

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

**UNITED STATES SECURITIES §
AND EXCHANGE COMMISSION, §**

Plaintiff, §

v. §

**THE HEARTLAND GROUP VENTURES, LLC; §
HEARTLAND PRODUCTION AND RECOVERY §
LLC; HEARTLAND PRODUCTION AND §
RECOVERY FUND LLC; HEARTLAND §
PRODUCTION AND RECOVERY FUND II LLC; §
THE HEARTLAND GROUP FUND III, LLC; §
HEARTLAND DRILLING FUND I, LP; CARSON §
OIL FIELD DEVELOPMENT FUND II, LP; §
ALTERNATIVE OFFICE SOLUTIONS, LLC; §
ARCOIL CORP.; BARRON PETROLEUM §
LLC; JAMES IKEY; JOHN MURATORE; §
THOMAS BRAD PEARSEY; MANJIT SINGH §
(AKA ROGER) SAHOTA; and RUSTIN §
BRUNSON, §**

No. 4-21CV-1310-O-BP

Defendants, §

and §

**DODSON PRAIRIE OIL & GAS LLC; PANTHER §
CITY ENERGY LLC; MURATORE FINANCIAL §
SERVICES, INC.; BRIDY IKEY; ENCYIPHER §
BASTION, LLC; IGROUP ENTERPRISES LLC; §
HARPRIT SAHOTA; MONROSE SAHOTA; §
SUNNY SAHOTA; BARRON ENERGY §
CORPORATION; DALLAS RESOURCES INC.; §
LEADING EDGE ENERGY, LLC; SAHOTA §
CAPITAL LLC; and 1178137 B.C. LTD., §**

Relief Defendants. §

RECEIVER'S THIRD QUARTERLY REPORT FOR RECEIVERSHIP ESTATES

Deborah D. Williamson, in her capacity as the Court-appointed Receiver (the “Receiver”) for the Receivership Parties (as defined in the Court’s December 2, 2021 *Order Appointing Receiver* [ECF No. 17] and receivership estates (collectively, the “Estates”) in the above-captioned case (the “Case” or “Receivership”), hereby files this *Receiver’s Third Quarterly Report for Receivership Estates* (the “Report”).¹ The *Order Appointing Receiver* [ECF No. 17] (the “Receivership Order”) requires the Receiver to file a report within thirty (30) days of the end of each calendar quarter. Reasonable efforts have been made to fairly and accurately summarize the current status of the Receivership but any summary, of necessity, will omit details. The Receiver will be available to attend a status conference or otherwise respond to the Court’s questions at the Court’s request.

I. OVERVIEW

1. During this Reporting Period, the Receiver completed the second auction of equipment, obtained Court approval to sell oil and gas interests, obtained Court approval to govern procedures for the sale or abandonment of personal property, continued the process of obtaining executed division orders, continued the process of verification of prior production and calculation the amounts of unpaid royalties. Amounts owed from the beginning of the Receivership to third parties unaffiliated with any Receivership Party were identified and, upon delivery of a W-9 and a signed division order, payments were issued for Panther City and Barron Petroleum.² Insurance was maintained and, where necessary, replacement insurance was obtained.

¹ Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Receivership Order.

² The Receiver has been unable to issue W-2s to former employees of AOS due to continuing inability to access the required information.

2. The Receiver and her team had daily communications with investors and creditors.

3. At the beginning of the second quarter of 2022, the Receiver had \$3,170,315.72 on deposit. At the end of this reporting period, after payments of operating expenses and court approved fees and expenses, the amount on deposit was \$6,240,182.90. As of the filing of this Report (July 30, 2022), \$6,204,221.78 is in the Receivership bank accounts.

4. During the second quarter of 2022 (April 1, 2022 – June 30, 2022), the Receiver and her team have focused on process for disposition of real property interests. This process has included inspecting the properties in San Angelo and El Dorado, identifying an auction process for certain oil and gas assets, and identifying potential real property appraisers with expertise in farm and ranch appraisal. On July 14, 2022, the Receiver obtained approval to begin the sale and disposition processes for real property. The Receiver and her team will continue analyzing various document productions and records relating to potential assets and/or claims of the Estates.

II. BACKGROUND

5. On December 1, 2021 (the “Application Date”), the Securities and Exchange Commission (the “Commission”) filed its *Emergency Motion for a Temporary Restraining Order and Emergency Ancillary Relief* [ECF No. 3] which included an application for the appointment of a receiver for the Receivership Parties (the “Application”).

6. On December 2, 2021, this Court determined that entry of an order appointing a receiver over the Receivership Parties was both necessary and appropriate to marshal, conserve, hold, and operate all of the Receivership Parties’ assets (the “Receivership Assets”) pending further order of this Court. Accordingly, the Court entered the Receivership Order on December 2, 2021, appointing Deborah D. Williamson as the Receiver over the Estates in this Case

[ECF No. 17]. That same day, the Court entered the *Order for Temporary Restraining Order and Other Emergency Relief* [ECF No. 12] and the *Asset Freeze Order* [ECF No. 14].

7. Pursuant to the Receivership Order, the Receiver is charged with:

marshaling and preserving all the assets of the Defendants (the “Receivership Assets”) and those assets of the Relief Defendants that: (a) are attributable to funds derived from investors or clients of the Defendants; (b) are held in constructive trust for the Defendants; (c) were fraudulently transferred by the Defendants; and/or (d) may otherwise be includable as assets of the estates of the Defendants (collectively, the “Recoverable Assets”).

Receivership Order at 2.

8. Additionally, the Receivership Order provides:

Within thirty (30) days after the end of each calendar quarter, the Receiver shall file and serve a full report and accounting of each Receivership Estate (the “Quarterly Status Report”), reflecting (to the best of the Receiver’s knowledge as of the period covered by the report) the existence, value, and location of all Receivership Property, and of the extent of liabilities, both those claimed to exist by others and those the Receiver believes to be legal obligations of the Receivership Estates.

Receivership Order at 19 ¶ 56.

9. The Quarterly Status Report is directed to contain the following:

- A. A summary of the operations of the Receiver;
- B. The amount of cash on hand, the amount and nature of accrued administrative expenses, and the amount of unencumbered funds in the estate;
- C. A schedule of all the Receiver’s receipts and disbursements (attached as Exhibit A to the Quarterly Status Report), with one column for the quarterly period covered and a second column for the entire duration of the receivership;
- D. A description of all known Receivership Property, including approximate or actual valuations, anticipated or proposed dispositions, and reasons for retaining assets where no disposition is intended;
- E. A description of liquidated and unliquidated claims held by the Receivership Estate, including the need for forensic and/or investigatory

resources; approximate valuations of claims; and anticipated or proposed methods of enforcing such claims (including likelihood of success in: (i) reducing the claims to judgment; and, (ii) collecting such judgments);

- F. A list of all known creditors with their addresses and the amounts of their claims;
- G. The status of Creditor Claims Proceedings, after such proceedings have been commenced; and
- H. The Receiver's recommendations for a continuation or discontinuation of the receivership and the reasons for the recommendations.

Receivership Order at 19–20 ¶ 57.

