



**MOTION TO DETERMINE EXTENT AND VALIDITY OF INTERESTS  
OF ALBERT ARBELAEZ**

TO THE HONORABLE U.S. MAGISTRATE JUDGE HAL R. RAY, JR.:

Deborah D. Williamson, in her capacity as the Court-appointed Receiver (the “Receiver”) for the Receivership Parties (as defined in the Receivership Order)<sup>1</sup> and the receivership estates (collectively, the “Receivership Estates”) in the above-captioned case (the “Case” or the “Receivership”), hereby files this *Motion To Determine Extent and Validity of Interests of Albert Arbelaez* (the “Motion”). The Receiver requests entry of an order, substantially in the form of the proposed order (the “Proposed Order”) attached hereto as **Exhibit E**, determining that Albert Arbelaez (“Arbelaez”) has a ten (10%) working interest has in the Kari #01WC, API#41332966 (the “Kari Well”), Arbelaez has no other interest in any lease owned by the Receivership Estates or any other Receivership property, and compelling Arbelaez to pay amounts owed as a result of his ownership of a working interest. In support of this Motion, the Receiver respectfully represents as follows:

**I. BACKGROUND**

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

4. 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,

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

hold, and operate all of the Receivership Parties' assets pending further order of this Court. Accordingly, the Court entered the *Order Appointing Receiver* (the "Receivership Order") on December 2, 2021 [ECF No. 17], appointing Deborah D. Williamson as the Receiver over the Receivership Estates in this Case. The Receivership Order directed the Receiver to take possession and control over all funds, property, and other assets in the possession of, or under the control of Receivership Parties. Receivership Order, ¶ 8.

5. The Receivership Estates consist of hundreds of oil and gas wells and, to a lesser degree, gathering and transportation systems used in connection with specific mineral leases. In addition to soliciting investors (both equity and debt), Receivership Parties also obtained funds from investors related to the purchase of working interest and other ownership interests. One of those parties was Arbelaez. On information and belief, Arbelaez asserts that he owns at least a thirty (30%) working interest in one well and an undefined interest in certain leases. Arbelaez asserts he acquired his interests pursuant to documents which allegedly are not in his possession. There is no Joint Operating Agreement. The Receiver has been able to identify the following documents in her possession:

(a) Arbelaez, The Heartland Group Ventures, LLC ("Heartland Ventures") and Barron Petroleum, LLC ("Barron") electronically signed (via "DocuSign" only) a Purchase Agreement and Bill of Sale dated "this 01-12 day of January 2021" and effective as of February 1, 2021 (the "Purchase Agreement") attached hereto as **Exhibit A**. The Purchase Agreement purported to convey a "20% working interest in the well and those certain oil and gas leases referenced herein Insofar [sic] and only insofar as the leases cover that certain well known as the KARI #02WC, API#41332966 (the "Kari Well"). The signatures were not facially authenticated or notarized and the Purchase Agreement was not recorded. On information and belief, Arbelaez asserts that the Purchase Agreement conveyed a 20% interest in the Kari Well and the three tracts generally referenced in the Purchase Agreement.

(b) On May 12 and 17, 2021, Barron and Heartland Ventures executed a Partial Assignment of Oil, Gas and Mineral Leases (the "Partial Assignment"). See **Exhibit B** attached hereto. Unlike the Purchase

Agreement, the Partial Assignment was notarized and recorded at Doc#20210000413 in Schleicher County on June 28, 2021. The Partial Assignment makes reference to “that certain unrecorded Participation Agreement dated February 1, 2021”.<sup>2</sup> The legal description attached to the Partial Assignment provides “this assignment of working interest is in and to that a certain well identified as KariO2WC, API #41332966 ONLY, and is not an assignment of the Assignor’s [Barron and Heartland Ventures] in any other portions of the property referenced below.” [orig. emphasis]. The Receiver is currently incapable of calculating the actual working interest of each of the Assignors at the time of the execution of the Partial Assignment. It was represented that they were the “owner of a full interest in the oil, gas and mineral leases . . . more particularly described on Exhibit A.” On information and belief, Arbelaez asserts that beyond his working interest in the Kari Well, he has at least a 20% interest (at least) in the leases vaguely described in the Purchase Agreement (and perhaps other leases).<sup>3</sup> The Partial Assignment provides each Assignor is conveying a “portion of its right, title and interest” to Arbelaez.<sup>4</sup>

(c) “Instructions to Closing Agent” dated January 12, 2021, which references a “Property Address” described as “a 20.00% interest in and to all of the oil, gas and other minerals of every kind and character in, on or under that certain tract or parcel of land situated in the County of Schleicher

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<sup>2</sup> The Receiver has been unable to locate or otherwise identify such an agreement.

<sup>3</sup> At various times, Arbelaez has asserted that he has a total of a 30% working interest in the Kari Well and a 20% working interest in the leases described in the Purchase Agreement.

<sup>4</sup> PERCENTAGE OF ASSIGNOR’S **BARRON PETROLEUM, LLC’S** WORKING INTEREST ASSIGNED TO ASSIGNEE

**Assignee:**

Albert Arbelaez

**WORKING INTEREST**

10%

PERCENTAGE OF ASSIGNOR’S **THE HEARTLAND GROUP VENTURES, LLC’S** WORKING INTEREST ASSIGNED TO ASSIGNEE

**Assignee:**

Albert Arbelaez

**WORKING INTEREST**

10%

Even assuming Barron and Heartland Ventures collectively had 100% of the working interest, the maximum which could have been conveyed in the Partial Assignment was a 10% working interest.

State of Texas” (the “Instructions Property Description”), attached hereto as **Exhibit C**.

(d) Replacement Property Assignment (the “Replacement Property Assignment”) also dated January 12, 2021, which references Eligible Replacement Property described as “a 20.00% interest in and to all of the oil, gas and other minerals of every kind and character in, on or under that certain tract or parcel of land situated in the County of Schleicher State of Texas – further described in the attached *Exhibit A*”. The Exhibit A attached to the Replacement Property Assignment is the same property description as attached to the Purchase Agreement. *See* **Exhibit D** attached hereto. As with the Purchase Agreement, neither the Instructions to Closing Agent nor the Replacement Property Assignment (i) contain an acknowledgment by a notary public or even contemplate one (ii) have original signatures, or (iii) provide any recording reference or other enforceable legal description for an oil and gas lease.<sup>5</sup>

6. As of January 2021, the managers of Barron were Sunny Sahota (“Sunny”) and Manjit (Roger) Sahota (“Roger”). Only Sunny signed any documentation related to Arbelaez on behalf of Barron. As of January 2021, the manager of Heartland Ventures was Rustin Brunson (“Brunson”). Only Brunson signed any documentation related to Arbelaez on behalf of Barron.

7. The Receiver has been unable to identify any recorded conveyance of the Kari Well or any other property to Arbelaez other than pursuant to the Partial Assignment.

8. On May 16, 2022, the Receiver filed her *Motion (1) for Authority to Sell Oil and Gas Interests; (2) for Authority to Retain Sales and Marketing Firm; and (3) for Approval of Sales Procedures* (the “Oil and Gas Sale Motion”) [ECF No. 197]. On June 8, 2022, this Court entered its Order approving the Oil and Gas Sale Motion [ECF No. 215].

