



**RECEIVER’S FOURTH QUARTERLY REPORT FOR RECEIVERSHIP ESTATES  
(JULY 1, 2022 – SEPTEMBER 30, 2022)**

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 Fourth Quarterly Report for Receivership Estates* (the “Report”) for the period July 1, 2022 through September 30, 2022.<sup>1</sup> 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 a third auction of equipment, obtained Court approval to sell oil and gas interests, obtained Court approval to engage litigation counsel, continued the process of obtaining executed division orders for various operators, issued K-1 packages to Heartland equity investors, continued the process of verifying prior production and calculating where funds to equity investors could be traced the amounts of unpaid royalties, and identified and attempted to resolve issues with the Railroad Commission of Texas (“RRC”). Amounts owed for production 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. Insurance was maintained and, where necessary, replacement insurance was obtained.

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

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

3. At the beginning of the third quarter of 2022, the Receiver had \$6,240,182.90 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 \$6,297,199.02. As of the filing of this Report (October 31, 2022), \$6,247,616.70 is in the Receivership bank accounts.

4. During the third quarter of 2022 (July 1, 2022—September 30, 2022), the Receiver and her team have focused on process for disposition of real property interests. This process has included inspecting all properties owned by a Receivership Party, identifying an auction and other disposition process for real property assets, engaging real property appraisers with expertise in farm and ranch appraisal, and employing real estate brokers. On July 14, 2022, the Receiver obtained approval to begin the sale and disposition processes for real property. [ECF No. 240] The Receiver and her team continue to analyze various records relating to potential assets and/or claims of the Estates. On September 28, 2022, the sale of one property was finalized, with a net payment of \$547,622.66 to the Estates. On October 17, 2022, notice was filed regarding a sale of a ranch for \$3,200,000, subject to higher bids.

## 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. The *Receiver's Third Quarterly Report for the Receivership Estates* [ECF No. 242] (the "Third Quarterly Report") was filed July 30, 2022. This Quarterly Report covers the period of July 1, 2022 through September 30, 2022 (the "Reporting Period"). Certain information or activity subsequent to September 30, 2022, is 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.<sup>2</sup>

### **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, vehicles, 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. The Receiver has worked with various counsel, including, but not limited to, her lead counsel, Dykema Gossett PLLC (“Dykema”), Rose Romero with Romero | Kosub, Darrell Jones and Eric Hillerman with the Law Practice of Darrell R. Jones, PLLC, and Reid Collins Tsai LLP (“Reid Collins”). The Receiver has also worked closely with Ahuja & Clark, PLLC (“A&C”) on tax, accounting, and tracing issues, and Vicki Palmour Consulting LLC (“Palmour”) on RRC regulatory and compliance issues. Many of the tasks performed by the Receiver apply equally to each of the Receivership Estates. Accordingly, the statements and reports contained within this Report should be read to apply

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<sup>2</sup> Any reference to “investor” is not intended to categorize or characterize any claim.

equally to each of the Receivership Estates, except where specifically noted to apply to a specific Receivership Estate.

#### **IV. REPORT**

##### **A. FEDERAL TAX ISSUES**

13. On April 22, 2022, the Court entered an order approving the A&C application [ECFNo. 187]. A&C began the review and analysis of the available tax and accounting records for the Receivership Parties. The Receiver and her advisors reviewed all prior tax returns. Extensive analysis was required regarding whether the Receivership Order created a Qualified Settlement Fund (“QSF”), and, if so, the various consequences and results of a QSF. Ultimately, it was decided to file tax returns for each domestic Receivership Party for the entire 2021 tax year. On September 15, 2022, tax returns for 2021 were timely filed for the domestic Receivership Parties. On September 21, 2022, Heartland equity investor K-1’s were mailed to the equity investor’s mailing address on file.

##### **B. INSURANCE**

14. During the Reporting Period, insurance was maintained. 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, amounts related to utilities; field personnel; Contract Oil & Gas Operations LLC (“COGO”); court filing and recording fees; license fees; taxes; costs related to preparing property for sale, including, but not limited to, WolfePak, transportation and towing fees, and auction-related fees; and professional fees to Retained Personnel (to the extent allowed by the Court).

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

**D. REMEDIATION EXPENSES**

17. The RRC identified four locations in Palo Pinto County (Hinkson Well No. 1, Hinkson Well No. 3, Hinkson-Caldwell Well No. 1, and Ankenbauer Well No. 1) it claimed required remediation for issues which occurred prior to the appointment of the Receiver. During the Reporting Period, the Receiver approved settlements with the RRC and the remediation process for those wells. The remediation process was completed at a cost of \$18,253.

**E. RECEIPTS AND DISBURSEMENTS**

18. During the Reporting Period, the Receiver deposited \$795,901.83, 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**

*a. ESI and Documents*

19. 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. Various Retained Personnel utilize this platform on a routine basis related to their scope of work.

