

**RECEIVER'S EXPEDITED MOTION TO APPROVE
PROCEDURES AND SALE OF CERTAIN OIL FIELD EQUIPMENT,
VEHICLES, AND OTHER PERSONAL PROPERTY VIA AUCTION**

TO THE HONORABLE COURT:

COMES NOW 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 the *Receiver’s Expedited Motion to Approve Procedures and Sale of Certain Oil Field Equipment, Vehicles, and Other Personal Property Via Auction* (the “Motion”),¹ requesting entry of an order, substantially in the form of the proposed order (the “Proposed Order”) attached hereto as **Exhibit D**, granting approval of the procedures and sale of certain equipment and other personal property. In support of this Motion, the Receiver respectfully represents as follows:

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

¹ The Receiver referenced this Motion at the January 19, 2022 hearing before the Honorable Hal R. Ray, Jr., including the anticipated need for an expedited hearing.

D. Williamson as the Receiver over the Estates in this Case (the “Receivership Order”) [ECF No. 17].

3. After the Court appointed her Receiver and pursuant to the responsibilities with which she is charged, the Receiver took control and possession of certain real and personal property owned by Defendants and Relief Defendants, including (but not limited to) the oil field equipment, rigs, pipe, vehicles, construction equipment, and other personal property of the type listed in **Exhibit A** attached hereto (the “Property”). All of the Property constitutes Receivership Assets withing the meaning of this Court’s December 2, 2021 Receivership Order [ECF No. 17]. The Property is located in the following locations in Texas: Graham, El Dorado, San Angelo, Palo Pinto Val Verde and Crockett Counties, Electra, and other locations. The Receiver is still diligently identifying and locating Receivership Assets. The Receiver is aware of equipment and/or other personal property that does not constitute Receivership Assets, a list of which is attached hereto as **Exhibit B** (the “Non-Receivership Assets”). The Receiver is not seeking to sell any property listed on **Exhibit B**. She is requesting that the owners of the Non-Receivership Assets retrieve their property at a mutually convenience time and place. The Receiver seeks to sell Property located at one or more of the locations on **Exhibit C**.

4. As part of her duties, and pursuant to 28 U.S.C. § 2004 and 28 U.S.C. § 2001, the Receiver requests that this Court allow her to retain Permian International Energy Services, LLC (“Permian”) to sell the Property via auction. Permian will solicit persons and entities who may be interested in purchasing the Property.

5. The Receiver requests that the Court consider this Motion on an expedited basis. Permian already has an auction scheduled for February 23, 2022, and Permian would like to start advertising the Property as soon as possible. Furthermore, the potential price that may be received

for some of the Property (*e.g.* drill pipe and rigs) is tied to oil prices, which can fall suddenly and materially. Additionally, some of the equipment is located on leases which specifically prohibit storage of equipment and other property on the surface of the lease, while Texas case law itself precludes such use. While the Receiver and Permian are targeting an auction on February 23, 2022, there will need to be one or more subsequent auctions focused on equipment, vehicles, and other personal property that is not as linked to the price of oil and gas and/or property subsequently identified as Receivership Assets.

II. Arguments and Authority

6. It is well-settled that the primary goal of receivership is to provide a conduit through which assets can be held, liquidated and distributed to the particular receivership beneficiaries. *See, e.g., SEC v. Safety Finance Service, 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.

7. The Receiver is still in the process of searching for and seizing the Receivership Parties' assets. As stated above, the Receiver has, to date, already seized or identified numerous pieces of equipment used in the oil and gas industry and other personal property, belonging to Receivership Parties.

8. District courts have broad powers and wide discretion to determine the appropriate relief in an equity receivership. *See SEC v. Safety Finance Service, 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"). This includes the discretion to authorize a receiver to liquidate the receivership assets. *SEC v. Millennium Bank*, No. 7:09-CV-050-O, 2009

U.S. Dist. LEXIS 140912, at *8 (N.D. Tex. July 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)).

9. 28 U.S.C. § 2004 governs the sale of personal property in this context and states:

Any personalty sold under any order or decree of any court of the United States shall be sold in accordance with section 2001 of this title [28 U.S.C. § 2001], unless the court orders otherwise.

28 U.S.C. § 2004.

10. As the statute pertains to private sales, 28 U.S.C. § 2001(b) provides, in relevant part:

(b) After a hearing, of which notice to all interested parties shall be given by publication or otherwise as the court directs, the court may order the sale of such realty or interest or any part thereof at private sale for cash or other consideration and upon such terms and conditions as the court approves, if it finds that the best interests of the estate will be conserved thereby.

