37 Blanding, UT 84511	Bankruptcy No. 16-29891 Chapter 11  FILED ELECTRONICALLY
Debtor in Possession.	Judge Kevin R. Anderson

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DEBTOR'S DISCLOSURE STATEMENT RELATED TO THE DEBTOR'S PLAN OF  
REORGANIZATION DATED SEPTEMBER 1, 2017

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INTRODUCTION

RedRock Well Service, LLC, the above named debtor and debtor in possession (the "Debtor"), has prepared this Disclosure Statement (the "Disclosure Statement") in connection with its solicitation of acceptances of the Debtor's Plan of Reorganization Dated September 1, 2017, (the "Plan"). The Plan has been filed with the United States Bankruptcy Court for the District of Utah in the Debtor's reorganization case under Chapter 11 of Title 11, United States Code (the "Bankruptcy Code"). This Disclosure Statement is provided to creditors and other parties in interest to disclose "adequate information" as far as reasonably practical in light of the nature and history of the Debtor's business affairs so that holders of claims and interests can arrive at an informed

judgment about the Plan within the meaning of 11 U.S.C. §1125(a)(1).

THE DEBTOR BELIEVES THIS DISCLOSURE STATEMENT IS ACCURATE AND COMPLETE; HOWEVER, THERE IS NO GUARANTEE THAT IT IS. THE INFORMATION IN THIS DISCLOSURE STATEMENT HAS NOT BEEN SUBJECT TO AN AUDIT OR CERTIFIED AUDIT. THE DEBTOR IS THEREFORE UNABLE TO WARRANT THAT THERE ARE NO INACCURACIES IN THE INFORMATION, ALTHOUGH THE DEBTOR MADE A GOOD FAITH EFFORT TO BE ACCURATE. NEITHER THE BANKRUPTCY COURT NOR ANY OTHER PARTY IN INTEREST HAS PASSED UPON THE ACCURACY OF THE INFORMATION CONTAINED HEREIN.

YOU SHOULD READ THIS DISCLOSURE STATEMENT, ITS EXHIBITS AND THE PLAN IN THEIR ENTIRETY BEFORE VOTING ON THE PLAN.

THIS DISCLOSURE STATEMENT HAS NOT YET BEEN APPROVED BY THE COURT. ONCE IT IS APPROVED, IT WILL BE CIRCULATED TO ALL PARTIES IN INTEREST TOGETHER WITH THE PROPOSED PLAN OF REORGANIZATION AND BALLOTS TO ALLOW PARTIES IN INTEREST TO VOTE ON THE PLAN.

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PROCEDURAL INFORMATION

Voting. A ballot to be used for voting for or against the Plan is enclosed. Under the Bankruptcy Code, “impaired” classes of claims are entitled to vote on the Plan.

CLAIMS IN CLASSES 1 THROUGH 3 ARE UNIMPAIRED AND DEEMED TO HAVE VOTED FOR THE PLAN AND THE CLAIMS IN CLASSES 4 THROUGH 6 AND INTERESTS IN CLASS 7 ARE IMPAIRED AND ENTITLED TO VOTE.

IN ORDER TO BE COUNTED, BALLOTS MUST BE RETURNED SO THAT THEY ARE RECEIVED NO LATER THAN 4:30 P.M., MOUNTAIN TIME, ON \_\_\_\_\_ 2017, AT THE FOLLOWING ADDRESS:

DIAZ & LARSEN  
REDROCK WELL SERVICE BALLOT  
307 WEST 200 SOUTH, SUITE 3003  
SALT LAKE CITY, UT 84101

A HEARING ON CONFIRMATION OF THE DEBTOR’S PLAN WILL BE HELD BEFORE THE HONORABLE KEVIN R. ANDERSON, UNITED STATES BANKRUPTCY JUDGE, IN HIS COURTROOM (ROOM 376) IN THE UNITED STATES COURTHOUSE, 350 SOUTH MAIN STREET, SALT LAKE CITY, UTAH ON \_\_\_\_\_ 2017, AT \_\_\_\_\_ .M., MOUNTAIN TIME.

OBJECTIONS TO CONFIRMATION OF THE PLAN, IF ANY, MUST BE IN WRITING AND FILED WITH THE CLERK OF THE BANKRUPTCY COURT, AT THE ABOVE ADDRESS, ON OR BEFORE

\_\_\_\_\_ 2017, AND COPIES OF SUCH OBJECTION MUST BE SERVED UPON:

Andres Diaz  
Timothy Larsen  
DIAZ & LARSEN  
307 West 200 South, Suite 3003

Salt Lake City, UT 84101  
Attorneys for the Debtor

Peter J. Kuhn  
United States Trustee's Office  
405 South Main Street, Suite 300  
Salt Lake City, UT 84111

OBJECTIONS TO CONFIRMATION, IF ANY, WILL COME ON FOR HEARING AT THE TIME OF THE HEARING ON CONFIRMATION SET FORTH ABOVE.

#### ARTICLE A

##### BACKGROUND OF THE CASE

A-1.00 Petition. The Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on November 8, 2016.

A-2.00 Debtor in Possession. The Debtor has remained in possession and has operated its business as Debtor in Possession since the filing of the petition.

A-3.00 No Unsecured Creditors' Committee. No unsecured creditors' committee has been appointed in this case.

A-4.00 No Trustee or Examiner. No trustee or examiner has been appointed in this case.

#### ARTICLE B

##### BACKGROUND AND AFFAIRS OF THE DEBTOR

B-1.00 Formation of the Debtor. In or about 2001, the Debtor was organized as a limited liability company under the laws of the state of Utah as a well service business. The Debtor has continually operated as a well service business based in Utah. From time to time, the Debtor has performed well services in Colorado, Wyoming, New Mexico,

Nevada, Montana, North Dakota and Arizona

B-2.00 Managing Member of the Debtor. Since 2011, Randall G. Shelton (“Shelton”) has been and remains the only member of the Debtor and owns 100% of the membership interest. Shelton also serves as the Debtor’s sole managing member.

B-3.00 Place of Business. The Debtor’s principal place of business is Blanding, Utah.

B-4.00 Nature of the Debtor’s Business. The Debtor operates a well service business based in Utah.

B-5.00 Prepetition Operations and the Reason the Petition was Filed. From its inception in 2001 until 2014, the Debtor operated as a profitable well service business in the oil and gas industry. In 2014, the oil and gas business experienced difficulties as the price of oil and gas became more volatile and eventually dropped to extremely low levels. During that time the Debtor reduced expenses and took all steps that it believed were necessary to cut the cost of operations in an effort to maintain viability. Unfortunately, even with those cost cutting efforts, the Debtor was unable to maintain operations while servicing its debt. In the fall of 2016, one of the Debtor’s creditors, Wells Fargo Bank (“Wells Fargo”) repossessed several pieces of the Debtor’s equipment, some of which was critical to the Debtor’s operations. In order to continue operating and to provide the greatest likelihood that the Debtor could return as much as possible to its creditors, the Debtor had no choice but to seek the protection of the Bankruptcy Code, which it did on November 8, 2016.

## ARTICLE C

### SIGNIFICANT EVENTS IN THE DEBTOR’S REORGANIZATION CASE

C-1.00 Petition. The Debtor filed its voluntary petition for relief under Chapter



11 of the Bankruptcy Code on November 8, 2016.

C-2.00 Employment of General Counsel. On November 16, 2016, the Debtor filed an application to employ Diaz & Larsen (“D&L”) as its general counsel. On or about December 2, 2016, the Court granted the Debtor’s application.

C-3.00 Statement and Schedules. On November 18, 2016, the Debtor filed an *ex parte* Motion to extend the time to file its bankruptcy Statement of Financial Affairs and related Schedules of Assets and Liabilities (“Statement and Schedules”), seeking an extension to file its Statement and Schedules until December 7, 2016. On December 7, 2016, the Debtor timely filed its Statement and Schedules. No amendments to the Statement and Schedules have been filed at this time.

C-4.00 Meeting of Creditors. The meeting of creditors under section 341 of the Bankruptcy Code was held on December 14, 2016. The meeting was conducted by Peter Kuhn, an attorney with the United States Trustee’s Office (“USTO”). Shelton appeared as the representative of the Debtor together with general counsel.

C-5.00 Amended Petition. After the meeting of creditors and given that no committee of creditors with unsecured claims was appointed in the case, the Debtor amended its petition to include the “small business” designation and to attach the required documents under Section 1116 of the Bankruptcy Code.

C-6.00 Stipulated Motion for Relief from Stay and Adequate Protection Payments. On February 17, 2017, the Debtor and Wells filed a Stipulated Motion for Relief from Stay and Adequate Protection Payments (the “Stipulated Motion”) regarding the vehicles and equipment Wells repossessed prepetition. The Stipulated Motion was subject to a Notice and Opportunity for Hearing on March 21, 2017. No objections having been filed, the Court approved the Stipulated Motion on March 13, 2017, and no

hearing was held.

C-7.00 Ally Financial's Motion for Relief from Stay. On March 30, 2017, Ally Financial ("Ally Financial") filed a Motion for Relief from Stay in connection with a 2012 Dodge Ram Pickup Truck. The Debtor was able to negotiate a stipulation with Ally Financial in which it cured all back payments and agreed to make ongoing payments as they come due. The proposed stipulation between the parties is pending before the Court, and the parties anticipate that the stipulation will be approved.

C-8.00 Ally Bank's Motion for Relief from Stay. On May 2, 2017, Ally Bank ("Ally Bank") filed a Motion for Relief from Stay in connection with a 2013 Ford F350 Pickup Truck. The Debtor was current on the payments on that vehicle and provided Ally Bank's counsel with proof of payments. Upon review of the information provided by the Debtor, this Motion was withdrawn. The Debtor will continue to make ongoing payments to Ally Bank on this vehicle.

C-9.00 Monthly Financial Reports. The Debtor has filed all monthly financial reports required in this bankruptcy case. A summary of those reports is attached hereto as **Exhibit 1**.