*b. Real Estate*

20. 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 Inc. (“Dallas Resources”), and Arcooil Corp. (“Arcooil”) offices in Graham, Texas (previously defined as, the “Graham Office”), as well as the Graham Yard; an office and

storage location in Electra, Texas (the “Electra Office”); the ranch in Eldorado, Texas (previously occupied by Defendant Manjit Singh (aka Roger) Sahota (“Roger”), his wife, Relief Defendant Harprit Sahota (“Harprit”), and his son, Relief Defendant Monroe Sahota (“Monrose”)) (the “Dallas Resources Ranch”); the home in San Angelo, Texas, owned by Dallas Resources (previously occupied by Relief Defendant Sunny Sahota (“Sunny”) and his family) (the “San Angelo House”); and a ranch located off FM 919 in Palo Pinto County, Texas (the “Palo Pinto Ranch”), owned by Receivership Party 1178137 B.C. Ltd.

i. Dallas Resources Ranch

21. The Dallas Resources Ranch is a “ranch” located in Eldorado, Texas, which is owned by Dallas Resources and was occupied by Roger, Harprit, Monrose, and the wife of Monrose until July 31, 2022. To date, the Receiver has incurred \$900.00 on costs related to preparing the Dallas Resources Ranch for sale. She also sold 167 goats and sheep for a net payment of \$9,516.35. At least 12 sheep and 1 goat remain grazing at the Dallas Resources Ranch.

ii. San Angelo House

22. The San Angelo House in San Angelo, Texas, was occupied by Sunny, his wife, and their 3 minor children until July 31, 2022. The Receiver incurred \$1,361.29 in costs related to preparing the San Angelo House for sale. The San Angelo House has been sold with \$547,622.66 received in net proceeds to the Receivership Estates.

iii. Bahamas Properties

23. There are at least two (2) properties in the Bahamas (and potentially a third, or an option, piece of property).<sup>3</sup> 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

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<sup>3</sup> <https://www.vrbo.com/2266040>.

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; to date, the Sahotas have not done so.

iv. Guatemala Properties

24. 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.

v. Graham Property

25. 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 incurred \$1,000 to date in costs related to preparing the Graham Property for sale.

vi. Palo Pinto Ranch

26. The Palo Pinto Ranch is located around Gordon, Texas,<sup>4</sup> and is owned by Dallas Resources. The Receiver has confirmed that there are no amounts owed on the Palo Pinto Ranch and is working to obtain a release of the lien on file. The Receiver obtained approval of a sale process for the Palo Pinto Ranch and other properties [ECF Nos. 226 and 240] and on October 17, 2022, [ECF No. 267] entered into a contract to sell the Palo Pinto Ranch “as is” for \$3,200,000, subject to higher offers.

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<sup>4</sup> The Property located in or around Gordon, Palo Pinto County, Texas, with the following description: 972.976 Block: 2 972.976 acres, T&PRR, Co. Survey Abstract #1945 Parcel Id(s): R000005838 R000009449.

vii Electra Property

27. The Electra office and yard is located in Electra, Wichita County, Texas, and is owned by Dallas Resources. The Receiver has confirmed that there are no amounts owed on the Electra property. The Receiver obtained approval of a sale process for the Electra property and other properties [ECF Nos. 226 and 240]. To date, the Receiver has incurred \$1,000.00 on costs related to preparing the Electra property for sale.

*c. Oil and Gas Properties*

28. There are hundreds of wells located across multiple leases in Texas. The oil and gas assets are not as valuable as the investors were led to believe. During this Reporting Period, the Receiver and her advisors have continued to spend extensive amounts of time addressing issues raised by the RRC, landowners, and other parties.

**General Operations**

- Operation of oil and gas properties, including identification of operational issues and remediation of same; and
- Receivership and/or her advisors managed oil and gas revenue and expenses, generated monthly lease operating statements, and distributed royalty on a timely basis.

**Replacement Insurance Secured**

- The Receiver secured replacement general liability and pollution coverage for oil and gas operations from Mid-Continent Casualty, effective July 22, 2022. The general liability and pollution coverage replaced the policies written by National American Insurance Company (NAICO). The NAICO coverage was terminated on July 22, 2022. The Receiver maintained insurance coverage without any lapses.

**Palo Pinto Pipeline Audit/Responsibility Determination**

- The Receiver and/or her advisors communicated with the Oversight & Safety Division regarding a Palo Pinto County, Texas, T-4 permitted pipeline, which is known to the RRC as the C.B. Long “A” 1 gas gathering system (the “Pipeline”). The Receiver and/or her advisors participated in a field audit of the gathering system and revisited longstanding violations associated with the system that predated the Receivership.
- The Receiver and/or her advisors also initiated dialogue with the RRC, questioning the Receivership’s responsibility to address the violations associated with a gathering system. Operations of the T-4 permitted gathering system were never transferred to a

Receivership Party, and the extensive cost associated with compliance should not be borne by the Receivership.

### **General Compliance**

- The Receiver and/or her advisors reviewed a constant stream of RRC violation notices. The Receiver's team immediately addressed violations and communicated with RRC staff, as necessary, to maintain P-5's for all applicable Receivership Parties.

### **Legal Compliance/Cleanups**

- The Receiver and/or her advisors mobilized field resources to cleanup historic hydrocarbon spills in Palo Pinto County, Texas. These historic violations were all associated with the Receivership Party Dodson Prairie Oil & Gas LLC ("Dodson Prairie"). The violations were identified by four RRC Enforcement Action Notices. The Receiver established dialogue with RRC attorneys and agreed to pay administrative settlement payments and achieve compliance for the noted violations within an agreed timeframe.
- The Receiver spent \$8,975 in administrative settlement payments to the RRC to settle the four (4) then-open enforcement actions.
- The Receiver spent approximately \$18,250 to cleanup hydrocarbon contamination that predated the Receivership. Well signs were created and placed on the leases as required to achieve compliance with the RRC regulations. Details of the four (4) then-open enforcement actions are below:
  - Ankenbauer #1 Notice of Violation and Enforcement Action
    - Oil and Gas Docket No. 00009610. The Receiver paid an administrative settlement payment to the RRC of \$1,250. The Receiver and/or her team created three (3) signs and placed them as required at the primary lease access gate, on the tank battery, and on the Ankenbauer #1 well. The total cost to create signs and install them on the lease was \$183.
  - Hinkson #1 Notice of Violation and Enforcement Action
    - Oil and Gas Docket No. 00009609. The Receiver paid an administrative settlement payment to the RRC of \$4,075. The Receiver and/or her team managed the cleanup of a historic hydrocarbon spill at the Hinkson #1 tank battery, created three (3) signs, and placed them as required at the primary lease access gate, on the tank battery, and on the Hinkson #1 well. Total cost to clean up the hydrocarbon spill, create signs, and install them on the lease was \$7,849.