9. The Receiver has given notice of her intent to sell any interest retained by any Receivership Estate in the Kari Well and other leases in Schleicher County. No party has objected to such sale. The uncertainty regarding the extent of an enforceable assignment of a working

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<sup>5</sup> The Receiver has only been able to identify pages 3-5 and an Exhibit A. The Receiver also has two page 5 documents—one with an electronic signature from Arbelaez and one which appears to be a traditional signature.

interest in the Kari Well held by Arbelaez or any other lease or other property may significantly affect both the level of interest and price which would be paid to the Receivership Estates.

## II. AUTHORITIES

### a. Standard for Review of Decision by Receiver

10. It is well-settled that a receivership's primary goal is to provide a conduit through which assets can be held, liquidated, and distributed to the receivership beneficiaries. *See, e.g., SEC v. Safety Fin. Serv., Inc.*, 674 F.2d 369, 371 (5th Cir. 1982). In this Case, the beneficiaries include the numerous investors and creditors of the Defendants and the Relief Defendants who orchestrated and operated a Ponzi scheme that divested investors of millions of dollars.

11. A receiver is neither plaintiff nor defendant, but instead, acts as the Court's agent with respect to the administration of property. *Clark v. Clark*, 58 U.S. 315, 331 (1855); *FSLIC v. PSL Realty Co.*, 630 F.2d 515, 521 (7th Cir. 1980), *cert. denied*, 452 U.S. 961 (1981) (explaining the "receiver is an officer of the court and subject to its order in relation to the property for which he is responsible until discharged by the court"); *Fed. Home Loan Mortg. Corp. v. Spark Tarrytown, Inc.*, 829 F. Supp. 82, 85 (S.D.N.Y. 1993). The orders of the appointing court are the sole source of a receiver's authority, and receivers are thus authorized to petition the appointing court on matters related to the receivership's administration. *Gaskill v. Gordon*, 27 F.3d 248, 251 (7th Cir. 1994); *see also Liberte Cap. Grp., LLC v. Capwill*, 248 Fed. App'x 650, 655 (6th Cir. 2007); *PSL Realty Co.*, 630 F.2d at 521. Nevertheless, if the order appointing the receiver is silent on an aspect of the receivership's administration, courts look to the common law governing receiverships that has arisen and evolved over the centuries. Only if both the order appointing the receiver and federal receivership common law are silent on the determinative issues should courts look to other bodies of law for guidance. *See, e.g., Janvey v. Alguire*, No. 3:09-CV-0724-N, 2014 U.S. Dist. LEXIS, at \*103-04 (N.D. Tex. Jul. 30, 2014) (noting the dearth of guidance available

from existing caselaw on the interplay between the Federal Arbitration Act and federal equity receiverships and, as a result, looking to bankruptcy caselaw for guidance).

12. While caselaw involving district courts' administration of an equity receivership is "sparse," two basic principles emerge from cases involving receiverships. *SEC v. Hardy*, 803 F.2d 1034, 1037 (9th Cir. 1986). First, courts have "extremely broad" powers and discretion to "determine the appropriate action to be taken in the administration of the receivership." *Id.*; see *SEC v. Safety Fin. Serv., Inc.*, 674 F.2d 368, 373 (5th Cir. 1982) (holding that the court overseeing the receivership is given "wide discretionary power" in light of "the concern for orderly administration"). Second, a "primary purpose" of receivership is to promote the orderly and efficient administration of the estate. *Id.* This includes liquidation of the receivership assets. *SEC v. Millennium Bank*, No. 7:09-CV-050-O, 2009 U.S. Dist. LEXIS 140912, at \*8 (N.D. Tex. Jul. 21, 2009) (explaining that the court's discretion includes "the power to permit a Receiver to sell property where appropriate to protect the receivership estate") (citing *SEC v. Elliot*, 953 F.2d 1560, 1566 (11th Cir. 1992)).

13. When analyzing a receiver's proposed disposition of property, courts apply the highly deferential "business judgment" standard. See, e.g., *Golden Pac. Bancorp v. FDIC*, No. 95 Civ. 9281 (NRB), 2002 U.S. Dist. LEXIS 24961, at \*9 (S.D.N.Y. Dec. 26, 2003), *aff'd by* 375 F.3d 196 (2d Cir. 2004). This standard is identical to the test courts use to analyze whether fiduciaries, such as bankruptcy trustees, acted in accordance with their fiduciary duties. See, e.g., *In re Bakalis*, 220 B.R. 525, 531–32 (Bankr. E.D.N.Y. 1998). Accordingly, when a receiver's proposed disposition of property is questioned, the issue before the court is whether the receiver exercised discretion in a reasonable manner, in good faith, and for sound business reasons with regards to the procedures implemented to sell the property. See *Matter of Bank of N.Y. Mellon*, 4

N.Y.S.3d 204, 207 (App. Div. 1st Dep’t 2015) (stating a fiduciary comports with his fiduciary duty if he exercises his discretionary power “reasonably and in good faith”); *Corbin v. Fed. Rsrv. Bank of N.Y.*, 475 F. Supp. 1060, 1071 (S.D.N.Y. 1979) (noting the receiver does not breach his fiduciary duty if he exercises “reasonable business judgment”); *see also Lawsky v. Condor Cap. Corp.*, No. 14 CIV. 2863 (CM), 2015 U.S. Dist. LEXIS 96347, at \*17–18 (S.D.N.Y. Jul. 21, 2015).

**b. The legal descriptions fail to satisfy the Statute of Frauds**

14. The legal description attached to the Purchase Agreement and the Replacement Property Assignment each reference: (i) “86 Acre tract out of the West 507.11 acres of land out of the East 1014.22 acres of land out of the middle part of League 8, Concho County School Lands, Abstract 46, Schleicher County; (ii) 263 Acre track out of the South 1529.35 acres of land League 8, Concho County School Lands, Abstract No. 46, Schleicher County, Texas; and (iii) 149 acre tract out of the 654.71 acres of land more or less, being all of Joseph Burns Survey, Abstract No. 26, Block DD, Schleicher County, Texas.”<sup>6</sup> Each such description is vague and insufficient to convey any interest in any real property. Each description is an unidentifiable portion of land within a larger tract. The Texas Statute of Conveyances<sup>7</sup> and Texas Statute of Frauds<sup>8</sup> require that

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<sup>6</sup> The Instructions Property Description is even more vague referencing a 20.00% interest “in, or under that certain tract or parcel of land situated in the County of Schleicher State of Texas.”

<sup>7</sup> Tex. Prop. Code Ann. § 5.021 (West 2004) provides: “Instrument of Conveyance. A conveyance of an estate of inheritance, a freehold, or an estate for more than one year, in land and tenements, must be in writing and must be subscribed and delivered by the conveyor or by the conveyor’s agent authorized in writing.”

<sup>8</sup> Tex. Bus. & Com. Code Ann. (West 2002) provides, in relevant part:

Promise or Agreement Must Be in Writing.