10. As stated above, the Receiver was appointed on December 2, 2021. The Receiver previously filed the *Receiver's First Quarterly Report for Receivership Estates* [ECF No. 126] (the "First Quarterly Report") for the period of December 2, 2021 through December 31, 2021. The *Receiver's Second Quarterly Report for Receivership Estates* [ECF No. 189] (the "Second Quarterly Report") was filed May 2, 2022. The Second Quarterly Report covered the period of January 1, 2022 through March 31, 2022. This Third Quarterly Report covers the period of April 1, 2022 through June 30, 2022 (the "Reporting Period"). Certain information or activity subsequent to June 30, 2022, may be included for context and/or completeness.

11. One or more of the Heartland-related Receivership Parties raised tens of millions of dollars in the form of short term promissory notes and equity investments ultimately for the benefit of the various Defendants and/or the various Relief Defendants. The holders of those notes and equity investments are generally referred to as "creditors" and/or "investors" in this Report.³

³ Any reference to "investor" is not intended to categorize or characterize any claim.

III. GENERAL OVERVIEW

12. The Receivership Parties were generally in the business of investing in, purchasing, operating, and producing oil and gas assets. Certain Receivership Parties also own real estate and other property. The Receiver has continued to actively recover, inventory, and investigate assets and liabilities of the Receivership Estates. In prior quarters, the Receiver has taken possession of two aircraft, three light use trucks, multiple pieces of oil field and construction equipment, real property, Dallas Cowboy tickets, and hundreds of operating and non-operating wells. The Receiver has obtained and preserved hard and electronic data from multiple locations controlled by one or more Receivership Parties, their former counsel, and in Panama. The Receiver has also begun to analyze thousands of documents, including, but not limited to, oil and gas documentation, bank account statements, and document production from various parties in interest. As outlined below, the gathering and review of documents and electronically stored information is ongoing. The Receiver has worked with various counsel, including, but not limited to, her lead counsel, Dykema Gossett PLLC (“Dykema”), Rose Romero with Romero | Kosub, and Darrell Jones with the Law Practice of Darrell R. Jones, PLLC. The Receiver is also interviewing potential counsel regarding prosecution of claims and causes of action. The Receiver has coordinated with the Commission to avoid duplication of production of documents and interviews. Many of the tasks performed by the Receiver apply equally to each of the Receivership Estates. Accordingly, the statements and reports contained within this Third Quarterly Report should be read to apply equally to each of the Receivership Estates, except where specifically noted to apply to a specific Receivership Estate.

IV. REPORT

A. RECEIVERSHIP PARTIES' ACCOUNTING RECORDS AND BUSINESS OPERATIONS

13. The Receiver also began to review and analyze the available tax and accounting records for the Receivership Parties. Preliminary indications are that the books and records are incomplete. The Receiver identified a need to engage a tax and forensic-accounting expert. The Receiver and her counsel solicited proposals from potential advisors. On April 6, 2022, the Receiver sought approval to employ Ahuja & Clark, PLLC ("A&C"). On April 22, 2022, the Court entered an order approving the A&C application [ECF No. 17].

B. INSURANCE

14. The Receiver has identified insurance policies for the Receivership Parties and requested invoice and other information from various agents or brokers to ensure that insurance will continue to be paid to prevent any further lapse in coverage. During the Reporting Period, the Receiver renewed the insurance coverage on the Dallas Resources Ranch (as defined below) and continues to pay monthly premium installments to State Farm for various policies coverage. The Receiver received notice that certain insurance related to the oil and gas operations of the Sahota-related Receivership Parties would not be renewed. The Receiver's team obtained more robust coverage for a fraction of the premium cost and awarded any gap in coverage. The Receiver continues to receive additional information and documentation related to existing and/or lapsed coverage and will address and resolve accordingly.

C. CASH ON HAND/ADMINISTRATIVE EXPENSES

15. The Receiver has endeavored to pay all ordinary course administrative expenses, including, but not limited to, rent related to storage units, utilities, field personnel, hangar and maintenance costs for the Aircraft (as defined below) incurred prior to the sales of the same, Contract Oil & Gas Operations LLC ("COGO"), court filing and recording fees, license fees,

including, but not limited to, WolfePak, transportation and towing fees, auction-related fees, and professional fees (to the extent allowed by the Court) that have been incurred by the Receiver. Issues which were addressed during the Reporting Period include, but not limited to: (1) seizure of assets; (2) investigation of assets and causes of action; (3) activities related to the sale of assets; and (4) other related matters.

16. Receivership Parties also continue to incur monthly expenses in the ordinary course such as rent to the storeroom, landlords, electricity, telephone, internet services, “pumpers,” and other monthly charges.

17. The Receiver continues to be cost conscious while balancing the need to protect the value of assets and the needs of creditors, investors, and other stakeholders.

D. OIL SPILL EXPENSES FOR WICHITA COUNTY

18. On April 27, 2022, the District Office to the Railroad Commission, was notified of a flowline leak entering a nearby tributary on the Waggoner, T. J. & J. L. Lease No. 17619 operated by Leading Edge Energy, LLC. Produced fluids from a damaged flowline near a Well had traveled into a tributary affecting a significant area. The Receiver paid at least \$10,350.00 for the cleanup costs. On July 14, 2022, the Railroad Commission of Texas notified the Receiver the district office had reviewed the soil analysis results and no further remediation or action is required.

E. RECEIPTS AND DISBURSEMENTS

19. During the Reporting Period, the Receiver deposited \$4,333,115.83, relating to sale of assets, production from oil and gas properties, and other sources. As required by the Receivership Order, a Receipts and Disbursements chart is attached hereto as **Exhibit A**.

F. RECEIVERSHIP PROPERTY

20. One or more of the Receivership Parties owned the jet, helicopter, season tickets and licenses for Dallas Cowboys tickets and other events at AT&T Stadium, a collection of jade

figurines, real estate (foreign and domestic), oil and gas properties in Archer, Sutton, Crockett, Palo Pinto, Jack, Hardeman, Rusk, Stephens, Wichita, Val Verde, and Schleicher Counties with hundreds of wells, vehicles (including vehicles originally in the possession of Defendant Rustin Brunson (“Brunson”) and Defendant James Ikey), at least two drilling rigs, working interests, equipment, production payments, checks, and cash on deposit.

a. ESI and Documents

21. The Receiver continues to attempt to maintain a chain of custody of the information and electronics received from and/or recovered from any Receivership Party or Asset Freeze Party. The Receiver did not recover any additional electronics during the Reporting Period. Maintaining a secure chain of custody is particularly important with data which is electronically stored. As previously disclosed, furtherance of the litigation, the Commission has agreed to attempt to “image” or otherwise capture the information of all electronic phones, laptops, hard drives, tablets, thumb drives, servers, etc. It was decided that efforts would be made to (a) keep a “charge” on those electronics which had a charge when taken into custody and (b) prevent remote “wiping” of electronics through safe storage.

22. Dykema created and continues to update a Relativity Epiq platform to store scanned and/or imaged documents so that the documents can be easily reviewed, tagged, and organized for optimal efficiency.