## ARTICLE D

### FINANCIAL DATA, ASSETS AND LIABILITIES

D-1.00 Summary of Chapter 11 Operations. Attached hereto as **Exhibit 1** is a summary of the monthly financial reports filed by the Debtor during the case. As indicated in those reports, as of July 31, 2017, the Debtor has accumulated approximately \$131,338.82 in cash during this case, after payment of all ongoing expenses. To ensure that there was adequate cash flow at the inception of the case, Shelton did not take compensation for several pay periods, for a total of \$12,000.00 (four pay periods at the

rate of \$3,000.00 per pay period). In January, 2017, Shelton began to receive his salary in the amount of \$3,000.00 every two weeks.

D-2.00 Claims Against the Debtor. Attached hereto as **Exhibit 2** is a summary of the claims scheduled by the Debtor and the proofs of claim filed by the creditors in the case and the Debtor's estimate of the claims that will be allowed.

D-3.00 Balance Sheet. Attached hereto as **Exhibit 3** is the Debtor's Balance Sheet as of July 1, 2017.

## ARTICLE E

### SUMMARY OF THE DEBTOR'S PLAN

#### SECTION A. INTRODUCTION AND OVERVIEW

E-1.00 Caution. THE FOLOWING IS A BRIEF SUMMARY OF THE PLAN AND SHOULD NOT BE RELIED UPON FOR VOTING PURPOSES. CREDITORS ARE URGED TO READ THE PLAN IN FULL. THE PLAN REPRESENTS A LEGALLY BINDING DOCUMENT. AN INTELLIGENT JUDGMENT ABOUT THE PLAN CANNOT BE MADE WITHOUT READING IT.

E-2.00 Overview of the Plan. The effective date of the Plan is 30 days after entry of an order confirming the Plan, unless a party to an appeal of the confirmation order obtains a stay pending appeal. The Plan provides for the continued operation of the Debtor after confirmation by the reorganized Debtor. Repayment of claims will be made from funds generated from the reorganized Debtor's operations. Expenses of administration, consisting of quarterly fees due to the USTO, attorneys' fees of the Debtor's general counsel will be paid on the effective date of the Plan. Holders of these administrative expenses may agree to be paid over some period of time after the effective date of the Plan. Ongoing operating expenses incurred postpetition by the Debtor will be

paid as they come due. The secured claims of Ally Financial, Ally Bank and Ford Motor Credit Company were oversecured and current at the time the Debtor filed its bankruptcy petition. The Debtor shall pay these claims in accordance with their underlying contracts. Accordingly, these claims are unimpaired and are deemed to have voted in favor of the Debtor's Plan. The Debtor is negotiating with Wells Fargo regarding the payment of its claim secured by various vehicles retained by the Debtor. The Debtor's Plan provides for the payment of that estimated claim consistent with the terms of the stipulation reached with Wells Fargo. Any unsecured deficiency claim of Wells Fargo will be paid pro rata with the other unsecured creditors in this case. The Debtor is currently negotiating with the IRS to reduce its priority claim and secured claim. The Debtor believes that those negotiations will be successful and will result in the IRS filing an amended proof of claim with substantially lower claim amounts. Depending on the outcome of the negotiations with the IRS, it is anticipated that the nonpriority unsecured claims will receive a prorata portion of equal monthly installments of \$2,000.00, commencing 30 days from the effective date of the Plan for a period of 36 months. This amount may be lower if the Debtor ends up paying more to the IRS. No interest will be paid on the priority tax claims or the nonpriority unsecured claims. The Utah State Tax Commission ("USTC") failed to file a proof of claim as to the disputed claim listed on the Debtor's Schedule E. In accordance with Rule 3003(c)(2) the USTC shall not be entitled to vote or receive a distribution under the Plan. Shelton will retain his membership interest in the Debtor.

## **SECTION B. ADMINISTRATIVE EXPENSES AND TAXES**

E-3.00 Postpetition Operating Expenses. The Plan provides for the payment of ongoing postpetition operating expenses as they come due in the ordinary course of business.

E.4.00 Administrative Expenses. Administrative expenses of the Chapter 11 case consist of: Quarterly fees to the USTO, and attorneys' fees to D&L, general counsel for the Debtor. The Debtor has paid all quarterly fees due through confirmation to the USTO. Any quarterly fees due after confirmation will be paid as they become due. D&L has incurred unpaid fees and costs through August 31, 2017, in the amount of approximately \$35,000.00. D&L anticipates approximately \$25,000.00 in additional fees and costs will be incurred prior to confirmation of the Plan. The Plan permits the reorganized Debtor to pay fees of professionals whose employment was authorized during the bankruptcy case, for services rendered after confirmation of the Plan, upon receipt of statements for those services. Any amounts paid by the reorganized Debtor to such professionals after confirmation will be subject to final approval by the Court at the hearing on the reorganized Debtor's motion for final decree and order closing case.

E-5.00 Priority Tax Claims. The IRS filed a priority tax claim (POC 1) in the amount of \$79,096.36, the bulk of which is estimated taxes for alleged unfiled tax returns. The Debtor has filed all required tax returns and disputes the IRS's priority tax claim. The Debtor has provided additional information to the IRS and believes that the IRS will amend its proof of claim to a far lesser amount. If the IRS does not amend its proof of claim the Debtor will object to the IRS's claim. Once the amount of the IRS claim is determined, the Plan provides that the Debtor will pay the allowed amount of the IRS's claim in full within a five-year period, with no interest. The Plan permits the reorganized Debtor to make larger payments, in its discretion and if funds are available, to pay the tax claims before the expiration of the three-year period.

The USTC has not filed a proof of claim and was listed on the Debtor's Schedule E as disputed. Pursuant to Rule 3003(c)(2) of the Fed. R. Bankr. P., USTC shall not be

entitled to vote or receive a distribution under the Plan.

E-6.00 Classes of Claims and Interests. Pursuant to the Bankruptcy Code, the Plan establishes classes of secured and unsecured claims. Secured claims are included in Classes 1 through 5. Unsecured claims are included in Class 6. The interests of the Debtor's sole member, Shelton, are included in Class 7.

#### SECTION C. DESIGNATION AND TREATMENT OF UNIMPAIRED CLASSES.

E-700 Class 1-Ally Financial. Class 1 contains the claim of Ally Financial secured by a lien on a 2012 Dodge Ram Pickup owned by the Debtor. Ally Financial filed a proof of claim in the amount of \$8,960.25. Because Ally Financial's claim is oversecured and was current at the time of the filing of the Debtor's petition, the Debtor has continued to make payments directly to this creditor. This creditor will be paid in full in accordance with the underlying contract giving rise to its claim. Accordingly, this creditor is not impaired and is deemed to have accepted the Plan.

E-8.00 Class 2-Ally Bank. Class 2 contains the claim of Ally Bank secured by a lien on a 2013 Ford F350 Pickup owned by the Debtor. Ally Bank filed a proof of claim in the amount of \$18,072.84. Because Ally Bank's claim is oversecured and was current at the time of the filing of the Debtor's petition, the Debtor has continued to make payments directly to this creditor. This creditor will be paid in full in accordance with the underlying contract giving rise to its claim. Accordingly, this creditor is not impaired and is deemed to have accepted the Plan.

E-9.00 Class 3-Ford Motor Credit Company("FMCC"). Class 3 contains the secured claim of FMCC secured by a lien on a 2012 Ford F350 Super Duty Diesel Pickup owned by the Debtor. FMCC filed a proof of claim in the amount of \$12,128.23. Because FMCC's claim is oversecured and was current at the time of the filing of the

Debtor's petition, the Debtor has continued to make payments directly to this creditor.

This creditor will be paid in full in accordance with the underlying contract giving rise to its claim. Accordingly, this creditor is not impaired and is deemed to have accepted the Plan.

#### SECTION D. DESIGNATION AND TREATMENT OF IMPAIRED CLASSES.

E-10.00 Impaired Classes. Under the Bankruptcy Code the Debtor is required to specify any class of claims of interest that is not impaired. Essentially, unless a plan leaves unaltered the legal, equitable, and contractual rights to which a claim or interest entitles the holder of such claim or interest, such claim or interest is impaired. Except for Classes 1 through 3 above all remaining classes of claims and interests are impaired under the Plan.

E-11.00 Class 4- IRS. Class 4 contains the secured claim of the IRS. The IRS filed a proof of claim (POC 1) in the secured amount of \$395,695.11. The IRS's secured claim is based upon three Notices of Federal Tax Lien recorded on October 5, 2015, December 24, 2015, and October 24, 2016. The Debtor has provided information to the IRS that it believes would justify the IRS's waiver of interest and penalties added to the claim. If the IRS were to waive interest and penalties, the amount of the secured claim would be reduced to \$274,166.00. This claim will be paid in full over a period of five years, together with interest thereon at the rate required under Section 511 of the Bankruptcy Code, which at this time is 4% per annum. Based upon that claim amount the monthly payment under the Plan would be \$5,049.18. Attached as **Exhibit 5** is the amortization schedule for the IRS that shows payments to pay the claim over a five-year period.

E-12.00 Class 5-Wells Fargo. Class 5 contains the secured portion of the claim

of Wells Fargo. Wells Fargo filed a proof of claim in the amount of \$734,028.83, with an acknowledgement that only a portion of the claim is secured. The Debtor and Wells Fargo are cooperating in determining the secured portion of the claim. Based upon the information it has received from Wells Fargo, the Debtor believes that the amount of the secured portion of Wells Fargo's claim is \$95,000.00 less the amount of adequate protection payments that the Debtor shall make from March through December 2017, which would total \$35,000.00. Accordingly, Wells Fargo's secured claim would be \$60,000.00 as of January 1, 2018. Assuming that the Debtor and Wells Fargo agree as to the amount of Wells Fargo's secured claim, the Debtor shall pay the secured portion of the claim in full over a period of five years from the Effective Date of the Plan, together with interest thereon at the rate of 5% per annum. Based upon the \$60,000.00 amount for the secured claim, such payment shall be \$1,132.27. Attached as **Exhibit 6** is the amortization schedule for Wells Fargo that shows payments to pay the claim over a five year period.