(a) A promise or agreement described in Subsection (b) of this section is not enforceable unless the promise or agreement, or a memorandum of it, is (1) in writing; and (2) signed by the person to be charged with the promise or agreement or by someone lawfully authorized to sign for him.

(b) Subsection (a) of this section applies to: \* \* \* (4) a contract for the sale of real estate; (5) a lease of real estate for a term longer than one year; (6) an agreement which is not to be performed within one year from the date of making the agreement; (7) a promise or agreement to pay a commission

conveyances and contracts for sale of real property be in writing and signed by the conveyor or party to be charged. *See* Tex. Prop. Code Ann. § 5.021 (West 2004); Tex. Bus. & Com. Code Ann. § 26.01(b)(4) (West 2002); *Reiland v. Patrick Thomas Props., Inc.*, 213 S.W.3d 431, 437 (Tex. App.—Houston [1st Dist.] 2006, pet. denied). The test for sufficiency of a writing is essentially the same in both the Statute of Frauds and the Statute of Conveyances. *See, e.g., Broaddus v. Grout*, 258 S.W.2d 308, 309 (1953). Thus, when referring to Texas statutes requiring that a contract conveying real property be in writing, for the sake of simplicity the courts refer generally to the Statute of Frauds. *W. Beach Marina, Ltd. v. Erdeljac*, 94 S.W.3d 248, 264 n.10 (Tex. App.—Austin 2002, no pet.). The court must evaluate the sufficiency of the land descriptive to comply with the Statute of Frauds at the time the parties contracted. *Stekoll Petroleum Co. v. Hamilton*, 152 Tex. 182, 191 (1953). When an unidentifiable portion of land within a larger tract is described in a conveyance, the transaction is voidable for lack of certainty and does not satisfy the Statute of Frauds. *Tex. Builders v. Keller*, 928 S.W.2d 479, 482 (Tex. 1996); *Matney v. Odom*, 210 S.W.2d 980, 983 (1948) (noting a deed which purported to convey four acres “out of the east end of a 10-acre block on the P. Chireno Survey” was “void for uncertainty of description”); *Greer v. Greer*, 191 S.W.2d 848, 850 (1946); *Smith v. Sorrelle*, 87 S.W.2d 703, 705–06 (Tex. 1935) (providing a provision in a contract for the assignment of oil and gas leases was deemed unenforceable giving the assignee the right to acquire 4,000 acres from a 5,000 acre tract, “ ... to be selected by Buyer leaving Sellers 1,000 acres equitably checkerboarded in a fashion similar to the checker-boarding in the first block above identified” when the court was unable to find a definite pattern of checker-boarding in the first block).

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for the sale or purchase of: (A) an oil or gas mining lease; (B) an oil or gas royalty; (C) minerals; or (D) a mineral interest; . . . [.]

15. A contract that fails to meet the requirements of the Statute of Frauds is not void but is voidable. *Huchings v. Slemon*, 141 S.W.2d 448, 453 (Tex. 1943); *Troxel v. Bishop*, 201 S.W.3d 290, 300 (Tex. App.—Dallas 2006); *Eland Energy v. Rowden Oil & Gas, Inc.*, 914 S.W.2d 179, 186 (Tex. App.—San Antonio 1995, writ denied); *Enochs v. Brown*, 872 S.W.2d 312, 318 (Tex. App.—Austin 1994, no writ). Either party to a voidable contract can avoid it at their option.

16. To the extent that Arbelaez asserts he's entitled to any legal interest in any lease other than pursuant to Partial Assignment (which is limited to a working interest in the Kari Well), such interest is voidable. For the benefit of the creditors who paid over \$100 million to one or more Receivership Parties, the Receiver seeks a determination she has the right to void any such alleged conveyance. She also seeks a determination that any alleged such conveyance is deemed void.

c. **The Purchase Agreement is not notarized**

17. Section 12.001 of the Texas Property Code provides that a document which is not acknowledged before a notary is not entitled to be recorded and it therefore cannot convey record title or impart effective notice of the instrument. There is recent statutory accommodation for select "online notary" acknowledgements but none of the documents which reference a purported sale or transfer to Arbelaez other than the Partial Assignment contain even a space signature or other indication that a notary was involved.

18. To be recorded, the conveying document must be signed and that signature must be witnessed by a notary.

d. **The Purchase Agreement**

19. The County Clerk for Schleicher County has control over the decision whether to “accept” instruments by electronic filing or recording of instruments electronically.<sup>9</sup> The Purchase Agreement and Bill of Sale contains the electronic signatures of (a) Rustin Brunson as the Manager of Heartland Ventures and (b) Sunny as Manager of Barron. On information and belief, Schleicher County does not accept instruments by electronic filing or “docu-sign” documents.<sup>10</sup> There is no question that the Purchase Agreement, the Instructions to Closing Agent, and the Replacement Property Assignment did not meet the Schleicher County Clerk’s requirements for filing of a conveyance.

e. **Arbelaez is a mineral estate co-tenant**

20. Regardless of what, if any, interest Arbelaez actually owns, his legal relationship to the Receivership Estates is that of an ordinary mineral estate co-tenant and governed exclusively by Texas common law principles of equitable accounting for “profits” derived from the jointly owned estate because there is no “Joint Operating Agreement” of the type typically used in the oil and gas industry to govern the rights of the co-tenants. Further, the developing co-tenant (in this

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<sup>9</sup> Tex. Loc. Gov’t Code § 191.009 provides: “(a) A county clerk may accept instruments by electronic filing and record the instruments electronically if the filing or recording complies with the rules adopted by the Texas State Library and Archives Commission under Chapter 195. (b) An instrument that is filed electronically in compliance with the rules adopted under Chapter 195 is considered to have been filed in compliance with any law relating to the filing of instruments with a county clerk. (c) For purposes of this section: (1) an instrument is an electronic record, as defined by Section 322.002, Business & Commerce Code; and (2) “electronic document” has the meaning assigned by Section 15.002, Property Code.”

<sup>10</sup> Every document for recording must:

1. Original document or certified copy
2. Every signature must be original and notarized
3. Include an address for every Grantor and Grantee
4. Preferably a 1” top margin for Instrument number and 3” on last page for certification
5. A self-addressed return envelope with postage

See County Clerk, SCHLEICHER COUNTY TEXAS (Aug. 22, 2022, 3:00 PM), <https://www.co.schleicher.tx.us/page/schleicher.County.Clerk>.

case, a Receivership Party) has no duty to market and sell the production out of jointly-owned wells (or to share its own markets).

### **III. RELIEF REQUESTED**

21. The Receivership Order authorizes the Receiver take certain actions regarding Receivership Assets. Paragraph 41 authorizes the Receiver to:

without further Order of this Court, transfer, compromise, or otherwise dispose of any Receivership Property, other than real estate, in the ordinary course of business, on terms and in the matter the Receiver deems most beneficial to the Receivership Estate, and with due regard to the realization of the true and proper value of such Receivership Property.

Receivership Order, ¶ 41.

22. The Receiver is in the process of trying to calculate the costs which have been incurred in connection with the working interest claimed by Arbelaez since the effective date of the Partial Assignment. Once those amounts are calculated, the Receiver will either pay to Arbelaez the net amounts (if any) or seek to recover from Arbelaez all amounts which are due to the Receivership Estates on account of any ownership interest.