28 U.S.C. § 2001(b).

11. When structuring the sale of personal property, the Court has discretion under the relevant statutes to establish procedures or approve proposed procedures that are well-tailored to suit the needs and circumstances of a particular case. *See* 28 U.S.C. § 2004.

A. Property Sales Procedures

12. The Receiver seeks Court authorization to adopt the property sales procedures (the “Property Sales Procedures”) proposed by this Motion and to sell the Property in accordance with such procedures. Implementation of the Property Sales Procedures will enable the Receiver to sell the Property in an orderly, efficient, and equitable manner and to maximize the proceeds received from such sales without the need for unnecessary administrative expenses and fees. The Receiver

believes that adoption of the Property Sale Procedures and the sale of the Property pursuant thereto is in the best interests of the Receivership Estates.

13. The Receiver's proposed Property Sales Procedures consist of the following:

- a. Execute the agreement with Permian to auction the Property. In the Receiver's business judgment, marketing and selling the Property through Permian is in the Receivership Estates' best interests for the following reasons: (i) Permian originally sold the rigs and perhaps other property, such as drill pipe, to one or more of the Receivership Parties including Barron Petroleum LLC ("Barron") and/or Arcooil Corp. ("Arcooil") so Permian is familiar with some of the Property; (ii) Permian has agreed to a flat 8% commission without payment of any additional expenses by the Receivership Estates, which is a significant discount to the original Permian proposal and general industry pricing; and (iii) Permian already has an auction scheduled for February 23, 2022, which is an additional benefit as the price of some or all of the Property is tied to oil prices which can fall suddenly and materially.
- b. Provide Permian the locations of the Property that are listed on Exhibit C that the Receiver has already identified and gathered, and permit Permian to inspect the Property.
- c. Permian will thereafter advertise the Property by category for sale to the public. Permian may market the Property on its website, <https://permianint.com/>, through a downloadable brochure.
- d. The Receiver will post a copy of the notice of an auction (the "Notice"), attached hereto as Exhibit E, on the Receiver's website for this Case, www.heartlandreceivership.com, to provide notice to the public of the auction. The

Notice will act as formal legal notice of the proposed sale and will allow investors and any other individual or entity to object to the proposed sale or otherwise to timely respond to the Notice or be deemed to consent to the sale. The Notice will be posted on the Receiver's website no less than fifteen (15) calendar days prior to any public auction.

- e. Due to the number of items of Property and the vulnerability to oil and gas prices, the Receiver seeks approval from the Court to establish the "negative notice" procedure set forth herein for each auction to avoid the unnecessary administrative fees and expenses that would accompany individual sale motions for each item of Property.
- f. Each Notice will contain the following language directly below the title of the Notice:

This Notice of Proposed Public Auction (the "Notice") relates to the auction and sale of certain categories and/or items of personal property (the "Property") of the Receivership Estates by public auction. If you oppose the auction or sale of the Property identified in this Notice, or if you have a claim to or against the Property, you should immediately contact the undersigned counsel for Receiver Deborah D. Williamson (the "Receiver"). If you and the Receiver cannot agree, you must file a written objection (or a claim of ownership or interest in the Property, identifying the source of your claim) to the proposed auction or sale by [_____] which is seven (7) days of the date this Notice was filed with the Court. Your objection or claim must state why the proposed auction or sale should not be approved by the Court as to specific pieces of Property. Any objections must be filed:

United States District Court for the Northern District of Texas,
Fort Worth Division
Clerk of Court
501 West 10th Street, Room 310
Fort Worth, Texas 76102

If no party files a timely objection, Permian will be authorized to conduct the public auction and close on the sale of the Property.