#### **SECTION E. TREATMENT OF UNSECURED CLAIMS.**

E-13.00 Class 6-Nonpriority Unsecured Claims. Class 6 contains the nonpriority unsecured claims (including deficiency claims) of the IRS, Wells Fargo and the other undisputed unsecured creditors listed in the Debtor's Schedule F. Depending on the outcome of the Debtor's negotiations with the IRS, the Plan provides that the reorganized Debtor shall pay the claims of these creditors through the prorata distribution of monthly installments in the amount of \$2,000.00, commencing 30 days after the Effective Date of the Plan for a period of 36 months. This amount may be lower if the Debtor ends up paying more to the IRS. No interest will be paid on these claims.

Estimated claims in Class 6 total approximately \$618,759.00.



#### SECTION F. TREATMENT OF INTERESTS.

E-14.00 Class 7-Interests. The sole member of the Debtor, Shelton, will remain the sole member of the reorganized Debtor. To do so, all classes of creditors must either vote in favor of the Plan or receive payment of their claims in full. Shelton may not receive distributions, however, on account of his membership interest, until nonpriority unsecured claims in Class 6 have been paid as provided in the Plan and only if payments on account of priority unsecured tax claims and the secured claims in Classes 1 through 6 are current. Nothing contained in this provision of the Plan restricts Shelton's ability to receive his ongoing salary as an employee of the reorganized Debtor.

#### SECTION G. EXECUTORY CONTRACTS AND LEASES.

E-15.00 Assumed Leases and Executory Contracts. At the commencement of this case, the Debtor had executory labor contracts with various independent contract employees. The Debtor has since hired these contractors as regular employees. Accordingly, the Debtor will reject the following executory labor contracts under the Plan: Andrew Garf, Brit Babbit, Cooper Oliver, Cory Shelton, Jason Marks, Pernell Tsosie and Samantha Marks.

E-16.00 Catch-all Rejection. All executory contracts and leases not assumed under the Plan are rejected. Although the Debtor is not aware of any other contracts or leases this provision is included in the Plan in the event such contracts or leases exist.

#### SECTION H. OPERATIONS OF THE REORGANIZED DEBTOR.

E-17.00 Operation of the Business. As of the effective date of the Plan, the reorganized Debtor will operate the well service business previously operated by the Debtor.

E-18.00 Manager of Reorganized Debtor. Shelton will remain as the manager of

the reorganized Debtor.

E-19.00 Compensation of Manager. Shelton will be entitled to receive compensation of up to \$3,000.00 every two weeks for services rendered in connection with the management and operation of the reorganized Debtor's business. The compensation may be increased during the term of the Plan so long as it does not impair the reorganized Debtor's ability to make the payments required under the Plan. Distributions to Shelton on account of his membership interests in the reorganized Debtor are separate and distinct from his compensation and are described in paragraph E-13.00 above.

E-20.00 Estimated Cash Flow. **Exhibit 7** contains estimated future cash flows for the reorganized Debtor. The exhibit is based upon the post petition historical operations of the Debtor and anticipated future operations taking into consideration current and anticipated economic and industry conditions.

E-21.00 Avoidable Transfers. Under the Bankruptcy Code, certain transfers made within 90 days of the filing of the bankruptcy petition,<sup>1</sup> that may have been made on account of an antecedent debt, made while the Debtor was presumed to be insolvent under section 547(f) of the Bankruptcy Code, that enable the transferee to receive more than it would have received in a Chapter 7 bankruptcy liquidation, may be recovered as preferential transfers. There are numerous circumstances that prevent a transfer from being a preference and a number of defenses available to the transferee under the Bankruptcy Code. In addition, fraudulent transfers made within one year of the petition date may be recovered under the Bankruptcy Code. Fraudulent transfers include those made with actual intent to hinder, delay or defraud creditors and, if the Debtor was

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<sup>1</sup> One year is the applicable period if the transfer is to an insider.

insolvent, those made for less than fair equivalent value. The Statement of Financial Affairs filed by the Debtor in this case shows no transfers to insiders within one year. The Statement of Financial Affairs shows payments within 90 days to various trade creditors, all of which the Debtor believes to have been made in the ordinary course of business. Additional payments are shown to secured creditors and contract employees, all of which appear to be unavoidable under the Bankruptcy Code. Accordingly, the Debtor does not believe that there are any avoidable transfers to be pursued in this case.

#### **SECTION I. OTHER MATTERS.**

E-22.00 Default. If the reorganized Debtor fails to make a payment on an allowed secured claim, the holder of the claim may exercise its rights under Utah state law or applicable Federal law and the documents evidencing the obligation as the same may have been modified by the Plan. Exercise of these rights, however, will be only permitted after 30 days notice to the reorganized Debtor and holders of unpaid allowed claims. The reorganized Debtor could cure the default during the 30-day period. During the 30-day period, any party adversely affected by the threatened action may seek to obtain from the Bankruptcy Court an order prohibiting such action. Failure of the reorganized Debtor to make payments on account of allowed priority claims will permit the holder of such claim to give 30-days notice of the intent to request a default under the Plan. A hearing will be held on such motion, after notice to holders of all unpaid allowed claims. If, at the time of hearing, the default has not been cured, the Court may enter an appropriate order including, directing the reorganized Debtor to pay the claim, or order conversion or dismissal of the case. In the event the reorganized Debtor fails to make a payment on account of allowed nonpriority unsecured claims in Class 5, the holder of any such claim adversely affected thereby will be permitted to pursue recovery of the claim in

a court of appropriate jurisdiction, other than the Bankruptcy Court. The holder of any such claim, however, must first give the reorganized Debtor 30 days notice of its intent to pursue such claim if the default is not cured within the 30-day period. This means that the holder of an unpaid allowed nonpriority unsecured claim in Class 5 that is not paid as set forth in the Plan, could file an action in state court against the reorganized Debtor to recover the claim after expiration of the 30 days. Such an action could seek recovery of any delinquent payment and all future payments due to the claimant under the Plan.

E-23.00 Retention of Jurisdiction. The Bankruptcy Court retains jurisdiction under the Plan to resolve any objections to claims, declare a default and over other matters specifically set forth in the Plan.

E-24.00 Final Decree and Order Closing Case. Local Rule 3022-1 requires the reorganized Debtor to file a motion for final decree and order closing case within one year after confirmation of the Plan. The Plan provides that the reorganized Debtor will file such a motion. The reorganized Debtor may file a motion prior to the one year period if the Plan has been substantially consummated, *i.e.*, payments have commenced under the Plan.

## ARTICLE F

### LIQUIDATION ANALYSIS

F-1.00 Liquidation Analysis. Attached hereto as **Exhibit 8** is a liquidation analysis prepared by the Debtor. The liquidation analysis shows anticipated recovery by creditors if the case is converted to a case under Chapter 7 and liquidated by a Chapter 7 trustee. The values used in the liquidation analysis for accounts receivable are 100% of the amount of the receivables on the petition date. These values are liberal and are used to give creditors the benefit of the doubt as to collections of those accounts. The Debtor

believes that lower values could have been used and are more realistic based upon the historic collection rate for receivables experienced by the Debtor as well as the following factors. First, collection rates decrease substantially when no further services are being provided to the clients. If this case were converted to Chapter 7, it is unlikely that the Debtor would continue to provide those services. Second, there is no equity in the accounts receivable above the substantial lien in favor of the IRS, thereby necessitating that the IRS's lien be satisfied first and leaving nothing for the creditors with unsecured claims. As shown on Exhibit 8, the Debtor anticipates that the recovery to nonpriority unsecured creditors in a Chapter 7 liquidation (assuming a 100% collection rate for accounts receivable) would be 0%. The recovery anticipated under the Chapter 11 Plan to holders of nonpriority unsecured claims in Class 6 is approximately 11%.

F-2.00 Advantages of the Plan. The advantage of confirmation of the Plan as opposed to liquidation of the Debtor in a Chapter 7 case is recovery of a greater percentage on account of nonpriority unsecured claims in Class 6. The Debtor anticipates that the reorganized Debtor will continue to do business with existing creditors that are willing to do so thus providing an additional benefit to those creditors.

## ARTICLE G

### ALTERNATIVES TO THE PLAN AND RISKS

G-1.00 Alternatives. An alternative to the Plan is the conversion of the case to a case under Chapter 7. As set forth in Article F, the Debtor believes that confirmation of the Plan provides advantages to creditors with unsecured claims that outweigh those of liquidation in a case under Chapter 7. Other alternatives include amending the Plan or dismissal of the case.

G-2.00 Risks. There are inherent risks in any business operation. The wells

services business is competitive and subject to some fluctuation. The Debtor, however, has successfully operated the business since filing its Petition. The projections attached as Exhibit 7 are primarily based upon the postpetition operation of the Debtor's business, which has been operated at a substantial profit.

## ARTICLE H

### MANNER OF VOTING AND CONFIRMATION OF THE PLAN

H-1.00 Solicitation of Acceptances. This disclosure statement shall have been approved by the court in accordance with Section 1125 of the Bankruptcy Code before being provided to each creditor. Under the Bankruptcy Code, acceptances of the Plan may not be solicited from claim holders unless a copy of the approved disclosure statement is, or has been, transmitted to the claim holder.

H-2.00 Counting Votes and Acceptances. In determining acceptances of the Plan, a vote will be counted if timely submitted by the holder of a claim that is impaired and (a) whose claim is scheduled by the Debtor as undisputed, noncontingent and liquidated, (b) who has timely filed with the Court a proof of claim which has not been disallowed prior to computation of the votes on the Plan, (c) whose claim is an allowed secured claim under Sections 502 and 506(d) of the Bankruptcy Code, or (d) whose claim has been temporarily allowed by the Bankruptcy Court for purposes of voting.