- Hinkson #3 Notice of Violation and Enforcement Action
  - Oil and Gas Docket No. 00009614. The Receiver paid an administrative settlement payment to the RRC of \$1,600. The Receiver and/or her team managed the cleanup of a historic hydrocarbon spill at the Hinkson #3 tank battery, created three (3) signs, and placed them as required at the primary lease access gate, on the tank battery, and on the Hinkson #3 well. Total cost to clean up the hydrocarbon spill, create signs, and install them on the lease was \$5,111.
- Hinkson-Caldwell #1 Notice of Violation and Enforcement Action
  - Oil and Gas Docket No. 00009615. The Receiver paid an administrative settlement payment to the RRC of \$2,050. The Receiver and/or her team managed the cleanup of a historic hydrocarbon spill at the Hinkson-Caldwell #1 tank battery, created three (3) signs, and placed them as required at the primary lease access gate, on the tank battery, and on the Hinkson-Caldwell #1 well. Total cost to clean up the hydrocarbon spill, create signs, and install them on the lease was \$5,111.
- Field activities to achieve regulatory compliance on the above items were completed in September 2022.
- As of September 30, 2022, the Receiver is waiting for the RRC Field Representative to inspect the subject properties, indicate the Receiver has addressed all violations, and release/close the subject enforcement actions.

### **EnergyNet Auction**

- The Receiver executed a “Seller’s Agreement for the Sale of Oil and Gas Properties” with EnergyNet.com LLC (“EnergyNet”). This agreement memorialized the commission structure and other fees that EnergyNet would earn for the marketing and sale of the Receivership’s oil and gas assets.
- The Receiver and/or her team organized the oil and gas assets into eight (8) groups. Each group comprised an auction lot.
- Receiver divided properties into lots sized to allow smaller operators to purchase the oil and gas assets. Each lot included less than 100 wells.
- The auction lots were grouped by geographic region and shared operating infrastructure, if applicable.
  - Lots were spread across eight (8) Texas counties, including Wichita, Hardeman, Stephens, Palo Pinto, Jack, Young, Sutton, and Schleicher.
  - Lots were spread across five (5) Receivership Parties, including Arcooil, Barron Petroleum, Dodson Prairie, Leading Edge Energy LLC (“Leading Edge”), and Panther City Energy LLC (“Panther City”).

- Lots comprised 59 individual leases and included 435 wells.
- The EnergyNet auction lots were online and available for any prospective bidder's due diligence in August 2022.
- The Receiver and/or her team fielded calls and answered questions from prospective bidders.
- The Receiver required all prospective bidders to sign a liability waiver prior to visiting any Receivership properties.
- The Receiver and/or her advisors guided prospective bidders on field visits to inspect oil and gas properties and answer questions.
- The Receiver's advisors drafted conveyance documents specific to each auction lot.
- The Receiver's advisors prepared P-4's (RRC well transfer document) for each well. These P-4's were grouped by lot to allow EnergyNet to fill in winning bidder and send directly to the RRC for approval and well transfers.
- The EnergyNet auction was open to bidders and accepted bids on all Receivership lots from September 8, 2022 through September 15, 2022.
- Five (5) EnergyNet lots had bidders as of September 15, 2022.
  - \$580,900 was generated in gross proceeds from winning bidders.
  - 267 wells will be transferred out of Receivership Parties upon RRC approval of P-4 transfers.
- The Receiver's team negotiated with potential buyers of the three (3) remaining EnergyNet lots.
  - The three (3) remaining lots include 168 wells located in three (3) counties.
  - Expected proceeds that may be realized from the three (3) remaining lots is less than \$10,000 and assumption of plugging and abandonment obligations.
  - If ongoing negotiations are successful, the EnergyNet sales process and subsequent dialogue with buyers will divest operational responsibility for oil and gas leases/ wells from the Receivership.
  - P-4 well transfer documents have been or will be submitted to the RRC for approval and transfer.

## **Val Verde/Crockett Leases**

### *The Val Verde Basin Farmout*

29. As stated in the last quarterly report, the Receiver previously attempted to generate interest in its Val Verde Basin oil and gas leases (many thousands of acres) and drilled but unfinished wells (11). No interested parties came forward, with the exception of a small group of interested investors comprised of SDMB Resources LLC, THXMT, LLC, and Atoka Operating,

Inc. (“Atoka Operating”) (collectively, the “Underwood Group”).<sup>5</sup> The Underwood Group emerged as the best proposal in the aggregate, and the Receiver has submitted the transaction with the Underwood to this Court for approval. [ECF No. 268]. Details are not restated herein, but a summary of the comprehensive process to arrive at that arrangement is merited.

30. A non-binding Letter of Intent (“LOI”) was negotiated between the Receiver (through her oil and gas counsel) and the Underwood Group (through their counsel). The LOI described the salient commercial points of a farmout agreement whereby the Underwood Group contributed material new capital and operating expertise (through Atoka Operating) that the Receiver does not possess, and the Receiver contributed its Val Verde Basin properties so that the wells already drilled there could be tested and further developed, and new wells can be drilled. The LOI also set forth in broad strokes the contingent and known future risk/cost liability allocation between the certain of the Receivership Parties and the Underwood Group.