- g. In the event no objection or claim is filed within seven (7) days of the Notice Date, the Receiver will thereafter be authorized, without further Order of the Court, to hold a public auction and sale of the Property under the terms identified in the Notice.
- h. In the event an objection or claim is filed within seven (7) days of the Notice Date, such objecting party or party asserting a claim shall state why the proposed auction should not be approved by the Court and the basis for such belief (an “Objection”). To the extent that the objecting party alleges a claim to or against the Property, the Objection shall describe such claim. The Receiver may request an expedited hearing on any Objection.
- i. The Receiver’s response to an Objection to the proposed auction of an item of Property or a claim shall be filed within five (5) days of the filing of the Objection.
- j. The Court may thereafter determine whether hearing is necessary to (i) approve the public auction, (ii) overrule any Objection, or (iii) sustain an Objection.
- k. The Receiver has conducted a review of UCC-1 filings for each Receivership Party and not identified any liens on any of the Property. The Receiver is also reviewing title documents where available and has not identified any title certifications reflecting any liens. If no Objection is filed, or if the Court approves the auction subsequent to an Objection, the Receiver’s sale of the Property shall be free and clear of all liens, claims, interests, and encumbrances, unless the Court orders that such liens, claims, interests, or encumbrances shall attach to the proceeds of such sale.
- l. The public auction will continue until bidding on the Property subsides and the

auction of the item is closed.

- m. The Receiver would thereafter deposit and retain the net proceeds of the sale (after payment to Permian) in the bank account of the Receiver.
- n. The Receiver shall, when reporting on the Receivership Estates generally, report on the results of any auction of the Property that occurred during the relevant reporting period.

14. The Receiver also requests that the Court order that the Receiver is authorized to transfer title to the Property identified in this Motion to the successful bidders at auction.

B. Retention of Permian to Market and Sell the Property

15. The Receiver seeks to retain Permian to represent the Receiver for purposes of marketing and selling the Property. The Receiver proposes that Permian shall be entitled to an 8% commission of the sales price of any personal property it sells without any expenses being owed by the Receiver.

16. Permian originally sold the rigs and perhaps other Property, including drill pipe, to Barron and/or Arcooil, so it is familiar with some of the Property.

17. The Receiver believes that Permian is qualified to represent the Receiver based on Permian's years of experience as an auctioneer and specialized experience with the equipment used in the oil and gas industry. In the Receiver's business judgment, hiring Permian is in the best interests of the Receivership Estates.

18. Allowing the Receiver to liquidate the Property identified on Exhibit A seized from the Defendants via the Property Sales Procedures and through the use of Permian's professional services will most expeditiously further the goals of the Receivership. *See Zacarias v. Stanford Int'l Bank, Ltd.*, 945 F.3d 883, 895 (5th Cir. 2019) (citing *SEC v. Wencke (Wencke II)*, 783 F.2d 829, 837 n.9 (9th Cir. 1986) (additional citations omitted)).

19. The Receiver proposes that she be permitted to retain Permian and sell the Property (and other personal property assets which may be located and seized in the future) pursuant to the Property Sales Procedures detailed in this Motion.

20. While certain sales of real estate must adhere to the specific requirements of 28 U.S.C. § 2001, subjecting the sale of personal property to the same stringent requirements may be adverse to the efficiency of the Receivership. For this reason, and pursuant to the express permission granted by 28 U.S.C. § 2004, the Receiver requests that any sales of the Property be exempted from the requirements of 28 U.S.C. § 2001 as applied to real property, so long as the Property is sold pursuant to the Property Sales Procedures detailed in this Motion.

21. Additional personal property assets may be located and identified in the course of the Receiver's work. The Receiver requests that this Court authorize her to follow those same Property Sale Procedures for any equipment or other similar personal property to that listed in Exhibit A that is located and identified in the course of the Receiver's work. This will permit the Receiver to expeditiously maximize the value of the personal property assets while allowing the Court to most efficiently maximize its limited resources and time.

WHEREFORE PREMISES CONSIDERED, the Receiver respectfully requests that, upon a hearing and consideration of this Motion on an expedited basis, the Court enter the Proposed Order, substantially in the form attached hereto as Exhibit D: (i) granting this Motion; (ii) approving the proposed Property Sales Procedures and authorizing the Receiver to transfer title of the Property to the successful bidder at auction; (iii) authorizing the Receiver to employ the professional services of Permian International Energy Services, LLC, as broker and auctioneer for the Receiver; (iv) approving payment to Permian without need for further Court approval; and (v) authorizing her to dispose of the category of items listed on Exhibit A and other similar items

through public auction free and clear of liens, claims, interests, and encumbrances. The Receiver also prays that the Court approve the procedures described herein for the sale of any similar equipment or personal property assets which may be recovered in the future, and for such other and further relief, general or special, at law or in equity, to which she may show herself justly entitled.