H-3.00 Acceptance by Impaired Classes. An impaired class of claims is deemed to accept the Plan if at least (a) 50% plus one of the number of allowed claims voting to accept the Plan and (b) 2/3 of the aggregate dollar amount of the allowed claims voting vote to accept the Plan.

H-4.00 Manner of Voting. A ballot for accepting or rejecting the Plan will be enclosed with the approved Disclosure Statement and Plan. Holders of claims should read

the instructions carefully, complete, date and sign the ballot and transmit it to the address indicated on the ballot. In order to be tabulated, your ballot must be received by the time indicated thereon. Failure to vote or a vote to reject the Plan will not affect the treatment to be accorded a claim if the Plan is confirmed.

H-5.00 Hearing on Confirmation. The notice of hearing on confirmation indicates the time and place of the confirmation hearing. The Court may confirm the Plan at the hearing only if the requirements set forth in Section 1129 of the Bankruptcy Code are satisfied. The Debtor may propose or file modifications to the Plan either before or at the hearing on confirmation. If the Bankruptcy Court finds that the proposed modification or modifications do not adversely change the treatment of any creditor who has not accepted the modification in writing, the modification may be deemed accepted by all parties in interest who have previously accepted the Plan.

H-6.00 Best Interest of Creditors. The Debtor must establish with respect to each class that each holder of a claim in that class has accepted the Plan or will receive or retain under the Plan on account of such claim or interest property of a value that is not less than the amount that such holder would receive if the Debtor were liquidated under Chapter 7 of the Bankruptcy Code.

H-7.00 Confirmation Without Acceptance by All Classes. The Bankruptcy Code contains provisions for the confirmation of a Plan if it is not accepted by all impaired classes. Once a class of impaired claims has accepted the Plan, the Plan may be confirmed over the objection of every other class of creditors pursuant to Section 1129(b) of the Bankruptcy Code.

H-8.00 Rejection by Secured Class. If a class of secured claims rejects the Plan, the Plan may be confirmed under Section 1129(b) if the Plan does not discriminate

unfairly as to that class and is “fair and equitable” to the class. Section 1129(b) states that the “fair and equitable” standard requires, among other things, that the Plan provide (a) that the lien securing the claims of members of the class be left in place and that holders of secured claims will receive deferred cash payments of a present value equal to the lesser of the amount of the claim or the value of the collateral, (b) that the collateral securing the claims be sold free of the liens with the liens attaching to the proceeds and with such liens on the proceeds being treated under one of the other two standards described in this paragraph or (c) a treatment for the claim which is the “indubitable equivalent” of the claim.

H-9.00 Rejection by Unsecured Class. If a class of unsecured claims rejects the Plan, the Plan may be confirmed if it does not unfairly discriminate and is “fair and equitable” as to the class. Under Section 1129(b) a Plan is “fair and equitable” as to a class of unsecured claims if, among other things, the Plan provides that (a) each holder of a claim included in the rejecting class receive or retain on account of that claim property which has a value, as of the effective date, equal to the amount of such claim, or (b) the holder of any claim or interest that is junior to the claims of such class will not receive or retain any property on account of the junior claim or interest.

## ARTICLE I

### TAX CONSEQUENCES OF THE PLAN

I-1.00 As to the Debtor and the reorganized Debtor, because these entities are limited liability companies, any income or losses are passed through to the members of the limited liability companies. As such, other than the normal tax reporting requirements, there appear to be no income tax consequences to the Debtor or reorganized Debtor from the provisions of the Plan. The treatment of claims and interests




under the Plan may have tax implications to the holders of such claims and interests. For instance, there may be tax implications for the recapture of bad debts or implications regarding the timing of reportable income for entities that report income on a cash basis. Because each of the holders of claims and interests have such varied circumstances, it is impossible for the Debtor and reorganized Debtor to provide legal or accounting advice regarding the applicability of the tax laws on an individualized basis. Therefore, holders of claims and interests should obtain advice from their own counsel or accountants regarding the applicability of tax laws.

Dated this 1<sup>st</sup> day of September 2017

REDROCK WELL SERVICE, LLC

By:   
Randall G. Shelton, Manager

DIAZ & LARSEN

  
Andres Diaz  
Attorneys for RedRock Well Service, LLC

REDROCK WELL SERVICE, LLC  
 SUMMARY OF MONTHLY REPORTS \*  
 CHAPTER 11 CASE # 16-29891  
 EXHIBIT 1

	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>	<u>Jul-17</u>
Beginning Cash Balance	-\$750.00	\$60,096.62	\$16,150.43	\$62,923.05	\$73,167.63	\$63,442.68	\$89,058.88	\$49,496.13	\$35,093.64
Cash Receipts	\$72,609.25	\$0.00	\$75,516.85	\$40,230.00	\$45,745.00	\$82,703.95	\$29,849.00	\$40,094.13	\$152,860.20
Cash Disbursements	\$11,762.63	\$43,946.19	\$28,744.23	\$29,985.42	\$55,469.95	\$57,087.75	\$69,411.75	\$54,496.62	\$56,614.89
Net Cash Flow	\$60,846.62	-\$43,946.19	\$46,772.62	\$10,244.58	-\$9,724.95	\$25,616.20	-\$39,562.75	-\$14,402.49	\$96,245.31
Ending Cash Balance	<u>\$60,096.62</u>	<u>\$16,150.43</u>	<u>\$62,923.05</u>	<u>\$73,167.63</u>	<u>\$63,442.68</u>	<u>\$89,058.88</u>	<u>\$49,496.13</u>	<u>\$35,093.64</u>	<u>\$131,338.95</u>

The information provided herein is derived from the DIP Bank Statements attached to the Monthly Reports filed in this case.

REDROCK WELL SERVICE, LLC  
 SUMMARY OF CLAIMS SCHEDULED AND FILED  
 CHAPTER 11 CASE # 16-29891  
 EXHIBIT 2

Class	Creditor	Scheduled Amount	Contingent (C) Disputed (D) Unliquidated (U)	Claim (C) Amount	Claim #	Estimated Allowed Amount	Comments
1	Ally Financial	\$ 8,000.00		\$ 8,960.25	2	\$ 8,960.25	The Debtor is making ongoing payments to this creditor and is current. This creditor is unimpaired.
2	Ally Bank	\$ 25,000.00		\$ 18,072.84	3	\$ 18,072.84	The Debtor is making ongoing payments to this creditor and is current. This creditor is unimpaired.
3	Ford Motor Credit Company, LLC	\$ 18,000.00		\$ 12,128.23	5	\$ 12,128.23	The Debtor is making ongoing payments to this creditor and is current. This creditor is unimpaired.
4	Wells Fargo Bank, N.A.	\$ 600,000.00		\$ 734,028.93	4	\$ 95,000.00	This creditor's claim is only partially secured. The unsecured deficiency balance will be treated in Class 6
5	IRS	\$ -		\$ 395,695.11	1	\$ 274,166.00	This claim is disputed and the Debtor anticipates that the dispute will be resolved through negotiations
	<b>Totals:</b>	<u>\$ 651,000.00</u>		<u>\$ 773,190.15</u>		<u>\$ 408,327.32</u>	
<b>Priority:</b>	IRS	\$ 461,937.05	D	\$ 79,096.36	1	unknown	This claim is disputed and the Debtor anticipates that the dispute will be resolved through negotiations
	USTC	\$ 18,643.68	D	None Filed		\$0.00	Because this claim was listed as disputed and the creditor failed to file a proof of claims, this creditor will not be entitled to vote or receive any distribution under the Plan
<b>Nonpriority Unsecured:</b>	C&S & Wood, Inc	\$ 2,300.00		None Filed		\$ 2,300.00	
6	Unsecured Deficiency based upon Wells Fargo Claim #4	\$ 282,000.00		\$ 615,528.83	4	\$ 615,528.83	
6	IRS	\$ -		\$ 930.17	1	\$ 930.17	This claim may be higher once the priority portion of the IRS claim is determined
	<b>Totals:</b>	<u>\$ 284,300.00</u>		<u>\$ 616,459.00</u>		<u>\$ 618,759.00</u>	

EXHIBIT "3"

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

District of Utah

In re RedRock Well Service, LLC, Debtor

Case No. 16-29891

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: July 2017

Date filed: 08/18/2017

Line of Business: Oil & Gas Support Services

NAISC Code: 2131

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:

[Handwritten Signature]

Original Signature of Responsible Party

Randall Shelton

Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor)

Yes No

- 1. IS THE BUSINESS STILL OPERATING? [X] [ ]
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH? [X] [ ]
3. DID YOU PAY YOUR EMPLOYEES ON TIME? [X] [ ]
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH? [X] [ ]
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH [X] [ ]
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS? [X] [ ]
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH? [X] [ ]
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH? [X] [ ]
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE? [X] [ ]
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH? [ ] [X]
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH? [ ] [X]
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY? [ ] [X]
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT? [ ] [X]

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

**TAXES**

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

*(Exhibit A)*

**INCOME**

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL INCOME \$ 152,860.20

**SUMMARY OF CASH ON HAND**

Cash on Hand at Start of Month \$ 35,093.51  
 Cash on Hand at End of Month \$ 131,338.82

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU **TOTAL** \$ 131,338.82

*(Exhibit B)*

**EXPENSES**

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL EXPENSES \$ 56,614.89

*(Exhibit C)*

**CASH PROFIT**

INCOME FOR THE MONTH *(TOTAL FROM EXHIBIT B)* \$ 152,860.20  
 EXPENSES FOR THE MONTH *(TOTAL FROM EXHIBIT C)* \$ 56,614.89  
*(Subtract Line C from Line B)* CASH PROFIT FOR THE MONTH \$ 96,245.31

B 25C (Official Form 25C) (12/08)

**UNPAID BILLS**

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 0.00

(Exhibit D)

**MONEY OWED TO YOU**

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 45,192.25

(Exhibit E)

**BANKING INFORMATION**

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

**EMPLOYEES**

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED? 0  
NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT? 8

