

**SUPPLEMENTAL REPLY IN SUPPORT OF RECEIVER’S APPLICATION TO EMPLOY
LAW PRACTICE OF DARRELL R. JONES, PLLC AS COUNSEL TO RECEIVER
EFFECTIVE AS OF DECEMBER 3, 2021
[Relates to ECF No. 17, ECF No. 22, and ECF No. 26]**

Deborah D. Williamson, in her capacity as the Court-appointed Receiver (the “Receiver”) for the estates of the Receivership Parties (as defined in the Receivership Order) and receivership estates (collectively, the “Estates”) in the above-captioned case (the “Case”), hereby files this *Supplemental Reply in Support of Receiver’s Application to Employ Law Practice of Darrell R. Jones, PLLC as Counsel to Receiver Effective as of December 3, 2021* [ECF No. 22] (the “Application”), pursuant to this Court’s Order Appointing Receiver [ECF No. 17] (the “Receivership Order”).¹

1. Deborah D. Williamson, as this Court’s appointed Receiver, hereby responds to this Court’s Order concerning application to employ Darrell R. Jones (the “Order”) [ECF No. 26] in this matter as oil and gas transactional counsel.

2. In the Order, the Court directs the Receiver to “file additional information regarding Jones’s application explaining why Romero’s and Dykema’s application is insufficient”, including what representation Jones will provide that Romero and the Dykema attorneys cannot.

3. As the Court-appointed Receiver, it is critical from both a cost and efficiency basis that the Receiver consider counsel other than those with Dykema Gossett LLP (“Dykema”), if appropriate. While Dykema has attorneys which are experienced in certain areas of oil and gas operations, it does not have an attorney with the unique experience and qualifications of Mr. Jones. As indicated in his Supplemental Declaration, a copy of which is attached hereto as Exhibit A, he

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

has direct experience with the Val Verde basin (where a number of the wells operated by one or more of the Receivership Parties are located). Mr. Jones is able to work closely with contract operators to quickly understand the operational issues which the Receiver is facing (including locating and hopefully taking possession of drilling rigs). Mr. Jones will use his experience and depth of contacts to take a practical approach to resolving issues which have and will continue to arise.

4. Mr. Jones will not participate as counsel in any hearing or other litigation. As a result, he does not and will not duplicate the litigation services of Ms. Romero or litigators at Dykema. He will provide advice to the Receiver as to regulatory issues which may arise with the Texas Railroad Commission and other regulatory agencies. Again, this representation will not be duplicated by Ms. Romero or attorneys at Dykema. Working with a contract operator, he will also assist the Receiver in reaching decisions as to what wells (if any) should continue to be operated, what leases or wells can be sold, the best method for disposition of such assets and what equipment can be liquidated. These services will also not be duplicated.

5. Mr. Jones has agreed to a reduced billing rate which is less than that of Ms. Romero or attorneys at Dykema with his years of experience.

6. Pursuant to Paragraph 8(H) of the Receivership Order, the Receiver is authorized to employ attorneys as the Receiver deems necessary to perform the Receiver's duties set forth in the Receivership Order. *See* ECF No. 17, at ¶ 8(H). Further, pursuant to ¶ 60 of the Receivership Order, "the Receiver is authorized to solicit persons and entities ('Retained Personnel') to assist [her] in carrying out the duties and responsibilities described in this Order. The Receiver shall not engage any Retained Personnel without first obtaining an Order of the Court authorizing such engagement." *Id.* at ¶ 60. The Receiver believes that the employment of Mr. Jones will

significantly assist in carrying out her duties and the application to employ Darrell Jones should be approved.

WHEREFORE, the Receiver respectfully requests that this Court enter the Proposed Order (a) authorizing the employment of Darrell Jones as oil and gas transactional counsel for the Oil & Gas Issues for the Receiver in this Case effective as of December 3, 2021; (b) authorizing Darrell Jones to be compensated as set forth herein; and (c) awarding the Receiver such other and further relief that this Court deems just and proper.

Dated: December 9, 2021

Respectfully submitted,

By: /s/Deborah D. Williamson

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COUNSEL TO RECEIVER

CERTIFICATE OF CONFERENCE

I hereby certify that on December 2, 2021, I conferred with Plaintiff Securities and Exchange Commission (the “SEC”) as to the terms and conditions of the employment of Law Practice of Darrell R. Jones. The SEC is not opposed to the relief sought in the motion.