23. During the Reporting Period, BDO obtained what has been represented to be full images of any servers containing data related to one or more Receivership Parties. BDO completed the transfers of available backup data.

b. Aircraft

24. During the First Reporting Period, the Receiver recovered a Canadair LTD CL-600-2B16 (the “Jet”) and a Agusta SPA A109S (the “Helicopter”) (together, the “Aircraft”). A

decision was made to relocate the Aircraft to a hangar with restricted access. During the Reporting Period, the current cost of the hangar was \$2,000 a month per aircraft. Additionally, to maintain the value of the Aircraft, the engines require maintenance and there are running, maintenance, and tracking/reporting costs associated with that process. Each month the Aircraft needed to be pulled out of the hangar, turned on, and the engines run for approximately 20 minutes, which needs to be tracked in the maintenance logs. For the Jet, the maintenance needs to be reported so that the engines remain on the engine maintenance contract.

25. The Receiver was able to find a buyer for both the Jet and the Helicopter without incurring the cost of a broker. The sale prices were near the appraised values, particularly after taking into account the lack of any brokerage fee. On March 13, 2022, this Court entered its Order approving the sale of the Aircraft [ECF No. 124]. The sale of the Jet closed on April 4, 2022 [ECF No. 178]. The sale of the Helicopter closed on April 14, 2022 [ECF No. 183]. As a result, during the Reporting Period, the Receivership Estates received \$3,269,650.70 in Aircraft net sales proceeds. *See generally* ECF Nos. 178 and 183.

c. Real Estate

26. As previously reported, immediately upon being appointed, the Receiver took possession of or obtained access to certain locations, including the Heartland Fort Worth Office; the Barron Petroleum LLC (“Barron Petroleum”), Leading Edge Energy, LLC (“Leading Edge”), Dallas Resources, and Arcooil Corp. (“Arcooil”) offices in Graham, Texas (previously defined as, the “Graham Office”), as well as the Graham Yard; the ranch in Eldorado, Texas⁴ (occupied by Defendant Manjit Singh (aka Roger) Sahota (“Roger”), his wife, Relief Defendant Harprit Sahota

⁴ The Dallas Resources Ranch in or near Eldorado, Texas has the coordinates: 30°51'23.5"N, 100°53'58.4"W.

(“Harprit”), and his son, Relief Defendant Monroe Sahota (“Monrose”)) (the “Dallas Resources Ranch”); the home in San Angelo, Texas, owned by Dallas Resources⁵ (occupied by Relief Defendant Sunny Sahota (“Sunny”) and his family) (the “San Angelo House”); and a ranch located off Highway 99 in Palo Pinto County, Texas (the “Palo Pinto Ranch”), owned by Receivership Party 1178137 B.C. Ltd.

i. Dallas Resources Ranch and the San Angelo House

27. Dallas Resources Ranch is a “ranch” located in Eldorado, Texas,⁶ which is owned by Dallas Resources and occupied by Roger, Harprit, Monrose, and the wife of Monrose. The Receiver has allowed to remain on the premises. The San Angelo House is a house in San Angelo, Texas,⁷ currently occupied by Sunny, his wife, and their 3 minor children. During the Reporting Period, the Sahotas repeatedly objected to any actions related to sale of these properties, seeking an order that they would be permitted to remain in those properties. The Receiver took no action regarding either of those properties during the Reporting Period pending a ruling from this Court on the Sahotas’ request and objections. The Sahotas’ objections have now been overruled and the Receiver has engaged appraisers and intends to consummate a sale process. The Receiver has not identified any liens against either property.

⁵ Real estate and premises in or near San Angelo, Texas, with the description of Lot 8 Section 1, STONEWALL FIELDS SUBDIVISION, Tom Green County, Texas; Property ID R000103065 in Tom Green County Texas; and/or Rasberry Lane, San Angelo, Texas.

⁶ Real estate and premises in or near Eldorado, Texas with the coordinates: 30°51'23.51"N, 100°53'58.4"W owned by Dallas Resources.

⁷ Real estate and premises in or near San Angelo, Texas, with the description of Lot 8, Section 1, STONEWALL FIELDS SUBDIVISION, Tom Green County, Texas; Property ID R000103065 in Tom Green County Texas; and/or 12642 Rasberry Lane, San Angelo, Texas.

ii. Bahamas Properties

28. There are at least two (2) properties in the Bahamas (and potentially a third, or an option, piece of property). At least one of the properties is listed on VBRO.⁸ Funds related to the acquisition of the Bahamian properties (and/or the option) can be traced to a Receivership Party. Sunny Sahota testified that title to two of the properties were in his name and his brother. Roger Sahota asserted in one or more pleadings that “the Sahotas” acquired the Bahama properties. The Receiver has requested that the Sahota-related Parties cooperate in transferring control and title to the Receiver. Absent a consensual agreement in the very near future, the Receiver may seek assistance of this Court.

iii. Guatemala Properties

29. The Receiver understands that there may be Receivership Assets in Guatemala. Upon information and belief, one or more of the Heartland Parties spent more than \$490,000 on investments in jade and land in Guatemala where jade can allegedly be mined.

iv. Graham Property

30. There is a property located in Graham, Texas, which appears to be owned by 1178137 B.C. Ltd., a Receivership Party. The Receiver has not identified any liens against the Graham Property. The Receiver has now obtained approval of a sale process for the Graham Property.

⁸ <https://www.vrbo.com/2266040>.

v. Palo Pinto Ranch

31. There is a property located around Gordon, Texas,⁹ which is owned by Dallas Resources. The Receiver continues to investigate this property further but has not identified any liens against the Palo Pinto Ranch. The Receiver has now obtained approval of a sale process for the Palo Pinto Ranch.

d. Oil and Gas Properties

32. It became very clear during this Reporting Period that prior to the appointment of the Receiver, there had been a failure to fully comply with all statutory, contractual, and regulatory requirements. The Receiver and her advisors have spent hours addressing these issues. Some of the actions the Receiver and her team took included:

- a. Operation of oil and gas properties, including identification of operational issues and remediation of same.
- b. Achieved Texas Railroad Commission (“TX RRC”) compliance related to Crockett County asset signage. All well and lease level signs were printed and installed on the Crockett County wells and tank batteries.
- c. Researched and reported on pre and post-receivership production taxes due from Sutton, Val Verde, Schleicher, and Palo Pinto County gas production.
- d. Completed production reporting on behalf of Barron Petroleum. TX RRC had severed the ability to sell hydrocarbon from many of the Schleicher County leases that were deficient on regulatory reporting. Reports were filed and Barron Petroleum was deemed compliant related to Schleicher County production reporting issues.
- e. Completed water production and injection reporting on behalf of Barron Petroleum. TX RRC issued a notice requiring reporting of water production from Schleicher County leases and injection volumes disposed into the Parmer #1 SWD. Reports were filed and Barron Petroleum was deemed

⁹ The Property located in or around Gordon, Texas, with the following description: 972.976 Block: 2 972.976 acres, T&PRR, Co. Survey Abstract #1945 Parcel Id(s): R000005838 R000009449.

compliant related to Schleicher County water production/injection reporting issues.