**PROFESSIONAL FEES**

*BANKRUPTCY RELATED:*

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0.00

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 0.00

*NON-BANKRUPTCY RELATED:*

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0.00

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 0.00

B 25C (Official Form 25C) (12/08)

**PROJECTIONS**

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ 152,860.20	\$ _____
EXPENSES	\$ _____	\$ 56,614.89	\$ _____
CASH PROFIT	\$ _____	\$ 96,245.31	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH: \$ \_\_\_\_\_

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH: \$ \_\_\_\_\_

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH: \$ \_\_\_\_\_

**ADDITIONAL INFORMATION**

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

RedRock Well Service, LLC  
Po Box 37  
Blanding, UT 84511

Expenses July 2017

Employees	Payroll & Taxes	\$38,211.42
Fees	Fees	\$4.00
Wells Fargo	SBA Loan	\$3,500.00
Gas Stations	Fuel	\$2,383.64
UT web services	QB ACCT	\$95.00
Ally	truck loan	\$994.73
Big O Tires	Tires	\$1,158.69
Ally	Truck loan	\$485.25
Select Oil Tools	Rig Parts	\$4,658.48
Rig Equip	Repair/Maint	\$1,645.17
Motor Parts	Repair/Maint	\$268.59
Bradford Tire	Tires	\$716.60
USPS	Stamps	\$88.00
US dept Trust	Bankrup reports	\$1,625.00
Ford Credit	Truck Loan	\$780.32

Total

\$56,614.89



# ZIONS BANK

P.O. Box 30709, Salt Lake City, UT 84130-0709

## Statement of Accounts

Page 1 of 6

This Statement: July 31, 2017

Last Statement: June 30, 2017

Primary Account

0064488 01 SP 0 500 \*\*SINGLP T1 D 1613 H4511

REDROCK WELL SERVICE LLC  
 CASE #16-29891 DEBTOR IN POSSESSION  
 1356 E HARRIS LANE  
 PO BOX 37  
 BLANDING UT 84511



For 24-hour account information, please contact:

1-800-789-BANK (2265)

zionsbank.com



WE HAVEN'T FORGOTTEN WHO KEEPS US IN BUSINESS. ®

**Attention ACH Receivers and Originators:** Beginning September 15, 2017, domestic ACH debits (up to \$25,000) may post the same day as submitted. As a best practice, companies receiving ACH debits should account for anticipated transactions to ensure sufficient funding. Companies sending ACH debits with the current days date prior to the same-day cutoff time should be aware they will post the same day and that an additional per-item fee of \$1.00 may apply.

### SUMMARY OF ACCOUNT BALANCE

Account Type	Account Number	Checking/Savings Ending Balance	Outstanding Balances Owed
Basic Business Checking		\$23,687.92	

### BASIC BUSINESS CHECKING

Previous Balance	Deposits/Credits	Charges/Debits	Checks Processed	Ending Balance
8,899.34	53,000.00	32,968.02	5,243.40	23,687.92

#### 2 DEPOSITS/CREDITS

Date	Amount	Description
07/05	23,000.00	ONLINE XFER FROM DDA ***8047 ID: 000007226 2329530802
07/26	30,000.00	ONLINE XFER FROM DDA ***8047 ID: 000002158 2324409462

#### 11 CHARGES/DEBITS

Date	Amount	Description
07/06	12,250.29	PAYCHEX INC PAYROLL 71987900031092XREF # 017187007107862 1124023404
07/07	63.11	PAYCHEX EIB INVOICE X71998400038709REF # 017187007384819 1120343628
07/07	7,962.01	PAYCHEX TPS TAXES 71990700031916XREF # 017187007371770 1120343390
07/20	9,004.28	PAYCHEX INC PAYROLL 72160500030429XREF # 017200005234902 1120920995
07/21	52.11	PAYCHEX EIB INVOICE X72165200024895REF # 017201006141425 1121941933
07/21	3,531.22	PAYCHEX TPS TAXES 72162000009339XREF # 017201006155926 1121942938
07/21	31.00	INSUFFICIENT FUNDS FEE-ITEM PD 1710703631
07/24	62.00	INSUFFICIENT FUNDS FEE-ITEM PD 1709302992
07/24	5.00	OVERDRAFT FEE
07/25	5.00	OVERDRAFT FEE
07/31	2.00	PAPER STATEMENT FEE 0000312965



# ZIONS BANK®

P.O. Box 30709, Salt Lake City, UT 84130-0709

## Statement of Accounts

Page 1 of 6

This Statement: July 31, 2017

Last Statement: June 30, 2017

Primary Account

0064489 01 SP 0.500 \*\*SINGLP 1101613 84511

REDROCK WELL SERVICE LLC  
 CASE #16-29891 DEBTOR IN POSSESSION  
 1358 E HARRIS LANE  
 PO BOX 37  
 BLANDING UT 84511



For 24-hour account information, please contact:

1-800-789-BANK (2265)

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### SUMMARY OF ACCOUNT BALANCE

Account Type	Account Number	Checking/Savings Ending Balance	Outstanding Balances Owed
Basic Business Checking		\$107,650.90	

### BASIC BUSINESS CHECKING

107 11

Previous Balance	Deposits/Credits	Charges/Debits	Checks Processed	Ending Balance
26,194.17	152,860.20	56,641.33	14,762.14	107,650.90

#### 4 DEPOSITS/CREDITS

Date	Amount	Description
07/03	73,165.00	NATURAL SODA PAYMENTS REF # 017184003570811 1131730322
07/18	48,278.00	NATURAL SODA PAYMENTS REF # 017199004394229 1125478025
07/19	29,371.20	DEPOSIT 7676056301
07/20	2,046.00	NATURAL SODA PAYMENTS REF # 017201006063369 1121009203

#### 34 CHARGES/DEBITS

Date	Amount	Description
07/03	51.62	24427335MLYHPNMDK 5697 MAVERIK #341 MOAB UT 1230905113
07/03	115.00	24427335NLYHNKPZH 5697 KUM & GO #922 RIFLE CO 1230905114
07/03	78.51	24427335NLYHNKPZR 5697 KUM & GO #922 RIFLE CO 1230905115
07/03	78.36	24427335NLYHNKT5Q 5697 KUM & GO #922 RIFLE CO 1230905116
07/03	272.18	UTAH NAVAJO HEAL UTAH N *****53164REF # 017184003493675 1131863385
07/05	95.00	24207855R9B4GBYQA 2918 UTAH WEB SERVICES 801-7592748 UT 1229578404
07/05	23,000.00	ONLINE XFER TO DDA ****8039 ID. 000007226 2329530803
07/06	81.24	24427335SLYHPXQVK 2918 MAVERIK #444 MONTICELLO UT 1224683023
07/06	61.46	24427335SLYHNK401 5697 KUM & GO #922 RIFLE CO 1224683062
07/06	70.63	0918 P O S PURCHASE KUM & GO # 120 E 26TH RIFLE CO 1418961723
07/06	59.73	0918 P O S PURCHASE SHELL Serv SHELL Servi GRAND JUNC CO 1418961722
07/10	11.47	24427335XLM7T6BE4 2918 THE TRUCK STOP BLANDING UT 1227889810
07/10	1,158.69	24765795Y0W02F6D1 5697 BIG O TIRES #6256 GRAND JUNCTIO CO 1227686981
07/10	76.75	24427335YLYHPGNRY 2918 MAVERIK #444 MONTICELLO UT 1227686935
07/11	101.30	24427335ZLYHNJER6 5697 KUM & GO #922 RIFLE CO 1224381457
07/12	87.63	2473309607G90EX35 5697 LOCO 17 GAS FRUITA CO 1221197175
07/12	62.75	244273360LYHNJQDP 5697 KUM & GO #922 RIFLE CO 1221197174
07/12	70.09	244273360LYHNJQF0 5697 KUM & GO #922 RIFLE CO 1221197177



10:06 AM  
08/11/17  
Accrual Basis

Red Rock Well Service  
Profit & Loss  
July 2017

---

	<u>Jul 17</u>
Ordinary Income/Expense	
Income	
Maintenance	77,669.00
Total Income	<u>77,669.00</u>
Gross Profit	77,669.00
Expense	
bankruptcy Expense	5,125.00
Auto Loan	2,260.30
Computer and Internet Expenses	80.00
Payroll Expenses	369.40
Postage and Delivery	88.00
Total Expense	<u>7,922.70</u>
Net Ordinary Income	<u>69,746.30</u>
Net Income	<u><u>69,746.30</u></u>

10:53 AM  
08/11/17  
Accrual Basis

**Red Rock Well Service**  
**Balance Sheet**  
**As of July 1, 2017**

	Jul 1, 17
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Zions Operating	-35,800.52
Zions Payroll	13,899.03
Checking at Wells Fargo Bank	-84,161.70
Red Rock Well Service	8,755.12
RedRock Well Service Payroll	-251,353.34
	-348,661.41
Total Checking/Savings	-348,661.41
Accounts Receivable	
Accounts Receivable	1,077,897.40
	1,077,897.40
Total Accounts Receivable	1,077,897.40
<b>Other Current Assets</b>	
Misc Employee Fees	-51,912.00
Employee Fuel Charges	-395.59
Employee Advances	101,644.02
	49,336.43
Total Other Current Assets	49,336.43
<b>Total Current Assets</b>	778,572.42
<b>Fixed Assets</b>	
Equipment	
2013 F-350 Truck	47,497.81
Camper Trailer	34,045.00
2012 Mud Pump	85,000.00
2012 F-350 Truck	49,943.00
2012 Dodge Truck	26,389.95
2012 Ram Truck 2	40,606.95
Trailer	2,472.00
Equipment - Other	1,362,939.00
	1,648,893.71
Total Equipment	1,648,893.71
Accumulated Depreciation	-1,480,904.00
	167,989.71
<b>Total Fixed Assets</b>	167,989.71
<b>Other Assets</b>	
Good Will	460,918.00
Accumulated Amortization	-153,640.00
Loan Costs	35,902.00
Accumu. Loan Cost Amortization	-17,950.00
	325,230.00
<b>Total Other Assets</b>	325,230.00
<b>TOTAL ASSETS</b>	<b>1,271,792.13</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
sub contractor	-171,902.90
Accounts Payable	4,014.03
Attorney Fees	-285.00
Reinbursement	-43,560.94
	-211,734.81
Total Accounts Payable	-211,734.81