/s/ Deborah D. Williamson
Deborah D. Williamson
Receiver

CERTIFICATE OF SERVICE

I hereby certify that on December 9, 2021, the foregoing document was served via CM/ECF and via email on counsel for Plaintiff Securities and Exchange Commission.

/s/ Danielle N. Rushing
Danielle N. Rushing

**SUPPLEMENTAL DECLARATION OF DARRELL R. JONES IN SUPPORT OF
SUPPLEMENTAL REPLY IN SUPPORT OF APPLICATION TO EMPLOY LAW
PRACTICE OF DARRELL R. JONES, PLLC
AS COUNSEL TO RECEIVER EFFECTIVE AS OF DECEMBER 3, 2021
[Relates to ECF No. 17, ECF No. 22, and ECF No. 26]**

1. I have been Board Certified in Oil, Gas and Mineral Law by the SBOT since 2007. My routine legal practice since 2008 has given me extensive experience at (i) quickly recognize and assess the relevance and use of oil and gas operational documentation; (ii) seeing the exact intersection of operational contracts and their application in the field; and (iii) knowing how to identify competent oilfield consultants with the needed skill sets and resources (*e.g.* potential contract operators) and other vendors and what a client should be seeing but may not be looking for.

2. While at Newfield Exploration Company from 2008 to 2014 I was attached to the operations/asset teams for the Gulf Coast Business Unit (among other responsibilities). This meant I officed with the teams and attended all relevant operational meetings. I learned a great deal about what oilfield operations look like, what to expect and what is irregular. I saw firsthand how operations engineering professionals assess wells, facilities and fields and what resources will be needed under various circumstances. A major part of my contribution was risk management through services agreements and insurance coverages, pollution events, landowner confrontations and lease/land management issues and challenges. At Newfield, I played a hybrid role bridging between technical legal work and holistic risk identification and management for both the land department and operations teams (*e.g.* drilling, well completion, well production operations). Moreover, I was attached to numerous diligence teams assigned to prepare assets for sale or review assets under contract for acquisition, in each case with an eye towards problem-spotting for land and operational impairment issues. These transactions numbered in the several dozens over my

time there. As a side note, I was the legal department interface for all oilfield insurance matters both as to coverage and as to claims when accidents occurred. I am highly skilled understanding these risks, how they occur and how to mitigate them (*e.g.* pollution). Coincidentally, while at Newfield I supported the company's extensive operations in the Val Verde Basin during my entire tenure there. The relevance of this is noted below.

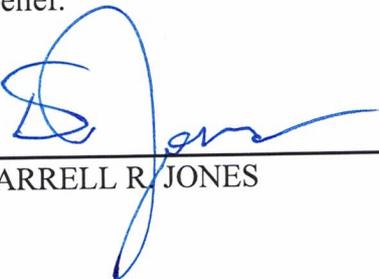
3. I left Newfield in 2014 to join 3 highly pedigreed petroleum engineers to start our own small oil operating company, Relentless Production and Development. Our business model was to identify aged, legacy fields along the Texas and Louisiana coast and bring a much higher level of engineering and land management prowess to extract overlooked value not seen by the lower tier operators controlling them. I did not play an attorney role in this venture but was primarily responsible for business development, acquisition screening and land/lease evaluation and assessment. My training by the engineers expanded to include rapid basic field and well potential by using key metrics. In the context of this case, while I will not be performing those tasks, I am very familiar with what is needed to achieve goals and how to determine if key potential contractors/consultants can deliver the needed outcomes or services.

4. Since 2016 I have been a sole practitioner serving an unusually diverse client base, but my staple clients are small portfolio companies of very large oilfield investment funds. These clients work very predominantly through consultants like me, and I typically act as outside general counsel for these clients, handling all their contracting and advising them extensively on Texas lease/land management matters at a very pragmatic level. Given my qualifications and experience, my clients find me an excellent value proposition as a 21-year practitioner with low rates relative to market that are enabled by my low overhead expense.

5. I have the relationships and networks that come with a long career of “at-the-wellhead” practice style. I know many attorneys, landmen and other professionals in the Val Verde Basin itself, as well as having referrals and references with major ranch owners of the exact type the Receiver will encounter in its major asset base. My skills offer a bridge to identifying needed consultants and helping to supervise and direct them with confidence.

I, Darrell R. Jones, declare under penalty of perjury that the following is true and correct to the best of my knowledge, information and belief.

Dated: December 9, 2021



DARRELL R. JONES