- f. Completed production reporting on behalf of Leading Edge. TX RRC had severed the ability to sell hydrocarbon from the Wichita County leases that were deficient on regulatory reporting. Reports were filed and Leading Edge was deemed compliant related to production reporting issues.
- g. Worked with TX RRC Wichita County field inspector to remediate spill from a Leading Edge operated lease in Wichita County. The spill was cleaned up to regulatory standards and the lease was deemed compliant and the incident was closed by the TX RRC.
- h. Completed production reporting on Val Verde County wells on behalf of Barron Petroleum. TX RRC had indicated pending compliance penalties for deficient production reporting. Reports were filed and Barron Petroleum was deemed compliant related to Val Verde County production reporting issues.
- i. Filed P-5 renewals to maintain the authority to operate oil and gas leases for various Receivership Operators. P-5 renewals were filed for Barron Petroleum, Leading Edge, Panther City Energy, LLC ("Panther City"), and Dodson Prairie Oil and Gas, LLC ("Dodson Prairie").
- j. Critical infrastructure reports were completed as required by the TX RRC.
- k. Conversations and initial investigation began regarding a T-4 permitted pipeline in Palo Pinto County. Research began to understand pipeline requirements ahead of scheduled audit in early September 2022.
- l. Preparation and filing of reports with the TX RRC; and,
- m. Calculation of royalties and other amounts due to third parties were prepared.

33. There are hundreds of wells located across multiple leases. The Receiver remains concerned that (a) there may be environmental liabilities and (b) the assets are not as valuable as the investors were led to believe. During the Reporting Period, Palmour Consulting began analyzing regulatory and governmental reporting requirements that remained outstanding by one or more of the Receivership Parties. Palmour Consulting continues to analyze and provide reports to various governmental agencies, including, but not limited to, Texas Workforce Commission, Texas Comptroller of Public Accounts, and the TX RRC. Palmour Consulting has begun

processing division orders for royalty owners. The Receiver will continue to process royalty payments in conjunction with Palmour Consulting. Palmour Consulting also ran revenue accounting and joint interest billing for Dodson Prairie and Panther City during the Reporting Period. Palmour Consulting also managed WolfePak, an oil and gas software, for the various Receivership Party operators in order to manage revenue and joint interest billing responsibilities. Integral to Palmour Consulting's revenue distribution responsibilities was the distribution of royalty income owed to third party or unaffiliated royalty owners. Palmour Consulting reestablished payments to royalty owners for the leases operated by Panther City and Dodson Prairie. Palmour Consulting discussed and researched royalty owner status with various oil and gas purchasers and COGO to secure past oil and gas statements to confirm royalty payments were current and, importantly, accurate.

34. Prior to the Receivership, Barron Petroleum also used WolfePak to manage revenue accounting and joint interest billing, among other accounting activities, for the other oil and gas operating companies in the Receivership: Leading Edge, Arcooil, and Barron Petroleum. Oil and gas sales statements were secured from the purchasers. The Receiver directed that all reasonable efforts be made to get pay royalty payments attributable to production after appointment of the Receiver.

35. Palmour Consulting investigated outstanding TX RRC compliance issues for all of the operating companies. At the time of the Receivership, all of the operating companies in the Receivership were at least 6 months deficient on regulatory compliance issues. Palmour Consulting collected and reported outstanding compliance issues ranging from the need for well signs to deficient P-5 renewals. Palmour Consulting communicated with the TX RRC to determine

the severity of the violations and a path toward resolution. Palmour Consulting's communications with the TX RRC were designed to maintain the Receiver's ability to operate and transfer wells.

36. Palmour Consulting also assisted the Receiver with issuing W-2s and 1099s during previous reporting periods for former employees and contractors of Barron Petroleum and Arcooil. The Receiver has not yet obtained payroll records from Quickbooks to issue W-2s or 1099s for former employees and contractors of the Heartland-related Receivership Parties or AOS.

37. The Receiver's team evaluated numerous regulatory non-compliance notices and related issues stemming from deficient regulatory reporting and record keeping by the Receivership Parties. These situations are being actively addressed and corrective actions determined, and where possible, enacted. Similarly, numerous requests and complaints from aggrieved third parties and landowners/royalty owners arising from prior operations and commercial transactions were evaluated and managed. Regulatory compliance and management is actively ongoing (including curative actions).

38. The Receiver and her advisors sought court approval to conduct an auction on Energy Net of the majority of the oil and gas assets. [ECF No. 197]. The court entered an order approving the sale process on June 8, 2022 [ECF No. 215].

e. Dallas Cowboys Tickets

39. On July 22, 2021, Barron Petroleum LLC and Cowboys Stadium, L.P. ("Dallas Cowboys") entered into an AT&T Stadium Seat Option Agreement (Owners Club Seats) (the "Option Agreement"), with respect to the purchase of six Owner's Club seat options in Section C210 ("Section 210 Seats"). The purchase price was \$900,000, and after applying the cash down payment of \$180,000, Barron Petroleum financed the remaining \$720,000 at 8.4699% interest over 18 years, with annual payments due March 1 of \$78,933.19. On July 23, 2021, Barron Petroleum

also purchased for cash payment of \$20,000, two other seat options in Section 229 that required annual purchase of season tickets (“Section 229 Seats”).

40. Upon the commencement of the Receivership, the Receiver seized the remaining home game tickets associated with the Section 210 and 229 Seats. The Receiver marketed the remaining home game tickets and derived \$27,715.00 from the sale of those tickets and associated parking passes.

41. After the regular season, the Dallas Cowboys notified the Receiver of the March 1, 2022 finance payment due of \$78,933.19 for the Section 210 Seats and the requirement to purchase season tickets for the Section 229 Seats. The Receiver analyzed the value of the Section 210 and 229 Seats and the costs associated with maintaining the finance payments and season ticket purchases and determined that maintenance of the seat options would require cash outlays that would far exceed the likely revenue from sale of home game tickets. The Receiver simultaneously marketed the Section 210 and 229 Seats and after 3 months of marketing on the official public seat option marketplace¹⁰ for the Dallas Cowboys, no offers were received for the Section 210 Seats (at any price). Marketing of the Section 229 Seats drew multiple offers starting at \$6,000 and culminating in a final high offer of \$14,000, which the Receiver accepted.

42. Having received no offers from third parties to purchase the Section 210 Seats, the Receiver negotiated and consummated a sale of the Section 210 Seats to the Dallas Cowboys for \$10,000. The Receiver’s overall recovery from the Section 210 and 229 Seats is \$50,315.00

¹⁰ <https://cowboys.strmarketplace.com>.

(\$27,715 derived from ticket sales, \$10,000 from sale of Section 210 Seats, plus \$14,000 (net \$12,600 after required sales commissions) from the sale of the Section 229 Seats).

f. Jade and other Personal Property

43. The Receiver has seized and is safely storing 447 individual pieces of jade (some are worked into pieces of art, while some are in natural state). Upon information and belief, the jade is from Guatemala. The Receiver has photographed and inventoried the jade but has no opinion of value of these items, and the Receiver has not yet developed a marketing plan for the jade. The Receiver also seized watches and some items of jewelry. The Receiver is undertaking authentication of two of the watches as Rolex watches. The Receiver has no opinion as to value of the watches and jewelry and is determining a reasonable marketing procedure for these items. The Receiver obtained approval of this Court to sell or abandon personal property [ECF No. 203].

g. Equipment and Vehicles

44. Permian staff visited equipment yards in Schleicher, Palo Pinto, Young, Tom Green, and Wichita Counties in March 2022. The Receiver's equipment at each of the yards was cataloged and integrated into the marketing materials for the auction held May 18, 2022. [ECF No. 196].