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08/11/17  
Accrual Basis

Red Rock Well Service  
Balance Sheet  
As of July 1, 2017

---

	Jul 1, 17
Other Current Liabilities	
Accrued Expenses	13,004.00
Sales Tax Payable	9,555.97
Direct Deposit Liabilities	-1,457.72
Payroll Liabilities	410,883.68
<b>Total Other Current Liabilities</b>	<b>431,985.93</b>
<b>Total Current Liabilities</b>	<b>220,251.12</b>
Long Term Liabilities	
Note Payable 2013 F-350	36,970.64
N. Payable-F-350	16,418.66
N. Payable- Dodge Truck	4,044.00
N. Payable-Ram 2	21,200.32
SBA Note Payable	937,414.29
<b>Total Long Term Liabilities</b>	<b>1,016,047.91</b>
<b>Total Liabilities</b>	<b>1,236,299.03</b>
Equity	
S Corp Distribution	-871,891.10
Opening Balance Equity	59,596.62
Owners Equity	688,581.70
Seeley Buyout	-120,970.00
Net Income	280,175.88
<b>Total Equity</b>	<b>35,493.10</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,271,792.13</b>

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EXHIBIT "4"

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08/11/17

Accrual Basis

## Red Rock Well Service

## Balance Sheet

As of July 1, 2017

	Jul 1, 17
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Zions Operating	-35,800.52
Zions Payroll	13,899.03
Checking at Wells Fargo Bank	-84,161.70
Red Rock Well Service	8,755.12
RedRock Well Service Payroll	-251,353.34
Total Checking/Savings	-348,661.41
Accounts Receivable	
Accounts Receivable	1,077,897.40
Total Accounts Receivable	1,077,897.40
Other Current Assets	
Misc Employee Fees	-51,912.00
Employee Fuel Charges	-395.59
Employee Advances	101,644.02
Total Other Current Assets	49,336.43
Total Current Assets	778,572.42
<b>Fixed Assets</b>	
Equipment	
2013 F-350 Truck	47,497.81
Camper Trailer	34,045.00
2012 Mud Pump	85,000.00
2012 F-350 Truck	49,943.00
2012 Dodge Truck	26,389.95
2012 Ram Truck 2	40,606.95
Trailer	2,472.00
Equipment - Other	1,362,939.00
Total Equipment	1,648,893.71
Accumulated Depreciation	-1,480,904.00
Total Fixed Assets	167,989.71
<b>Other Assets</b>	
Good Will	460,918.00
Accumulated Amortization	-153,640.00
Loan Costs	35,902.00
Accumu. Loan Cost Amortization	-17,950.00
Total Other Assets	325,230.00
<b>TOTAL ASSETS</b>	<b>1,271,792.13</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
sub contractor	-171,902.90
Accounts Payable	4,014.03
Attorney Fees	-285.00
Reinbursement	-43,560.94
Total Accounts Payable	-211,734.81

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 08/11/17  
 Accrual Basis

**Red Rock Well Service**  
**Balance Sheet**  
 As of July 1, 2017

	Jul 1, 17
Other Current Liabilities	
Accrued Expenses	13,004.00
Sales Tax Payable	9,555.97
Direct Deposit Liabilities	-1,457.72
Payroll Liabilities	410,883.68
Total Other Current Liabilities	431,985.93
Total Current Liabilities	220,251.12
Long Term Liabilities	
Note Payable 2013 F-350	36,970.64
N. Payable-F-350	16,418.66
N. Payable- Dodge Truck	4,044.00
N. Payable-Ram 2	21,200.32
SBA Note Payable	937,414.29
Total Long Term Liabilities	1,016,047.91
Total Liabilities	1,236,299.03
Equity	
S Corp Distribution	-871,891.10
Opening Balance Equity	59,596.62
Owners Equity	688,581.70
Seeley Buyout	-120,970.00
Net Income	280,175.88
Total Equity	35,493.10
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,271,792.13</b>



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Home Mortgage Calculator

Borrower: RedRock Well Service LLC  
 [Address, City, ST ZIP]  
 Phone: [Phone]

Lender: Internal Revenus Service (IRS)  
 [Address, City, ST ZIP]  
 Phone: [Phone]

**Mortgage Information**

Loan Amount	274,166.00
Annual Interest Rate	4.00%
Term Length (in Years)	5
First Payment Date	1/1/2018
Compound Period	Monthly
Payment Frequency	Monthly
<b>Monthly Payment</b>	<b>5,049.18</b>
Home Value or Price	274,166.00
Yearly Property Taxes	-
Yearly H.O. Insurance	-
Monthly PMI	-
<b>PITI Payment</b>	<b>5,049.18</b>

**Balance at a Specified Year**

Balance at Year ...	5
Date	12/1/2022
Interest Paid	28,785.13
Principal Paid	274,166.00
Outstanding Balance	-

**Summary**

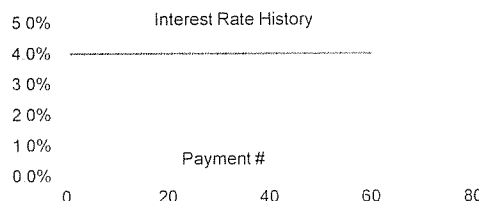
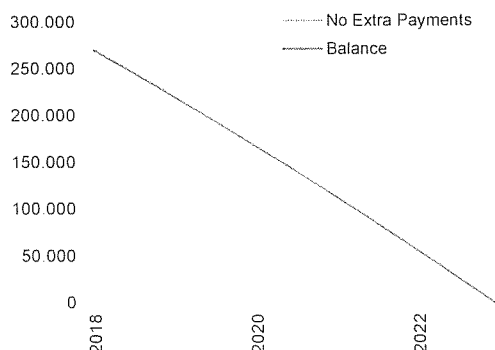
Years Until Paid Off	5
Number of Payments	60
Last Payment Date	12/1/2022
Total Payments	302,951.13
Total Interest	28,785.13

**Fixed-Rate or ARM**

<b>Variable or Fixed Rate</b>	Fixed Rate
Years Rate Remains Fixed	3
Interest Rate Cap	2.00%
Interest Rate Minimum	3.00%
Periods Between Adjustments	12
Estimated Adjustment	0.25%
Highest Monthly Payment	5,049.51

**Extra Payments**

Start at Payment No	1
Extra Payment \$	-
Payment Interval	1
Extra Annual Payment \$	-
Payment # (1-12)	1
Total Extra Payments	-
<b>Interest Savings</b>	-



**Payment Schedule**

No.	Payment Date	Year	Interest Rate	Interest Due	Payment Due	Extra Payments	Additional Payment	Principal Paid	Balance	Tax Returned	Cmlty Tax Returned
									\$274,166.00		
1	1/1/2018		4.000%	913.89	5,049.18	0.00		4,135.29	270,030.71	0.00	0.00
2	2/1/2018		4.000%	900.10	5,049.18	0.00		4,149.08	265,881.63	0.00	0.00
3	3/1/2018		4.000%	886.27	5,049.18	0.00		4,162.91	261,718.72	0.00	0.00
4	4/1/2018		4.000%	872.40	5,049.18	0.00		4,176.78	257,541.94	0.00	0.00
5	5/1/2018		4.000%	858.47	5,049.18	0.00		4,190.71	253,351.23	0.00	0.00
6	6/1/2018		4.000%	844.50	5,049.18	0.00		4,204.68	249,146.55	0.00	0.00
7	7/1/2018		4.000%	830.49	5,049.18	0.00		4,218.69	244,927.86	0.00	0.00
8	8/1/2018		4.000%	816.43	5,049.18	0.00		4,232.75	240,695.11	0.00	0.00
9	9/1/2018		4.000%	802.32	5,049.18	0.00		4,246.86	236,448.25	0.00	0.00
10	10/1/2018		4.000%	788.16	5,049.18	0.00		4,261.02	232,187.23	0.00	0.00
11	11/1/2018		4.000%	773.96	5,049.18	0.00		4,275.22	227,912.01	0.00	0.00
12	12/1/2018	<b>1</b>	4.000%	759.71	5,049.18	0.00		4,289.47	223,622.54	0.00	0.00
13	1/1/2019		4.000%	745.41	5,049.18	0.00		4,303.77	219,318.77	0.00	0.00
14	2/1/2019		4.000%	731.06	5,049.18	0.00		4,318.12	215,000.65	0.00	0.00
15	3/1/2019		4.000%	716.67	5,049.18	0.00		4,332.51	210,668.14	0.00	0.00
16	4/1/2019		4.000%	702.23	5,049.18	0.00		4,346.95	206,321.19	0.00	0.00
17	5/1/2019		4.000%	687.74	5,049.18	0.00		4,361.44	201,959.75	0.00	0.00