Dated: January 25, 2022

Respectfully submitted,

By: /s/ Danielle N. Rushing

Jeffrey R. Fine

(Lead Counsel)

State Bar No. 07008410

jfine@dykema.com

Alison R. Ashmore

State Bar No. 24059400

aashmore@dykema.com

Alexandria R. Rahn

State Bar No. 24110246

arahn@dykema.com

DYKEMA GOSSETT PLLC

1717 Main Street, Suite 4200

Dallas, Texas 75201

Telephone: (214) 462-6400

Facsimile: (214) 462-6401

and

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

CERTIFICATE OF CONFERENCE

I hereby certify that on January 25, 2022, I conferred with Plaintiff Securities and Exchange Commission (the “SEC”) as to the sale procedures as set forth in the foregoing motion. The SEC is not opposed to the relief sought in this motion.

/s/ Danielle N. Rushing
Danielle N. Rushing

CERTIFICATE OF SERVICE

I hereby certify that on January 25, 2022, the foregoing motion and corresponding exhibits were served via CM/ECF and via email on counsel for Plaintiff Securities and Exchange Commission.

/s/ Danielle N. Rushing
Danielle N. Rushing

EXHIBIT A

Asset Category	Description
Equipment Used Primarily for Installation of New Wells or Downhole Operations on Extant Wells	Arcooil Rig #12 including all appurtenant equipment located at or upon that rig, and Arcooil Rig (unnumbered, partial), each of said rigs (together with well drilling appurtenant equipment owned by the Receiver) located on the Childress Ranch. approximately at https://goo.gl/maps/TDJ48Re18P7JYNTe7. Drill pipe (large quantity, exact footage undetermined) located at or near the two rigs, together with drill pipe collars. Pulling Units, workover rigs, swabbing units. Production casing and tubing; line pipe.
Equipment that is unique to oilfield operations, and that may or may not be a fixture at a given point	Pumping Units, liquids storage tanks, surface pumps located
Equipment for General Construction Work (not “street legal” or certificated titles)	Earth movers, backhoes, graders and bulldozers.
Rolling Stock (certificated titles)	Medium duty trucks (up to one-ton). Tractor/trailer rigs.

Any other equipment or similar personal property located and/or seized by Receiver and determined to be a Receivership Asset in the course of her future work.

EXHIBIT B**Non-Receivership Assets**

Item	Location
Caterpillar Pipe Handler TL1255D	Central tank battery on the Childress Ranch (Crockett County, TX)
Frac Tanks Rented from Pikes Peak Energy Services, LLC	Central tank battery on the Childress Ranch (Crockett County, TX)
Frac Tanks Rented from Pikes Peak Energy Services, LLC	BU 20 well location / Carson Ranch (Val Verde County, TX)
Three Phase Gemini Gas Compress Rented from DC Compression Services, LLC	Central tank battery on the Carson Ranch (Val Verde County, TX)

EXHIBIT C

<u>Locations of Equipment</u>
Childress Ranch, Crockett County, Texas, the gate to which is located at 30°27'53.7"N, 101°16'25.5"W.
The equipment yard located at 471 State Highway 67, Graham, Texas 76450.
The “Conway Lease” in Gordon, Palo Pinto County, Texas, an entrance to which is located at 32°41'37.3"N, 98°22'15.3"W.
The “Palo Pinto Ranch” in Gordon, Palo Pinto County, Texas, an entrance to which is located at 32°40'55.5"N, 98°21'59.3"W.

EXHIBIT D

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; DODSON PRAIRIE OIL & GAS LLC;
PANTHER CITY ENERGY LLC; and
ENCYIPHER BASTION, LLC

Defendants,

and

IGROUP ENTERPRISES LLC; MURATORE
FINANCIAL SERVICES, INC.; BARRON
ENERGY CORPORATION; DALLAS
RESOURCES INC[.]; LEADING EDGE
ENERGY, LLC; SAHOTA CAPITAL LLC; and
1178137 BC LTD,

Relief Defendants.

Civil No. 4-21CV-1310-O

**ORDER GRANTING RECEIVER'S
EXPEDITED MOTION TO APPROVE PROCEDURES AND SALE OF CERTAIN OIL
FIELD EQUIPMENT, VEHICLES, AND OTHER PERSONAL PROPERTY VIA AUCTION**

Came on to be considered the Receiver's *Expedited Motion to Approve Procedures and Sale of Certain Oil Field Equipment, Vehicles, and Other Personal Property Via Auction* (the "Motion"). After considering the Receiver's Motion, all responses thereto, if any, all evidence submitted to the Court and the arguments of counsel, the Court is of the opinion that said Motion should be GRANTED in all respects.