23. The Receiver wishes to avoid future litigation with Arbelaez or a potential purchaser of the Kari Well or any leases or other assets of the Receivership Estates. The Receiver seeks a determination from this Court whether she can void or otherwise avoid any future performance under the Purchase Agreement or any other alleged agreement with Arbelaez other than the Partial Assignment. The Receiver also seeks a determination that: (i) Arbelaez has a 10% working interest in the Kari Well; (ii) has any no right to any interest or lease beyond a ten (10%) percent working interest in the Kari Well; (iii) Arbelaez has no any rights in or to any other property owned by the Receivership Estates; and (iv) Arbelaez has no rights other than as a

potential credit for amounts, if any, related to a ten (10%) working interest in the Kari Well and as an investor.

24. A determination as to Arbelaez rights avoid future litigation and accelerate a determination of the amount of proceeds which will be available to the Receivership Estates from the sale of the Kari Well and other leases.

#### **IV. NOTICE**

25. The Receiver will provide notice of this Motion to Arbelaez and the Commission.

#### **V. CONCLUSION**

26. For the foregoing reasons, the Receiver requests that this Court enter the Proposed Order granting her motion.

Dated: August 22, 2022

Respectfully submitted,

By: /s/ Danielle N. Rushing

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**COUNSEL TO RECEIVER**

**CERTIFICATE OF CONFERENCE**

The Receiver, through the undersigned counsel, conferred with counsel for Plaintiff, Securities and Exchange Commission (the “Commission”), on August 18, 2022, regarding the relief requested in the Motion. The Commission consents the relief requested in the Motion. The Receiver, through her oil and gas counsel, Mr. Eric Hillerman, conferred with Dr. Albert Arbelaez numerous times regarding the relief requested in the Motion prior to its filing. Dr. Albert Arbelaez has not indicated whether he consents or opposes the relief requested herein at the time of filing. The Receiver will continue to attempt to reach a resolution with Dr. Albert Arbelaez.

*/s/ Danielle N. Rushing*

Danielle N. Rushing

**CERTIFICATE OF SERVICE**

I hereby certify that on August 22, 2022, the foregoing document was served via CM/ECF on all parties appearing in this Case, including counsel for Plaintiff, Securities and Exchange Commission and on the following unrepresented parties on this Court’s docket:

Albert Arbelaez  
1765 Harpsichord Way  
Henderson, Nevada 89012

James Ikey  
Bridy Ikey  
103 Bayonne Drive  
Mansfield, Texas 76063

IGroup Enterprises LLC  
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Sunny Sahota  
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/s/ Danielle N. Rushing  
Danielle N. Rushing

# **EXHIBIT A**

**PURCHASE AGREEMENT AND BILL OF SALE**

For a valuable consideration paid to it, the receipt and sufficiency of which are hereby acknowledged, the undersigned, each of The Heartland Group Ventures, LLC and Barron Petroleum, LLC (Collectively "SELLER"), has GRANTED, SOLD, TRANSFERRED, ASSIGNED and CONVEYED, and by these presents does GRANT, SELL, TRANSFER, ASSIGN and CONVEY, unto:

**Albert Arbelaez**

**("BUYER")**

the properties and interests in Schleicher County, Texas, which are described on the schedules attached as Exhibit "A" hereto for the price of **\$365,192.03 (three hundred sixty five thousand one hundred ninety two dollars and three cents.)** ("Purchase Price"), together with:

- (a) All oil, condensate or natural gas wells located thereon and all leasehold and working interests therein described in Exhibit A, including contractual rights to production, and any contractual rights of SELLER for the acquisition or earning of any of such interests;
- (b) All rights, privileges, benefits and powers of SELLER as the owner or holder of any property or interest described in Exhibit "A" with respect to the use and occupation of the surface of, and the subsurface depths under, the land covered by such properties, or interests that may be necessary, convenient or incidental to the possession and enjoyment of such properties or interests; all of SELLER'S rights in any pools or units, including all or a part of any such property or interest, including all of SELLER'S rights, titles and interests in production from any such unit;
- (c) All of the permits, servitudes, easements, rights-of-way (including, without limitation, the rights-of-way, permits and licenses described on Exhibit "A"), orders, lease agreements, royalty agreements, assignments, gas purchase and sale contracts, oil purchase and sale agreements, surface leases, farm-in and farm-out agreements, bottom hole agreements, transportation and marketing agreements, acreage contribution agreements, operating agreements, pooling agreements, unit agreements, processing agreements, options, facilities or equipment leases and other contracts, agreements and rights that are owned by SELLER, in whole or in part, and are (i) in the chain of title for, appurtenant to or affecting the properties and interests described in Exhibit "A", or (ii) used or held for use in connection with the ownership or operation of such properties and interests, or with the production or treatment of hydrocarbons or the sale or disposal of water, hydrocarbons or associated substances therefrom;
- (d) All of the equipment, machinery, fixtures and other real, personal and mixed property located on such properties and interests at the Effective Time (as defined below) or used or held for use in the operation thereof (whether located on or off such properties and interests), insofar as it is owned by SELLER, in whole or in part, including, without limitation, wells, well equipment, casing, rods, tanks, boilers, buildings, tubing, pumps, motors, fixtures, machinery, inventory, rolling stock and other equipment, separators, dehydrators, compressors, treaters, pipelines, gathering systems, power lines, roads, field processing, plants and other improvements;
- (e) Copies of all of the original files, records, information and data relating to the items described in clauses (a) through (d), next above (including well files but excluding accounting and financial files), in the possession of SELLER, or to which SELLER has reasonable access, including, without limitation, title records (including abstracts of title, title opinions, certificates of title and title curative documents); computer records, contracts; correspondence; microfiche lists; and production records, pressure data and decline curves and graphical production curves and all related matters, and copies of such accounting and financial files relating to the items described in clauses (a) through (d) as BUYER may designate; and

For the consideration hereinabove recited to have been received by it, SELLER warrants to BUYER that:

- (i) each oil and gas lease described in Exhibit "A" is in full force and effect insofar as it covers the lands described in such Exhibit "A" and the undivided interest therein herein assigned and conveyed by it;
- (ii) the undivided interest hereby assigned and conveyed by it in and to the properties and interests herein described is free and clear of all liens, security interests and encumbrances;
- (iii) it has not previously conveyed the properties and interests which are herein assigned and conveyed; and
- (iv) it will forever warrant and defend the title to the properties and interests herein assigned and conveyed by it from and against all claims, demands and adverse interests of all persons whomsoever claiming the same or any part thereof, with the provision, however, that any claim for breach of such warranty must be made within ninety (90) days after the date hereof unless the claim or demand arises or is created by, through, or under SELLER.

For the consideration hereinabove recited to have been received by it, BUYER warrants to SELLER that:

- (i) Buyer has had the opportunity to conduct any and all due diligence on the asset described in Exhibit A and request any all financial information to Buyer's satisfaction and Buyer has received the same.
- (ii) Buyer is entering into this Purchase Agreement on their own account and not on behalf of any other person.