No.	Payment Date	Year	Interest Rate	Interest Due	Payment Due	Extra Payments	Additional Payment	Principal Paid	Balance	Tax Returned	Cmltv Tax Returned
18	6/1/2019		4.000%	673.20	5,049.18	0.00		4,375.98	197,583.77	0.00	0.00
19	7/1/2019		4.000%	658.61	5,049.18	0.00		4,390.57	193,193.20	0.00	0.00
20	8/1/2019		4.000%	643.98	5,049.18	0.00		4,405.20	188,788.00	0.00	0.00
21	9/1/2019		4.000%	629.29	5,049.18	0.00		4,419.89	184,368.11	0.00	0.00
22	10/1/2019		4.000%	614.56	5,049.18	0.00		4,434.62	179,933.49	0.00	0.00
23	11/1/2019		4.000%	599.78	5,049.18	0.00		4,449.40	175,484.09	0.00	0.00
24	12/1/2019	2	4.000%	584.95	5,049.18	0.00		4,464.23	171,019.86	0.00	0.00
25	1/1/2020		4.000%	570.07	5,049.18	0.00		4,479.11	166,540.75	0.00	0.00
26	2/1/2020		4.000%	555.14	5,049.18	0.00		4,494.04	162,046.71	0.00	0.00
27	3/1/2020		4.000%	540.16	5,049.18	0.00		4,509.02	157,537.69	0.00	0.00
28	4/1/2020		4.000%	525.13	5,049.18	0.00		4,524.05	153,013.64	0.00	0.00
29	5/1/2020		4.000%	510.05	5,049.18	0.00		4,539.13	148,474.51	0.00	0.00
30	6/1/2020		4.000%	494.92	5,049.18	0.00		4,554.26	143,920.25	0.00	0.00
31	7/1/2020		4.000%	479.73	5,049.18	0.00		4,569.45	139,350.80	0.00	0.00
32	8/1/2020		4.000%	464.50	5,049.18	0.00		4,584.68	134,766.12	0.00	0.00
33	9/1/2020		4.000%	449.22	5,049.18	0.00		4,599.96	130,166.16	0.00	0.00
34	10/1/2020		4.000%	433.89	5,049.18	0.00		4,615.29	125,550.87	0.00	0.00
35	11/1/2020		4.000%	418.50	5,049.18	0.00		4,630.68	120,920.19	0.00	0.00
36	12/1/2020	3	4.000%	403.07	5,049.18	0.00		4,646.11	116,274.08	0.00	0.00
37	1/1/2021		4.000%	387.58	5,049.18	0.00		4,661.60	111,612.48	0.00	0.00
38	2/1/2021		4.000%	372.04	5,049.18	0.00		4,677.14	106,935.34	0.00	0.00
39	3/1/2021		4.000%	356.45	5,049.18	0.00		4,692.73	102,242.61	0.00	0.00
40	4/1/2021		4.000%	340.81	5,049.18	0.00		4,708.37	97,534.24	0.00	0.00
41	5/1/2021		4.000%	325.11	5,049.18	0.00		4,724.07	92,810.17	0.00	0.00
42	6/1/2021		4.000%	309.37	5,049.18	0.00		4,739.81	88,070.36	0.00	0.00
43	7/1/2021		4.000%	293.57	5,049.18	0.00		4,755.61	83,314.75	0.00	0.00
44	8/1/2021		4.000%	277.72	5,049.18	0.00		4,771.46	78,543.29	0.00	0.00
45	9/1/2021		4.000%	261.81	5,049.18	0.00		4,787.37	73,755.92	0.00	0.00
46	10/1/2021		4.000%	245.85	5,049.18	0.00		4,803.33	68,952.59	0.00	0.00
47	11/1/2021		4.000%	229.84	5,049.18	0.00		4,819.34	64,133.25	0.00	0.00
48	12/1/2021	4	4.000%	213.78	5,049.18	0.00		4,835.40	59,297.85	0.00	0.00
49	1/1/2022		4.000%	197.66	5,049.18	0.00		4,851.52	54,446.33	0.00	0.00
50	2/1/2022		4.000%	181.49	5,049.18	0.00		4,867.69	49,578.64	0.00	0.00
51	3/1/2022		4.000%	165.26	5,049.18	0.00		4,883.92	44,694.72	0.00	0.00
52	4/1/2022		4.000%	148.98	5,049.18	0.00		4,900.20	39,794.52	0.00	0.00
53	5/1/2022		4.000%	132.65	5,049.18	0.00		4,916.53	34,877.99	0.00	0.00
54	6/1/2022		4.000%	116.26	5,049.18	0.00		4,932.92	29,945.07	0.00	0.00
55	7/1/2022		4.000%	99.82	5,049.18	0.00		4,949.36	24,995.71	0.00	0.00
56	8/1/2022		4.000%	83.32	5,049.18	0.00		4,965.86	20,029.85	0.00	0.00
57	9/1/2022		4.000%	66.77	5,049.18	0.00		4,982.41	15,047.44	0.00	0.00
58	10/1/2022		4.000%	50.16	5,049.18	0.00		4,999.02	10,048.42	0.00	0.00
59	11/1/2022		4.000%	33.49	5,049.18	0.00		5,015.69	5,032.73	0.00	0.00
60	12/1/2022	5	4.000%	16.78	5,049.51	0.00		5,032.73	0.00	0.00	0.00



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[Home Mortgage Calculator](#)

Borrower: RedRock Well Service LLC  
 [Address, City, ST ZIP]  
 Phone: [Phone]

Lender: Wells Fargo Bank  
 [Address, City, ST ZIP]  
 Phone: [Phone]

**Mortgage Information**

Loan Amount 60,000.00  
 Annual Interest Rate 5.00%  
 Term Length (in Years) 5  
 First Payment Date 1/18/2018  
 Compound Period Monthly  
 Payment Frequency Monthly  
**Monthly Payment 1,132.27**

Home Value or Price 60,000.00  
 Yearly Property Taxes -  
 Yearly H.O. Insurance -  
 Monthly PMI -  
**PITI Payment 1,132.27**

**Balance at a Specified Year**

Balance at Year ... 5  
 Date 12/18/2022  
 Interest Paid 7,936.47  
 Principal Paid 60,000.00  
 Outstanding Balance -

**Summary**

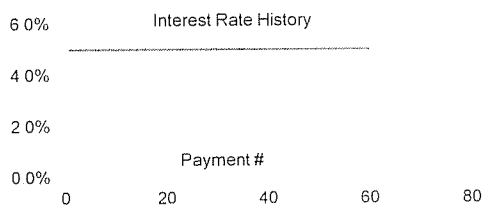
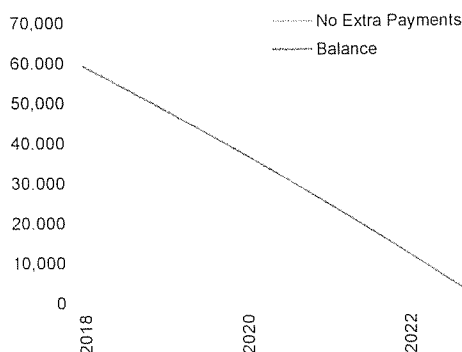
Years Until Paid Off 5  
 Number of Payments 60  
 Last Payment Date 12/18/2022  
 Total Payments 67,936.47  
 Total Interest 7,936.47

**Fixed-Rate or ARM**

<b>Variable or Fixed Rate</b>	Fixed Rate
Years Rate Remains Fixed	3
Interest Rate Cap	12.00%
Interest Rate Minimum	1.00%
Periods Between Adjustments	12
Estimated Adjustment	0.25%
Highest Monthly Payment	1,132.54

**Extra Payments**

Start at Payment No 1  
 Extra Payment \$ -  
 Payment Interval 1  
 Extra Annual Payment \$ -  
 Payment # (1-12) 1  
 Total Extra Payments -  
**Interest Savings 0.00**



**Payment Schedule**

Payment No.	Payment Date	Interest Rate	Interest Due	Payment Due	Extra Payments	Additional Payment	Principal Paid	Balance	Tax Returned	Cmlty Tax Returned
								\$60,000.00		
1	1/18/2018	5.000%	250.00	1,132.27	0.00		882.27	59,117.73	0.00	0.00
2	2/18/2018	5.000%	246.32	1,132.27	0.00		885.95	58,231.78	0.00	0.00
3	3/18/2018	5.000%	242.63	1,132.27	0.00		889.64	57,342.14	0.00	0.00
4	4/18/2018	5.000%	238.93	1,132.27	0.00		893.34	56,448.80	0.00	0.00
5	5/18/2018	5.000%	235.20	1,132.27	0.00		897.07	55,551.73	0.00	0.00
6	6/18/2018	5.000%	231.47	1,132.27	0.00		900.80	54,650.93	0.00	0.00
7	7/18/2018	5.000%	227.71	1,132.27	0.00		904.56	53,746.37	0.00	0.00
8	8/18/2018	5.000%	223.94	1,132.27	0.00		908.33	52,838.04	0.00	0.00
9	9/18/2018	5.000%	220.16	1,132.27	0.00		912.11	51,925.93	0.00	0.00
10	10/18/2018	5.000%	216.36	1,132.27	0.00		915.91	51,010.02	0.00	0.00
11	11/18/2018	5.000%	212.54	1,132.27	0.00		919.73	50,090.29	0.00	0.00
12	12/18/2018	5.000%	208.71	1,132.27	0.00		923.56	49,166.73	0.00	0.00
13	1/18/2019	5.000%	204.86	1,132.27	0.00		927.41	48,239.32	0.00	0.00
14	2/18/2019	5.000%	201.00	1,132.27	0.00		931.27	47,308.05	0.00	0.00
15	3/18/2019	5.000%	197.12	1,132.27	0.00		935.15	46,372.90	0.00	0.00
16	4/18/2019	5.000%	193.22	1,132.27	0.00		939.05	45,433.85	0.00	0.00
17	5/18/2019	5.000%	189.31	1,132.27	0.00		942.96	44,490.89	0.00	0.00