IT IS THEREFORE ORDERED that Receiver's Motion is GRANTED in all respects. Accordingly, the Receiver is authorized to execute the Proposed Sales Procedures, as detailed in the Motion, this includes authorizing the Receiver to transfer title to the Property listed in Exhibit A to the Motion to the successful bidder at auction. Specifically, the Receiver is authorized to execute the following Proposed Sales Procedures:

- a. Execute the agreement with Permian to auction the Property. In the Receiver's business judgment, marketing and selling the Property through Permian is in the Receivership Estates' best interests for the following reasons: (i) Permian originally sold the rigs and perhaps other property, such as drill pipe, to one or more of the Receivership Parties—Barron Petroleum LLC ("Barron") and/or Arcooil Corp. ("Arcooil")—so Permian is familiar with some of the Property; (ii) Permian has agreed to a flat 8% commission without payment of any additional expenses by the Receivership Estates, which is a significant discount to the original Permian proposal and general industry pricing; and (iii) Permian already has an auction

scheduled for February 23, 2022, which is an additional benefit as the price of some or all of the Property is tied to oil prices which can fall quickly.

- b. Provide Permian the locations of the Property that are listed on Exhibit C to the Motion that the Receiver has already identified and gathered, and permit Permian to inspect the Property.
- c. Permian will thereafter advertise the Property by category for sale to the public. Permian may market the Property on its website, <https://permianint.com/> through a downloadable brochure.
- d. The Receiver will post a copy of the notice of an auction (the “Notice”) on the Receiver’s website for this Case, www.heartlandreceivership.com, to provide notice to the public of the auction. The Notice will act as formal legal notice of the proposed sale and will allow investors and any other individual or entity to object to the proposed sale or otherwise to timely respond to the Notice or be deemed to consent to the sale. The Notice will be posted on the Receiver’s website no less than fifteen (15) calendar days prior to any public auction.
- e. Due to the number of items of Property and the vulnerability to oil and gas prices, the Receiver seeks approval from the Court to establish the “negative notice” procedure set forth herein for each auction to avoid the unnecessary administrative fees and expenses that would accompany individual sale motions for each item of Property.
- f. Each Notice will contain the following language directly below the title of the Notice:

This Notice of Proposed Public Auction (the “Notice”) relates to the auction and sale of certain categories and/or items of personal

property (the “Property”) of the Receivership Estates by public auction. If you oppose the auction or sale of the Property identified in this Notice, or if you have a claim to or against the Property, you should immediately contact the undersigned counsel for Receiver Deborah D. Williamson (the “Receiver”). If you and the Receiver cannot agree, you must file a written objection (or a claim of ownership or interest in the Property, identifying the source of your claim) to the proposed auction or sale by [_____] which is seven (7) days of the date this Notice was filed with the Court. Your objection or claim must state why the proposed auction or sale should not be approved by the Court as to specific pieces of Property. Any objections must be filed:

United States District Court for the Western District of Texas,
Fort Worth Division
Clerk of Court
501 West 10th Street, Room 310
Fort Worth, Texas 76102

If no party files a timely objection, Permian will be authorized to conduct the public auction and close on the sale of the Property.

- g. In the event no objection is filed within seven (7) days of the Notice Date, the Receiver will thereafter be authorized, without further Order of the Court, to hold a public auction and sale of the Property under the terms identified in the Notice.
- h. In the event an objection is filed within seven (7) days of the Notice Date, such objecting party or party asserting a claim shall state why the proposed auction should not be approved by the Court and the basis for such belief (an “Objection”). To the extent that the objecting party alleges a claim to or against the Property, the Objection shall describe such claim.
- i. The Receiver’s response to an Objection to the proposed auction of an item of Property or a claim shall be filed within five (5) days of the filing of the Objection.
- j. The Court may thereafter determine whether hearing is necessary to (i) approve the public auction, (ii) overrule any Objection, or (iii) sustain an Objection.
- k. If no Objection is filed, or if the Court approves the auction subsequent to an

Objection, the Receiver's sale of the Property shall be free and clear of all liens, claims, and encumbrances, unless the Court orders that, such liens, claims, or encumbrances shall attach to the proceeds of such sale.