45. The Receiver anticipates selling additional light use vehicles, which are owned by one or more Receivership Parties and believed to be in the possession of the Sahotas, in accordance with the procedures approved by the Court.

46. As of April 21, 2022, 12 frac tanks have been picked up by vendors.

47. Permian held a second public auction, accessible online or in-person in Midland, Texas, on May 17th and 18th, 2022. Auction gross proceeds were \$825,747.26; after payment of the contractual and Court-approved auctioneer fees in the amount of \$67,447.06. Permian delivered the May 2022 auction net proceeds to the Receiver for the benefit of the Estates in the

amount of \$758,300.20. Permian held a third public auction, accessible online or in-person in Midland, Texas, on July 19th and 20th, 2022. [ECF No. 208].

48. The Receiver and her team continue to work to obtain replacement titles for various equipment owned by the Receivership Parties.

G. CLAIMS HELD BY RECEIVERSHIP ESTATE

49. The Receiver received a substantial volume of bank records, bank and credit card statements, and tax returns relating to the prior years of the Receivership Parties. The Receiver is in the process of reviewing records recovered from Panama and law firms. Further analysis may reveal claims and causes of action available for pursuit by the Receiver to potentially unlock value for valid claimants.

H. KNOWN CREDITORS

50. The Receiver is aware of “recurring charges” creditors such as internet service providers, utilities, and telephone services. The Receiver has taken steps to terminate these services, if appropriate, and determine the final amount of claims of those service providers.

51. The Receiver is compiling a list of known individuals who are creditors and/or investors in the Receivership Parties (or one of its investment vehicles). The Receiver has not independently verified that each entity listed in these records is, in fact, a creditor or investor or the amount invested. However, according to the records located by the Receiver, there are approximately 997 investors that loaned or invested a total of approximately \$122 million to one or more of the Receivership Parties (and its related investment vehicles), exclusive of any “roll overs”. The Receiver is in the process of verifying the names of the investors but has not yet begun to verify the amount each has invested or otherwise advanced.

52. Since her appointment, the Receiver received thousands of phone calls, voicemails, or emails from investors, employees, or other interested parties. The Receiver has set up an

informational website and a dedicated email address for the Case: www.heartlandreceivership.com. The Receiver continually updates the website with investor communications, “frequently asked questions,” and key court documents and reports.

53. One or more Receivership Parties were named as defendants in two (2) different State-Court lawsuits. Cause No. 34143, styled *John Rogers vs. Arcooil Corp. and Barron Petroleum LLC*, seeks damages for an alleged injury occurring in December 2019, and Cause No. 34433, styled *Machine Maintenance Inc. D/B/A Luby Equipment Services vs. Arcooil Corporation, Barron Petroleum, LLC, Leading Edge Energy, LLC, Roger Sahota, Manjit Sahota, Harprit Sahota, and Sunny Sahota*, seeks recovery for alleged breach of contract damages for alleged failure to pay drilling invoices. Both lawsuits are pending in the 90th Judicial District Court of Young County, Texas, Judge Stephen Bristow presiding. On December 15, 2021, after contacting Receiver’s counsel to obtain copies of the *Order Appointing Receiver*, Judge Bristow sua sponte stayed both pending litigations until further order of the Young County Court. Nevertheless, the Receiver has conferred with most of the parties (or their respective counsel) to the lawsuits in an effort to gather information sufficient to enable the Receiver to make an informed decision regarding the merits of the litigation.

54. The Receiver has not yet asked the Court to approve creditor claim procedures. The Receiver will request approval of creditor claim procedures only after the Receiver has confirmed that there will be assets available for distribution.

I. ADMINISTRATIVE ACTIONS

55. A website has been created to provide information to investors and creditors regarding the status of the Case: www.heartlandreceivership.com. A FAQ section has been added to the website which should answer the most common questions related to the Case. The FAQs, along with the other sections of the website allow the Receiver to quickly, inexpensively, and

broadly convey information regarding the Case. The Receiver has and will continue to update the website on a rolling basis. Information regarding auctions of personal property to be sold will also be posted to the website on the Notices section.

56. An email address has been created for direct communication by investors and other parties in interest: heartlandreceivership@dykema.com. The email address was initially being monitored by attorneys at Dykema but is now primarily being monitored by a paralegal who forwards those emails that require the attention of the Receiver or a Dykema attorney.

J. RECEIVER'S RECOMMENDATIONS

57. While the Receiver has recovered control of readily identifiable assets and operations and begun her diligence of identifying additional assets and liabilities, it is too soon to make a final recommendation as to how the Estates should be resolved. The Receiver has continued the process of liquidating assets, subject to this Court's approval. Accordingly, the Receiver recommends that the Case continue to allow the Receiver additional time to locate and/or monetize Receivership Assets, evaluate what claims or causes of action can be asserted, and develop a recommendation as to maximize the recovery for investors and creditors.

Dated: July 30, 2022

Respectfully submitted,

By: /s/ Danielle N. Rushing

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COUNSEL TO RECEIVER

CERTIFICATE OF SERVICE

I hereby certify that on July 30, 2022, the foregoing document was served via CM/ECF on all parties appearing in this case, including counsel for Plaintiff Securities and Exchange Commission.

/s/ Danielle N. Rushing
Danielle N. Rushing

		Detail	Subtotal	Grand Total
1	Beginning Balance (April 1, 2022):			\$ 3,170,315.72
2	Business Income	Operations payments	220,288.52	220,288.52
3	Cash and Cash Equivalents	Funds returned to Receiver	61,404.80	61,404.80
4	Interest/Dividend Income			-
5	Business Asset Liquidation	Furniture, Vehicles, Auction Proceeds	4,050,550.91	4,050,550.91
6	Personal Asset Liquidation		-	-
7	Third-Party Litigation Income		-	-
8	Miscellaneous - Other	Refunds	871.60	871.60
	Total Funds Available			\$ 7,503,431.55
9	Disbursements to Investors		-	\$ -
10	Disbursements for Receivership Operations			1,263,248.65
10a	Disbursements to Receiver or Other Professionals	Payments to Receiver, Accountants, Data Consultants, Auction Company	938,650.52	
10b	Business Asset and Operating Expenses	Utilities, Insurance Premiums, Operator/Independent Contractor payments, filing/recording fees, storage fees, aircraft fees and maintenance	278,768.01	
10c	Personal Asset Expenses		-	
10d	Investment Expenses	Bank fees	-	
10e	Third-Party Litigation Expenses		-	
10f	Tax Administrator Fees and Bonds		-	
10g	Federal and State Tax Expenses	State Comptroller	45,830.12	
11	Disbursements for Distribution Expenses Paid by the Fund			
11a	Distribution Plan Development Expenses			
11b	Distribution Plan Implementation Expenses			
12	Disbursements to Court/Other			
12a	Court Registry Investment System (CRIS) or other banking fees related to the Fund.			
12b	Federal income taxes			
	Total Funds Disbursed			\$ 1,263,248.65
13	Ending Balance (June 30, 2022)			\$ 6,240,182.90
14	Ending Balance of Fund - Net Assets			
14a	Cash & Cash Equivalents			\$ 6,240,182.90
14b	Investments			
14c	Other Assets or Uncleared Funds			
15	Disbursements for Plan Administration Expenses Not Paid by the Fund			
15a	Plan Development Expenses Not Paid by the Fund			-
15b	Plan Implementation Expenses Not Paid by the Fund			-
15c	Tax Administrator Fees & Bonds Not Paid by the Fund			-
16	Disbursements to Court/Other Not Paid by the Fund			-
16a	Court Registry Investment System (CRIS) or other banking fees related to the Fund			-
16b	Federal income taxes			-
17	DC & State Tax Payments			-
18	No. of Claims			
18a	the number of claims received from investors during this reporting period			