No.	Payment Date	Year	Interest Rate	Interest Due	Payment Due	Extra Payments	Additional Payment	Principal Paid	Balance	Tax Returned	Cmltv Tax Returned
18	6/18/2019		5.000%	185.38	1,132.27	0.00		946.89	43,544.00	0.00	0.00
19	7/18/2019		5.000%	181.43	1,132.27	0.00		950.84	42,593.16	0.00	0.00
20	8/18/2019		5.000%	177.47	1,132.27	0.00		954.80	41,638.36	0.00	0.00
21	9/18/2019		5.000%	173.49	1,132.27	0.00		958.78	40,679.58	0.00	0.00
22	10/18/2019		5.000%	169.50	1,132.27	0.00		962.77	39,716.81	0.00	0.00
23	11/18/2019		5.000%	165.49	1,132.27	0.00		966.78	38,750.03	0.00	0.00
24	12/18/2019	2	5.000%	161.46	1,132.27	0.00		970.81	37,779.22	0.00	0.00
25	1/18/2020		5.000%	157.41	1,132.27	0.00		974.86	36,804.36	0.00	0.00
26	2/18/2020		5.000%	153.35	1,132.27	0.00		978.92	35,825.44	0.00	0.00
27	3/18/2020		5.000%	149.27	1,132.27	0.00		983.00	34,842.44	0.00	0.00
28	4/18/2020		5.000%	145.18	1,132.27	0.00		987.09	33,855.35	0.00	0.00
29	5/18/2020		5.000%	141.06	1,132.27	0.00		991.21	32,864.14	0.00	0.00
30	6/18/2020		5.000%	136.93	1,132.27	0.00		995.34	31,868.80	0.00	0.00
31	7/18/2020		5.000%	132.79	1,132.27	0.00		999.48	30,869.32	0.00	0.00
32	8/18/2020		5.000%	128.62	1,132.27	0.00		1,003.65	29,865.67	0.00	0.00
33	9/18/2020		5.000%	124.44	1,132.27	0.00		1,007.83	28,857.84	0.00	0.00
34	10/18/2020		5.000%	120.24	1,132.27	0.00		1,012.03	27,845.81	0.00	0.00
35	11/18/2020		5.000%	116.02	1,132.27	0.00		1,016.25	26,829.56	0.00	0.00
36	12/18/2020	3	5.000%	111.79	1,132.27	0.00		1,020.48	25,809.08	0.00	0.00
37	1/18/2021		5.000%	107.54	1,132.27	0.00		1,024.73	24,784.35	0.00	0.00
38	2/18/2021		5.000%	103.27	1,132.27	0.00		1,029.00	23,755.35	0.00	0.00
39	3/18/2021		5.000%	98.98	1,132.27	0.00		1,033.29	22,722.06	0.00	0.00
40	4/18/2021		5.000%	94.68	1,132.27	0.00		1,037.59	21,684.47	0.00	0.00
41	5/18/2021		5.000%	90.35	1,132.27	0.00		1,041.92	20,642.55	0.00	0.00
42	6/18/2021		5.000%	86.01	1,132.27	0.00		1,046.26	19,596.29	0.00	0.00
43	7/18/2021		5.000%	81.65	1,132.27	0.00		1,050.62	18,545.67	0.00	0.00
44	8/18/2021		5.000%	77.27	1,132.27	0.00		1,055.00	17,490.67	0.00	0.00
45	9/18/2021		5.000%	72.88	1,132.27	0.00		1,059.39	16,431.28	0.00	0.00
46	10/18/2021		5.000%	68.46	1,132.27	0.00		1,063.81	15,367.47	0.00	0.00
47	11/18/2021		5.000%	64.03	1,132.27	0.00		1,068.24	14,299.23	0.00	0.00
48	12/18/2021	4	5.000%	59.58	1,132.27	0.00		1,072.69	13,226.54	0.00	0.00
49	1/18/2022		5.000%	55.11	1,132.27	0.00		1,077.16	12,149.38	0.00	0.00
50	2/18/2022		5.000%	50.62	1,132.27	0.00		1,081.65	11,067.73	0.00	0.00
51	3/18/2022		5.000%	46.12	1,132.27	0.00		1,086.15	9,981.58	0.00	0.00
52	4/18/2022		5.000%	41.59	1,132.27	0.00		1,090.68	8,890.90	0.00	0.00
53	5/18/2022		5.000%	37.05	1,132.27	0.00		1,095.22	7,795.68	0.00	0.00
54	6/18/2022		5.000%	32.48	1,132.27	0.00		1,099.79	6,695.89	0.00	0.00
55	7/18/2022		5.000%	27.90	1,132.27	0.00		1,104.37	5,591.52	0.00	0.00
56	8/18/2022		5.000%	23.30	1,132.27	0.00		1,108.97	4,482.55	0.00	0.00
57	9/18/2022		5.000%	18.68	1,132.27	0.00		1,113.59	3,368.96	0.00	0.00
58	10/18/2022		5.000%	14.04	1,132.27	0.00		1,118.23	2,250.73	0.00	0.00
59	11/18/2022		5.000%	9.38	1,132.27	0.00		1,122.89	1,127.84	0.00	0.00
60	12/18/2022	5	5.000%	4.70	1,132.54	0.00		1,127.84	0.00	0.00	0.00

REDROCK WELSRVICE, LLC  
 PROJECTED CASH FLOW FOR 2017 - 2020  
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 EXHIBIT 7

	ACTUAL Nov-16	ACTUAL Dec-16	ACTUAL Jan-17	ACTUAL Feb-17	ACTUAL Mar-17	ACTUAL Apr-17	ACTUAL May-17	ACTUAL Jun-17
<u>Beginning Balance</u>	-750.00	60,096.62	16,150.43	62,923.05	73,167.63	63,442.68	89,058.88	49,496.13
<u>Income</u>								
Net Income	72,609.25	0.00	75,516.85	40,230.00	45,745.00	82,703.95	29,849.00	40,094.00
<u>Business Expenses</u>								
Total Expenses	-11,762.63	-43,946.19	-28,744.23	-29,985.42	-55,469.95	-57,087.75	-69,411.75	-54,496.62
<u>Bankruptcy Expenses and Payments</u>								
Quarterly Trustees Fees	0.00	0.00	-975.00	0.00	0.00	-975.00	0.00	0.00
Funds Available for Unsecured Creditors & Other Administrative Expenses	60,096.62	16,150.43	62,923.05	73,167.63	63,442.68	89,058.88	49,496.13	35,093.51

REDROCK WELSRVICE, LLC  
 PROJECTED CASH FLOW FOR 2017 - 2020  
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	Actual Jul-17	PROJECTED Aug-17	PROJECTED Sep-17	PROJECTED Oct-17	PROJECTED Nov-17	PROJECTED Dec-17	2017 TOTALS
<u>Beginning Balance</u> <u>Income</u>	35,093.51	131,338.82	139,338.82	147,338.82	155,338.82	163,338.82	16,150.43
Net Income	152,860.20	55,000.00	55,000.00	55,000.00	55,000.00	55,000.00	741,999.00
Business Expenses	-56,614.89	-47,000.00	-47,000.00	-47,000.00	-47,000.00	-47,000.00	-586,810.61
Total Expenses							
Bankruptcy Expenses and Payments							
Quarterly Trustees Fees	-975.00	0.00	0.00	-975.00	0.00	0.00	-3,900.00
Funds Available for Unsecured Creditors & Other Administrative Expenses	131,338.82	139,338.82	147,338.82	155,338.82	163,338.82	171,338.82	171,338.82

REDROCK WELSRVICE, LLC  
 PROJECTED CASH FLOW FOR 2017 - 2020  
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	2018	2019	2020
	TOTALS	TOTALS	TOTALS
Beginning Balance	171,338.82	207,338.82	243,338.82
Income	660,000.00	660,000.00	660,000.00
Net Income	-	-	-
Business Expenses	-624,000.00	-624,000.00	-624,000.00
Total Expenses	-3,900.00	-3,900.00	-3,900.00
Bankruptcy Expenses and Payments			
Quarterly Trustees Fees			
Funds Available for Unsecured Creditors & Other Administrative Expenses	207,338.82	243,338.82	279,338.82

**REDROCK WELL SERVICE, LLC**  
**CHAPTER 7 - LIQUIDATION ANALYSIS**  
**CHAPTER 11 CASE #16-29891**  
**EXHIBIT 8**

ASSET	LIQUIDATION VALUE	LIENHOLDER	LIEN AMOUNT	NET
Schedule A -- Real Property: None	\$ -			
Schedule B -- Personal Property: Checking and Savings Accounts as of Petition Date	\$ (750.00)	NA	\$ 275,000.00	\$ (750.00)
Accounts Receivable	\$ 275,000.00	IRS	\$ 8,960.00	
2012 Dodge 2500 ST Pickup Truck	\$ 8,960.00	Ally Financial	\$ 18,073.00	
2013 Ford F350 Super Duty Diesel Pickup Truck	\$ 18,073.00	Ally Bank	\$ 12,128.00	
2012 Ford F350 Super Duty Diesel Pickup Truck	\$ 12,128.00	Ford Motor Credit Company	\$ 95,000.00	
Equipment and Vehicles	\$ 95,000.00	Wells Fargo	\$ (750.00)	
	<u>\$ 301,283.00</u>			

**Total Assets:**

**CHAPTER 7 ADMINISTRATIVE CLAIMS:**

Professionals:	\$ -
Trustee Compensation	\$ 5,000.00
Attorney for Trustee Fees/Costs	\$ 5,000.00
Auctioneer for Trustee	\$ 30,128.30
<b>Total:</b>	<u>\$ 40,128.30</u>

**CHAPTER 11 ADMINISTRATIVE CLAIMS:**

Professionals:	\$ 60,000.00
Attorney Fees/Costs (Estimated)	\$ 60,000.00
<b>Total:</b>	<u>\$ 60,000.00</u>

**Post-Petition Liabilities:**

<b>Total</b>	<u>0.00</u>
<b>Total Chapter 7 &amp; 11 Administrative Claims:</b>	<u>\$ 100,128.30</u>

\$ 100,128.30

REDROCK WELL SERVICE, LLC  
 CHAPTER 7 - LIQUIDATION ANALYSIS  
 CHAPTER 11 CASE #16-29891  
 EXHIBIT 8

ASSET	LIQUIDATION VALUE	LIENHOLDER	LIEN AMOUNT	NET
Priority Creditors:	Unknown			Unknown
Unsecured Creditors with Allowed Claims:	\$ 618,759.00			
See Exhibit 2				
Total	\$ 618,759.00			\$ (100,878.30)
DIVIDEND	0%			