



**APPLICATION TO EMPLOY VICKI PALMOUR CONSULTING, LLC AS OIL AND GAS CONSULTANT TO RECEIVER EFFECTIVE AS OF JANUARY 1, 2022**

TO THE HONORABLE COURT:

Deborah D. Williamson, in her capacity as the Court-appointed Receiver (the “Receiver”) for the Receivership Parties (as defined in the Receivership Order) and receivership estates (collectively, the “Receivership Estates”) in the above-captioned case (the “Case”), hereby files this *Application To Employ Vicki Palmour Consulting, LLC As Oil and Gas Consultant To Receiver Effective as of January 1, 2022* (the “Application”), requesting entry of an order, substantially in the form of the proposed order (the “Proposed Order”) attached hereto as **Exhibit A**, pursuant to this Court’s *Order Appointing Receiver* (the “Receivership Order”) [ECF No. 17] and the Local Rules for the United State District Court for the Northern District of Texas, requesting approval of employment of the consulting firm Vicki Palmour Consulting, LLC (“Palmour”) as oil and gas consultant to the Receiver in this Case, effective as of January 1, 2022. In support of this Application, the Receiver respectfully represents the following:

**I. Background**

1. On December 1, 2021 (the “SEC Application Date”), Plaintiff, the Securities and Exchange Commission (the “SEC”), 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 (the “SEC Application”) [ECF No. 3].

2. 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 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].

3. Pursuant to Paragraph 8(H) on page 5 of the Receivership Order, the Receiver is authorized to employ consultants as the Receiver judges necessary to perform the Receiver's duties set forth in the Receivership Order. Further, pursuant to Paragraph 60 on pages 20–21 of the Receivership Order, the Receiver is authorized to solicit persons and entities to assist the Receiver in carrying out the Receiver's duties and responsibilities described in the Receivership Order. However, the Receiver shall not engage any such persons without first obtaining an order from the Court authorizing such engagement.

4. The Receivership Parties' oil and gas wells are, to the best of the Receiver's knowledge, located across Texas in Archer, Hardeman, Jack, Palo Pinto, Rusk, Schleicher, Stephens, Sutton, Val Verde, and Wichita counties. None of the Receivership Parties' oil and gas wells are located in the Permian Basin or Midland, Texas area.

5. The Receiver has determined that the employment of Palmour to perform accounting and regulatory reporting services is necessary to satisfy the Receiver's duties on behalf of the Estates. Specifically, the Receiver requires assistance with various regulatory filings and reporting, including to the Texas Railroad Commission, this Court, and the SEC, calculating distributions of royalty payments owing by one or more Receivership Parties, preparing quarterly reports, and preparing W-2s and 1099s for former employees.

6. Prior to the appointment of the Receiver, Palmour performed certain of these services for certain Receivership Parties, including Panther City Energy, LLC (42 wells) and Dodson Prairie Oil & Gas LLC (77 wells). Palmour has also previously performed these services for other Receivership Parties, including Barron Petroleum LLC, Leading Edge Energy, LLC, and/or Arcooil Corp. (approximately 250 wells).

7. As of the SEC Application Date, the Receiver understands that Barron Petroleum LLC, Leading Edge Energy, LLC, and/or Arcooil Corp. utilized various personnel, including office staff and Earl Burns Inc., for some of the aforementioned services. Further, the Receiver notes there is the potential for delinquent reports and/or violations with various regulatory agencies or commissions, including the Texas Railroad Commission, for Barron Petroleum LLC, Leading Edge Energy, LLC, and/or Arcooil Corp.

## II. RELIEF REQUESTED

8. The Receiver seeks entry of the Proposed Order authorizing the employment and retention of Palmour effective as of January 1, 2022, as oil and gas consultant to handle issues related to the Estates, including, but not limited to, regulatory filings and reporting and oil and gas distributions and associated accounting. Prior to the selection of Palmour, the Receiver or her advisors identified multiple firms that could assist with the oil and gas accounting and regulatory reporting. She requested proposals from multiple firms. Ultimately, the Receiver selected Palmour based on her locale and her familiarity with the oil and gas assets of the various Receivership Parties. In addition, it is likely that the Receiver and the Palmour team will be confronted with and be required to respond to matters that cannot be anticipated at this time. The issues listed herein and ancillary issues related thereto are collectively referred to in this Application as the “Oil and Gas Accounting Issues.”

9. The approval of this Application, effective as of January 1, 2022, will not prejudice any parties-in-interest in this Case. Given the potential risk to the delay or accuracy in reporting to the Texas Railroad Commission and providing information to former employees and contractors, the Receiver further submits that the relief requested herein is necessary, appropriate, and in the best interests of the Estates and its parties-in-interest.

10. The Receiver believes the most efficient and cost-effective decision is to hire Palmour for the Oil and Gas Accounting Issues, with the assistance of her counsel as necessary. The Receiver believes that employing Palmour for these purposes makes business sense and is in the best interest of the Estates.

### **III. QUALIFICATIONS OF PALMOUR**

11. Palmour has provided services similar to those requested by the Receiver for numerous clients since 1980. Palmour is located in Graham, Texas, which is the same town where Barron Petroleum LLC's office was located and is close in proximity to a majority of the north Texas oil and gas wells of the Receivership Parties. Palmour has a license to use Wolfepak software, which is the system used by all of the Receivership Parties who have obligations to pay third parties. Additionally, some Receivership Parties also kept employee and payroll data on Wolfepak. The Receiver also believes that Palmour has considerable experience in matters relating to oil and gas accounting, is independent from the Receivership Parties, and is well-qualified to provide services in connection with the Receivership Estates. Further, Palmour has significant familiarity with the Receivership Parties' oil and gas wells. Palmour would easily transition into the role of independent oil and gas consultant for the Receiver for Panther City Energy, LLC and Dodson Prairie Oil & Gas LLC and with minimal transition time for Barron Petroleum LLC, Leading Edge Energy, LLC, and/or Arcooil Corp.