ALL PERSONAL PROPERTY AND EQUIPMENT HEREBY SOLD AND DELIVERED IS SOLD AND DELIVERED WITHOUT WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, WITH RESPECT TO ITS MERCHANTABILITY, QUALITY, CONDITION OR FITNESS FOR ANY PARTICULAR PURPOSE OR OPERABILITY. ALL SUCH PERSONAL PROPERTY AND EQUIPMENT IS SOLD AND DELIVERED BY SELLER AND ACCEPTED BY BUYER, AS IS, WHERE IS, IN THE CONDITION IN WHICH THE SAME EXISTS AND WITH ALL FAULTS AND EFFECTS, WHETHER APPARENT OR HIDDEN.

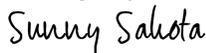
Each sale, transfer, assignment and conveyance herein made shall be effective for all purposes, including the production of oil and gas, as of February 1, 2021 (the "Effective Time").

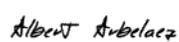
EXECUTED this 01-12 day of January 2021.

In Witness Whereof:

Sellers:

Buyer:

DocuSigned by:  
  
 6FEEBE2E222C4D9...  
 Barron Petroleum, LLC  
 By: Sunny Sahota, Manager

DocuSigned by:  
  
 74DA76F7795A4B4...  
 Albert Arbelaez

DocuSigned by:  
  
 F02D506936D14AE...  
 The Heartland Group Ventures, LLC  
 By: Rustin Brunson, Manager

EXHIBIT A

A 20% working interest in the well and those certain oil and gas leases referenced herein Insofar and only insofar as the leases cover that certain well known as the KARI #02WC, API #41332966 said well being primarily located upon:

TRACT 1:

86 Acre tract out of the West 507.11 acres of land out of the East 1014.22 acres of land out of the middle part of League 8, Concho County School Lands, Abstract No. 46, Schleicher County, Texas.

TRACT 2:

263 Acre tract out of the South 1529.35 acres of land League 8, Concho County School Lands, Abstract No. 46, Schleicher County, Texas.

TRACT 3:

149 acre tract out of the 654.71 acres of land, more or less, being all of Joseph Burns Survey, Abstract NO. 26, Block DD, Schleicher County, Texas.

# **EXHIBIT B**

STATE OF TEXAS

COUNTY OF SCHLEICHER

**PARTIAL ASSIGNMENT OF OIL, GAS AND MINERAL LEASES**

**KNOW ALL MEN BY THESE PRESENTS:**

THAT, WHEREAS, BARRON PETROLEUM, LLC and THE HEARTLAND GROUP VENTURES, LLC, (hereinafter referred to as "Assignor"), whose address is 777 Main Street, Suite 2160, Fort Worth, TX 76102, is the owner of a full interest in the oil, gas and mineral leases ("the Leases") more particularly described on Exhibit "A" attached hereto and made a part hereof, reference to which is made for all purposes.

WHEREAS, Assignor now desires to assign, transfer, convey and deliver a portion of its right, title and interest in and to the above-described Leases unto the following Parties in the percentage set out next to the Parties' name (hereinafter sometimes referred to collectively as "Assignee"):

PERCENTAGE OF ASSIGNOR'S **BARRON PETROLEUM, LLC'S** WORKING INTEREST ASSIGNED TO ASSIGNEE

Assignee:

Albert Arbelaez  
\_\_\_\_\_  
\_\_\_\_\_

**WORKING INTEREST**

10%

PERCENTAGE OF ASSIGNOR'S **THE HEARTLAND GROUP VENTURES, LLC'S** WORKING INTEREST ASSIGNED TO ASSIGNEE

Assignee:

Albert Arbelaez  
\_\_\_\_\_  
\_\_\_\_\_

**WORKING INTEREST**

10%

**NOW, THEREFORE**, in consideration of the sum of Ten Dollars (\$10.00) cash and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, **ASSIGNOR** does hereby **SELL, TRANSFER, ASSIGN, DELIVER** and **CONVEY** unto the aforesaid Assignee, their respective successors and assigns, that percentage of Assignor's right, title and interest set out next to the Assignee's name hereinabove in and to the above-described Leases. Assignee covenants and agrees to observe, perform and comply with all the terms, provisions, covenants and obligations (express or implied) of the Leases assigned herein, as well as with all the laws, rules, regulations and orders, both state and federal, applicable to the ownership and enjoyment of the right, title and interest herein conveyed.

In the event the Leases do not validly cover the entirety of the minerals and mineral rights in and under the lands covered thereby (whether the lessor's interest is therein specified or not), or in the event of the failure of the leasehold title to said lands or of said Leases, or any part thereof, the interest herein conveyed by Assignor, as to the lands or interest so affected, shall be proportionately reduced. This Assignment is made in accordance with, and is subject to, that certain unrecorded Participation Agreement dated February 1, 2021 \_\_\_ by and between Assignor and Assignee reference to which is made for all purposes. Any subsequent conveyance by Assignee herein shall not be valid unless specifically made subject to said Participation Agreement.

This Assignment is made without recourse or warranty of title either express or implied except by, through or under acts of Assignor, but not otherwise.

The terms and provisions of this Assignment shall be binding on and inure to the benefit of the Parties hereto, their successors and assigns.

This Assignment may be executed in any number of counterparts, each of which shall be an original, binding upon all Parties hereto just as if each Party had executed the same counterpart and the Parties may combine said counterparts to form one single instrument.

IN WITNESS WHEREOF, Assignor has set his hand and seal this 13th day of May, 2021.

**ASSIGNOR: BARRON PETROLEUM, LLC**

  
\_\_\_\_\_  
Sunny Sahota, Manager

STATE OF TEXAS

COUNTY OF Schleicher

ON THIS 12th day of May, 2021 before me appeared SUNNY SAHOTA, Manager of Barron Petroleum, LLC and acknowledged said instrument.

  
\_\_\_\_\_  
Notary Public, State of Texas



**ASSIGNOR: THE HEARTLAND GROUP VENTURES, LLC**

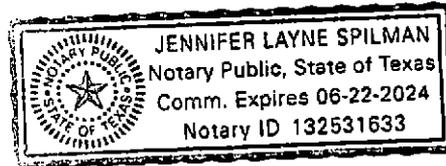
Rustin Brunson  
RUSTIN BRUNSON, Manager

STATE OF TEXAS

COUNTY OF Tarrant

ON THIS 17<sup>th</sup> day of May, 2021 before me appeared RUSTIN BRUNSON, Manager of The Heartland Group Ventures, LLC and acknowledged said instrument.

Jennifer Layne Spilman  
Notary Public, State of Texas



**ASSIGNEE:**

  
ALBERT ARBELAEZ

STATE OF ~~TEXAS~~ NEVADA <sup>KG</sup>

COUNTY OF CLARK

ON THIS 13<sup>th</sup> day of MAY, 2021 before me appeared ALBERT ARBELAEZ and acknowledged said instrument.