31. Over the Reporting Period, counsel for the Receiver negotiated extensively with counsel for the Underwood Group and counsel for the lessors in the Val Verde Basin leases (the “Lessors”) as to both documentation form and substance to arrive at agreeable specific terms and conditions for a long-term joint venture which would be supported by the Lessors and pertinent surface owners (who may assert entitlement to various rights that could make that venture more challenging and therefore value-impaired). These negotiations culminated in a mutually acceptable suite of transaction documents consisting of a Farmout Agreement, a Joint Operating Agreement (with several appended ancillary production and cost accounting documents), and Oil and Gas Lease Amendment and consents by the Lessors and surface owners to present and future

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<sup>5</sup> This group is informally led by Mr. David Underwood, and the Court is directed to the specific motion for this transaction and supporting affidavits for more detail on these parties.

assignments and changes of operatorship of the properties. The deal is thought to be value-accretive to the Receivership Estates and is risk-reducing and cost-saving in terms of future and contingent liabilities that were previously materially understated (or misapprehended).

*Regulatory Non-Compliance Issues with the RRC*

32. The Receiver and her advisors have been engaged in extensive negotiations and strained discussions with attorneys for the Enforcement Division of the RRC regarding safety and reporting compliance for the Pipeline, which is a 110-mile (total linear footage estimate) natural gas gathering system in Palo Pinto County. The Receiver and/or her team participated in a follow-up safety inspection in September 2022 by the district inspection supervisor for the RRC's Pipeline Safety Division; the first inspection report (citing numerous violations) was issued in September 2021. This specific matter has been and will continue to be a major consumer of the Receiver's expert advisors' time and energy to resolve and ultimately dispose of through the Court or other means.

**Palmour Accounting and Regulatory Work**

33. During the Reporting Period, Palmour continued responding to regulatory and governmental reporting requirements of the RRC. Palmour 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 RRC. Palmour continues to process division orders for royalty owners. Palmour also manages 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's revenue distribution responsibilities was the distribution of royalty income owed to third party or unaffiliated royalty owners. Palmour 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. 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), and includes, but is not limited to:

- a. Review daily mail, e-mails, etc. from RRC regarding many violations, including field or filing violations. Research methods to resolve violations in the most economic manner while taking care of any and all pollution problems;
- b. File W-10 Re-tests and W-10 Surveys to show status of all wells—i.e. shut-in, producing, injecting, etc.;
- c. Review P-5 renewal and prepare and file W-3C's (Certification of Surface Equipment Removal for an Inactive Well) on all operating companies;
- d. File corrected production reports for March 2022 on all Barron Petroleum wells;
- e. File production reports thru July 2022 on all wells;
- f. File corrected production reports for June 2022 on Barron Petroleum wells;
- g. Review violation letters, and severances on wells;
- h. Compile 2021 producer reports for all Barron Petroleum wells;
- i. Compile 2021 natural gas totals for all Barron Petroleum wells;
- j. Compile 2021 production figures for A&C;
- k. Review wells, prepare, and submit Acknowledgement of Critical Customer Designation with attachments to RRC and electric providers for all Receivership Party operators;

- l. Weekly conference calls with the Receiver and her team regarding operations and compliance; and
    - m. Order signs for leases, tank batteries, and wells to comply with RRC rules.
35. 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. Researched and reported on pre- and post-receivership production taxes due from Sutton, Val Verde, Schleicher, and Palo Pinto Counties gas production;
  - c. Completed production reporting on behalf of Barron Petroleum. 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;
  - d. Completed water production and injection reporting on behalf of Barron Petroleum. 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 compliant related to Schleicher County water production/injection reporting issues;
  - e. Completed production reporting on behalf of Leading Edge. 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;
  - f. Worked with RRC Wichita County field inspector to remediate issues from Dodson Prairie operated lease in Palo Pinto County;
  - g. Completed production reporting on Val Verde County wells on behalf of Barron Petroleum. 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;
  - h. 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, and Dodson Prairie;
  - i. Critical infrastructure reports were completed as required by the RRC;

- j. 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;
- k. Preparation and filing of reports with the RRC; and
- l. Calculation of royalties and other amounts due to third parties.

36. 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].

***d. Jade and other Personal Property***

37. 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 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].

***e. Equipment and Vehicles***

38. Permian held a third public auction, accessible online or in-person in Midland, Texas, on July 19th and 20th, 2022. Equipment at each of the yards was catalogued and integrated into the marketing materials for the auction held July 2022.

39. Auction gross proceeds were \$43,000.00. After payment of the contractual and Court-approved auctioneer fees in the amount of \$3,540.00, Permian delivered the July 2022 auction net proceeds to the Receiver for the benefit of the Estates in the amount of \$39,460.00.

40. The Receiver anticipates selling additional light use vehicles in November 2022, which are owned by and titled in the name of one or more Receivership Parties.

41. 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 PARTIES**

42. Reid Collins has been engaged to prosecute certain claims held by one or more Receivership Parties. [ECF Nos. 249, 260, and 261].

#### **H. KNOWN CREDITORS**

43. 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.

44. 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, and A&C has begun verifying the amount each has invested or otherwise advanced.

45. Since her appointment, the Receiver received thousands of phone calls, voicemails, or emails from investors, employees, or other interested parties. The Receiver set up an informational website and a dedicated email address for the Case:

[www.heartlandreceivership.com](http://www.heartlandreceivership.com). The Receiver continually updates the website with investor communications, “frequently asked questions,” key court documents, notices, and reports.

