

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

**UNITED STATES SECURITIES
AND EXCHANGE COMMISSION,**

Plaintiff,

v.

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

Defendants,

and

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

Relief Defendants.

No. 4:21-cv-1310-O-BP

**STIPULATION BETWEEN DEBORAH D. WILLIAMSON, RECEIVER
AND RAILROAD COMMISSION OF TEXAS**

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) in the above-styled case (the “Receivership”),¹ and the Railroad Commission of Texas (the “RRC”) (together with the Receiver, the “Parties”), through the Texas Office of the Attorney General (the “OAG”), file this *Stipulation Between Deborah D. Williamson, Receiver and Railroad Commission of Texas* (the “Stipulation”) and respectfully submit to the Court as follows:

STIPULATION

1. For purposes of distribution, the Parties agree that the RRC shall have an allowed claim in this Case in the amount of \$7,871,365.45 (the “Allowed RRC Claim Amount”) against the five (5) Operators² for the plugging liabilities of (1) ArcoOil in the amount of \$1,053,799.66; (2) Barron Petroleum in the amount of \$2,134,878.48; (3) Dodson Prairie in the amount of \$2,593,200.18, (4) Leading Edge in the amount of \$970,055.38; and (5) Panther City in the amount of \$1,119,451.75. For avoidance of doubt, the RRC will not assert any other monetary claim(s) in this Receivership proceeding against any Receivership Party. Subject to the conditions in Paragraph 7 of this Stipulation, the RRC may immediately bring enforcement actions or seek entry of final orders in pending enforcement actions against the Operators. The RRC and the OAG will not bring suit to collect any administrative penalties, fees, or fines assessed in any final

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

² Five of the Receivership Parties hold P-5s with the RRC which allow them to operate oil and gas wells in Texas: Barron Petroleum LLC (“Barron Petroleum”), Dodson Prairie Oil & Gas LLC (“Dodson Prairie”), Panther City Energy LLC (“Panther City”), ArcoOil Corp. (“ArcoOil”), and Leading Edge Energy LLC (“Leading Edge”) (collectively, the “Operators” and individually, an “Operator”).

order or for reimbursement costs owed until an order is entered by this Court closing the Receivership.

2. The Receiver does not object to the RRC applying the cash deposit in the amount of \$50,000.00 to the obligations of Barron Petroleum in the Allowed RRC Claim Amount. Application of the cash deposit shall reduce the respective Allowed RRC Claim Amount prior to calculation of the RRC's *pro rata* distribution as addressed in Paragraph 5.

3. The Receiver does not object to the RRC applying the cash deposit in the amount of \$50,000.00 to the obligations of Dodson Prairie in the Allowed RRC Claim Amount. Application of the cash deposit shall reduce the respective Allowed RRC Claim Amount prior to calculation of the RRC's *pro rata* distribution as addressed in Paragraph 5.

4. The Receiver does not object to the RRC applying the cash deposit in the amount of \$50,000.00 to the obligations of Panther City in the Allowed RRC Claim Amount. Application of the cash deposit shall reduce the respective Allowed RRC Claim Amount prior to calculation of the RRC's *pro rata* distribution as addressed in Paragraph 5.

5. At the conclusion of the Receivership claims procedure, the Receiver, in a proposed distribution motion, will request Court approval of a *pro rata* distribution to the RRC on behalf of the five (5) Operators on the Allowed RRC Claim Amount. The cash deposits addressed in Paragraphs 3-5 shall be deducted from the respective Allowed RRC Claim Amount prior to calculation of the respective *pro rata* distributions and shall not be treated as payments made from the Operators' available assets.

6. The RRC consents to and does not object to the proposed *pro rata* distribution described in Paragraph 5.

7. The RRC shall not assert personal liability against the Receiver with respect to any regulatory, statutory, or other claims against the Operators, including, without limitation, naming the Receiver personally in any order or judgment issued by the RRC and/or OAG. After the Receiver provides notice of the entry of an order closing the Receivership to the RRC and/or OAG: (1) all Form P-5 Organization Report (“P-5”) officers and agents for all Operators will revert to the P-5 officers and agents on file prior to appointment of the Receiver on December 2, 2021, and (2) Section 91.114 of the Texas Natural Resources Code will not be applied to the Receiver relating to her actions and/or duties as Receiver for the Operators.