  
Notary Public, State of ~~Texas~~ NEVADA  
KG

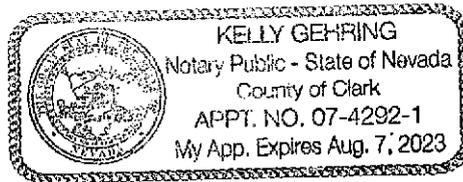


Exhibit "A"

This assignment of working interest is in and to that certain well identified as the **KARI 02WC, API # 41332966, ONLY**, and is not an assignment of the Assignors' interest in any other portions of the property referenced below. The Kari 02WC being located upon that certain tract of property referenced below and being more thoroughly described in that certain Assignment of Oil and Gas Leases dated with an effective date of March 1, 2019 from JABS Holdings, LLC to Barron Petroleum, LLC and filed as Instrument NO. 20190000213 in the Official Public Records of Schleicher County, Texas.

A 498 acre unit located in Schleicher County, Texas being contained in the following tracts:

**TRACT 1:**

86 acre tract out of the West 507.11 acres of land out of the East 1014.22 acres of land out of the middle part of League 8, Concho County School Lands, Abstract No. 46, Schleicher County, Texas;

**TRACT 2:**

263 acre tract out of the South 1529.35 acres of land League 8, Concho County School Lands, Abstract No. 46, Schleicher County, Texas;

**TRACT 3:**

149 acre tract out of the 654.71 acres of land, more or less, being all of Joseph Burns Survey, Abstract No. 26, Block DD, Schleicher County, Texas

**FILED FOR RECORD**

AT 3:04 O'CLOCK P. M.

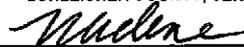
ON THE 28th DAY OF June

A.D., 20 21.

**STATE OF TEXAS  
COUNTY OF SCHLEICHER**

I hereby certify that this instrument was FILED on the date and at the time stamped hereon by me and was duly RECORDED in the Official Records of Schieicher County, Texas

Mary Ann Gonzalez  
COUNTY AND DISTRICT CLERK  
SCHLEICHER COUNTY, TEXAS



BY



COUNTY AND DISTRICT  
CLERK SCHLEICHER  
COUNTY, TEXAS

# **EXHIBIT C**





- ✦ **Estimated Closing or Settlement Statement.** Please provide a copy of the Estimated Closing or Settlement Statement to Exeter 1031 for review, approval and execution prior to closing. Exeter 1031 should be listed on the Estimated Closing or Settlement Statement as the Buyer as follows:

Buyer: Exeter 1031 Exchange Services, LLC as Qualified Intermediary for Albert Arbelaez

- ✦ **Direct Deeding.** You are hereby instructed by Exeter 1031 to prepare the customary conveyance documents for your state (e.g., grant deed, warranty deed, etc.), along with any other necessary conveyance documents (e.g., Preliminary Change of Ownership Forms, Documentary Transfer Tax Certifications, etc.) conveying legal title to the property referenced above directly from The Heartland Group Ventures, LLC; Barron Petroleum, LLC to Albert Arbelaez pursuant to Revenue Procedure 90-34.

- ✦ **Please contact Exeter 1031 at least 24 hours prior to closing to ensure timely transfer of funds**

**Returning Signed Documents to Exeter 1031**

Once the above documents have been signed, please return the signed copies to Exeter 1031 via facsimile at (619) 822-1571 or via email with a PDF attachment.

**After Closing**

Please complete the following items at, or as soon as possible after, closing:

- ✦ Contact Exeter 1031 for direction if any excess buyer funds remain after closing.
- ✦ Forward Final Closing or Settlement statement listing the Buyer as Exeter 1031 Exchange Services, LLC as the Qualified Intermediary for Albert Arbelaez.

On behalf of our entire 1031 Exchange Services Group, thank you for your assistance, and for the trust that you have placed in Exeter 1031 and Exeter Trust. Please feel free to contact us at (619) 752-1629 should you have questions.

Sincerely,

**Exeter 1031 Exchange Services, LLC**

By: Exeter Exchange Management Corporation,  
a California corporation, its Manager

Accepted by:

By:   
 \_\_\_\_\_  
 Patrick Bailon  
 Senior Administrator

DocuSigned by:  
  
 \_\_\_\_\_  
 Rustin Brunson  
 Fund Manager

# **EXHIBIT D**



## REPLACEMENT PROPERTY ASSIGNMENT

THIS REPLACEMENT PROPERTY ASSIGNMENT (hereinafter referred to as “**Assignment**”) is made and entered into as of Tuesday, January 12, 2021 by **Albert Arbelaez** (hereinafter referred to as “**Exchangor**”), and **Exeter 1031 Exchange Services, LLC**, a California limited liability company (hereinafter referred to as “**Qualified Intermediary**”), on the following terms and conditions:

WHEREAS, Exchangor and Qualified Intermediary have entered into an Exchange Agreement dated Friday, November 27, 2020 (hereinafter referred to as “**Exchange Agreement**”), in which Qualified Intermediary agreed to act as Exchangor’s qualified intermediary and facilitate a like-kind exchange of real properties under Code §1031 for the benefit of Exchangor (hereinafter referred to as “**Exchange**”);

WHEREAS, Exchangor has entered into a Purchase Agreement and Bill of Sale dated January 13, 2021 (hereinafter referred to as “**Replacement Property Purchase Contract**”), pursuant to which the owner of the Replacement Property (hereinafter referred to as “**Seller**”) has agreed to transfer to Exchangor certain Eligible Replacement Property described as **a 20.00% interest in and to all of the oil, gas and other minerals of every kind and character in, on or under that certain tract or parcel of land situated in the County of Schleicher State of Texas – further described in attached Exhibit A** (hereinafter referred to as “**Replacement Property**”); and

WHEREAS, Exchangor desires to assign to Qualified Intermediary its Rights (but not its duties and obligations) under the Replacement Property Purchase Contract, and Qualified Intermediary is willing to accept said assignment.

NOW, THEREFORE, the parties hereby agree as follows:

**1. Capitalized Terms.** Each capitalized term used and not otherwise defined in this Assignment shall have the meaning set for such term in the Exchange Agreement.

**2. Assignment to Qualified Intermediary; Agreement to Cause Conveyance to Taxpayer.** Exchangor hereby assigns all of its Rights under the Replacement Property Purchase Contract to Qualified Intermediary. Exchangor retains all of its duties, liabilities, and obligations under the Replacement Property Purchase Contract. Qualified Intermediary hereby accepts Exchangor’s assignment of Rights under the Replacement Property Purchase Contract and, consistent with the terms of the Exchange Agreement, agrees to cause the Replacement Property to be conveyed to Exchangor. When directed in writing by Exchangor, Qualified Intermediary shall pay or cause to be paid, to Seller or to the Closing Agent, the purchase price for the Replacement Property and any Transactional Items related to the acquisition of the Replacement Property (collectively, hereinafter referred to as “**Acquisition Costs**”); provided, however, that Qualified Intermediary’s obligation to pay the Acquisition Costs shall be limited to the amount of the Uncommitted Trust Account Balance established pursuant to the Exchange Agreement and the Trust Agreement. If there is a Shortfall, Exchangor shall pay the balance of the Acquisition Cost either by (i) depositing cash with Qualified Intermediary (or, if Qualified Intermediary so directs, paying cash directly to Seller or the Closing Agent) (ii) and/or by a Seller Debt Assumption in an aggregate amount equal to the Shortfall.