46. 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. The Receiver and her team have continued working on this during the Reporting Period.

#### **I. ADMINISTRATIVE ACTIONS**

47. As stated above, a website has been created to provide information to investors and creditors regarding the status of the Case: [www.heartlandreceivership.com](http://www.heartlandreceivership.com). A FAQ section is on 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 as information becomes available. Information regarding real property and private sale or auctions of personal property will also be posted to the website on the Notices page.

48. An email address has been created for direct communication by investors and other parties in interest: [heartlandreceivership@dykema.com](mailto: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**

49. 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: October 31, 2022

Respectfully submitted,

By: /s/ Danielle N. Rushing

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**COUNSEL TO RECEIVER**

**CERTIFICATE OF SERVICE**

I hereby certify that on October 31, 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

**EXHIBIT A**

## RECEIPTS AND DISBURSMENTS

	Current Period (7/1/2022 - 9/30/2022)	Cumulative
<b>1. CASH AT BEGINNING OF PERIOD</b>	<b>\$ 6,240,182.90</b>	
<b>2. RECEIPTS</b>		
<i>*3898 IBC Account</i>		
07/11/22 Deposit - Ranger Gas Gathering, LLC	\$ 342.84	
07/12/22 Incoming Wire - Gulf Coast Gas Gathering, LLC	\$ 5,867.92	
07/25/22 Deposit - DCP Operating Co	\$ 52,447.47	
08/03/22 Deposit - Transoil Marketing, LLC	\$ 4,122.84	
08/11/22 Deposit Ranger Gas Gathering LLC	\$ 535.08	
08/19/22 Deposit - BML, INC	\$ 25,166.72	
08/19/22 Deposit - Transoil Market Cons	\$ 20,242.87	
08/25/22 Deposit - DCP Operating Co	\$ 37,377.67	
09/12/22 Deposit - Ranger Gas Gathering, LLC	\$ 562.90	
09/14/22 Deposit - Gulf Coast Gas Gathering, LLC	\$ 8,659.47	
09/20/22 Deposit - Transoil Market Cons	\$ 9,751.00	
Total Deposits to *3898	<b>\$ 165,076.78</b>	<b>\$ 620,338.59</b>
<i>*3863 IBC Account</i>		
08/03/22 Deposit - Halton Hall & Associates	\$ 6,610.00	
08/03/22 Deposit - G&F Oil Inc	\$ 20,000.00	
08/11/22 Deposit - Permian International Energy Services	\$ 39,460.00	
08/30/22 Deposit - State Farm Insurance Co	\$ 122.32	
08/30/22 Deposit - Mitsui Sumitomo Insurance Co	\$ 13,409.88	
09/21/22 Deposit - BankFirst Insurance Services, Inc.	\$ 3,600.19	
09/28/22 Deposit #Wire to Guaranty Abstract & Title Company - Sale of Property	\$ 547,622.66	
Total Deposits to *3863	<b>\$ 630,825.05</b>	<b>\$ 8,251,247.78</b>
<b>3. TOTAL RECEIPTS</b>	<b>\$ 795,901.83</b>	<b>\$ 8,871,586.37</b>
<b>4. TOTAL CASH AVAILABLE FOR OPERATIONS</b> (Line 1 + Line 3)	<b>\$ 7,036,084.73</b>	
<b>5. DISBURSEMENTS</b>		
<i>*3898 IBC Account</i>		
07/01/22 Check #1295 to Gulf Coast Gas Gathering, LLC - Operating Expenses	\$ 500.00	
07/01/22 Check #1294 to Colt Midstream - Operating Expenses	\$ 200.00	
07/05/22 Check #1266 to Niblett's Oilfield Services - Contract Pumper	\$ 2,932.82	
07/05/22 Check # to Deluxe - Office Supplies	\$ 221.04	
07/06/22 Check #1300 to Production Meter & Testing - Operating Expenses	\$ 65.00	
07/06/22 Check # to SDC Southwest Electric - Utilities	\$ 7,279.60	
07/07/22 Check #1297 to Baldrige Family Land, Ltd - Royalty Expense	\$ 156.69	
07/07/22 Check #1299 to William & Carson Family Trust - Royalty Expense	\$ 39.92	
07/11/22 Check # to United Coop Services - Utilities	\$ 451.44	
07/13/22 Check #1290 to Bonnie M. Baldrige - Royalty Expense	\$ 75.12	
07/13/22 Check #1296 to Bonnie M. Baldrige - Royalty Expense	\$ 56.91	
07/15/22 Check #1403 to Platinum Vapor Control - Operating Expenses	\$ 3,003.00	
07/15/22 Check #1411 to Bobby Cato - Auction/Property Sale Expenses	\$ 5,000.00	
07/18/22 Check #1401 to Jacam Catalyst - Operating Expenses	\$ 1,166.22	
07/18/22 Check #1405 to Janet W Holland Trust #1 - Royalty Expense	\$ 26.23	
07/18/22 Check #1410 to Claride W. Walters Trust #1 - Royalty Expense	\$ 26.23	
07/18/22 Check #1412 to Aaron W. Erwin, Jr. - Contract Operator	\$ 1,125.00	