8. This Stipulation represents the mutual agreement of the Parties and the complete and final resolution of any and all of the RRC’s claim(s) to the Receivership Assets, whether known or unknown, including, without limitation, the RRC’s claim submitted electronically in this Receivership.

WHEREFORE, the Receiver and the RRC respectfully request that this Court enter the proposed order granting this Stipulation attached hereto as **Exhibit A**, representing the agreement between the Receiver and the RRC, including approval of the Allowed RRC Claim Amount.

Dated: March 15, 2024

Respectfully submitted,

By: /s/ Danielle Rushing Behrends

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CERTIFICATE OF SERVICE

I hereby certify that on March 15, 2024, 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 Rushing Behrends

Danielle Rushing Behrends

EXHIBIT A

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

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

Plaintiff, §

v. §

**THE HEARTLAND GROUP VENTURES, LLC; §
HEARTLAND PRODUCTION AND RECOVERY §
LLC; HEARTLAND PRODUCTION AND §
RECOVERY FUND LLC; HEARTLAND §
PRODUCTION AND RECOVERY FUND II LLC; §
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ALTERNATIVE OFFICE SOLUTIONS, LLC; §
ARCOOIL CORP.; BARRON PETROLEUM LLC; §
JAMES IKEY; JOHN MURATORE; THOMAS §
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SAHOTA; and RUSTIN BRUNSON, §**

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CITY ENERGY LLC; MURATORE FINANCIAL §
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HARPRIT SAHOTA; MONROSE SAHOTA; §
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CORPORATION; DALLAS RESOURCES INC.; §
LEADING EDGE ENERGY, LLC; SAHOTA §
CAPITAL LLC; and 1178137 B.C. LTD., §**

Relief Defendants. §

**ORDER APPROVING STIPULATION BETWEEN DEBORAH D. WILLIAMSON,
RECEIVER AND RAILROAD COMMISSION OF TEXAS**

CAME ON THIS DAY to be considered, the *Stipulation Between Deborah D. Williamson, Receiver and Railroad Commission of Texas* (the “Stipulation”)¹. After considering the Stipulation, any supporting papers, and any responses thereto, the Court is of the opinion that said Stipulation should be APPROVED in all respects. **IT IS THEREFORE ORDERED** that:

1. The Stipulation is **APPROVED** in all respects.
2. The RRC shall have an allowed claim in this Receivership in the amount of \$7,871,365.45, representing the sum of the claim amount asserted by the RRC for plugging liabilities of ArcoOil in the amount of \$1,053,799.66; Barron Petroleum in the amount of \$2,134,878.48; Dodson Prairie in the amount of \$2,593,200.18; Leading Edge in the amount of \$970,055.38; and Panther City in the amount of \$1,119,451.75 (the “Allowed RRC Claim Amount”).
3. The RRC will not assert any other monetary claim(s) against the Operators until the Receivership is closed by order of this Court.
4. Subject to the terms of this Order, the RRC may immediately bring enforcement actions or seek entry of final orders in pending enforcement actions against the Operators to allow for wells operated by Operators to be placed on RRC plugging schedules.
5. The RRC is authorized to apply the three (3) cash deposits, each in the amount of \$50,000.00, to the obligations of Barron Petroleum, Dodson Prairie, and Panther City, respectively, to the Allowed RRC Claim Amount. Application of the cash deposit shall reduce the respective

¹ Capitalized terms used herein but not otherwise defined shall have the meaning ascribed in the Receivership Order or the Stipulation, as applicable.

Allowed RRC Claim Amount prior to calculation of any *pro rata* distribution to the RRC and shall not be treated as payments made from the respective Operators' available assets.

6. The RRC shall not assert personal liability against the Receiver with respect to any regulatory, statutory, or other claims against the Operators, including, without limitation, naming the Receiver personally in any order or judgment issued by the RRC and/or OAG. After the Receiver provides notice of the entry of an order closing the Receivership to the RRC and/or OAG: (1) all Form P-5 Organization Report ("P-5") officers and agents for all Operators will revert to the P-5 officers and agents on file prior to appointment of the Receiver on December 2, 2021, and (2) Section 91.114 of the Texas Natural Resources Code will not be applied to the Receiver relating to her actions and/or duties as Receiver for the Operators.

7. This Court retains exclusive jurisdiction with respect to this Order and the Stipulation.

Signed this ___ day of _____, 2024.

HAL R. RAY, JR.
UNITED STATES MAGISTRATE JUDGE

Prepared and submitted by:

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