**3. Direct Transfer of Replacement Property.** Pursuant to the Exchange Agreement and Treasury Regulations §1.1031(k)-1(g)(4)(v), Qualified Intermediary shall acquire the Replacement Property from Seller, and transfer the Replacement Property to Exchangor, by accepting this Assignment and causing the Replacement Property to be transferred to Exchangor in accordance with the terms hereof. In order to facilitate efficient conveyance of title, Qualified Intermediary shall direct Seller to convey the Replacement Property (by deed, bill of



sale, assignment, or other instrument of conveyance meeting the requirements of the Replacement Property Purchase Contract) directly to Exchangor.

**4. Excluded Assets.** Exchangor shall be solely responsible for acquiring any Excluded Assets and paying to Seller that portion, if any, of the purchase price under the Replacement Property Purchase Contract that is allocable to such Excluded Assets.

**5. No Impairment of Replacement Property Sale Contract.** Nothing contained in this Assignment shall be deemed to impair any rights of Seller under the Replacement Property Purchase Contract, and Seller shall retain any and all rights and remedies against Exchangor under the Replacement Property Purchase Contract. In addition, (i) all covenants, indemnities, representations, warranties and post-closing obligations under the Replacement Property Purchase Contract running from Exchangor to Seller shall continue to run directly from Exchangor to Seller; and (ii) all covenants, indemnities, representations, warranties, and post-closing obligations under the Replacement Property Purchase Contract running from Seller to Exchangor shall continue to run directly from Seller to Exchangor, in each case, to the same extent as set forth in the Replacement Property Purchase Contract. If prior to the Replacement Property Closing, Exchangor breaches any of its obligations under the Replacement Property Sale Contract, the Exchange Agreement or this Assignment, Qualified Intermediary may terminate this Assignment by written notice to Exchangor.

**6. Counterparts and Signatures.** To facilitate execution, this Assignment may be executed in any number of counterparts as may be convenient or necessary, and it shall not be necessary that the signatures of all parties hereto be contained on any one counterpart hereof. Additionally, the parties hereby covenant and agree that, for purposes of facilitating the execution of this Assignment, (i) all signature pages taken from separate individually executed counterparts of this Assignment may be combined to form multiple fully executed counterparts and (ii) a facsimile or electronic signature shall be deemed to be a "wet-ink" original signature. All executed counterparts of this Assignment shall be deemed to be originals, but all such counterparts taken together shall constitute one and the same instrument.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.  
SIGNATURE PAGE FOLLOWS.



IN WITNESS WHEREOF, Exchangor and Qualified Intermediary each has caused this Replacement Property Assignment to be duly executed pursuant to proper authorization as of the day and year first written above.

**QUALIFIED INTERMEDIARY:**

**EXETER 1031 EXCHANGE SERVICES, LLC**, a California limited liability company

By: Exeter Exchange Management Corporation, a California corporation, its Manager

By: Patrick Bailon  
Patrick Bailon  
Senior Administrator

**EXCHANGOR:**

By: Albert Arbelaez  
DocuSigned by:  
Albert Arbelaez  
74DA76F7795A4B4...

**ACKNOWLEDGMENT OF RECEIPT**

The undersigned hereby acknowledges receipt of the foregoing Replacement Property Assignment. The undersigned agrees that it will look solely to the Exchangor, and not to the Qualified Intermediary, for any claims arising from any alleged breach of the Exchangor’s representations, warranties or obligations under the Replacement Property Purchase Contract.

**The Heartland Group Ventures, LLC**

By: Sunny Sahota  
DocuSigned by:  
Sunny Sahota, Manager  
6FEEBE2E222C4D9...

Date: 01/14/2021 | 10:21 AM PST

**The Heartland Group Ventures, LLC; Barron Petroleum, LLC**

By: Rustin Brunson  
DocuSigned by:  
Rustin Brunson, Manager  
F02D506936D14AE...

Date: 01/14/2021 | 10:51 AM PST

EXHIBIT A

A 20% working interest in the well and those certain oil and gas leases referenced herein Insofar and only insofar as the leases cover that certain well known as the KARI #02WC, API #41332966 said well being primarily located upon:

TRACT 1:

86 Acre tract out of the West 507.11 acres of land out of the East 1014.22 acres of land out of the middle part of League 8, Concho County School Lands, Abstract No. 46, Schleicher County, Texas.

TRACT 2:

263 Acre tract out of the South 1529.35 acres of land League 8, Concho County School Lands, Abstract No. 46, Schleicher County, Texas.

TRACT 3:

149 acre tract out of the 654.71 acres of land, more or less, being all of Joseph Burns Survey, Abstract NO. 26, Block DD, Schleicher County, Texas.



## REPLACEMENT PROPERTY ASSIGNMENT

THIS REPLACEMENT PROPERTY ASSIGNMENT (hereinafter referred to as "Assignment") is made and entered into as of Tuesday, January 12, 2021 by Albert Arbelaez (hereinafter referred to as "Exchangor"), and Exeter 1031 Exchange Services, LLC, a California limited liability company (hereinafter referred to as "Qualified Intermediary"), on the following terms and conditions:

WHEREAS, Exchangor and Qualified Intermediary have entered into an Exchange Agreement dated Friday, November 27, 2020 (hereinafter referred to as "Exchange Agreement"), in which Qualified Intermediary agreed to act as Exchangor's qualified intermediary and facilitate a like-kind exchange of real properties under Code §1031 for the benefit of Exchangor (hereinafter referred to as "Exchange");

WHEREAS, Exchangor has entered into a Purchase Agreement and Bill of Sale dated January 13, 2021 (hereinafter referred to as "Replacement Property Purchase Contract"), pursuant to which the owner of the Replacement Property (hereinafter referred to as "Seller") has agreed to transfer to Exchangor certain Eligible Replacement Property described as a 20.00% interest in and to all of the oil, gas and other minerals of every kind and character in, on or under that certain tract or parcel of land situated in the County of Schleicher State of Texas – further described in attached *Exhibit A* (hereinafter referred to as "Replacement Property"); and

WHEREAS, Exchangor desires to assign to Qualified Intermediary its Rights (but not its duties and obligations) under the Replacement Property Purchase Contract, and Qualified Intermediary is willing to accept said assignment.