## RECEIPTS AND DISBURSMENTS

	<b>Current Period</b> <b>(7/1/2022 - 9/30/2022)</b>	<b>Cumulative</b>
07/19/22 Check #1404 to A9 Oilfield Services LLC - Contract Pumper	\$ 3,500.00	
07/19/22 Check #1406 to Eric Hinkson - Royalty Expense	\$ 169.42	
07/19/22 Check #1408 to Sandra Altum - Royalty Expense	\$ 51.25	
07/25/22 Check #1407 to Suzette Flow - Royalty Expense	\$ 51.25	
07/25/22 Check #1409 to Tom & Suzanne Nickens - Royalty Expense	\$ 1,201.47	
07/25/22 Check #1413 to State Comptroller - Taxes - Oil & Gas	\$ 40.01	
07/25/22 Check #1414 to State Comptroller - Taxes - Oil & Gas	\$ 37.75	
08/04/22 Check # to SDC Southwest Electric - Utilities	\$ 4,262.31	
08/08/22 Check #1421 to Black Stone Minerals Co, LP - Royalty Expense	\$ 103.49	
08/08/22 Check #1423 to Bruce R. Lively Trustee - Royalty Expense	\$ 1,360.79	
08/08/22 Check #1434 to Hayden Oil LP - Royalty Expense	\$ 461.62	
08/08/22 Check #1442 to Joe Bill Watkins - Royalty Expense	\$ 126.14	
08/09/22 Check #1416 to A9 Oilfield Services LLC - Contract Operator	\$ 3,500.00	
08/09/22 Check #1422 to Broughton Petroleum, Inc. - Royalty Expense	\$ 1,056.06	
08/09/22 Check #1430 to D Kirk Edwards - Royalty Expense	\$ 542.22	
08/09/22 Check #1432 to Kirk Gatton - Royalty Expense	\$ 709.85	
08/09/22 Check #1444 to John Mark McLaughlin - Royalty Expense	\$ 68.79	
08/09/22 Check #1456 to Jim W. Milliacan - Royalty Expense	\$ 1,223.80	
08/09/22 Check #1457 to Mitchell Royalty LP - Royalty Expense	\$ 34.45	
08/10/22 Check #1232 to The Borchers Family Trust - Royalty Expense	\$ 199.07	
08/10/22 Check #1415 to Colt Midstream - Operating Expenses	\$ 200.00	
08/10/22 Check #1469 to BML, INC - Royalty Expense	\$ 12,127.52	
08/10/22 Check #1470 to BML, INC - Royalty Expense	\$ 11,570.70	
08/10/22 Check # to United Coop Services - Utilities	\$ 452.50	
08/11/22 Check #1437 to Hollie Jacobs - Royalty Expense	\$ 32.93	
08/11/22 Check #1458 to Kyle B Owen Residuary Trust - Royalty Expense	\$ 1,243.71	
08/11/22 Check #1463 to Sabine Royalty Trust - Royalty Expense	\$ 105.95	
08/12/22 Check #1431 to Gatton Energy Resources, LLC - Royalty Expense	\$ 391.55	
08/12/22 Check #1440 to JD Sutton, Inc. - Royalty Expense	\$ 35.24	
08/12/22 Check #1453 to Marks Oil, Inc. - Royalty Expense	\$ 33.39	
08/12/22 Check #1471 to Platinum Vapor Control - Operating Expenses	\$ 3,003.00	
08/15/22 Check #1425 to - Royalty Expense	\$ 177.75	
08/15/22 Check #1429 to Diana C. Condra - Royalty Expense	\$ 238.40	
08/15/22 Check #1433 to Glover Properties Inc. - Royalty Expense	\$ 107.13	
08/15/22 Check #1438 to James M. Condra Shelter Trust - Royalty Expense	\$ 238.40	
08/15/22 Check #1441 to Jeff R. Wilson - Royalty Expense	\$ 125.00	
08/16/22 Check #1476 to Production Meter & Testing - Operating Expenses	\$ 65.00	
08/16/22 Check #1477 to Railroad Commission of Texas - Business Licenses and Permits	\$ 1,250.00	
08/16/22 Check #1478 to Railroad Commission of Texas - Business Licenses and Permits	\$ 2,500.00	
08/16/22 Check #1479 to Railroad Commission of Texas - Business Licenses and Permits	\$ 1,250.00	
08/17/22 Check #1424 to Caron Ducote - Royalty Expense	\$ 186.68	
08/17/22 Check # to Deluxe - Office Supplies	\$ 111.76	
08/19/22 Check #1420 to Baldrige Family Land, Ltd - Royalty Expense	\$ 55.80	
08/19/22 Check #1448 to Kristen Shurley - Royalty Expense	\$ 1,290.13	
08/22/22 Check #1465 to Stacey Vaughn Paull - Royalty Expense	\$ 87.42	
08/24/22 Check #1298 to Highlander Energy, LLC - Royalty Expense	\$ 266.96	
08/24/22 Check #1436 to Highlander Energy, LLC - Royalty Expense	\$ 95.04	
08/25/22 Check #1459 to Phillip R. Lane - Royalty Expense	\$ 64.60	
08/25/22 Check #1480 to Niblett's Oilfield Services - Contract Pumper	\$ 492.80	
08/25/22 Check #1481 to State Comptroller - Taxes - Oil & Gas	\$ 3,945.99	
08/26/22 Check #1450 to Lanroy Inc. - Royalty Expense	\$ 707.84	