- l. The public auction will continue until bidding on the Property subsides and the auction of the item is closed.
- m. The Receiver would thereafter deposit and retain the net proceeds of the sale (after payment to Permian) in the bank account of the Receiver.
- n. The Receiver shall, when reporting on the Receivership Estates generally, report on the results of any auction of the Property that occurred during the relevant reporting period.

IT IS FURTHER ORDERED that the Receiver is authorized to employ the professional services of Permian International Energy Services, LLC ("Permian"), as broker and auctioneer for the Receiver.

IT IS FURTHER ORDERED that payment to Permian of an 8% commission on the sale of the Property without payment of any additional expenses by the Receivership Estates.

IT IS FURTHER ORDERED that Receiver is authorized to dispose of the category of items listed on Exhibit A attached to Motion through public auction free and clear of any liens, claims, interests, and encumbrances, and the Court approves the use of the Property Sales Procedures described in the Motion for the sale of any similar equipment or similar personal property assets which may be recovered by the Receiver in the future.

Signed this ____ day of ____, 2022

REED O'CONNOR
UNITED STATES DISTRICT JUDGE

Prepared and submitted by:

Jeffrey R. Fine
(*Lead Counsel*)
State Bar No. 07008410
jfine@dykema.com
Alexandria R. Rahn
State Bar No. 24110246
arahn@dykema.com
DYKEMA GOSSETT PLLC
1717 Main Street, Suite 4200
Dallas, Texas 75201
Telephone: (214) 462-6400
Facsimile: (214) 462-6401

and

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

COUNSEL TO RECEIVER

EXHIBIT E

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;
ARCOIL 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. 4-21CV-1310-O

NOTICE OF PROPOSED PUBLIC AUCTION

This Notice of Proposed Public Auction (the “Notice”) relates to the auction and sale of certain categories and/or items of personal property (the “Property”) of the Receivership Estates by public auction. If you oppose the auction or sale of the Property identified in this Notice, or if you have a claim to or against the Property, you should immediately contact the undersigned counsel for Receiver Deborah D. Williamson (the “Receiver”). If you and the Receiver cannot agree, you must file a written objection (or a claim of ownership or interest in the Property, identifying the source of your claim) to the proposed auction or sale by [_____] which is seven (7) days of the date this Notice was filed with the Court. Your objection or claim must state why the proposed auction or sale should not be approved by the Court as to specific pieces of Property. Any objections must be filed:

**United States District Court for the Northern District of Texas,
Fort Worth Division
Clerk of Court
501 West 10th Street, Room 310
Fort Worth, Texas 76102**

If no party files a timely objection, Permian International Energy Services, LLC will be authorized to conduct the public auction and close on the sale of the Property.

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 Notice of her intention to auction the personal property (the “Property”) identified on **Exhibit A** hereto pursuant to the Property Sales Procedures authorized by the *Order Granting Receiver’s Expedited Motion to Approve Procedures and Sale of Certain Oil Field Equipment, Vehicles, and Other Personal Property Via Auction* (the “Order”) [ECF No. ____].

In the event that no objection or claim is filed within seven (7) days of the date of this Notice, the Receiver has the authority, without further Order of the Court, to hold a public auction

of the Property in this Notice on the ____ day of _____, 2022 at ____:____ CST, at the following location:

[Insert auction location]

The Receiver reserves the right to postpone or terminate the proposed sale of the Property for any reason that she deems to be in the best interests of the Receivership Estates.

To contact the Receiver's counsel regarding an objection or for additional information related to this Notice, please contact Danielle N. Rushing at (210) 554-5500, or heartlandreceivership@dykema.com.

Dated: [_____], 2022

Respectfully submitted,

By: DRAFT
Jeffrey R. Fine
(Lead Counsel)
State Bar No. 07008410
jfine@dykema.com
Alison R. Ashmore
State Bar No. 24059400
aashmore@dykema.com
Alexandria R. Rahn
State Bar No. 24110246
arahn@dykema.com
DYKEMA GOSSETT PLLC
1717 Main Street, Suite 4200
Dallas, Texas 75201
Telephone: (214) 462-6400
Facsimile: (214) 462-6401

and

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

CERTIFICATE OF SERVICE

I hereby certify that on [_____, 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/ DRAFT
DRAFT

EXHIBIT A

Asset Category	Description

Any other equipment or similar personal property located and/or seized by Receiver and determined to be a Receivership Asset in the course of her future work.