Standardized Fund Accounting Report
Reporting Period: 3/1/2022 to 6/30/2022

		Detail	Subtotal	Grand Total
18b	the number of claims received from investors as a result of all orders since the inception of the Fund			
19	No. of Claimants/Investors			
19a	the number of claimants/investors receiving distributions during the reporting period			
19b	the number of claimants/investors receiving distributions pursuant to all orders of distribution since the inception of the			

RECEIPTS AND DISBURSMENTS

	<u>Current Period</u> <u>(3/1/2022 - 6/30/2022)</u>	<u>Cumulative</u>
1. CASH AT BEGINNING OF PERIOD	\$ 3,170,315.72	
2. RECEIPTS		
<i>*3898 IBC Account</i>		
5.12.22 Deposit JP Morgan Oil & Gas Management	\$ 124.14	
5.17.2022 Deposit Ranger Gas Gathering	\$ 43.85	
6.8.22 Deposit Ranger Gas Gathering	\$ 89.28	
Total Check Deposits to *3898	\$ 257.27	
4.20.22 Wire ACH Deposit BML, Inc.	\$ 47,407.29	
4.25.22 Wire ACH Deposit DCP Operating Co	\$ 31,075.94	
4.28.22 ACH deposit Colt Midstream	\$ 1,892.09	
5.10.22 Wire deposit DCP Operating Co	\$ 29,730.79	
5.25.22 Wire deposit DCP Operating Co	\$ 30,361.32	
6.6.2022 Wire from Gulf Coast Gas Gathering, LLC	\$ 8,119.04	
6.21.22 Wire ACH Deposit BML, Inc.	\$ 21,403.90	
6.27.22 Wire ACH Deposit DCP Operating Co	\$ 50,040.88	
Total Wire Deposits to *3898	\$ 220,031.25	
Total Deposits to *3898	\$ 220,288.52	\$ 455,261.81
<i>*3863 IBC Account</i>		
4.5.22 Deposit Permian International Services	\$ 2,024.00	
4.16.22 Deposit Ameritas Life Insurance premium refund	\$ 16.76	
4.5.22 Incoming Wire 0814 AIC TITLE AGENCY LLC	\$ 1,748,725.00	
4.14.22 Income Wire 0680 MCAFEE AND TAFT	\$ 1,520,925.71	
5.6.22 Deposit Cotton Bledsoe Tighe & Dawson - retainer return	\$ 7,500.00	
5.17.22 Deposit Halton Hall & Associates	\$ 20,970.00	
5.24.22 Deposit Str Marketplace - Dallas Cowboys seats	\$ 12,600.00	
5.25.22 Wire - Cowboys Stadium Seat Options	\$ 10,000.00	
6.9.22 Deposit Permian International Energy Services	\$ 758,300.20	
6.9.22 Deposit State Farm Mutual Automobile Insurance Company refund	\$ 758.30	
6.13.22 Incoming Wire - Returned wire Palatium	\$ 30,910.80	
6.30.22 Deposit Waste Connections	\$ 96.54	
Total Deposits to *3863	\$ 4,112,827.31	\$ 7,620,422.73
3. TOTAL RECEIPTS	\$ 4,333,115.83	\$ 8,075,684.54
4. TOTAL CASH AVAILABLE FOR OPERATIONS (Line 1 + Line 3)	\$ 7,503,431.55	
5. DISBURSEMENTS		
<i>*3898 IBC Account</i>		
04/04/22 Check #1202 to Niblett's Oilfield Services - Contract Pumper	\$ 469.50	
04/08/22 Check #1204 to Production Meter & Testing - Operating Expenses	\$ 65.00	
04/08/22 Check #1206 to Airgas USA LLC - Operating Expenses	\$ 1,549.81	
04/11/22 Check #1203 to Platinum Vapor Control - Operating Expenses	\$ 3,003.00	
04/12/22 Check #1205 to Southwest Texas Electric Cooperative - Utilities	\$ 9,613.74	
04/19/22 Check #1215 to Sandra Altum - Royalty Expense	\$ 118.17	
04/19/22 Check #1228 to M.E. Operating & Services Inc - Royalty Expense	\$ 95.22	
04/20/22 Check #1220 to Gordon Family Protected TR. FBO - Royalty Expense	\$ 62.07	
04/20/22 Check #1221 to Gordon Family Protected TR. FBO - Royalty Expense	\$ 62.07	
04/20/22 Check #1223 to Janet W Holland Trust #1 - Royalty Expense	\$ 133.76	
04/20/22 Check #1227 to W.D. McFarlin - Royalty Expense	\$ 59.22	
04/20/22 Check #1233 to Claride W. Walters Trust #1 - Royalty Expense	\$ 133.76	
04/21/22 Check #1207 to State Comptroller - Taxes - Oil & Gas	\$ 177.08	