## RECEIPTS AND DISBURSMENTS

	Current Period (7/1/2022 - 9/30/2022)	Cumulative
08/26/22 Check #1482 to Niblett's Oilfield Services - Contract Pumper	\$ 579.04	
08/29/22 Check #1464 to Sleepy Hollow Enterprises, Ltd. - Royalty Expense	\$ 55.80	
08/29/22 Check #1472 to Sleepy Hollow Enterprises, Ltd. - Royalty Expense	\$ 206.82	
08/29/22 Check #1473 to Sleepy Hollow Enterprises, Ltd. - Royalty Expense	\$ 156.69	
08/29/22 Check #1474 to Estate of William J. Carson, Jr. - Royalty Expense	\$ 75.12	
08/29/22 Check #1475 to Estate of William J. Carson, Jr. - Royalty Expense	\$ 56.91	
08/29/22 Check #1486 to Gulf Coast Gas Gathering, LLC - Operating Expenses	\$ 500.00	
08/30/22 Check #1445 to JR McGinley Jr Recovable Trust - Royalty Expense	\$ 492.68	
08/30/22 Check #1461 to Richard J. Trabulsi Jr. - Royalty Expense	\$ 126.37	
08/30/22 Check #1483 to State Comptroller - Taxes - Oil & Gas	\$ 42.74	
08/30/22 Check #1484 to State Comptroller - Taxes - Oil & Gas	\$ 40.50	
08/30/22 Check #1485 to State Comptroller - Taxes - Oil & Gas	\$ 3,937.39	
08/31/22 Check #1428 to Cleroy Inc. - Royalty Expense	\$ 547.92	
08/31/22 Check #1447 to Kayla S. Davidson - Royalty Expense	\$ 1,115.99	
08/31/22 Check #1468 to David L. Weidner - Royalty Expense	\$ 1,243.71	
09/01/22 Check #1418 to Alor LLC - Royalty Expense	\$ 120.83	
09/01/22 Check #1449 to Lambert Oil & Gas Royalties Co - Royalty Expense	\$ 30.66	
09/06/22 Check #1490 to Gulf Coast Gas Gathering, LLC - Operating Expenses	\$ 500.00	
09/08/22 Check #1492 to Platinum Vapor Control - Operating Expenses	\$ 3,003.00	
09/12/22 Check # to United Coop Services - Operating Expenses	\$ 452.13	
09/12/22 Check # to SDC Southwest Electric - Utilities	\$ 4,829.65	
09/20/22 Check #1487 to Childress Family Enterprises - Royalty Expense	\$ 616.58	
09/20/22 Check #1488 to Childress Family Enterprises - Royalty Expense	\$ 467.14	
09/20/22 Check #1489 to Childress Family Enterprises - Royalty Expense	\$ 166.34	
09/22/22 Check #1452 to Macmin Co., LLC - Royalty Expense	\$ 95.23	
09/23/22 Check #1493 to Jacam Catalyst - Operating Expenses	\$ 971.85	
09/26/22 Check #1467 to Tepe Oil - Royalty Expense	\$ 43.39	
09/27/22 Check #1496 to Sign's Unlimited - Printing and Reproduction Fees	\$ 303.10	
09/28/22 Check #1466 to Suzanne Huddleston - Royalty Expense	\$ 2,419.43	
09/28/22 Check #1494 to State Comptroller - Taxes - Oil & Gas	\$ 34.26	
09/28/22 Check #1495 to State Comptroller - Taxes - Oil & Gas	\$ 39.26	
Total Disbursements from *3898	<b>\$ 106,748.68</b>	<b>\$ 287,583.19</b>

\*3863 IBC Account

07/05/22 Check #Check card to Ranch House Storage - Storage	\$ 65.00
07/05/22 Check #Check card to Bearcat Self Storage - Storage	\$ 92.01
07/07/22 Check #Check card to State Farm Insurance - Insurance Expense	\$ 609.74
07/08/22 Check #Wire to Palatium Consulting Corp - Professional Fees	\$ 500.00
07/12/22 Check #1117 to Romero   Kozub - Legal Fees	\$ 5,482.50
07/12/22 Check #ACH to Brazos Communications - Utilities	\$ 79.95
07/18/22 Check #1136 to Val Verde County Clerk - Filing Fees	\$ 46.00
07/20/22 Check #1135 to Kneese Land Management Co Ltd - Operating Expenses	\$ 4,230.50
07/20/22 Check #1137 to GE Engine Services - Aircraft	\$ 49,354.03
07/25/22 Check #1138 to City of Electra - Utilities	\$ 23.00
07/25/22 Check #Check card to Fort Belknap Water Supply - Utilities	\$ 43.59
07/26/22 Check #1139 to Banc First Insurance - Insurance Expense	\$ 6,033.19
07/28/22 Check #Check card to State Farm Insurance - Insurance Expense	\$ 19.90
07/28/22 Check #Check card to State Farm Insurance - Insurance Expense	\$ 663.57
08/02/22 Check # to Ranch House Storage - Storage	\$ 65.00
08/02/22 Check # to Bearcat Self Storage - Storage	\$ 92.01
08/02/22 Check # to Concho Valley Electric - Utilities	\$ 385.00