NOW, THEREFORE, the parties hereby agree as follows:

- 1. Capitalized Terms.** Each capitalized term used and not otherwise defined in this Assignment shall have the meaning set for such term in the Exchange Agreement.
- 2. Assignment to Qualified Intermediary; Agreement to Cause Conveyance to Taxpayer.** Exchangor hereby assigns all of its Rights under the Replacement Property Purchase Contract to Qualified Intermediary. Exchangor retains all of its duties, liabilities, and obligations under the Replacement Property Purchase Contract. Qualified Intermediary hereby accepts Exchangor's assignment of Rights under the Replacement Property Purchase Contract and, consistent with the terms of the Exchange Agreement, agrees to cause the Replacement Property to be conveyed to Exchangor. When directed in writing by Exchangor, Qualified Intermediary shall pay or cause to be paid, to Seller or to the Closing Agent, the purchase price for the Replacement Property and any Transactional Items related to the acquisition of the Replacement Property (collectively, hereinafter referred to as "Acquisition Costs"); provided, however, that Qualified Intermediary's obligation to pay the Acquisition Costs shall be limited to the amount of the Uncommitted Trust Account Balance established pursuant to the Exchange Agreement and the Trust Agreement. If there is a Shortfall, Exchangor shall pay the balance of the Acquisition Cost either by (i) depositing cash with Qualified Intermediary (or, if Qualified Intermediary so directs, paying cash directly to Seller or the Closing Agent) (ii) and/or by a Seller Debt Assumption in an aggregate amount equal to the Shortfall.
- 3. Direct Transfer of Replacement Property.** Pursuant to the Exchange Agreement and Treasury Regulations §1.1031(k)-1(g)(4)(v), Qualified Intermediary shall acquire the Replacement Property from Seller, and transfer the Replacement Property to Exchangor, by accepting this Assignment and causing the Replacement Property to be transferred to Exchangor in accordance with the terms hereof. In order to facilitate efficient conveyance of title, Qualified Intermediary shall direct Seller to convey the Replacement Property (by deed, bill of



sale, assignment, or other instrument of conveyance meeting the requirements of the Replacement Property Purchase Contract) directly to Exchangor.

**4. Excluded Assets.** Exchangor shall be solely responsible for acquiring any Excluded Assets and paying to Seller that portion, if any, of the purchase price under the Replacement Property Purchase Contract that is allocable to such Excluded Assets.

**5. No Impairment of Replacement Property Sale Contract.** Nothing contained in this Assignment shall be deemed to impair any rights of Seller under the Replacement Property Purchase Contract, and Seller shall retain any and all rights and remedies against Exchangor under the Replacement Property Purchase Contract. In addition, (i) all covenants, indemnities, representations, warranties and post-closing obligations under the Replacement Property Purchase Contract running from Exchangor to Seller shall continue to run directly from Exchangor to Seller; and (ii) all covenants, indemnities, representations, warranties, and post-closing obligations under the Replacement Property Purchase Contract running from Seller to Exchangor shall continue to run directly from Seller to Exchangor, in each case, to the same extent as set forth in the Replacement Property Purchase Contract. If prior to the Replacement Property Closing, Exchangor breaches any of its obligations under the Replacement Property Sale Contract, the Exchange Agreement or this Assignment, Qualified Intermediary may terminate this Assignment by written notice to Exchangor.

**6. Counterparts and Signatures.** To facilitate execution, this Assignment may be executed in any number of counterparts as may be convenient or necessary, and it shall not be necessary that the signatures of all parties hereto be contained on any one counterpart hereof. Additionally, the parties hereby covenant and agree that, for purposes of facilitating the execution of this Assignment, (i) all signature pages taken from separate individually executed counterparts of this Assignment may be combined to form multiple fully executed counterparts and (ii) a facsimile or electronic signature shall be deemed to be a "wet-ink" original signature. All executed counterparts of this Assignment shall be deemed to be originals, but all such counterparts taken together shall constitute one and the same instrument.

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.  
SIGNATURE PAGE FOLLOWS.



IN WITNESS WHEREOF, Exchangor and Qualified Intermediary each has caused this Replacement Property Assignment to be duly executed pursuant to proper authorization as of the day and year first written above.

QUALIFIED INTERMEDIARY:

EXETER 1031 EXCHANGE SERVICES, LLC, a California limited liability company

By: Exeter Exchange Management Corporation, a California corporation, its Manager

By: Patrick Bailon  
Patrick Bailon  
Senior Administrator

EXCHANGOR:

By: Albert Arbelaez  
Albert Arbelaez

ACKNOWLEDGMENT OF RECEIPT

The undersigned hereby acknowledges receipt of the foregoing Replacement Property Assignment. The undersigned agrees that it will look solely to the Exchangor, and not to the Qualified Intermediary, for any claims arising from any alleged breach of the Exchangor's representations, warranties or obligations under the Replacement Property Purchase Contract.

The Heartland Group Ventures, LLC

DocuSigned by:  
Sunny Sahota  
By: 0FEEBE2E222C4D9...  
Sunny Sahota, Manager

Date: 01/14/2021 | 10:21 AM PST

The Heartland Group Ventures, LLC; Barron Petroleum, LLC

DocuSigned by:  
Rustin Brunson  
By: F02DS06936D14AE...  
Rustin Brunson, Manager

Date: 01/14/2021 | 10:51 AM PST

EXHIBIT A

A 20% working interest in the well and those certain oil and gas leases referenced herein Insofar and only insofar as the leases cover that certain well known as the KARI #02WC, API #41332966 said well being primarily located upon:

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TRACT 2:

263 Acre tract out of the South 1529.35 acres of land League 8, Concho County School Lands, Abstract No. 46, Schleicher County, Texas.

TRACT 3:

149 acre tract out of the 654.71 acres of land, more or less, being all of Joseph Burns Survey, Abstract NO. 26, Block DD, Schleicher County, Texas.

# **EXHIBIT E**



**ORDER GRANTING RECEIVER'S MOTION TO DETERMINE EXTENT AND  
VALIDITY OF INTERESTS OF ALBERT ARBELAEZ**

CAME ON THIS DAY to be considered, the Receiver's *Motion to Determine Extent and Validity of Interests of Albert Arbelaez* (the "Motion")<sup>1</sup>. After considering the Motion, any supporting papers, and any responses thereto, the Court is of the opinion hereby finds that:

**FINDING OF FACT**

1. Albert Arbelaez ("Arbelaez") was conveyed a ten (10%) working interest in and to the Kari #01WC, API#41332966 located in Schleicher County, Texas, pursuant to that Partial Assignment of Oil, Gas and Mineral Leases, filed in the Records of Schleicher County, Texas, on June 28, 2021 (Doc # 20210000413) (the "Partial Assignment").

2. Arbelaez does not have an enforceable claim to any lease, well, or other Receivership Property.

**IT IS THEREFORE ORDERED** that the Motion is **GRANTED** in all respects.

Signed this \_\_\_ day of \_\_\_\_\_, 2022

\_\_\_\_\_  
HAL R. RAY, JR.  
UNITED STATES MAGISTRATE JUDGE

<sup>1</sup> Capitalized terms used herein but not otherwise defined shall have the meaning ascribed in the Receivership Order.

Prepared and submitted by:

Danielle N. Rushing  
State Bar No. 24086961  
drushing@dykema.com  
**DYKEMA GOSSETT PLLC**  
112 East Pecan Street, Suite 1800  
San Antonio, Texas 78205  
Telephone: (210) 554-5500  
Facsimile: (210) 226-8395

and

Rose L. Romero  
State Bar No. 17224700  
Rose.Romero@RomeroKozub.com  
**LAW OFFICES OF ROMERO | KOZUB**  
235 N.E. Loop 820, Suite 310  
Hurst, Texas 76053  
Telephone: (682) 267-1351

**COUNSEL TO RECEIVER**