RECEIPTS AND DISBURSMENTS

	Current Period (3/1/2022 - 6/30/2022)	Cumulative
04/21/22 Check #1208 to State Comptroller - Taxes - Oil & Gas	\$ 320.04	
04/21/22 Check #1209 to State Comptroller - Taxes - Oil & Gas	\$ 181.79	
04/21/22 Check #1210 to State Comptroller - Taxes - Oil & Gas	\$ 330.45	
04/21/22 Check #1211 to State Comptroller - Taxes - Oil & Gas	\$ 284.59	
04/21/22 Check #1212 to State Comptroller - Taxes - Oil & Gas	\$ 525.06	
04/21/22 Check #1213 to State Comptroller - Taxes - Oil & Gas	\$ 259.75	
04/21/22 Check #1214 to State Comptroller - Taxes - Oil & Gas	\$ 582.31	
04/21/22 Check #1225 to Cynthia A Mariner - Royalty Expense	\$ 620.34	
04/21/22 Check #1231 to Southwest Petroleum Co - Royalty Expense	\$ 234.17	
04/22/22 Check #1217 to Clifford Barron - Royalty Expense	\$ 199.07	
04/22/22 Check #1219 to Suzette Flow - Royalty Expense	\$ 118.17	
04/22/22 Check #1230 to Marion Lynette Richardson - Royalty Expense	\$ 290.49	
04/25/22 Check #1224 to Kathy Hott - Royalty Expense	\$ 224.32	
04/26/22 Check #1237 to State Comptroller - Taxes - Oil & Gas	\$ 94.71	
04/26/22 Check #1238 to State Comptroller - Taxes - Oil & Gas	\$ 132.23	
04/26/22 Check #1239 to Jacam Catalyst - Operating Expenses	\$ 1,342.32	
04/26/22 Check #1240 to Niblett's Oilfield Services - Contract Pumper	\$ 2,068.00	
04/27/22 Check #1229 to Kyle B Owen Residuary Trust - Royalty Expense	\$ 353.47	
04/28/22 Check #1218 to Mariner Conn, LLC - Royalty Expense	\$ 255.62	
04/28/22 Check #1226 to Michael J Mariner - Royalty Expense	\$ 620.34	
05/02/22 Check #Wire to L&TS Inc dba Smith Construction - Repairs and Maintenance	\$ 2,600.00	
05/02/22 Check #1216 to Michael Ray Ankenbauer - Royalty Expense	\$ 87.70	
05/04/22 Check #1241 to Southwest Texas Electric Cooperative - Utilities	\$ 775.35	
05/04/22 Check #1243 to Gordon Family Protected TR. FBO - Royalty Expense	\$ 62.07	
05/05/22 Check #1244 to Platinum Vapor Control - Operating Expenses	\$ 3,003.00	
05/09/22 Check #1234 to Dand Weidner - Royalty Expense	\$ 353.48	
05/11/22 Check #1245 to Southwest Texas Electric Cooperative - Utilities	\$ 5,030.45	
05/13/22 Check #1247 to Production Meter & Testing - Operating Expenses	\$ 65.00	
05/16/22 Check #ACH to Deluxe - Office Supplies	\$ 89.15	
05/16/22 Check #1246 to Production Meter & Testing - Operating Expenses	\$ 130.00	
05/17/22 Check #1252 to Railroad Commission of Texas - Business Licenses and Permits	\$ 1,250.00	
05/20/22 Check #1250 to State Comptroller - Filing Fees	\$ 35.08	
05/20/22 Check #1248 to State Comptroller - Filing Fees	\$ 19.30	
05/20/22 Check #1249 to State Comptroller - Filing Fees	\$ 28.46	
05/20/22 Check #1251 to State Comptroller - Filing Fees	\$ 52.50	
05/24/22 Check #1253 to Jacam Catalyst - Operating Expenses	\$ 4,884.95	
05/24/22 Check #1255 to Cato Contracting, LLC - Auction/Property Sale Expenses	\$ 750.00	
05/25/22 Check #1256 to United Coop Services - Utilities	\$ 814.59	
05/26/22 Check #Check Card to RRC Public Service - Operating Expenses	\$ 22.50	
05/26/22 Check #Check Card to RRC Public Sales - Taxes - Oil & Gas	\$ 750.00	
05/26/22 Check #1257 to BML, INC - Royalty Expense	\$ 51,221.30	
05/26/22 Check #1258 to State Comptroller - Filing Fees	\$ 88.96	
05/26/22 Check #1259 to State Comptroller - Filing Fees	\$ 97.26	
06/01/22 Check #1261 to Jacam Catalyst - Operating Expenses	\$ 1,360.59	
06/01/22 Check #Check Card to United Coop Services - Utilities	\$ 40.73	
06/03/22 Check #1235 to Joe C. Weidner - Royalty Expense	\$ 353.47	
06/03/22 Check #Check Card to Platinum Vapor Control - Operating Expenses	\$ 3,003.00	
06/06/22 Check #Check Card to RRC Public Sales - Taxes - Oil & Gas	\$ 3,750.00	
06/06/22 Check #Check Card to RRC Public Service - Operating Expenses	\$ 112.50	
06/08/22 Check #1264 to OS&S Operating - Operating Expenses	\$ 2,010.00	
06/09/22 Check #1260 to Colt Midstream - Operating Expenses	\$ 186.53	
06/09/22 Check #Check Card to United Coop Services - Utilities	\$ 450.86	

RECEIPTS AND DISBURSMENTS

	Current Period (3/1/2022 - 6/30/2022)	Cumulative
06/13/22 Check #1263 to Northfolk Constructors, LLC - Operating Expenses	\$ 1,160.00	
06/14/22 Check #1262 to DM Backhoe Services - Operating Expenses	\$ 800.00	
06/14/22 Check #1265 to Production Meter & Testing - Operating Expenses	\$ 65.00	
06/14/22 Check #1269 to Phillips Water Hauling Inc. - Contract Pumper	\$ 1,830.00	
06/15/22 Check #1268 to Southwest Texas Electric Cooperative - Utilities	\$ 5,879.36	
06/15/22 Check #1270 to BML, INC - Royalty Expense	\$ 7,019.95	
06/17/22 Check #1267 to Energy Net.com, LLC - Professional Fees	\$ 10,000.00	
06/23/22 Check #1274 to State Comptroller - Taxes - Oil & Gas	\$ 3,758.21	
06/23/22 Check #1275 to State Comptroller - Taxes - Oil & Gas	\$ 346.81	
06/23/22 Check #1276 to State Comptroller - Taxes - Oil & Gas	\$ 156.41	
06/23/22 Check #1277 to State Comptroller - Taxes - Oil & Gas	\$ 3,449.72	
06/23/22 Check #1278 to State Comptroller - Taxes - Oil & Gas	\$ 4,102.49	
06/23/22 Check #1279 to State Comptroller - Taxes - Oil & Gas	\$ 4,364.84	
06/23/22 Check #1280 to State Comptroller - Taxes - Oil & Gas	\$ 4,770.22	
06/23/22 Check #1281 to State Comptroller - Taxes - Oil & Gas	\$ 3,085.63	
06/23/22 Check #1282 to State Comptroller - Taxes - Oil & Gas	\$ 2,260.99	
06/23/22 Check #1283 to State Comptroller - Taxes - Oil & Gas	\$ 2,649.79	
06/23/22 Check #1284 to State Comptroller - Taxes - Oil & Gas	\$ 2,602.14	
06/24/22 Check #1272 to Val Verde County Clerk - Taxes - Oil & Gas	\$ 2,284.67	
06/24/22 Check #1273 to Val Verde County Clerk - Taxes - Oil & Gas	\$ 2,242.12	
06/28/22 Check #1285 to Sign's Unlimited - Printing and Reproduction	\$ 209.03	
06/28/22 Check #1286 to Cato Contracting, LLC - Auction/Property Sale Expenses	\$ 300.00	
06/28/22 Check #1291 to Baldrige Family Land, Ltd - Royalty Expense	\$ 206.82	
06/28/22 Check #1293 to William & Carson Family Trust - Royalty Expense	\$ 52.68	
06/29/22 Check #1292 to Highlander Energy, LLC - Royalty Expense	\$ 352.31	
06/30/22 Check #1287 to State Comptroller - Taxes - Oil & Gas	\$ 2,281.52	
06/30/22 Check #1288 to State Comptroller - Taxes - Oil & Gas	\$ 50.37	
06/30/22 Check #1289 to State Comptroller - Taxes - Oil & Gas	\$ 36.18	
Total Disbursements from *3898	\$ 174,375.68	\$ 180,834.51
<i>*3863 IBC Account</i>		
04/04/22 Check #Check Card to Ranch House Storage - Storage	\$ 65.00	
04/04/22 Check #Check Card to Bearcat Self Storage - Storage	\$ 92.01	
04/06/22 Check #1094 to Val Verde County Clerk - Filing Fees	\$ 46.00	
04/08/22 Check #1091 to Law Practice of Darrell R Jones PLLC - Legal Fees	\$ 9,717.50	
04/08/22 Check #1097 to City of Electra - Utilities	\$ 23.96	
04/11/22 Check #1095 to A9 Oilfield Services LLC - Contract Pumper	\$ 3,000.00	
04/11/22 Check #1096 to Aaron W. Erwin, Jr. - Contract Pumper	\$ 7,750.00	
04/11/22 Check #1099 to Jet Ten - Aircraft	\$ 6,750.00	
04/12/22 Check #ACH to Brazos Communications - Utilities	\$ 79.95	
04/12/22 Check #Wire to Honeywell - Sale Expense	\$ 3,551.00	
04/14/22 Check #Check Card to Jet Ten - Aircraft	\$ 750.00	
04/14/22 Check #Check Card to United Coop Services - Utilities	\$ 1,274.08	
04/15/22 Check #1093 to Kneese Land Management Co Ltd - Professional Fees	\$ 1,050.00	
04/15/22 Check #Check Card to State Farm Insurance - Insurance Expense	\$ 1,600.92	
04/20/22 Check #1098 to Contract Oil & Gas Operations LLC - Contract Operator	\$ 20,140.90	
04/25/22 Check #1100 to American Express - Printing and Reproduction Fees	\$ 47.00	
04/25/22 Check #1101 to Magna Legal Services dba KTA - Professional Fees	\$ 4,909.00	
04/26/22 Check #Check Card to Fort Belknap Water Supply - Utilities	\$ 43.59	
04/26/22 Check #ACH to Texas Workforce Commission - Payroll Expenses	\$ 4,328.63	
05/02/22 Check #1102 to Banc First Insurance - Insurance Expense	\$ 9,860.00	
05/02/22 Check #Check Card to Ranch House Storage - Storage	\$ 65.00	
05/02/22 Check #Check Card to Bearcat Self Storage - Storage	\$ 92.01	