12. Palmour is unaware of any conflicts with the Receivership Parties or the Receivership Assets and/or Recoverable Assets.

13. As of the SEC Application Date, Palmour was owed \$7,072.73 by Panther City Energy, LLC and Dodson Prairie Oil & Gas LLC for services rendered from October 2021 to

December 2021. There is no intent to seek payment of that amount as a condition to Palmour's employment.

14. The Receiver submits that Palmour's retention in this Case would be in the best interests of the Estates and the parties-in-interest thereof.

#### **IV. COMPENSATION AND REIMBURSEMENT**

15. Subject to this Court's approval of Palmour's engagement, the Receiver proposes compensating Palmour on an hourly basis at a rate of \$100.00 per hour and for reimbursement of any reasonable out-of-pocket expenses for certain support activities incurred relating directly to work performed for the Receiver in this Case. Historically, Palmour's services to Panther City Energy, LLC and Dodson Prairie Oil & Gas LLC would average approximately \$2,600.00 per month for both companies' 119 wells. Here, Palmour would provided services to the Receiver for approximately 370 wells. Once Palmour has made an assessment for services relating to the wells, it will be able to bill monthly on the accounting and by the volume of forms required for the regulatory filings. The Court will be given notice if the Receiver and Palmour agree to a different payment process.

16. Palmour shall seek approval for compensation of its fees and expenses on an interim and final basis in accordance with the Court's Receivership Order, the local rules of this Court, the Billing Instructions, and other applicable orders of the Court. Palmour will keep contemporaneous time records on a daily basis and track its billings on a tenth-of-an-hour basis with time charges allocated accordingly.

**V. NOTICE**

17. Notice of this Application has been provided via CM/ECF to: (a) counsel to the SEC and (b) any persons who have formally appeared and requested notice in this Case, as applicable. The Receiver submits that no other or further notice need be provided.

**WHEREFORE**, the Receiver respectfully requests that this Court enter the Proposed Order (a) authorizing the employment of Palmour as oil and gas consultant for the Receiver in this Case effective as of January 1, 2022; (b) authorizing Palmour 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: January 11, 2022

Respectfully submitted,

By: /s/ Deborah D. Williamson

Deborah D. Williamson

(Receiver)

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**COUNSEL TO RECEIVER**

**CERTIFICATE OF CONFERENCE**

I hereby certify that on January 11, 2022, I conferred with Plaintiff Securities and Exchange Commission (the “SEC”) as to the terms and conditions of the employment of Vicki Palmour Consulting, LLC as set forth in the foregoing application. The SEC supports the relief sought in this application.

*/s/ Danielle N. Rushing*  
Danielle N. Rushing

**CERTIFICATE OF SERVICE**

I hereby certify that on January 11, 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**



**ORDER APPROVING EMPLOYMENT OF VICKI PALMOUR CONSULTING, LLC AS OIL AND GAS CONSULTANT TO RECEIVER EFFECTIVE AS OF JANUARY 1, 2022**

Before the Court is the *Application to Employ Vicki Palmour Consulting, LLC as Oil and Gas Consultant to Receiver Effective January 1, 2022* (the “Application”),<sup>1</sup> filed by Deborah D. Williamson, Court-appointed Receiver in the Case, pursuant to the Court’s *Order Appointing Receiver*, entered on December 3, 2021, in this Case; the Court finds that: (i) it has subject matter jurisdiction over the Application; (ii) it has personal jurisdiction over the Receivership Parties; (iii) Vicki Palmour Consulting, LLC (“Palmour”) (a) does not represent or hold any interests adverse to the Receivership Parties or the Estates and (b) is disinterested and not otherwise disqualified from representing the Receiver; (iv) the Receiver’s employment of Palmour under the scope outlined in the Application is in the best interests of the Estates; (v) proper and adequate notice of the Application has been given and that no other or further notice is necessary; (vi) the SEC does not oppose the Application; (vii) (a) the Receiver engaged Palmour on January 1, 2022, and (b) the employment of Palmour should be effective as of that date; and (viii) the Receiver has shown good, sufficient, and sound business purpose and justification for the relief requested in the Application, and that, after due deliberation thereon, good and sufficient cause exists for approving the relief requested therein; accordingly,

**IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Application is **APPROVED**.

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

2. Pursuant to the Receivership Order, the Receiver is authorized to employ and retain Palmour as oil and gas consultant in accordance with the compensation terms detailed in the Application effective as of January 1, 2022.

3. Palmour is authorized to provide such professional services in this Case and assist the Receiver in relation to the Oil and Gas Accounting Issues outlined in the Application, including, without limitation, any issues ancillary and related thereto.

4. Palmour shall file applications for the approval of compensation of its fees and expenses on an interim and final basis in compliance with the Court's Receivership Order, the local rules of this Court, and such other procedures that may be fixed by an order of this Court.

**SO ORDERED.**

[\_\_\_\_\_], 2022.

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REED O'CONNOR  
UNITED STATES DISTRICT JUDGE

Prepared and submitted by:

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*(Receiver)*

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