## RECEIPTS AND DISBURSMENTS

	<b>Current Period</b> <b>(7/1/2022 - 9/30/2022)</b>	<b>Cumulative</b>
08/03/22 Check #Wire to Palatium Consulting Corp - Professional Fees	\$ 500.00	
08/04/22 Check #1140 to Western Appraisal, LLC - Appraisal Services	\$ 15,000.00	
08/05/22 Check # to State Farm Insurance - Insurance Expense	\$ 438.16	
08/05/22 Check # to State Farm Insurance - Insurance Expense	\$ 663.57	
08/08/22 Check # to TexasFile LLC - Filing Fees	\$ 1.08	
08/09/22 Check #1144 to Contract Oil & Gas Operations LLC - Contract Operator	\$ 15,250.00	
08/10/22 Check # to Wichita Falls Times - Advertising	\$ 644.60	
08/12/22 Check #ACH to Brazos Communications - Utilities	\$ 79.95	
08/15/22 Check #1142 to Angelo Appraisals - Appraisal Services	\$ 650.00	
08/16/22 Check #1145 to City of Electra - Utilities	\$ 23.00	
08/16/22 Check #1146 to Palo Pinto Communications - Advertising	\$ 848.00	
08/16/22 Check #1152 to Railroad Commission of Texas - Taxes - Oil & Gas	\$ 1,600.00	
08/16/22 Check #1153 to Railroad Commission of Texas - Taxes - Oil & Gas	\$ 1,250.00	
08/16/22 Check #1154 to Railroad Commission of Texas - Taxes - Oil & Gas	\$ 2,050.00	
08/16/22 Check #1155 to Railroad Commission of Texas - Taxes - Oil & Gas	\$ 4,075.00	
08/16/22 Check #1156 to Contract Oil & Gas Operations LLC - Contract Operator	\$ 21,900.00	
08/17/22 Check #1151 to Red River Authority of TX - Environmental Lab Fees	\$ 442.00	
08/18/22 Check #1147 to Eldorado Success - Advertising	\$ 432.00	
08/19/22 Check # to USDC Clerk - North Texas - Filing Fees	\$ 172.50	
08/22/22 Check # to Deluxe - Office Supplies	\$ 171.25	
08/23/22 Check # to Concho Valley Electric - Utilities	\$ 41.79	
08/24/22 Check # to Fort Belknap Water Supply - Utilities	\$ 43.59	
08/25/22 Check #1150 to Aaron W. Erwin, Jr. - Contract Pumper	\$ 900.00	
08/26/22 Check #1143 to Kneese Land Management Co Ltd - Professional Fees	\$ 1,319.00	
08/26/22 Check #1149 to Kneese Land Management Co Ltd - Professional Fees	\$ 6,180.00	
09/01/22 Check #1158 to Millersview-Doole WSC - Utilities	\$ 220.45	
09/02/22 Check #Wire to Palatium Consulting Corp - Professional Fees	\$ 500.00	
09/02/22 Check # to Ranch House Storage - Storage	\$ 85.00	
09/02/22 Check # to Bearcat Self Storage - Storage	\$ 92.01	
09/07/22 Check #1160 to Bobby Cato - Auction/Property Sale Expenses	\$ 1,050.00	
09/08/22 Check #1159 to Sterling D. Fryar, MAI - Auction/Property Sale Expenses	\$ 2,100.00	
09/08/22 Check #1161 to A9 Oilfield Services LLC - Contract Pumper	\$ 4,000.00	
09/13/22 Check # to USDC Clerk - North Texas - Filing Fees	\$ 13.50	
09/13/22 Check #ACH to Brazos Communications - Advertising	\$ 79.95	
09/13/22 Check #1162 to Dykema Gossett PLLC - Receiver	\$ 77,287.50	
09/13/22 Check #1163 to Dykema Gossett PLLC - Receiver	\$ 163,788.65	
09/13/22 Check #1169 to Dykema Gossett PLLC - Receiver	\$ 12,328.79	
09/14/22 Check # to USDC Clerk - North Texas - Filing Fees	\$ 13.50	
09/14/22 Check #1157 to Kneese Land Management Co Ltd - Professional Fees	\$ 3,323.00	
09/15/22 Check #1165 to Law Practice of Darrell R Jones PLLC - Legal Fees	\$ 42,630.00	
09/15/22 Check #1166 to BDO USA, LLP - Professional Fees	\$ 14,230.07	
09/15/22 Check #1167 to Vicki Palmour Consulting, LLC - Professional Fees	\$ 20,495.00	
09/16/22 Check # to Concho Valley Electric - Utilities	\$ 154.72	
09/16/22 Check #1171 to Aaron W. Erwin, Jr. - Contract Pumper	\$ 934.72	
09/16/22 Check #1172 to 3G Cleaning Service - Auction/Property Sale Expenses	\$ 4,350.00	
09/19/22 Check # to Schleicher County - Utilities	\$ 50.21	
09/20/22 Check # to Green Mountain - Utilities	\$ 51.92	
09/20/22 Check #1168 to Ahuja & Clark, PLLC - Professional Fees	\$ 64,960.50	
09/21/22 Check # to NTTA - Travel Expense	\$ 49.81	
09/21/22 Check # to State Farm Insurance - Insurance Expense	\$ 438.16	
09/21/22 Check # to State Farm Insurance - Insurance Expense	\$ 591.43	

**RECEIPTS AND DISBURSMENTS**

	<b>Current Period</b> <b>(7/1/2022 - 9/30/2022)</b>	<b>Cumulative</b>
09/21/22 Check #1164 to Law Offices of Romero Kozub - Legal Fees	\$ 1,360.00	
09/26/22 Check # to Fort Belknap Water Supply - Utilities	\$ 43.59	
09/26/22 Check #1176 to 3G Cleaning Service - Auction/Property Sale Expenses	\$ 35.90	
09/27/22 Check #1173 to Contract Oil & Gas Operations LLC - Contract Operator	\$ 17,063.00	
09/30/22 Check #1170 to City of Electra - Utilities	\$ 23.00	
09/30/22 Check #1182 to Dykema Gossett PLLC - Receiver	\$ 57,332.17	
Total Disbursements from *3863	<b>\$ 632,137.03</b>	<b>\$ 2,286,804.16</b>
<b>6. TOTAL DISBURSEMENTS</b>	<b>\$ 738,885.71</b>	<b>\$ 2,574,387.35</b>
<b>7. ENDING CASH BALANCE</b> <b>(Line 4 - Line 6)</b>	<b>\$ 6,297,199.02</b>	