RECEIPTS AND DISBURSEMENTS

	Current Period (3/1/2022 - 6/30/2022)	Cumulative
05/03/22 Check #1104 to Aaron W. Erwin, Jr. - Contract Pumper	\$ 7,750.00	
05/06/22 Check #Check Card to State Farm Insurance - Insurance Expense	\$ 800.10	
05/09/22 Check #1105 to A9 Oilfield Services LLC - Contract Pumper	\$ 3,000.00	
05/12/22 Check #ACH to Brazos Communications - Utilities	\$ 79.95	
05/20/22 Check #1107 to Contract Oil & Gas Operations LLC - Contract Operator	\$ 15,183.36	
05/23/22 Check #1106 to City of Electra - Utilities	\$ 23.00	
05/23/22 Check #1108 to Oil City Supply, Inc. - Operating Expenses	\$ 20.51	
05/23/22 Check #Check Card to Young County Clerk - Filing Fees	\$ 6.30	
05/23/22 Check #Check Card to TexasFile LLC - Printing and Reproduction Fees	\$ 46.55	
05/26/22 Check #Check Card to Fort Belknap Water Supply - Utilities	\$ 43.59	
05/27/22 Check #Check Card to State Farm Insurance - Insurance Expense	\$ 1,597.52	
06/02/22 Check #1109 to Reid Collins & Tsai LLP - Legal Fees	\$ 100.00	
06/02/22 Check #Check Card to Ranch House Storage - Storage	\$ 65.00	
06/02/22 Check #Check Card to Bearcat Self Storage - Storage	\$ 92.01	
06/07/22 Check #Wire to Palatium Consulting Corp - Professional Fees	\$ 31,000.00	
06/10/22 Check #1118 to Dykema Gossett PLLC - Receiver	\$ 215,325.75	
06/10/22 Check #1119 to Dykema Gossett PLLC - Legal Fees	\$ 549,085.30	
06/13/22 Check #Wire to Palatium Consulting Corp - Professional Fees	\$ 31,000.00	
06/14/22 Check #1111 to Law Practice of Darrell R Jones PLLC - Legal Fees	\$ 50,035.97	
06/14/22 Check #1112 to City of Electra - Utilities	\$ 47.32	
06/14/22 Check #1113 to Aaron W. Erwin, Jr. - Contract Operator	\$ 7,750.00	
06/14/22 Check #1114 to Contract Oil & Gas Operations LLC - Contract Operator	\$ 14,875.00	
06/14/22 Check #1120 to Young County Clerk - Filing Fees	\$ 26.00	
06/14/22 Check #ACH to Brazos Communications - Utilities	\$ 79.95	
06/15/22 Check #1115 to BDO USA, LLP - Professional Fees	\$ 52,878.05	
06/15/22 Check #1116 to Vicki Palmour Consulting, LLC - Professional Fees	\$ 20,507.95	
06/16/22 Check #1123 to Bobby Cato - Auction/Property Sale Expenses	\$ 4,050.00	
06/22/22 Check #1130 to A9 Oilfield Services LLC - Contract Pumper	\$ 3,000.00	
06/27/22 Check #1124 to United States Treasury - Printing and Reproduction Fees	\$ 43.00	
06/27/22 Check #1125 to United States Treasury - Printing and Reproduction Fees	\$ 43.00	
06/27/22 Check #1126 to United States Treasury - Printing and Reproduction Fees	\$ 43.00	
06/27/22 Check #1127 to United States Treasury - Printing and Reproduction Fees	\$ 43.00	
06/27/22 Check #1128 to United States Treasury - Printing and Reproduction Fees	\$ 43.00	
06/27/22 Check #1129 to United States Treasury - Printing and Reproduction Fees	\$ 43.00	
06/27/22 Check #1131 to Texas DMV - Printing and Reproduction Fees	\$ 2.00	
06/27/22 Check #1133 to Texas DMV - Printing and Reproduction Fees	\$ 2.00	
06/27/22 Check #Check Card to Fort Belknap Water Supply - Utilities	\$ 43.59	
06/27/22 Check #Check Card to State Farm Insurance - Utilities	\$ 916.12	
06/29/22 Check #1110 to Kneese Land Management Co Ltd - Professional Fees	\$ 1,430.53	
06/29/22 Check #1121 to Kneese Land Management Co Ltd - Professional Fees	\$ 2,429.00	
06/30/22 Check #1132 to United States Treasury - Printing and Reproduction Fees	\$ 43.00	
06/30/22 Check #1134 to United States Treasury - Printing and Reproduction Fees	\$ 43.00	
Total Disbursements from *3863	<u>\$ 1,088,872.97</u>	<u>\$ 1,654,667.13</u>
6. TOTAL DISBURSEMENTS	<u>\$ 1,263,248.65</u>	<u>\$ 1,835,501.64</u>
7. ENDING CASH BALANCE		
(Line 4 - Line 6)	\$ 6,240,182.90	